

**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 on the 10th day of June, 2018, and to be held immediately following the 10:00 a.m., Homeowners Association meeting, at the Cobb Community Center located within the Lake Wa-Con-Da subdivision in Union, Nebraska.

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

Absent: Jon Meyers, Phillip G. Wright.

Notice of the meeting was given in advance thereof by publication in The Plattsmouth Journal on June 7, 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 presented with consideration of its outstanding bills and invoices.

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 Eighty-Three and 08/100 Dollars (\$83.08).**

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 Five Thousand One Hundred Twenty-Seven and 51/100 Dollars (\$5,127.51).

There were next presented statements from One Call Concepts, Inc., for line locates within the District, as follows: (i) Invoice #8030543, in the amount of Four and 53/100 Dollars (\$4.53), (ii) Invoice #8040541, in the amount of Four and 17/100 Dollars (4.17), and (iii) Invoice #8050543, in the amount of Two and 28/100 Dollars (\$2.28); said statements being in the aggregate amount of Ten and 98/100 Dollars (\$10.98). **The Board was next reminded that it has a credit balance in the amount of One Hundred Thirteen and 53/100 Dollars (\$113.53), and no payment is due at this time.**

There was next presented a statement from Thompson, Dreesen & Dorner, Inc., engineers for the District, for services rendered in miscellaneous District maintenance matters through April 15, 2018, Invoice #125742, in the amount of Six Thousand Nine Hundred Twenty-Nine and 27/100 Dollars (\$6,929.27).

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 May 31, 2018, in the amount of Six Thousand One Hundred Ninety-Seven and 50/100 Dollars (\$6,197.50), and costs advanced

in the amount of Fifty-Three and 47/100 Dollars (\$53.47); said statement being in the aggregate amount of Six Thousand Two Hundred Fifty and 97/100 Dollars (\$6,250.97).

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 #592, in the amount of One Thousand One Hundred Eleven and 50/100 Dollars (\$1,111.50).

There was next presented correspondence from Gary Kaplan, presenting and requesting reimbursement to Lake Waconda Association, for renewal of general liability insurance, in the amount of Six Hundred Fifty and no/100 Dollars (\$650.00).

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) OCB Plumbing, for annual testing of back flow device in pump house, Invoice #15787, in the amount of Seventy-Four and 90/100 Dollars (\$74.90), and (ii) Kreifels Electric L.L.C., for rewiring fuel pump motor, Invoice #3886, in the amount of One Hundred Twenty-Three and 58/100 Dollars (\$123.58); said statements being in the aggregate amount of One Hundred Ninety-Eight and 48/100 Dollars (\$198.48).

There was next presented correspondence from Gary Kaplan, presenting and requesting payment in favor of Midwest Farmers Cooperative, for entering into fixed price contract for propane, in the amount of One Hundred Eight and 80/100 Dollars (\$108.80).

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 **3-0** 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 Nos. 5283 through 5292, 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 June 10, 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. 5283, in the amount of Five Thousand and no/100 Dollars (\$5,000.00), and Warrant No. 5284, for the amount of One Hundred Twenty-Seven and 51/100 Dollars (\$127.51), payable to Omaha Public Power District, Account #5843000090.

Warrant No. 5285, for the amount of Five Thousand and no/100 Dollars (\$5,000.00), and Warrant No. 5286, for the amount of One Thousand Nine Hundred Twenty-Nine and 27/100 Dollars (\$1,929.27), payable to Thompson, Dreessen & Dorner, Inc.

Warrant No. 5287, for the amount of Five Thousand and no/100 Dollars (\$5,000.00), and Warrant No. 5288, for the amount of One Thousand Two Hundred Fifty and 97/100 Dollars (\$1,250.97), payable to Pansing Hogan Ernst & Bachman LLP.

Warrant No. 5289, for the amount of One Thousand One Hundred Eleven and 50/100 Dollars (\$1,111.50), payable to Noerrlinger Construction Inc.

Warrant No 5290, for the amount of Six Hundred Fifty and no/100 Dollars (\$650.00), payable to Lake Waconda Association.

Warrant No. 5291, for the amount of One Hundred Ninety-Eight and 48/100 Dollars (\$198.48), payable to Lake Waconda Association.

Warrant No. 5292, for the amount of One Hundred Eighty and 80/100 Dollars (\$108.80), payable to Midwest Farmers Cooperative.

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.

The next order of business was discussion regarding the desirability of the Lake Waconda Homeowners Association (the "Association") entering into a lease to control and occupy the right-of-way areas generally used as parking within the boundaries of the District. Gary Kaplan read a letter from Trustee, Jon Meyers outlining the general concept that the Association would pay market-rate rent to the District to control common areas and other property owned by the District or within District right-of-way. The general concept behind this lease from the District perspective is that it would allow the District to obtain rents for the property, while the Association would be entitled to manage and control parking and other use of these areas as it sees fit. Mr. Kaplan explained that this was not a matter that was aggressively desired by the District but was a potential benefit to the Association with respect to its efforts to control these areas.

There was significant discussion from the residents in attendance at the meeting on this topic. Several residents raised issues as to exactly the areas which would be leased. There was also discussion as to whether a small subsection of the District controlled areas, such as areas near the dump site, that might be the limited subject of such an agreement. The Trustees noted that any areas to be made part of this lease would be subject to agreement between the Association and the District. The discussion also noted that rights-of-way in the front yards of individuals residents, and areas between residential lots and the street, would not likely be candidates for the lease.

There was significant discussion regarding the enforcement of such an agreement. Specifically, several residents noted that the Association would be required to undertake efforts to install signs and to arrange for notice to offenders or towing of vehicles. It was noted that a private towing company could be contracted, but that a towing company would likely not force the issue if an offending vehicle owner was present to disrupt the towing process. There was discussion that, in such circumstances, the county sheriff could be called, but that the sheriff's department has made it clear that it will enforce the letter of law in identifying any violations it finds.

The Trustees noted that Jon Meyers would likely continue discussion with the Association to identify what, if any, options might be considered.

It was expressly noted that, while such an arrangement would be possible for some areas, the District would take no action which would cause the streets of the District to be closed to the general public. There was discussion regarding the strong desire by the Trustees, and supported by the residents, that no arrangement be entered into which would materially impact the ability of the District to receive federal funds in the event of future flooding events.


The next order of business was a brief discussion regarding the lease between Noerrlinger Farms and the District. Mr. Kaplan identified that there are presently two lease arrangements with Noerrlinger Farms. Under one, Noerrlinger Farms leases ground from the District for farming operations. The second arrangement involves the District leasing areas owned by Noerrlinger Farms for trailer storage and other facilities used by the District. Mr. Kaplan noted that legal counsel for the District had been working to update the lease, both for the purpose of documenting the arrangement more particularly and for allowing the simplified revision of the lease, by amendment, to address changes in market rate or leased area to ensure that the proper rental amounts and rent offsets were established annually.

There was next a discussion regarding the water and sewer operations within the District. Mr. Kaplan noted that the District has a limited number of fire hydrants presently installed, such that several lots are not within 500 feet of a fire hydrant. Although the fire departments have facilities to pump water from the lake, the amount of time involved in such a procedure could be costly if a fire was active. The Trustees are working with their engineering firm to identify planned and associated costs for installation of approximately seven (7) new fire hydrants. No final decision has been made as to when or whether those hydrants would be installed. Mr. Kaplan noted that homeowners may see a benefit, in the form of decreased fire insurance costs, if permanent fire hydrants are installed. Several residents also discussed a concern regarding the existing use of septic systems within the District, and the potential for the District to be required to install a sewer system. Hugh Abrahamson noted that state regulations regarding septic systems are subject to change, and that it would be possible, in the future, that the District could be required to install sewers. However, the Trustees further discussed that the safety concerns requiring similar neighborhoods to install septic facilities did not appear to be present around Lake Wa-Con-Da. In other developments, septic tank contamination has been a driving factor. In the Wa-Con-Da area, there has not been a history of septic systems polluting the lake. Furthermore, the well system used by water services to the District is remote from the houses and septic tanks, such that cross contamination is extremely unlikely. The Trustees discussed that if a sewer system were required to be installed, that the District would be required to issue bonds to finance such construction, and that the District engineers are capable of coordinating such an installation.

Finally, Mr. Kaplan noted that he does not intend to run for re-election for the Board of Trustees. He noted that elections are coming up in the fall and asked that individuals interested in acting as Trustee for the District should reach out the Cass County Election Commission or the offices of Pansing Hogan Ernst & Bachman LLP.

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 June 10, 2018, meeting.



Jon Meyers, Clerk