

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 20th day of November, 2017, and to be held at 10250 Regency Circle, Suite 300, Omaha, Nebraska.

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

Absent: Jon Meyers.

Notice of the meeting was given in advance thereof by publication in The Plattsmouth Journal on November 16, 2017, 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 Construction Fund Warrant Nos. 5197 through 5206 are to be cancelled due to the fact that they were issued to the wrong payee. 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, 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 Construction Fund Warrant Nos. 5197 through 5206, payable to FEMA/NEMA, be and hereby are canceled.

FURTHER RESOLVED, that the Clerk of the District be and hereby is noting such cancellations on the records of the District.

There was next presented correspondence from D.A. Davidson & Co., the District's fiscal agent, indicating that Helena Chemical Company, had lost, misplaced or mishandled General Fund Warrant No. 5219. Also presented was the Indemnity Agreement of such warrant holder as an inducement to reissue such warrants as an "R" warrant. 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, 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 No. 5219,

payable to Helena Chemical Company be and hereby is replaced with General Fund Warrant No. 5219"R".

FURTHER RESOLVED, that the Clerk of the District be and hereby is authorized to notify the Cass County Treasurer of such cancellation so that such warrant 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; this warrant being General Fund Warrant No. 5219, in the amount of \$1,962.30 which had previously been issued and was to be paid to Helena Chemical Company. This warrant has been lost in the mail, misplaced or destroyed and that it is necessary for a replacement warrant to be issued. Said replacement warrant is to be issued for the same principal amount and at the same rate of interest as the original warrant. This replacement warrant is to be issued with a letter "R" affixed after the warrant numbers. Said replacement warrant is to be re-registered by D.A. Davidson & Co. after proper documentation has been provided to include an affidavit evidencing the loss of said warrant and a satisfactory indemnification for any loss, liability, damage, or expense which the District, or the Cass County Treasurer may incur if said original warrant is later presented for payment and paid.
2. That satisfactory evidence of loss or misplacement or destruction of the aforesaid warrant 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 is authorized, instructed and directed to make payment of the amount due on said replacement Warrant No. 5219"R" in lieu of the presentation of original Warrant No. 5219.

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

In accordance with the resolution adopted on September 11, 2017, there is due to the Clerk of the U.S. District Court (FEMA/NEMA) for overpayment for the 2010 flood disaster relief in the amount of Forty-Five Thousand Eight Hundred Sixty-Four and no/100 Dollars (\$45,864.00).

There were next presented statements from Nebraska Public Power District, for lighting at Highway 75, from August, 2017, through October, 2017, in the amount of Fifteen and 54/100 Dollars (\$15.54). **The Board was next reminded that advance payment in the amount of One Hundred Fifty and no/100 Dollars (\$150.00), was made at the September 11, 2017 meeting and no payment is due 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 Three Hundred Four and 56/100 Dollars (\$7,304.56).

There was next presented correspondence from Thompson, Dreessen & Dorner, Inc., engineers for the District, presenting and requesting payment to Flinn Paving Co., Inc., for asphalt repair within the District, Invoice dated August 29, 2017, in the amount of Nineteen Thousand Four Hundred Six and 24/100 Dollars (\$19,406.24).

There was next presented a statement from Miktom, Inc., for rout and seal pavement cracks with rubberized asphalt, Invoice #17322, in the amount of Seven Thousand and no/100 Dollars (\$7,000.00).

There was next presented a statement from Midwest Laboratories, Inc., for one lake water package, Invoice #861156, in the amount of Two Hundred Three and 92/100 Dollars (\$203.92).

There were next presented statements from One Call Concepts, Inc., for line locates within the District, as follows: (i) Invoice #7090572, in the amount of Two and 28/100 Dollars (\$2.28), and (ii) Invoice #7100572, in the amount of Four and 17/100 Dollars (\$4.17); said statements being in the aggregate amount of Six and 45/100 Dollars (\$6.45). **The Board was next reminded that it has a credit balance in the amount of One Hundred Thirty-Four and 74/100 Dollars (\$134.74), and no payment is due at this time.**

There were next presented statements from The Harry A. Koch Co., for renewal of Chairman and Clerk bonds, as follows: (i) Invoice #135902, in the amount of One Hundred Seventy and no/100 Dollars (\$170.00), and (ii) Invoice #135904, in the amount of One Hundred Seventy and no/100 Dollars (\$170.00); said statements being in the aggregate amount of Three Hundred Forty and no/100 Dollars (\$340.00).

There was next presented a statement from Thompson, Dreessen & Dorner, Inc., engineers for the District, for services rendered in miscellaneous District matters through October 8, 2017, Invoice #123143, in the amount of Eleven Thousand Nine Hundred Five and 47/100 Dollars (\$11,905.47).

There were next presented statements from Nebraska Public Health Environmental Lab, for testing of water quality, as follows: (i) Invoice #493650, in the amount of Ninety-Seven and no/100 Dollars (\$97.00), and (ii) Invoice #494716, in the amount of Fifteen and no/100 Dollars (\$15.00); said statements being in the aggregate amount of One Hundred Twelve and no/100 Dollars (\$112.00).

There was next presented correspondence from Thompson, Dreessen & Dorner, Inc., engineers for the District, presenting and recommending payment in favor of Noerrlinger Construction, for equipment rental for miscellaneous District clean up maintenance, Invoice #586, in the amount of Eight Hundred Forty-Five and 50/100 Dollars (\$845.50).

There was next presented a statement from Farmers National DBA Natural Habitats, for stocking largemouth bass, Invoice #6342, in the amount of One Thousand Six Hundred and no/100 Dollars (\$1,600.00).

There was next presented a statement from Layne Christensen Company, for annual pump testing and maintenance, Invoice #92083394, in the amount of Eight Hundred Seventy-One and 59/100 Dollars (\$871.59).

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 October 31, 2017, in the amount of Four Thousand Six Hundred Eighty-Six and 50/100 Dollars (\$4,686.50), and costs advanced in the amount of One Hundred Fifty-Six and 20/100 Dollars (\$156.20); said statement being in the aggregate amount of Four Thousand Eight Hundred Forty-Two and 70/100 Dollars (\$4,842.70).

There was next presented the Routine Sample Schedules and Cost Estimates, from Nebraska Department of Health and Human Services, for water testing for the 2018-year, Public Water System ID #NE3102519, in the amount of One Thousand Six Hundred Twenty-Five and no/100 Dollars (\$1,625.00).

There was next presented correspondence from Jim Noerrlinger, requesting reimbursement to the Lake Waconda Association, as follows: (i) Jones Door, for overhead shop door repair, Invoice dated October 29, 2017, in the amount of Five Hundred Twenty and no/100 Dollars (\$520.00), (ii) Jesse Drumheller, for trash haul from shop and siding project and window for shop, Invoice dated November 6,

2017, in the amount of Two Hundred and no/100 Dollars (\$200.00), and (iii) Lake Waconda Association, hired help paid for siding of shop and house, in the amount of One Thousand Fourteen and no/100 Dollars (\$1,014.00); said statements being in the aggregate amount of One Thousand Seven Hundred Thirty-Four and no/100 Dollars (\$1,734.00).

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.

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. 5225, 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 six and a half percent (6.5%) per annum (interest to be payable on February 10 of each year) and to be redeemed no later than November 20, 2022, 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. 5225, for the amount of Forty-Five Thousand Eight Hundred Sixty-Four and no/100 Dollars (\$45,864.00), payable to Clerk of the U.S. District Court (FEMA/NEMA).

{NOTE – Warrant Nos. 5226 through 5234 will NOT be used due to consolidation into Warrant No. 5225}

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. 5235 through 5254, 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 November 20, 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. 5235, for the amount of Five Thousand and no/100 Dollars (\$5,000.00), and Warrant No. 5236, for the amount of Two Thousand Three Hundred Four and 56/100 Dollars (\$2,304.56), payable to Omaha Public Power District, Account #5843000090.

Warrant Nos. 5237 through 5239, each for the amount of Five Thousand and no/100 Dollars (\$5,000.00), and Warrant No. 5240, for the amount of Four Thousand Four Hundred Six and 24/100 Dollars (\$4,406.24), payable to Flinn Paving Co.

Warrant No. 5241, for the amount of Five Thousand and no/100 Dollars (\$5,000.00), and Warrant No. 5242, for the amount of Two Thousand and no/100 Dollars (\$2,000.00), payable to Miktom, Inc.

Warrant No. 5243, for the amount of Two Hundred Three and 92/100 Dollars (\$203.92), payable to Midwest Laboratories, Inc.

Warrant No. 5244, for the amount of Three Hundred Forty and no/100 Dollars (\$340.00), payable to The Harry A. Koch Co.

Warrant Nos. 5245 and 5246, each for the amount of Five Thousand and no/100 Dollars (\$5,000.00), and Warrant No. 5247, for the amount of One Thousand Nine Hundred Five and 47/100 Dollars (\$1,905.47), payable to Thompson, Dreessen & Dorner, Inc.

Warrant No. 5248, for the amount of One Hundred Twelve and no/100 Dollars (\$112.00), payable to Nebraska Public Health Environmental Lab.

Warrant No. 5249, for the amount of Eight Hundred Forty-Five and 50/100 Dollars (\$845.50), payable to Noerrlinger Construction.

Warrant No. 5250, for the amount of One Thousand Six Hundred and no/100 Dollars (\$1,600.00), payable to Farmers National DBA Natural Habitats.

Warrant No. 5251, for the amount of Eight Hundred Seventy-One and 59/100 Dollars (\$871.59), payable to Layne Christensen Company.

Warrant No. 5252, for the amount of Four Thousand Eight Hundred Forty-Two and 70/100 Dollars (\$4,842.70), payable to Pansing Hogan Ernst & Bachman LLP.

Warrant No. 5253, for the amount of One Thousand Six Hundred Twenty-Five and no/100 Dollars (\$1,625.00), payable to Nebraska Department of Health and Human Services.

Warrant No. 5254, for the amount of One Thousand Seven Hundred Thirty-Four and no/100 Dollars (\$1,734.00), 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.

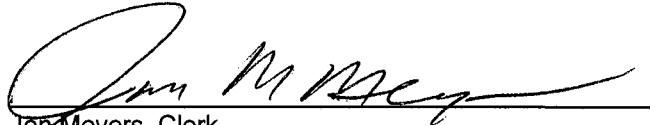
3. The District has not been notified of any listing of it by the Internal Revenue Service as an issuer that may not certify its bonds.

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.

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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 November 20, 2017, meeting.



Jon Meyers, Clerk