

**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 11:05 a.m. on the 13th day of September, 2016, at 10250 Regency Circle, Suite 300, Omaha, Nebraska.

Present: Jon Meyers, Phillip G. Wright, Hugh I. Abrahamson and Wayne Breyfogle.

Absent: Gary Kaplan.

Notice of the meeting was given in advance thereof by publication in The Plattsmouth Journal on September 8, 2016, 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.

The Clerk first reported in accordance with the provisions of Neb. R.R.S. Section 13-501 through 13-513, the District's certified public accountants were directed to prepare a proposed budget and further that the Clerk attended to the required publication of notice with regard to the budgetary hearing to be held by the Board of Trustees. The Clerk had been directed to give the appropriate notices in accordance with the Nebraska Budget Act and that a budgetary hearing for the District be held on the 13th day of September, 2016, at 10250 Regency Circle, Suite 300, Omaha, Nebraska

The Clerk next presented the publication of this budgetary hearing as presented in the Plattsmouth Journal. The Clerk next reported that such notice of the budgetary hearing along with a budget summary had been published in accordance with law. The Clerk further reported that it appeared that no person had appeared at the meeting in response to such notice of the budgetary hearing and the Clerk was directed to attach a copy of such notice to the minutes of these proceedings.

After a lengthy discussion and upon a motion duly made and seconded, and upon a roll call vote, the Trustees, Jon Meyers, Phillip G. Wright, Hugh I. Abrahamson and Wayne Breyfogle, voted "Aye" with none voting "Nay" with the following resolution being thereby adopted and approved:

RESOLVED, by the Board of Trustees of Sanitary and Improvement District No. 1 of Cass County, Nebraska, that the budget and tax levy as tentatively set forth be adopted as the final budget and levy in accordance with Exhibit "A" attached hereto and by this reference made a part hereof. Further that the Clerk of the District be directed to file a copy of the adopted budget with the levying board of the State Auditor's office as well as certifying the levy to the Cass County officials as well as attaching a proof of publication to such adopted budget.

With the budget for the District having been adopted, it was then stated that it would be appropriate at this time to levy the tax in accordance with the budget statement. After a full and complete discussion and upon a motion duly made and seconded, and upon the following roll call vote, the Trustees, Jon Meyers, Phillip G. Wright, Hugh I. Abrahamson and Wayne Breyfogle voted "Aye" with none voting "Nay" thereby passing and adopting the following resolution:

RESOLVED, that Sanitary and Improvement District No. 1 of Cass County, Nebraska, levy and collect for the year 2016-2017 a tax of \$1.11000 per One Hundred and no/100 Dollars (\$100.00) actual valuation of taxable property in the District, except intangible property, said tax to be credited to the appropriate fund as indicated below:

\$0.400000 on each One Hundred and no/100 Dollars (\$100.00) actual valuation to be credited to the General Fund of the District and thereby collect \$156,942.91 in taxes to be credited to this fund; and

\$0.710000 on each One Hundred and no/100 Dollars (\$100.00) actual valuation to be credited to the Construction (Bond) Fund of the District and thereby collect \$278,573.68 in taxes to be credited to this fund.

FURTHER RESOLVED, that the Clerk of this District be and hereby is directed to deliver and file with the County Clerk of Cass County, Nebraska and the Auditor of Public Accounts, a copy of this resolution.

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

There was next presented a statement from Nebraska Public Power District, for lighting at Highway 75, from June, 2016, through August, 2016, in the amount of Seventeen and 91/100 Dollars (\$17.91). **The Board was next reminded that advance payment in the amount of Two Hundred and no/100 Dollars (\$200.00) was made at the May 31, 2016 meeting and it has a credit balance at this time.**

There were next presented statements of Summary Account #5843000090 from Omaha Public Power District, for street lights and other electrical services, in the aggregate amount of Seven Thousand Nine Hundred Fifteen and 76/100 Dollars (\$7,915.76).

There were next presented statements from Midwest Farmers Cooperative, for the purchase of Aquastar and Q4 Plus, as follows: (i) Invoice #011410, in the amount of Eighty-Nine and 23/100 Dollars (\$89.23), (ii) Invoice #011616, in the amount of Five Hundred Thirteen and 26/100 Dollars (\$513.26), and (iii) Invoice #011894, in the amount of Eighty-Nine and 23/100 Dollars (\$89.23); said statements being in the aggregate amount of Six Hundred Ninety-One and 72/100 Dollars (\$691.72).

There was next presented a statement from Midwest Laboratories, Inc., for lake water testing, Invoice #813722, in the amount of Five Hundred Thirty-Five and 12/100 Dollars (\$535.12).

There was next presented a statement from Nebraska Public Health Environmental Laboratory, for testing of water, Invoice #478004, in the amount of Fifteen and no/100 Dollars (\$15.00).

There were next presented statements from One Call Concepts, Inc., for line locates within the District, as follows: (i) Invoice #6070573, in the amount of Eight and 73/100 Dollars (\$8.73, and (ii) Invoice #6080570, in the amount of Two and 64/10 Dollars (\$2.64); said statements being in the aggregate amount of Eleven and 37/100 Dollars (\$11.37). **The Board was next reminded that it has a credit balance at this time.**

There was next presented correspondence from Thompson, Dreessen & Dorner, Inc., engineers for the District, presenting and recommending payment in favor of Noerrlinger Construction, Inc., for equipment rental used to piling large logs and cleaning up the burn pile, Invoice #572, in the amount of Five Hundred Thirteen and no/100 Dollars (\$513.00).

There were next presented statements from Thompson, Dreessen & Dorner, Inc., engineers for the District, for services rendered in miscellaneous District maintenance matters through September 4, 2016, as follows: (i) Invoice #116147, in the amount of One Thousand Seven Hundred Thirty-Six and 50/100 Dollars (\$1,736.50), (ii) Invoice #116778, in the amount of Two Thousand Seventy-Nine and 50/100 Dollars (\$2,079.50), and (iii) Invoice #117160, in the amount of Six Hundred Eighty-Seven and 50/100 Dollars (\$687.50); said statements being in the aggregate amount of Four Thousand Five Hundred Three and 50/100 Dollars (\$4,503.50).

There was next presented a statement from Pansing Hogan Ernst & Bachman LLP, attorneys for the District, for legal services performed through August 31, 2016, in the amount of Four Thousand Twenty-Two and no/100 Dollars (\$4,022.00), and costs advanced in the amount of Two Hundred Eight and 05/100 Dollars (\$208.05); said statement being in the aggregate amount of Four Thousand Two Hundred Thirty and 05/100 Dollars (\$4,230.05).

There was next presented correspondence from Jim Noerrlinger, requesting reimbursement to Lake Waconda Association for payments made to the following: (i) Wiles Bros. Fertilizer, Inc., for fertilizing new grass areas, Invoice #3691, in the amount of Six Hundred Ninety-Nine and 08/100 Dollars (\$699.08), and (ii) Jesse Drumheller, for custom bend and install aluminum fascia on caretaker's house, Invoice dated September 2, 2016, in the amount of Six Hundred Twenty-Seven and no/100 Dollars (\$627.00); said statements being in the aggregate amount of One Thousand Three Hundred Twenty-Six and 08/100 Dollars (\$1,326.08).

There was next presented a statement from Murray Building and Supply, for the purchase of hardware and caulk, as follows: (i) Invoice #102008707, in the amount of Six and 90/100 Dollars (\$6.90), and (ii) Invoice #102008895, in the amount of Twenty-Four and 22/100 Dollars (\$24.22); said statements being in the aggregate amount of Thirty-One and 12/100 Dollars (\$31.12).

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 **5-0** 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. 5118 through 5127, 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 September 13, 2019, 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. 5118, for the amount of Five Thousand and no/100 Dollars (\$5,000.00), and Warrant No. 5119, for the amount of Two Thousand Nine Hundred Fifteen and 76/100 Dollars (\$2,915.76), payable to Omaha Public Power District, Account #5843000090.

Warrant No. 5120, for the amount of Six Hundred Ninety-One and 72/100 Dollars (\$691.72), payable to Midwest Farmers Cooperative.

Warrant No. 5121, for the amount of Five Hundred Thirty-Five and 12/100 Dollars (\$535.12), payable to Midwest Laboratories, Inc.

Warrant No. 5122, for the amount of Fifteen and no/100 Dollars (\$15.00), payable to Nebraska Public Health Environmental Laboratory.

Warrant No. 5123, for the amount of Five Hundred Thirteen and no/100 Dollars (\$513.00), payable to Noerlinger Construction, Inc.

Warrant No. 5124, for the amount of Four Thousand Five Hundred Three and 50/100 Dollars (\$4,503.50), payable to Thompson, Dreesen & Dorner, Inc.

Warrant No. 5125, for the amount of Four Thousand Two Hundred Thirty and 05/100 Dollars (\$4,230.05), payable to Pansing Hogan Ernst & Bachman LLP.

Warrant No. 5126, for the amount of One Thousand Three Hundred Twenty-Six and 08/100 Dollars (\$1,326.08), payable to Lake Waconda Association.

Warrant No. 5127, for the amount of Thirty-One and 12/100 Dollars (\$31.12), payable to Murray Building and Supply.

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.

Discussion was next had concerning future construction projects within the District. After full and complete discussion, the Board agreed to the following:

RESOLVED by the Board of Trustees of Sanitary and Improvement District No. 1 of Cass County, Nebraska, that the District agrees to the following **Statement of Intent**: The District intends to spend not less than

\$600,000.00 by September 13, 2021, on construction projects selected from the attached schedule.

Discussion was next had concerning a bond call on the March 15, 2011, general obligation bonds, prepared by the District's Counsel in conjunction with the District's fiscal agent, D.A. Davidson & Co. A full and complete discussion was had of the advantages and disadvantages of the bond call by the District at this time. A presentation was made by John Kuehl of D.A. Davidson & Co., as to the financial details of such bond call and his firm's recommendation for such bond call as being to the advantage of the District. Upon a motion duly made and seconded, and upon a roll call vote taken the following Trustees, 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, as follows:

1. The following General Obligation and Refunding Bonds, Series 2011 issued by Sanitary and Improvement District No. 1 of Cass County, in the State of Nebraska, are hereby called for redemption on **October 17, 2016**, at par plus accrued interest to the date fixed for redemption. After said date of call, the bonds shall no longer bear interest.

- (a) General Obligation and Refunding Bonds, Series 2011, dated March 15, 2011, issued in the original principal amount of One Million Nine Hundred Fifty Thousand Dollars (\$1,950,000), numbered as shown on the records of First National Bank, located in Omaha, Nebraska, in the remaining principal amount of One Million Twenty Thousand Dollars (\$1,020,000), maturing as follows, became optional on March 15, 2016, at par and accrued interest and have been called for redemption on October 17, 2016:

GENERAL OBLIGATION AND REFUNDING BONDS, SERIES 2011

<u>Principal Amount</u>	<u>Maturity March 15,</u>	<u>Interest Rate</u>
\$ 200,000	2017	3.05%
200,000	2018	3.40%
205,000	2019	3.65%
205,000	2020	3.95%
210,000	2021	4.20%

2. A copy of this Resolution shall be filed with First National Bank, located in Omaha, Nebraska, as Paying Agent and Registrar, who shall cause notice to be sent to holders of Bonds called for redemption in the manner and time as provided in the Resolution authorizing the General Obligation and Refunding Bonds, Series 2011 all of said filings being made at least 30 days prior to the date fixed for redemption.

Discussion was next had concerning a bond call on the November 1, 2012, general obligation bonds, prepared by the District's Counsel in conjunction with the District's fiscal agent, D.A. Davidson & Co. A full and complete discussion was had of the advantages and disadvantages of the bond call by the District at this time. A presentation was made by John Kuehl of D.A. Davidson & Co., as to the financial details of such bond call and his firm's recommendation for such bond call as being to the advantage of the District. Upon a motion duly made and seconded, and upon a roll call vote taken the following Trustees, 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, as follows:

1. The following General Obligation Bonds, Series 2012 issued by Sanitary and Improvement District No. 1 of Cass County, in the State of Nebraska, are hereby called for redemption on **October 17, 2016**, at par plus accrued interest to the date fixed for redemption. After said date of call, the bonds shall no longer bear interest.

(a) General Obligation Bonds, Series 2012, dated November 1, 2012, issued in the original principal amount of Three Million Dollars (\$3,000,000), numbered as shown on the records of First National Bank, located in Omaha, Nebraska, in the remaining principal amount of Three Million Dollars (\$3,000,000), maturing as follows, are callable anytime at par and accrued interest and have been called for redemption on October 17, 2016:

GENERAL OBLIGATION BONDS, SERIES 2012

<u>Principal Amount</u>	<u>Maturity November 1,</u>	<u>Interest Rate</u>
\$ 50,000	2016	2.00%
200,000	2021	3.20%
200,000	2022	3.35%
210,000	2023	3.55%
220,000	2024	3.70%
230,000	2025	3.80%
240,000	2026	3.90%
250,000	2027	4.00%
260,000	2028	4.10%
270,000	2029	4.20%
280,000	2030	4.30%
290,000	2031	4.40%
300,000	2032	4.50%

2. A copy of this Resolution shall be filed with First National Bank, located in Omaha, Nebraska, as Paying Agent and Registrar, who shall cause notice to be sent to holders of Bonds called for redemption in the manner and time as provided in the Resolution authorizing the General Obligation Bonds, Series 2012 all of said filings being made at least 30 days prior to the date fixed for redemption.

Discussion was next had concerning a bond resolution prepared by the District's Counsel in conjunction with the District's underwriter, D.A. Davidson & Co. A full and complete discussion was had of the advantages and disadvantages of the refunding bond issue by the District at this time. A presentation was made by John Kuehl of D.A. Davidson & Co., as to the financial details of such bond issue and his firm's recommendation for such bond issue as being to the advantage of the District. Therefore the resolution attached to these minutes as Exhibit "A" and identified thereon as "Bond Resolution" and by this reference made a part hereof as if fully incorporated and set forth herein, was duly moved for adoption which motion was thereafter seconded. Upon a roll call vote taken on such resolution the following Trustees, 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 District issue its Sanitary and Improvement District Refunding Bonds in the amount of Four Million One Hundred Twenty-Five Thousand and no/100 Dollars (\$4,125,000.00), through its underwriter, D.A. Davidson & Co., in accordance with the terms of its financing agreement with such underwriter and in accordance with Nebraska law.

FURTHER RESOLVED, that the "Bond Resolution" attached hereto as Exhibit "A" and incorporated herein by reference as if fully set forth, be adopted, ratified and approved.

FURTHER RESOLVED, that the Chairman, Clerk and Trustees be, and hereby are authorized and directed to execute such documents and take such steps as are necessary to implement this resolution.

Discussion was next had with regard to the appointment of a paying agent for the payment of the principal and interest on the refunding bonds. After full and complete discussion, the following resolutions were duly made and seconded, whereupon the following roll call vote was taken during which the Trustees, 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 First National Bank of Omaha, Omaha, Nebraska has been appointed as Paying Agent for payment of principal and interest on bonds of this District issued October 17, 2016, which appointment is hereby confirmed and ratified, and the County Treasurer of Cass County, Nebraska, as ex officio treasurer of this District, is hereby authorized and directed to pay, from time to time, to said Paying Agent, from funds of the District, such amounts of money as such Paying Agent shall certify in writing to the County Treasurer as shall be needed for payment of principal and interest on bonds of the District, such certificate of the Paying Agent to show the amounts needed for payment of principal and interest, and the date upon which such amount is due, and the date when such transfer shall be made by the County Treasurer to the Paying Agent, such certification to be made by the Paying Agent to the County Treasurer for each transfer of funds requested by the Paying Agent.

FURTHER RESOLVED, that the Chairman and Clerk of the District shall certify this resolution to said County Treasurer who may deem this resolution to be a continuing resolution and authorization to make transfers to such Paying Agent, until and unless the County Treasurer is notified of termination of such authority.

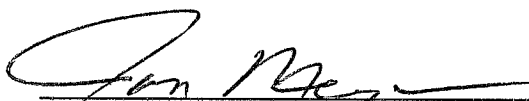
Discussion was next had concerning the purchase of fuel tanks. Upon conclusion of such discussion, the Board authorized the purchase of fuel tanks previously authorized in an amount not to exceed \$12,000.00.

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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 September 13, 2016, meeting.



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Jon Meyers, Clerk