

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 31st day of May, 2016, at 10250 Regency Circle, Suite 300, Omaha, Nebraska.

Present: Gary Kaplan, Jon Meyers, Phillip G. Wright, Hugh I. Abrahamson and Wayne Breyfogle. Also present was: Daren Konda 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 May 26, 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 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 March, 2016, through May, 2016, in the aggregate amount of Forty and 71/100 Dollars (\$40.71). **The Board next directed advance payment 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 Four Thousand Eight Hundred Fifty-Five and 68/100 Dollars (\$4,855.68).

There was next presented a statement from Layne Christensen Company, for inspection, repair and reinstall motor on lake pump, Invoice dated April 18, 2016, in the amount of Three Thousand and no/100 Dollars (\$3,000.00).

There was next presented a statement from Midwest Farmers Cooperative, for the purchase of Trimec Classic and Aquastar, Invoice #010035, in the amount of One Thousand Two Hundred Sixty-Eight and 90/100 Dollars (\$1,268.90).

There was next presented a statement from Farmers National Company DBA Natural Habitats, for electrofishing survey and report, Invoice #5745, in the amount of One Thousand Five Hundred and no/100 Dollars (\$1,500.00).

There was next presented a statement from Mid America Meter, Inc., for purchases and labor, Invoice #016-2102, in the amount of Five Hundred Eighty-Seven and 21/100 Dollars (\$587.21).

There was next presented a statement from Midwest Laboratories, Inc., for lake water package and testing, Invoice #802788, in the amount of Five Hundred Forty-Nine and no/100 Dollars (\$549.00).

There were next presented statements from Nebraska Public Health Environmental Laboratory, for testing of water and water testing kit, as follows: (i) Invoice #474654, in the amount of Thirty and no/100 Dollars (\$30.00), and (ii) Invoice #475655, in the amount of Five Hundred Forty-Three and 25/100 Dollars (\$543.25); said statements being in the aggregate amount of Five Hundred Seventy-Three and 25/100 Dollars (\$573.25).

There were next presented statements from One Call Concepts, Inc., for line locates within the District, as follows: (i) Invoice #6030564, in the amount of Three and 42/100 Dollars (\$3.42), and (ii) Invoice #6040563, in the amount of Four and 92/100 Dollars (\$4.92); said statements being in the aggregate amount of Eight and 34/100 Dollars (\$8.34). The Board was next reminded that advance payment in the amount of One Hundred and no/100 Dollars (\$100.00), was made at the February 11, 2106 meeting and 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 Wenninghoff Seeding, Inc. for farm levee repair work, as follows: (i) Invoice #2016-153, in the amount of Eight Thousand Three Hundred Thirty and no/100 Dollars (\$8,330.00), (ii) Invoice #2016-155, in the amount of Eleven Thousand Two Hundred Fifty and no/100 Dollars (\$11,250.00), and (iii) Invoice #2106-157, in the amount of Eight Thousand Five Hundred Twenty-Six and 40/100 Dollars (\$8,526.40); said statements being in the aggregate amount of Twenty-Eight Thousand One Hundred Six and 40/100 Dollars (\$28,106.40).

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 for miscellaneous District matters, Invoice #568, in the amount of Six Hundred Ninety-Five and no/100 Dollars (\$695.00).

There was next presented correspondence from Thompson, Dreessen & Dorner, Inc., engineers for the District, presenting and recommending payment in favor of Utilities Service Group, for televising the storm sewer pipe, Invoice #11160, in the amount of Three Hundred Fifty and no/100 Dollars (\$350.00).

There were next presented statements from Thompson, Dreessen & Dorner, Inc., engineers for the District, for services rendered in miscellaneous District matters through May 15, 2016, as follows: (i) Invoice #115269, in the amount of Four Thousand Seven Hundred Thirty-Eight and 50/100 Dollars (\$4,738.50), and (ii) Invoice #115270, in the amount of One Thousand Three Hundred Twelve and 50/100 Dollars (\$1,312.50); said statements being in the aggregate amount of Six Thousand Fifty-One and no/100 Dollars (\$6,051.00).

There was next presented a statement from Pansing Hogan Ernst & Bachman LLP, attorneys for the District, for legal services performed through April 30, 2016, in the amount of Two Thousand Eight Hundred Sixty-Nine and 50/100 Dollars (\$2,869.50), and costs advanced in the amount of Sixty-Seven and 34/100 Dollars (\$67.34); said statement being in the aggregate amount of Two Thousand Nine Hundred Thirty-Six and 84/100 Dollars (\$2,936.84).

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 July 1, 2016, October 1, 2016, January 1, 2017 and April 1, 2017, 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.

There was next presented from Midwest Farmers Cooperative, the 2016-17 Propane Contract, for the purchase of 350 gallons of propane at a "locked in" price, with a deposit due in the amount of Seventy and no/100 Dollars (\$70.00).

There was next presented correspondence from Gary Kaplan, requesting reimbursement to Lake Waconda for payment made to Wright National Flood Insurance Company, for renewal of flood insurance, Invoice dated May 7, 2016, in the amount of Six Hundred Fifty and no/100 Dollars (\$650.00).

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 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. 5086 through 5110, 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 May 31, 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. 5086, for the amount of Two Hundred and no/100 Dollars (\$200.00), payable to Nebraska Public Power District, Account #211010041398.

Warrant No. 5087, for the amount of Four Thousand Eight Hundred Fifty-Five and 68/100 Dollars (\$4,855.68), payable to Omaha Public Power District, Account #5843000090.

Warrant No. 5088, for the amount of Three Thousand and no/100 Dollars (\$3,000.00), payable to Layne Christensen Company.

Warrant No. 5089, for the amount of One Thousand Two Hundred Sixty-Eight and 90/100 Dollars (\$1,268.90), payable to Midwest Farmers Cooperative.

Warrant No. 5090, for the amount of One Thousand Five Hundred and no/100 Dollars (\$1,500.00), payable to Farmers National Company DBA Natural Habitats.

Warrant No. 5091, for the amount of Five Hundred Eighty-Seven and 21/100 Dollars (\$587.21), payable to Mid America Meter, Inc.

Warrant No. 5092, for the amount of Five Hundred Forty-Nine and no/100 Dollars (\$549.00), payable to Midwest Laboratories, Inc.

Warrant No. 5093, for the amount of Five Hundred Seventy-Three and 25/100 Dollars (\$573.23), payable to Nebraska Public Health Environmental Laboratory.

Warrant No. 5094 through 5098, each for the amount of Five Thousand and no/100 Dollars (\$5,000.00), and Warrant No. 5099, for the amount of Three Thousand One Hundred Six and 40/100 Dollars (\$3,106.40), payable to Wenninghoff Seeding, Inc.

Warrant No. 5100, for the amount of Six Hundred Ninety-Five and no/100 Dollars (\$695.00), payable to Noerrlinger Construction, Inc.

Warrant No. 5101, for the amount of Three Hundred Fifty and no/100 Dollars (\$350.00), payable to Utilities Service Group.

Warrant No. 5102, for the amount of Five Thousand and no/100 Dollars (\$5,000.00), and Warrant No. 5103, for the amount of One Thousand Fifty-One and no/100 Dollars (\$1,051.00), payable to Thompson, Dreessen & Dorner, Inc.

Warrant No. 5104, for the amount of Two Thousand Nine Hundred Thirty-Six and 84/100 Dollars (\$2,936.84), payable to Pansing Hogan Ernst & Bachman LLP.

Warrant No. 5105, for the amount of Twelve Thousand Five Hundred and no/100 Dollars (\$12,500.00), payable to Lake Waconda Association.

Warrant No. 5106, for the amount of Twelve Thousand Five Hundred and no/100 Dollars (\$12,500.00), payable to Lake Waconda Association.

Warrant No. 5107, for the amount of Twelve Thousand Five Hundred and no/100 Dollars (\$12,500.00), payable to Lake Waconda Association.

Warrant No. 5108, for the amount of Twelve Thousand Five Hundred and no/100 Dollars (\$12,500.00), payable to Lake Waconda Association.

Warrant No. 5109, for the amount of Seventy and no/100 Dollars (\$70.00), payable to Midwest Farmers Cooperative.

Warrant No. 5110, for the amount of Six Hundred Fifty and no/100 Dollars (\$650.00), 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.

Daren Konda of Thompson, Dreessen & Dornier, Inc., engineers for the District, then discussed various items that he presented to the Board for its consideration. The integrity of the District's levee system was reviewed, particularly some problem areas which had been fixed under the direction of the engineers recently. The Board agreed to proceed with further levee repairs up to a \$15,000.00 amount, with such work to be done as soon as reasonably possible, subject to Corps of Engineers' review and approval. Mr. Konda indicated that he would attempt to solicit the Corps of Engineers' commitment to participate, partially or wholly, in the funding of such repairs. Mr. Konda was to discuss such matters with Ms. Ruth of the Corps.

The Board was next shown a potential buildup of the bottom side of the levee extending for 800 feet with an estimated cost of roughly \$25,000.00. At the conclusion of such review, the Board decided to hold over such work until the other levee work was completed and costs known.

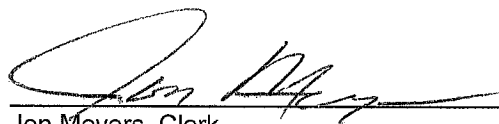
The Board next undertook to review the fish sampling done, and recommendations regarding the reestablishment of the fish population with more game fish, as well as environmental desirability of doing so. The Board in general had a review of the strategies to improve the game fish population and fish habitat within Wa-Con-Da. At the conclusion of such discussion, the Board generally agreed to establish a large-mouth bass catch and release program, with stocking of large-mouth bass to be done in the fall at a cost not to exceed \$2,000.00.

Jim Noerrlinger was authorized to spend up to \$1,000.00 to re-sod the storage shed/garage. He additionally was authorized to fertilize the open areas and levee area of the lake in an amount not to exceed \$1,000.00.

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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 May 31, 2016, meeting.



Jon Meyers, Clerk