

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 2:00 p.m. on the 22nd day of August, 2018, and to be held at 10250 Regency Circle, Suite 300, Omaha, Nebraska.

Present: Gary Kaplan, Jon Meyers, Wayne Breyfogle and Hugh I. Abrahamson.

Absent: Phillip G. Wright.

Notice of the meeting was given in advance thereof by publication in The Plattsmouth Journal on August 16, 2018, 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 Board was next informed that General Fund Warrant No. 5292 is to be cancelled due to the fact that there was a credit on the books at Midwest Farmers Cooperative and it has not been registered with the Cass County Treasurer or paid. Upon discussion of this matter, the following resolution was duly made and seconded, whereupon a roll call vote was taken during which the Trustees, Gary Kaplan, Jon Meyers, Wayne Breyfogle and Hugh I. Abrahamson voted "Aye," with none voting "Nay," thereby approving the following resolution:

RESOLVED, by the Board of Trustees of Sanitary and Improvement District No. 1 of Cass County, Nebraska, that General Fund Warrant No. 5292, issued to Midwest Farmers Cooperative, be and hereby is canceled.

FURTHER RESOLVED, that the Clerk of the District be and hereby is authorized to note such cancellation on the records of the District.

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

There was next presented a statement from First National Bank of Omaha, for paying agent fees for Series 2016, Invoice dated June 29, 2018, in the amount of Seven Hundred and no/100 Dollars (\$700.00).

There were next presented statements from Nebraska Public Power District, for lighting at Highway 75, Account #211010041398, **having a credit balance in the amount of Forty-Nine and 52/100 Dollars (\$49.52).**

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 Six Thousand Six Hundred Forty-Two and 73/100 Dollars (\$6,642.73).

There was next presented a statement from Midwest Farmers Cooperative, for purchases of Rodeo and Ruby Fieldmaster, Statement dated July 31, 2018, in the amount of Two Thousand Five Hundred Forty-Three and 92/100 Dollars (\$2,543.92).

There were next presented Invoices from Wiles Bros Fertilizer, Inc., for purchases of fertilizers to be used within the District, as follows: (i) Invoice #11343, in the amount of Eight Hundred Ninety-Seven and 75/100 Dollars (\$897.75), and (ii) Invoice #13734, in the amount of Three Hundred Thirteen and 63/100 Dollars (\$313.63); said Invoices being in the aggregate amount of One Thousand Two Hundred Eleven and 38/100 Dollars (\$1,211.38).

There was next presented an Invoice from Whetrock Inc., for crusher run surfacing, Invoice #1548, in the amount of Three Thousand Eight Hundred Fifty-Five and 60/100 Dollars (\$3,855.60).

There were next presented statements from One Call Concepts, Inc., for line locates within the District, as follows: (i) Invoice #8060545, in the amount of Three and 03/100 Dollars (\$3.03), and (ii) Invoice #8070547, in the amount of Four and 92/100 Dollars (\$4.92); said statements being in the aggregate amount of Seven and 95/100 Dollars (\$7.95). **The Board was next reminded that it has a credit balance in the amount of One Hundred Eight and 22/100 Dollars (\$108.22), and no payment is due 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, Invoice #596, in the amount of One Thousand Three Hundred Twenty-Two and 30/100 Dollars (\$1,322.30).

There was next presented a statement from Thompson, Dreessen & Dorner, Inc., engineers for the District, for services rendered in miscellaneous District maintenance matters through June 10, 2018, Invoice #126682, in the amount of One Thousand Five Hundred Thirty-Three and 44/100 Dollars (\$1,533.44).

There was next presented a statement from Pansing Hogan Ernst & Bachman LLP, attorneys for the District, for legal services performed in miscellaneous District matters through July 31, 2018, in the amount of Three Thousand Eight Hundred Eighty-Nine and 50/100 Dollars (\$3,889.50), and costs advanced in the amount of One Hundred Seventy-Two and no/100 Dollars (\$172.00); said statement being in the aggregate amount of Four Thousand Sixty-One and 50/100 Dollars (\$4,061.50).

There was next presented a statement from Bradco Company, for services rendered in repairs made to the caretaker's house, shop and shed, Invoice #18-25757, in the amount of Seventeen Thousand Three Hundred Eighty and 75/100 Dollars (\$17,380.75).

There was next presented correspondence from Jim Noerrlinger, presenting and requesting reimbursement to Lake Waconda Association, for miscellaneous bills for the District, as follows: (i) Mike Litkes Tree Service, for tree branch removal after wind storm, in the amount of Seventy-Five and no/100 Dollars (\$75.00), (ii) Timber Tree Service, for removal of broken branches south of mid lake after wind storm, in the amount of Eighty-Five and no/100 Dollars (\$85.00), (iii) B&S Trucking, for trucking charge for rock to expand trailer park area, in the amount of One Thousand Two Hundred Thirty-Seven and 50/100 Dollars (\$1,237.50), and (iv) Nebraska Rural Water Association, for membership dues, in the amount of One Hundred Fifty and no/100 Dollars (\$150.00); said statements being in the aggregate amount of One Thousand Five Hundred Forty-Seven and 50/100 Dollars (\$1,547.50).

The Board next discussed a method to facilitate the timely payment of charges to the Lake Waconda Association to avoid timing lags between meetings of the District. It was determined that the Board would authorize the payment of four installments for the period of September 1, 2018, December 1,

2018, March 1, 2019, and June 1, 2019 each in the amount of Twelve Thousand Five Hundred and no/100 Dollars (\$12,500.00), with delivery of such warrants to be delayed until approved by the District's clerk. Thereafter, upon a motion duly made and seconded and upon a roll call vote, all the Trustees, Gary Kaplan, Jon Meyers, Phillip G. Wright, Hugh I. Abrahamson and Wayne Breyfogle voted "Aye" with none voting "Nay" thereby adopting these payments to the Lake Waconda Association.

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.

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 No. 5293, of the District, dated the date of this meeting, to the following payee and in the following amount, said Warrant 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 August 22, 2023, 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. 5293, for the amount of Seven Hundred and no/100 Dollars (\$700.00), payable to First National Bank of Omaha.

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. 5294 through 5310, 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 August 22, 2021, 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. 5294, in the amount of Five Thousand and no/100 Dollars (\$5,000.00), and Warrant No. 5295, for the amount of One Thousand Six Hundred Forty-Two and 73/100 Dollars (\$1,642.73), payable to Omaha Public Power District, Account #5843000090.

Warrant No. 5296, for the amount of Two Thousand Five Hundred Forty-Three and 92/100 Dollars (\$2,543.92), payable to Midwest Farmers Cooperative.

Warrant No. 5297, for the amount of One Thousand Two Hundred Eleven and 38/100 Dollars (\$1,211.38), payable to Wiles Bros Fertilizer.

Warrant No. 5298, for the amount of Three Thousand Eight Hundred Fifty-Five and 60/100 Dollars (\$3,855.60), payable to Whetrock Inc.

Warrant No. 5299, for the amount of One Thousand Three Hundred Twenty-Two and 30/100 Dollars (\$1,322.30), payable to Noerrlinger Construction Inc.

Warrant No. 5300, for the amount of One Thousand Five Hundred Thirty-Three and 44/100 Dollars (\$1,533.44), payable to Thompson, Dreessen & Dorner, Inc.

Warrant No. 5301, for the amount of Four Thousand Sixty-One and 50/100 Dollars (\$4,061.50), payable to Pansing Hogan Ernst & Bachman LLP.

Warrant Nos. 5302 through 5304, each for the amount of Five Thousand and no/100 Dollars (\$5,000.00), and Warrant No. 5305, for the amount of Two Thousand Three Hundred Eighty and 75/100 Dollars (\$2,380.75), payable to Bradco Company.

Warrant No. 5306, for the amount of One Thousand Five Hundred Forty-Seven and 50/100 Dollars (\$1,547.50), payable to Lake Waconda Association.

Warrant No. 5307, for the amount of Twelve Thousand Five Hundred and no/100 Dollars (\$12,500.00), payable to Lake Waconda Association.

Warrant No. 5308, for the amount of Twelve Thousand Five Hundred and no/100 Dollars (\$12,500.00), payable to Lake Waconda Association.

Warrant No. 5309, for the amount of Twelve Thousand Five Hundred and no/100 Dollars (\$12,500.00), payable to Lake Waconda Association.

Warrant No. 5310, for the amount of Twelve Thousand Five Hundred and no/100 Dollars (\$12,500.00), payable to Lake Waconda Association.

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.

There was next an extensive discussion regarding the 2018-2019 fiscal year budget. The Trustees discussed in detail the short-term and long-term construction and repair needs for the District. Ultimately, the Trustees preliminary analysis was that the tax levy to be established in the upcoming budget meeting likely did not require adjustment.

That being said, the Trustees intended to continue such discussions at the meeting for establishment of the budget by including representatives of the District's fiscal agent and District engineer.

The next order of business was discussion regarding an increased drinking water storage tank size. The Trustees discussed the work may need to be done on the existing tank, and that the cost of replacing the tank may be similar to the cost for repair. The Trustees discussed that there was a potential benefit in terms of limiting the use of water pumps by installing a larger underground tank. The Trustees further discussed that installation of a bypass system might avoid airlocks in the tank.

AT THIS POINT IN THE MEETING, GARY KAPLAN HAD TO LEAVE DUE TO A CONFLICT IN SCHEDULING.

The next order of business was discussion regarding a survey of improvements on or around Mid Lake Drive. The Trustees discussed that a previous estimate for services had been provided by the engineer for the District. Jon Meyers led a discussion regarding particular improvements which the Trustees would like to have shown on the survey in order to identify the location of improvements. Thereafter, upon a motion duly made and seconded and upon a roll call vote, all the Trustees, Jon Meyers, Wayne Breyfogle and Hugh I. Abrahamson voted "Aye" with none voting "Nay" thereby adopting the following resolution:

RESOLVED, the District hereby requests that the District engineer update its proposal to the District regarding the survey of Mid Lake Drive.

FURTHER RESOLVED, that the Chairman and Clerk of the District are hereby authorized to accept such revised proposal on behalf of the District.

The next order of business was discussion regarding the Farm Lease and Parking Area Lease negotiated by the Trustees. Jon Meyers provided a report of the preparation of such materials as executed by Noerrlinger Farms, Inc.

The Trustees discussed that the Farm Lease was a minor modification of the previous Lease, while the parking area was necessary to provide proper lease offsets for smaller areas leased by the District from Noerrlinger Farms. The Trustees discussed that changes to these acreage or rental rate be adjusted on a year-to-year basis by amending the Lease to replace the exhibits thereto. Thereafter, upon a motion duly made and seconded and upon a roll call vote, all the Trustees, Jon Meyers, Wayne Breyfogle and Hugh I. Abrahamson voted "Aye" with none voting "Nay" thereby adopting the following resolution:

RESOLVED, the District hereby has made the minor modifications on the Schedules 1 of the Farm Lease and Ground Lease.

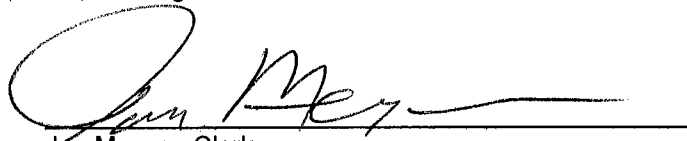
FURTHER RESOLVED, that the Chairman and Clerk of the District are hereby authorized to accept such revised revisions on behalf of the District.

The next order of business was a discussion regarding a resident concern relating to common area parking. A resident had noted a resident owner had parking a vehicle for an extended period of time in a manner which impacted the ability of another resident to back vehicles into his own driveway. The Trustees discussed the areas in question were public areas and that the District would have to carefully consider any restrictions on use of public areas. The Trustees renewed discussions of the ability of the SID to lease such areas to the Homeowners Association, if the Homeowners Association were willing to pay the costs therefore and undertake its own efforts to monitor and maintain such areas.

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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 August 22, 2018, meeting.



Jon Meyers, Clerk