

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 29th day of March, 2018, and to be held at 10250 Regency Circle, Suite 300, Omaha, Nebraska.

Present: Gary Kaplan, Jon Meyers, Phillip G. Wright, Wayne Breyfogle and Hugh I. Abrahamson. Also present: Joe Brown, resident of the District; Jim Noerrlinger, Caretaker of the District; and Ed Hobza of Thompson, Dreessen & Dorner, Inc., engineers for the District.

Absent: None.

Notice of the meeting was given in advance thereof by publication in The Plattsmouth Journal on March 22, 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.

Joe Brown, who is a resident of Lake Wa-Con-Da, appeared at the meeting to discuss certain concerns of his regarding encroachments on the District's right-of-way. He indicated that over the years, throughout the Wa-Con-Da area, residents had encroached upon District right-of-way with fences, driveways and other improvements which, in his opinion, were causing safety and aesthetic concerns. The Board spent an extensive amount of time going over encroachments and impediments throughout the District. The Board discussed having Thompson, Dreessen & Dorner, Inc., survey the District to determine the degree of the encroachments so that the Board could review any potential safety or other issues with such, as well as having the ability to develop an ongoing policy to address such issues.

There was next presented correspondence from D.A. Davidson & Co., the District's fiscal agent, indicating that Flinn Paving Co. Inc., had lost, misplaced or mishandled General Fund Warrant Nos. 5237 through 5240. Also presented was the Indemnity Agreement of such warrant holder as an inducement to reissue such warrants as "R" warrants. 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, Phillip G. Wright, 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 Nos. 5237 through 5240, payable to Flinn Paving Company Inc. be and hereby are replaced with General Fund Warrant Nos. 5237"R" through 5240"R".

FURTHER RESOLVED, that the Clerk of the District be and hereby are authorized to notify the Cass County Treasurer of such cancellation so that

such warrants may be reflected on his records as well as noting such cancellation on the records of the District.

1. Sanitary and Improvement District No. 1 of Cass County, Nebraska ("SID No. 1") hereby finds and determines that it has outstanding warrant which has been lost/misplaced or destroyed; these warrants being General Fund Warrant Nos. 5237 through 5240, in the amount of \$19,406.24 which had previously been issued and was to be paid to Flinn Paving Company Inc. These warrants have been lost in the mail, misplaced or destroyed and that it is necessary for replacement warrants to be issued. Said replacement warrants are to be issued for the same principal amount and at the same rate of interest as the original warrants. These replacement warrants are to be issued with a letter "R" affixed after the warrant numbers. Said replacement warrants are to be re-registered by D.A. Davidson & Co. after proper documentation has been provided to include an affidavit evidencing the loss of said warrants and a satisfactory indemnification for any loss, liability, damage, or expense which the District, or the Cass County Treasurer may incur if said original warrants are later presented for payment and paid.
2. That satisfactory evidence of loss or misplacement or destruction of the aforesaid warrants and adequate indemnification agreement are to be delivered to D.A. Davidson & Co. and the Treasurer of Cass County, Nebraska as ex-officio Treasurer of the District and that the Cass County Treasurer be and hereby are authorized, instructed and directed to make payment of the amounts due on said replacement Warrant Nos. 5237"R" through 5240"R" in lieu of the presentation of original Warrant Nos. 5237 through 5240.

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, from October, 2017, through March, 2018, in the aggregate amount of Eighty-Three and 36/100 Dollars (\$83.36). **The Board next directed advance payment to be made in the amount of Two Hundred and no/100 Dollars (\$200.00).**

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 Eight Thousand Three Hundred Fifty-Seven and 34/100 Dollars (\$8,357.34).

There was next presented a statement from Layne Christensen Company, for motor repair and VFD installation, Invoice #92085736, in the amount of Twelve Thousand Four Hundred Forty-Seven and 25/100 Dollars (\$12,447.25).

There was next presented correspondence from Thompson, Dreessen & Dorner, Inc., engineers for the District, presenting and recommending payment in favor of Kerns Excavating Company, for West Shore Drive storm sewer project, as follows: (i) Invoice #14352, in the amount of Nineteen Thousand Seven Hundred Five and 50/100 Dollars (\$19,705.50), and (ii) Invoice #14437, in the amount of Six Thousand Eight Hundred Seventy and no/100 Dollars (\$6,870.00); said statements being in the aggregate amount of Twenty-Six Thousand Five Hundred Seventy-Five and 50/100 Dollars (\$26,575.50).

There was next presented correspondence from Jim Noerrlinger, presenting and requesting payment to Kerns Excavating Company, for the removal of seven (7) beaver dams on the creek south of the lake, Invoice #14351, in the amount of One Hundred Thirty-Five and no/100 Dollars (\$135.00).

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 #588, in the amount of Six Hundred Fifty-Two and 50/100 Dollars (\$652.50).

There were next presented statements from Builder Supply Co., for items purchased for the caretaker's home, as follows: (i) Invoice #01154105-001, in the amount of Forty-Four and 81/100 Dollars (\$44.81), and (ii) Invoice #01154082-001, in the amount of One Hundred Nine and 14/100 Dollars (\$109.14); said statements being in the aggregate amount of One Hundred Fifty-Three and 95/100 Dollars (\$153.95).

There were next presented statements from One Call Concepts, Inc., for line locates within the District, as follows: (i) Invoice #7110570, in the amount of One and 89/100 Dollars (\$1.89), (ii) Invoice #7120568, in the amount of Three and 03/100 Dollars (\$3.03) and (iii) Invoice #8010572, in the amount of One and 14/100 Dollars (\$1.14); said statements being in the aggregate amount of Six and 06/100 Dollars (\$6.06). **The Board was next reminded that it has a credit balance in the amount of One Hundred Twenty-Two and 23/100 Dollars (\$122.23), and no payment is due at this time.**

There was next presented a statement from Masimore Magnuson & Associates, P.C., accountants for the District, for accounting services performed, Invoice dated February 13, 2018, Invoice #49613, in the amount of Eight Thousand Three Hundred Twenty-Five and no/100 Dollars (\$8,325.00).

There was next presented a statement from Murray Building & Supply, for the purchase of drywall, Invoice #1802-094941, in the amount of One Hundred Two and 43/100 Dollars (\$102.43).

There was next presented a statement from Willco Inc., for miscellaneous District maintenance matter, Invoice #9248, in the amount of One Thousand Two Hundred Eighty-One and 83/100 Dollars (\$1,281.83).

There were next presented statements from Thompson, Dreessen & Dorner, Inc., engineers for the District, for services rendered in miscellaneous District maintenance matters through February 18, 2018, as follows: (i) Invoice #124446, in the amount of Three Thousand Four Hundred Eighty-Four and 55/100 Dollars (\$3,484.55), (ii) Invoice #124557, in the amount of Four Thousand Seven Hundred Twenty and no/100 Dollars (\$4,720.00), and (iii) Invoice #124972, in the amount of Five Hundred Twenty-Eight and 57/100 Dollars (\$528.57); said statements being in the aggregate amount of Eight Thousand Seven Hundred Thirty-Three and 12/100 Dollars (\$8,733.12).

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 February 28, 2018, in the amount of Three Thousand Six Hundred Forty-Three and 50/100 Dollars (\$3,643.50), and costs advanced in the amount of One Hundred Eighty-Eight and 09/100 Dollars (\$188.09); said statement being in the aggregate amount of Three Thousand Eight Hundred Thirty-One and 59/100 Dollars (\$3,831.59).

There was next presented correspondence from Jim Noerrlinger, requesting reimbursement to the Lake Waconda Association, as follows: (i) Receipt from Menards, in the amount of Four Hundred Twenty-One and 84/100 Dollars (\$421.84), (ii) Receipt from Menards, in the amount of One Hundred Ninety-Two and 48/100 Dollars (\$192.48), and (iii) Invoice from Kelly's Carpet Omaha, in the amount of Fifty-One and 19/100 Dollars (\$51.19); said statements being in the aggregate amount of Six Hundred Sixty-Five and 91/100 Dollars (\$665.91).

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 Nos. 5255 through 5277, 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 29, 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. 5255, for the amount of Two Hundred and no/100 Dollars (\$200.00), payable to Nebraska Public Power District, Account #211010041398.

Warrant No. 5256, for the amount of Five Thousand and no/100 Dollars (\$5,000.00), and Warrant No. 5257, for the amount of Three Thousand Three Hundred Fifty-Seven and 34/100 Dollars (\$3,357.34), payable to Omaha Public Power District, Account #5843000090.

Warrant No. 5258 and 5259, each for the amount of Five Thousand and no/100 Dollars (\$5,000.00), and Warrant No. 5260, for the amount of Two Thousand Four Hundred Forty-Seven and 25/100 Dollars (\$2,447.25), payable to Layne Christensen Company.

Warrant Nos. 5261 through 5265, each for the amount of Five Thousand and no/100 Dollars (\$5,000.00), and Warrant No. 5266, for the amount of One Thousand Five Hundred Seventy-Five and 50/100 Dollars (\$1,575.50), payable to Kerns Excavating Company.

Warrant No. 5267, for the amount of One Hundred Thirty-Five and no/100 Dollars (\$135.00), payable to Kerns Excavating Company.

Warrant No. 5268, for the amount of Six Hundred Fifty-Two and 50/100 Dollars (\$652.50), payable to Noerrlinger Construction Inc.

Warrant No. 5269, for the amount of One Hundred Fifty-Three and 95/100 Dollars (\$153.95), payable to Builders Supply Co.

Warrant No. 5270, for the amount of Five Thousand and no/100 Dollars (\$5,000.00), and Warrant No. 5271, for the amount of Three Thousand Three Hundred Twenty-Five and no/100 Dollars (\$3,325.00), payable to Masimore Magnuson & Associates, P.C.

Warrant No. 5272, for the amount of One Hundred Two and 43/100 Dollars (\$102.43), payable to Murray Building & Supply.

Warrant No. 5273, for the amount of One Thousand Two Hundred Eighty-One and 83/100 Dollars (\$1,281.83), payable to Willco Inc.

Warrant No. 5274, for the amount of Five Thousand and no/100 Dollars (\$5,000.00), and Warrant No. 5275, for the amount of Three Thousand Seven Hundred Thirty-Three and 12/100 Dollars (\$3,733.12), payable to Thompson, Dreessen & Dorner, Inc.

Warrant No. 5276, for the amount of Three Thousand Eight Hundred Thirty-One and 59/100 Dollars (\$3,831.59), payable to Pansing Hogan Ernst & Bachman LLP.

Warrant No. 5277, for the amount of Six Hundred Sixty-Five and 91/100 Dollars (\$665.91), 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.

Jim Noerrlinger indicated that there were several items that the Board should consider in its budget for next year. The first was a reconditioning of the drinking water well and storage facility and the potential installation of additional fire hydrants within the District boundaries.

He also reported that concrete work previously authorized would commence as soon as weather permitted. Additionally, the replacement of the Caretaker's roof would be completed in mid-April.

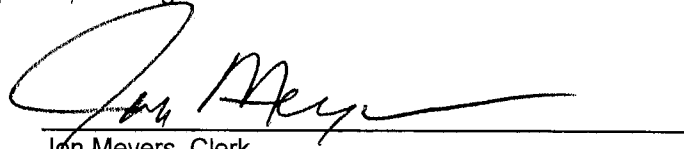
A motion was next made by Phil Wright and seconded by Hugh Abrahamson for the Board to go into executive session to discuss potential litigation matters. This motion was made and unanimously approved at 11:55 a.m. The Board came out of such executive session at 12:14 p.m. no action being taken.

The meeting was then adjourned.

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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 29, 2018, meeting.



Jon Meyers, Clerk