

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 11:05 a.m. on the 11th day of September, 2017, 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: John Kuehl of D.A. Davidson & Co., Jim Noerrlinger, Caretaker for Lake Wa-Con-Da Homeowners Association, Daren Konda and Doug Kellner of Thompson, Dreessen & Dorner, Inc.

Absent: None.

Notice of the meeting was given in advance thereof by publication in The Plattsmouth Journal on September 7, 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 Clerk first reported in accordance with the provisions of Neb. R.R.S. Section 13-501 through 13-513, the District's certified public accountants were directed to prepare a proposed budget and further that the Clerk attended to the required publication of notice with regard to the budgetary hearing to be held by the Board of Trustees. The Clerk had been directed to give the appropriate notices in accordance with the Nebraska Budget Act and that a budgetary hearing for the District be held on the 11th day of September, 2017, at 10250 Regency Circle, Suite 300, Omaha, Nebraska.

The Clerk next presented the publication of this budgetary hearing as presented in The Plattsmouth Journal. The Clerk next reported that such notice of the budgetary hearing along with a budget summary had been published in accordance with law. The Clerk further reported that it appeared that no person had appeared at the meeting in response to such notice of the budgetary hearing and the Clerk was directed to attach a copy of such notice to the minutes of these proceedings.

After a lengthy discussion and upon a motion duly made and seconded, and upon a roll call vote, the Trustees, Gary Kaplan, Jon Meyers, Phillip G. Wright, Wayne Breyfogle and Hugh I. Abrahamson, voted "Aye" with none voting "Nay" with the following resolution being thereby adopted and approved:

RESOLVED, by the Board of Trustees of Sanitary and Improvement District No. 1 of Cass County, Nebraska, that the budget and tax levy as tentatively set forth be adopted as the final budget and levy in accordance with Exhibit "A" attached hereto and by this reference made a part hereof. Further that the Clerk of the District be directed to file a copy of the adopted budget with the levying board of the State Auditor's office as well as

certifying the levy to the Cass County officials as well as attaching a proof of publication to such adopted budget.

With the budget for the District having been adopted, the Chairman then stated that it would be appropriate at this time to levy the tax in accordance with the budget statement. After a full and complete discussion and upon a motion duly made and seconded, and upon the following roll call vote, the Trustees, Gary Kaplan, Jon Meyers, Phillip G. Wright, Wayne Breyfogle and Hugh I. Abrahamson voted "Aye" with none voting "Nay" thereby passing and adopting the following resolution:

RESOLVED, that Sanitary and Improvement District No. 1 of Cass County, Nebraska, levy and collect for the year 2017-2018 a tax of \$1.110000 per One Hundred and no/100 Dollars (\$100.00) actual valuation of taxable property in the District, except intangible property, said tax to be credited to the appropriate fund as indicated below:

\$0.400000 on each One Hundred and no/100 Dollars (\$100.00) actual valuation to be credited to the General Fund of the District and thereby collect \$158,296.23 in taxes to be credited to this fund; and

\$0.710000 on each One Hundred and no/100 Dollars (\$100.00) actual valuation to be credited to the Construction (Bond) Fund of the District and thereby collect \$280,975.81 in taxes to be credited to this fund.

FURTHER RESOLVED, that the Clerk of this District be and hereby is directed to deliver and file with the County Clerk of Cass County, Nebraska and the Auditor of Public Accounts, a copy of this resolution.

The Board next discussed an overpayment to the District for the 2010 flood disaster relief in the amount of \$45,864.00. After a complete discussion of such situation, the Board unanimously adopted upon a resolution duly made and seconded, the following:

RESOLVED, by the Board of Trustees of Sanitary and Improvement District No. 1 of Cass County, Nebraska, as result of federal authorities determining that the District received \$45,864.00 more for the 2010 flood disaster relief than allowed under the Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. §§5121-520 and that this amount should be repaid, the Board should issue warrants to refund the amount to FEMA/NEMA. Further, as such relief funds were originally deposited in the District's Construction/Bond Fund, such return should come from the same account. Counsel for the District should request a letter from the appropriate authorities stating that FEMA/NEMA, upon receipt of such overpayment, any and all funds due to it by the District have been satisfied and that there exists now a balance of Zero and no/100 Dollars (\$0.00) on all accounts. The Clerk of the District was authorized to deliver such payment upon receipt of such letter.

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

In accordance with the resolution adopted above, there is due to 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 June, 2017, through August, 2017, in the aggregate amount of Thirty-Three and 56/100

Dollars (\$33.56). **The Board was next reminded that it has a credit balance in the amount of Forty-Nine and 10/100 Dollars (\$49.10). The Board next directed advance payment to be made in the amount of One Hundred Fifty and no/100 Dollars (\$150.00).**

There was next presented a statement of Summary Account #5843000090 from Omaha Public Power District, for street lights and other electrical services, in the amount of Two Thousand Six Hundred Sixteen and 94/100 Dollars (\$2,616.94).

There were next presented statements from Builders Supply Co., for miscellaneous District purchases for the District, as follow: (i) Invoice #01005658-001, in the amount of Eighty-Three and 46/100 Dollars (\$83.46), and (ii) Invoice #01024515-001, in the amount of One Hundred Eighty-Four and 77/100 Dollars (\$184.77); said statements being in the aggregate amount of Two Hundred Sixty-Eight and 23/100 Dollars (\$268.23).

There were next presented statements from Murray Building and Supply, for miscellaneous District maintenance purchase, as follows: (i) Invoice #110000399, in the amount of Fifty and 88/100 Dollars (\$50.88), (ii) Invoice #110000672, in the amount of Fifty-Eight and 32/100 Dollars (\$58.32), (iii) Invoice #1707-086347, in the amount of Nine Hundred Sixty-Seven and 20/100 Dollars (\$967.20), (iv) Invoice #1707-086567, in the amount of One Hundred Six and 50/100 Dollars (\$106.50), (v) Invoice #1708-087443, in the amount of One Hundred Eighty-Two and 02/100 Dollars (\$182.02), (vi) Invoice #1708-087502, in the amount of Ten and 96/100 Dollars (\$10.96), (vii) Invoice #1708-087503, in the amount of Four and 25/100 Dollars (\$4.25), and (viii) Invoice #1708-088008, in the amount of One Hundred Ten and 49/100 Dollars (\$110.49); said statements being in the aggregate amount of One Thousand Four Hundred Ninety and 62/100 Dollars (\$1,490.62).

There was next presented a statement from Midwest Laboratories, Inc., for lake water testing, Invoice #857542, in the amount of Twenty-Six and 92/100 Dollars (\$26.92).

There were next presented statements from One Call Concepts, Inc., for line locates within the District, as follows: (i) Invoice #7070572, in the amount of Six and 06/100 Dollars (\$6.06), and (ii) Invoice #7080573, in the amount of Six and no/100 Dollars (\$6.00); said statements being in the aggregate amount of Twelve and 06/100 Dollars (\$12.06). **The Board was next reminded that it has a credit balance in the amount of Forty and 74/100 Dollars (\$40.74). The Board next directed advance payment to be made in the amount of One Hundred and no/100 Dollars (\$100.00).**

There were next presented statements from TitleCore National, LLC, for title searches relating to easements, as follows: (i) Invoice #119579, in the amount of One Hundred Fifty and no/100 Dollars (\$150.00), (ii) Invoice #119581, in the amount of One Hundred Fifty and no/100 Dollars (\$150.00), (iii) Invoice #119584, in the amount of One Hundred Fifty and no/100 Dollars (\$150.00), and (iv) Invoice #119587, in the amount of One Hundred Fifty and no/100 Dollars (\$150.00); said statements being in the aggregate amount of Six Hundred and no/100 Dollars (\$600.00).

There was next presented correspondence from Jim Noerrlinger, requesting reimbursement to Noerrlinger Farms, for replacement of tractor tires damaged while shredding levee, in the amount of One Thousand Five Hundred Fifty and no/100 Dollars (\$1,550.00).

There was next presented a statement from Kreifels Electric, for electrical repair from the shed to the sign by the lake, Invoice #3529, in the amount Five Thousand Two Hundred and no/100 Dollars (\$5,200.00).

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 August 31, 2017, in the amount of Five Thousand Two Hundred Ninety-One and no/100 Dollars (\$5,291.00), and costs advanced

in the amount of One Hundred Six and 82/100 Dollars (\$106.82); said statement being in the aggregate amount of Five Thousand Three Hundred Ninety-Seven and 82/100 Dollars (\$5,397.82).

There was next presented a statement from Helena Chemical Company, for the purchase of grass seed and fertilizer, Ticket #3347174, in the amount of One Thousand Nine Hundred Thirty-Two and 30/100 Dollars (\$1,962.30).

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, 2017, October 1, 2017, January 1, 2018, and April 1, 2018 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 correspondence from Thompson, Dreessen & Dorner, Inc., engineers for the District, presenting and recommending payment in favor of Noerrlinger Construction Inc., for equipment rental, Invoice #584, in the amount of Four Hundred Twenty-Seven and no/100 Dollars (\$427.00).

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.

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. 5197 through 5206, 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 September 11, 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 Nos. 5197 through 5205, each for the amount of Five Thousand and no/100 Dollars (\$5,000.00), and Warrant No. 5206, for the amount of Eight Hundred Sixty-Four and no/100 Dollars (\$864.00), payable to FEMA/NEMA.

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. 5207 through 5224, 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 September 11, 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. 5207, for the amount of One Hundred Fifty and no/100 Dollars (\$150.00), payable to Nebraska Public Power District, Account #211010041398.

Warrant No. 5208, for the amount of Two Thousand Six Hundred Sixteen and 94/100 Dollars (\$2,616.94), payable to Omaha Public Power District, Account #5843000090.

Warrant No. 5209, for the amount of Two Hundred Sixty-Eight and 23/100 Dollars (\$268.23), payable to Builders Supply Co.

Warrant No. 5210, for the amount of One Thousand Four Hundred Ninety and 62/100 Dollars (\$1,490.62), payable to Murray Building and Supply.

Warrant No. 5211, for the amount of Twenty-Six and 92/100 Dollars (\$26.92), payable to Midwest Laboratories, Inc.

Warrant No. 5212, for the amount of One Hundred and no/100 Dollars (\$100.00), payable to One Call Concepts, Inc.

Warrant No. 5213, for the amount of Six Hundred and no/100 Dollars (\$600.00), payable to TitleCore National, LLC.

Warrant No 5214, for the amount of One Thousand Five Hundred Fifty and no/100 Dollars (\$1,550.00), payable to Noerlinger Farms.

Warrant No. 5215, for the amount of Five Thousand and no/100 Dollars (\$5,000.00), and Warrant No. 5216, for the amount of Two Hundred and no/100 Dollars (\$200.00), payable to Kreifels Electric.

Warrant No. 5217, for the amount of Five Thousand and no/100 Dollars (\$5,000.00), and Warrant No. 5218, for the amount of Three Hundred Ninety-Seven and 82/100 Dollars (\$397.82), payable to Pansing Hogan Ernst & Bachman LLP.

Warrant No. 5219, for the amount of One Thousand Nine Hundred Sixty-Two and 30/100 Dollars (\$1,962.30), payable to Helena Chemical Company.

Warrant No. 5220, for the amount of Twelve Thousand Five Hundred and no/100 Dollars (\$12,500.00), payable to Lake Waconda Association.

Warrant No. 5221, for the amount of Twelve Thousand Five Hundred and no100 Dollars (\$12,500.00), payable to Lake Waconda Association.

Warrant No. 5222, for the amount of Twelve Thousand Five Hundred and no/100 Dollars (\$12,500.00), payable to Lake Waconda Association.

Warrant No. 5223, for the amount of Twelve Thousand Five Hundred and no/100 Dollars (\$12,500.00), payable to Lake Waconda Association.

Warrant No. 5224, in the amount of Four Hundred Twenty-Seven and no/100 Dollars (\$427.00), payable to Noerrlinger Construction, Inc.

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 and Doug Kellner of Thompson, Dreessen & Dorner, Inc. next appeared for the District. A general discussion of maintenance currently underway and to be performed within the District was discussed. Vegetation on the dike and methods of controlling it were discussed.

Mr. Konda next discussed that asphalt crack sealing work had been completed and subsequently discussed repair work within the District boundaries to its roads. Upon completion of such discussion, the Board unanimously agreed to approve asphalt repair work in an amount not to exceed \$20,000.00.

The status of the fish stocking was next discussed, with such stocking program previously approved by the District. It was indicated that such program would be implemented and completed within six (6) weeks.

The Board next discussed West Shore Drive improvements. It was indicated that all necessary easements had been received by the District, with the exception of one. Jon Meyers indicated that he would visit with the parties from whom the easement was necessary in order to complete such process.

Mr. Konda next indicated that he had accepted a job from the Nebraska Parks and Recreation Commission and, as a result, would be leaving Thompson, Dreessen & Dorner, Inc. Doug Kellner indicated that he would, in the interim, be attending to District matters on behalf of Thompson, Dreessen & Dorner, Inc.

There were next presented receipts for hail and storm damage to the various District buildings. Such amounts (\$10,288.70 and \$489.19) were directed to be deposited to the District's General Fund account.

A discussion was had regarding safety guard rails around the District's perimeters. The engineers for the District were directed to prepare work estimates, as well as cost estimates, for the various areas discussed.

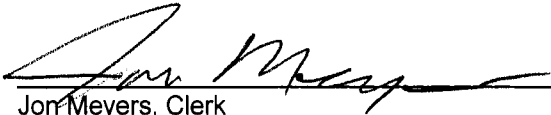
Next there was a discussion had with regard to the status of the lake side retainage wall in the area of the Portera residence. After an extensive discussion, it was determined that Bob Dreessen of Thompson,

Dreessen & Dörner, Inc., would continue to work with Mr. Portera for the appropriate repair and maintenance work to such wall in an effort to satisfactorily prevent further deterioration and restore it to an acceptable condition. The Board further determined that in the event that such efforts were unsuccessful by the time that the spring water level was reestablished or May 15, 2018, the District would proceed with the appropriate legal action in order to obtain compliance.

**[THE BALANCE OF THIS PAGE LEFT INTENTIONALLY BLANK –
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 September 11, 2017, meeting.


Jon Meyers, Clerk