

**MINUTES OF MEETING**  
**OF**  
**SANITARY AND IMPROVEMENT DISTRICT NO. 1**  
**OF CASS COUNTY, NEBRASKA**

A meeting of the Board of Trustees of Sanitary and Improvement District No. 1 of Cass County, Nebraska, was convened in open and public session at 11:00 a.m. on the 12th day of March, 2015, at 10250 Regency Circle, Suite 300, Omaha, Nebraska.

Present: Gary Kaplan, Jon Meyers, Phillip G. Wright, Hugh I. Abrahamson and Wayne Breyfogle. Also present: Daren Konda of Thompson, Dreessen & Dorner, Inc., and Jim Noerrlinger, Caretaker at Lake Wa-Con-Da.

Absent: None.

Notice of the meeting was given in advance thereof by publication in The Plattsmouth Journal on March 5, 2015, a copy of the proof of publication being attached to these minutes. Notice of this meeting was simultaneously given to all members of the Board of Trustees, and a copy of their acknowledgment of receipt of notice is attached to these minutes. Availability of the agenda was communicated in the published notice and in the notice to the Trustees of this meeting. All proceedings of the Board were taken while the convened meeting was open to the attendance of the public. The agenda was at all times available at the office for the District at Regency Center, Suite 300, 10250 Regency Circle, Omaha, Nebraska 68114.

It was first publicly stated to all in attendance that a current copy of the Nebraska Open Meetings Act was available for review and indicated the location of such copy in the room where the meeting was being held.

There was next a discussion regarding the 2015 Chip Seal project review. The Trustees considered that only one bid had been received as had been discussed thoroughly at the previous meeting. The Trustees considered the potential advantages of reletting the project for bids or delaying the construction against the expense of additional repairs and costs likely due to the delay. As had been presented and discussed at the previous meeting, as follows:

There was presented the proof of publication of the Notice to Contractors for the construction of the improvements entitled Lake Wa-Con-Da 2015 Chip Seal project.

There was then presented the list of bids and bidders for such work specified within the Notice to Contractors with such bids having been taken on January 29, 2015, in accordance with the provisions of such Notice to Contractors. The bids having been individually reviewed by Thompson, Dreessen & Dorner, Inc., the District's engineers, and upon completion of such review, the engineers have submitted their Letter of Recommendation which was directed to be attached along with a copy of the bid tabulations to these minutes.

After the Trustees had received the Letter of Recommendation directed to the District, it was reported that the recommendation of the engineers was the bid of Kerns Excavating Co. for Lake Wa-Con-Da 2015 Chip Seal project in the amount of One Hundred Forty-Eight Thousand Ninety-Two and no/100 Dollars (\$148,092.00) and that such amount be accepted. The Board was reminded that the Engineer's estimate of the construction cost of this project was One Hundred Fourteen Thousand Five Hundred Five and no/100 Dollars (\$114,505.00). The District's engineers then indicated that it was their opinion that the rebidding of such project would likely yield no more beneficial pricing to the District than that presented by the previously specified bid and again

recommended acceptance of such bid. It was further reported that the bid of Kerns Excavating Co. was accompanied by the required bid bond, contract and maintenance bond in the amount of 100% of the contract price.

Engineers stated that discussions with contractors outside of our region indicated that this job was too small to attract competitive bids from them. After considerable discussion by the Board, the following resolution was duly moved and seconded upon a roll call vote of the Trustees, Gary Kaplan, Jon Meyers, Phillip G. Wright, Hugh I. Abrahamson and Wayne Breyfogle voted "Aye" with none voting "Nay" thereby adopting the following resolution:

RESOLVED, by the Board of Trustees of Sanitary and Improvement District No. 1 of Cass County, Nebraska, that the bid of Kerns Excavating Co. in the total amount of One Hundred Forty-Eight Thousand Ninety-Two and no/100 Dollars (\$148,092.00) for the construction of Lake Wa-Con-Da 2015 Chip Seal project be accepted and approved and that the Clerk and Chairman of the District be and they hereby are authorized and directed to execute the contract of Kerns Excavating Co. for and on behalf of the District.

There was next a discussion regarding routine sanitary survey review of the District's drinking water system. Daren Konda of Thompson, Dreesen & Dorner, Inc., engineers for the District, provided the recommended job description and record keeping detail for the sanitary survey. A copy of the job description is attached to these minutes.

There was next a discussion regarding spring seeding and overseeding of the levee. A status report was provided. Seeding and matting was scheduled to be completed during the week of March 16, 2015.

There was next a discussion regarding the borrow area restoration. Daren Konda reported that the restoration work was to begin with a shaping project in the spring or summer of this year, followed by seeding to take place in the fall. He reported that a tentative meeting with the Army Corps of Engineers was set for the week of March 30, 2015.

There was next a discussion regarding the PL 84-99 levee inspection. Daren Konda provided information regarding work to be performed as part of the rehabilitation program, including repair on the south end of the levee being performed by Jim Noerrlinger. There was also discussion of damage done by off-roading traffic and the expectation that the owner causing such damage would be charged the cost for repairs. There was also general discussion regarding the operation and maintenance manual for levee operation. Jim Noerrlinger reported that he represented the District at the U. S. Army Corps of Engineers training on February 25, 2015.

There was next a discussion regarding efforts to move farming operations away from the toe of the levee, and negotiations that would be required with Noerrlinger Farms. It was generally considered that a rental credit or offset would be used to compensate for reduction or relocation of farming activities. It was also discussed, as a related matter, the District may wish to obtain additional property for the purpose of increasing the size of trailer parking area. Jim Noerrlinger stated that 150 feet of additional parking space could be used if desired by the District. The Trustees instructed Denny Hogan and Daren Konda to work together to prepare any necessary easements or offsets, based upon exhibits and drawings prepared by the engineers.

There was next a discussion regarding the proposed rulemaking for revisions to PL 84-99. It was discussed that the primary change in the proposed rule would make projects ineligible in the event of any individual unacceptable condition. This is a change from the current system, which allows the levee as a whole to be considered as minimally acceptable, even if there are technical failings in any one category or location.

There was next a discussion regarding maintenance of the lake pumps, with a presentation by Jim Noerrlinger as to the continuing pump maintenance. There was also discussion regarding the intention to increase the water level of the lake to attain desired water levels by late May. The Trustees generally instructed Daren Konda and Jim Noerrlinger to review actions and measurements taken from previous years to determine when to begin pumping.

There was next a discussion regarding the FEMA appeals process. Kraig Thelen reported that the pending appeals had been successful, resulting in a reversal of the previous denial. Additional amounts approved totaled \$541,972.49. The only item which was reduced was tractor rental cost in the amount of \$87,097.60. The Trustees agreed to accept the FEMA ruling. The Board was informed that the formal Obligation Letter would be sent by FEMA in 90 days and that payment would follow that.

The Board was next presented with consideration of its outstanding bills and invoices.

There was next presented a revised statement from Pansing Hogan Ernst & Bachman LLP, attorneys for the District, for legal services performed in FEMA Appeal matters through February 28, 2015, in the amount of Four Hundred Thirty-Two and no/100 Dollars (\$432.00).

The Clerk next directed the attention of the Board of Trustees to the fact that D.A. Davidson & Co. will purchase Four Hundred Thirty-Two and no/100 Dollars (\$432.00) in warrants at this time and that the contracted charge for such purchase of warrants is three percent (3%) or Twelve and 96/100 Dollars (\$12.96) in accordance with the financing agreement previously adopted by the Board. The Chairman recommended the issuance of a warrant for such amount to D.A. Davidson & Co.

There was next presented a statement from Nebraska Public Power District, for lighting at Highway 75, from February 15, 2015, through March 15, 2015, having a small credit balance in the amount of Twenty-Seven and 94/100 Dollars (\$27.94). The Board next directed advance payment in the amount of Two Hundred and no/100 Dollars (\$200.00).

There was next presented a statement of Summary Account #5843000090 from Omaha Public Power District, for street lights and other electrical services, in the amount of Two Thousand Three Hundred Three and 79/100 Dollars (\$2,303.79).

There was next presented a statement from Nebraska Public Health Environmental Laboratory, for well water testing, Invoice #460322, in the amount of One Thousand Three Hundred Twelve and no/100 Dollars (\$1,312.00).

There was next presented a statement from Meeske Ace Hardware, for miscellaneous purchases for the District, statement dated February 28, 2015, in the amount of Thirteen and 80/100 Dollars (\$13.80).

There was next presented a statement from Pansing Hogan Ernst & Bachman LLP, attorneys for the District, for legal services performed through February 28, 2015, in the amount of Two Thousand Eight Hundred Sixty-Seven and no/100 Dollars (\$2,867.00), and costs advanced in the amount of Two Hundred Forty-Three and 10/100 Dollars (\$243.10); said statement being in the aggregate amount of Three Thousand One Hundred Ten and 10/100 Dollars (\$3,110.10).

There was next presented a statement from Kreifels Electric L.L.C., for the purchase and installation of the electronic phase converter for the pump in the west ditch, Invoice #2208, in the amount of Nine Thousand Nine Hundred Forty-Seven and 05/100 Dollars (\$9,947.05).

There were next presented invoices from Jim Noerrlinger, requesting reimbursement be made to Lake Waconda Association for miscellaneous purchases as follow: (i) receipt from The Home Depot, for the purchase of dishwasher and bathroom faucet, in the amount of Five Hundred Seventy-Five and

86/100 Dollars (\$575.86), and (ii) receipt from Lowe's Home Center, LLC, for the purchase of closet door, in the amount of One Hundred Ninety and 44/100 Dollars (\$190.44); said statements being in the aggregate amount of Seven Hundred Sixty-Six and 30/100 Dollars (\$766.30).

Attention was next directed to the Board of Trustees to the fact that D.A. Davidson & Co. will purchase Seventeen Thousand Six Hundred Fifty-Three and 04/100 Dollars (\$17,653.04) in general fund warrants at this time and that the contracted charge for such purchase of warrants is two percent (2%) or Three Hundred Fifty-Three and 06/100 Dollars (\$353.06), in accordance with the financing agreement previously adopted by the Board. The issuance of a warrant was recommended for such amount to D.A. Davidson & Co.

The previously described bills, invoices, recommendations and statements having been presented for the Board's consideration and after review and discussion of such items, the following resolution was duly moved and passed on a 4-0 vote, with any other exceptions duly noted above:

RESOLVED, by the Board of Trustees of Sanitary and Improvement District No. 1 of Cass County, Nebraska, that the Chairman and Clerk be and they hereby authorized and directed to execute and deliver Warrant Nos. 4963 and 4964, of the District, dated the date of this meeting, to the following payee and in the following amounts, said Warrants to be drawn on the **BOND** Fund of the District and to draw interest at the rate of seven percent (7%) per annum (interest to be payable on February 10 of each year) and to be redeemed no later than March 12, 2020, subject to extension of said maturity date by order of the District Court of Cass County, Nebraska, after notice is given as required by law, to-wit:

Warrant No. 4963, for the amount of Four Hundred Thirty-Two and no/100 Dollars (\$432.00), payable to Pansing Hogan Ernst & Bachman LLP.

Warrant No. 4964, for the amount of Twelve and 96/100 Dollars (\$12.96), payable to D.A. Davidson & Co.

FURTHER RESOLVED, by the Board of Trustees of Sanitary and Improvement District No. 1 of Cass County, Nebraska, that the Chairman and Clerk be and they hereby authorized and directed to execute and deliver Warrant Nos. 4965 through 4973, of the District, dated the date of this meeting, to the following payees and in the following amounts, said Warrants to be drawn on the General Fund of the District and to draw interest at the rate of six percent (6%) per annum and to be redeemed no later than March 12, 2018, subject to extension of said maturity date by order of the District Court of Cass County, Nebraska, after notice is given as required by law, to-wit:

Warrant No. 4965, for the amount of Two Hundred and no/100 Dollars (\$200.00), payable to Nebraska Public Power District, Account #211010041398.

Warrant No. 4966, for the amount of Two Thousand Three Hundred Three and 79/100 Dollars (\$2,303.79), payable to Omaha Public Power District, Account #5843000090.

Warrant No. 4967, for the amount of One Thousand Three Hundred Twelve and no/100 Dollars (\$1,312.00), payable to Nebraska Public Health Environmental Laboratory.

Warrant No. 4968, for the amount of Thirteen and 80/100 Dollars (\$13.80), payable to Meeske Ace Hardware.

Warrant No. 4969, for the amount of Three Thousand One Hundred Ten and 10/100 Dollars (\$3,110.10), payable to Pansing Hogan Ernst & Bachman LLP.

Warrant No. 4970, for the amount of Five Thousand and no/100 Dollars (\$5,000.00), and Warrant No. 4971, for the amount of Four Thousand Nine Hundred Forty-Seven and 05/100 Dollars (\$4,947.05), payable to Kreifels Electric, L.L.C.

Warrant No. 4972, for the amount of Seven Hundred Sixty-Six and 30/100 Dollars (\$766.30), payable to Lake Waconda Association.

Warrant No. 4973, for the amount of Three Hundred Fifty-Three and 06/100 Dollars (\$353.06), payable to D.A. Davidson & Co.

FURTHER RESOLVED by the Board of Trustees of Sanitary and Improvement District No. 1 of Cass County, Nebraska, that both they and the district hereby find and determine and covenant, warrant and agree as follows: the improvements and/or facilities being financed or refinanced by the above Warrants are for essential governmental functions and are designed to serve members of the general public on an equal basis; all said improvements have from the time of their first acquisition and construction been owned, are owned and are to be owned by the District or another political subdivision; to the extent special assessments have been or are to be levied for any of said improvements, such special assessments have been or are to be levied under Nebraska law as a matter of general application to all property specially benefited by said improvements in the District; the development of the land in the District is for residential or commercial use and the development of the land in the District for sale and occupation by the general public has proceeded and is proceeding with reasonable speed; other than any incidental use of said improvements by a developer during the initial period of development of said improvements, there have been, are and will be no persons with rights to use such improvements other than as members of the general public; none of the proceeds of said Bonds or any refinanced indebtedness have been or will be loaned to any private person or entity; the District hereby authorizes and directs the Chairperson or Clerk to file or cause to be filed, when due, an information reporting form pursuant to Section 149(e) of the Internal Revenue Code of 1986, as amended, pertaining to the above Warrants; and the District does not reasonably expect to sell or otherwise dispose of said improvements and/or facilities, in whole or in part, prior to the last maturity of the above Warrants.

FURTHER RESOLVED by the Board of Trustees of Sanitary and Improvement District No. 1 of Cass County, Nebraska, that the District hereby covenants, warrants and agrees as follows: (a) to take all actions necessary under current federal law to maintain the tax exempt status (as

to taxpayers generally) of interest on the above Warrants; and (b) to the extent that it may lawfully do so, the District hereby designates the above Warrants as its "qualified tax exempt obligations" under Section 265(b)(3)(B)(i)(III) of the Internal Revenue Code of 1986, as amended, and covenants and warrants that the District does not reasonably expect to issue warrants or bonds or other obligations aggregating in the principal amount of more than \$10,000,000 during the calendar year in which the above Warrants are to be issued.

FURTHER RESOLVED, by the Board of Trustees of Sanitary and Improvement District No. 1 of Cass County, Nebraska, that this and the preceding Resolutions are hereby adopted as the Certificate With Respect to Arbitrage of the District pertaining to the above Warrants and the District and the Chairman and Clerk of the District hereby further certify, as of the date of the registration of the above Warrants with the County Treasurer of Cass County, Nebraska, as follows:

1. No separate reserve or replacement fund has been or will be established with respect to the above Warrants. The District reasonably anticipates that monies in its Bond Fund reasonably attributable to the above Warrants in excess of the lesser of: (a) ten percent (10%) of the net principal proceeds of the above Warrants, (b) the maximum annual debt service due on the above Warrants, or (c) one hundred twenty-five percent (125%) of average annual debt service due on the above Warrants will be expended for payment of principal of and interest on the above Warrants within thirteen (13) months after receipt of such monies. That amount which is currently held in the District's Bond Fund which exceeds the amount which is to be expended for payment of principal and interest on the above Warrants within thirteen (13) months after receipt of such monies, plus that amount arrived at pursuant to the immediately preceding sentence, will not be invested in any securities or any other investment obligations which bear a yield, as computed in accordance with the actuarial method, in excess of the yield on the above Warrants.

2. To the best of their knowledge, information and belief, the above expectations are reasonable.

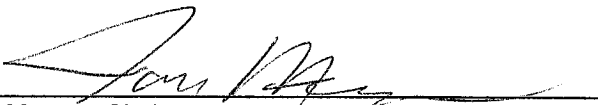
3. The District has not been notified of any listing of it by the Internal Revenue Service as an issuer that may not certify its bonds.

4. This Certificate is being passed, executed and delivered pursuant to Section 1.148-2(b)(2) of the Income Tax regulations under the Internal Revenue Code of 1986, as amended.

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SIGNATURES APPEAR ON THE FOLLOWING PAGE]**

There was next reviewed the Agenda which had been available for public inspection in accordance with the law prior to this meeting of the Board of Trustees and reported that all matters considered by the Board at this meeting appeared on the Agenda.

Jon Meyers, as Clerk for Sanitary and Improvement District No. 1 of Cass County, Nebraska (the "District") does hereby certify that the above proceedings are a true and accurate statement of the proceedings had by the District at its March 12, 2015, meeting.

  
Jon Meyers, Clerk