

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 13th day of July, 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.

Absent: None.

Notice of the meeting was given in advance thereof by publication in The Plattsmouth Journal on July 6, 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.

There was next presented a statement from First National Bank of Omaha, for paying agent fees for Series 2016, Invoice dated June 30, 2017, in the amount of Five Hundred Twenty-Five and no/100 Dollars (\$525.00).

There was next presented a statement from Nebraska Public Power District, for lighting at Highway 75, from May, 2017, through June, 2017, in the amount of Sixteen and 78/100 Dollars (\$16.78). **The Board was next reminded that it has a credit balance in the amount of Eighty-Two and 66/100 Dollars (\$82.66), 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 Four Thousand Five Hundred Thirty-Four and 82/100 Dollars (\$4,534.82).

There was next presented an Invoice from Builders Supply Co., for miscellaneous District purchase, Invoice #00983803-001, in the amount of Three Thousand Three Hundred One and 88/100 Dollars (\$3,301.88).

There was next presented a statement from Murray Building and Supply, for miscellaneous District maintenance purchase, Invoice #103005030, in the amount of One Hundred Sixteen and 77/100 Dollars (\$116.77).

There was next presented a statement from One Call Concepts, Inc., for line locates within the District, Invoice #7060575, in the amount of Three and 42/100 Dollars (\$3.42). **The Board was next reminded that it has a credit balance in the amount of Fifty-Three and 64/100 Dollars (\$53.64) and no payment is due at this time.**

There were next presented statements from Thompson, Dreessen & Dorner, Inc., engineers for the District, for services rendered in miscellaneous District maintenance matters through July 9, 2017, as follows: (i) Invoice #121266, in the amount of Three Thousand One Hundred Twenty-Nine and 50/100 Dollars (\$3,129.50), and (ii) Invoice #121602, in the amount of Three Thousand Nine Hundred Twenty-Four and 17/100 Dollars (\$3,924.17); said statements being in the aggregate amount of Seven Thousand Fifty-Three and 67/100 Dollars (\$7,053.67).

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 June 30, 2017, in the amount of One Thousand Four Hundred Thirty-Five and 50/100 Dollars (\$1,435.50), and costs advanced in the amount of Forty-One and 79/100 Dollars (\$41.79); said statement being in the aggregate amount of One Thousand Four Hundred Seventy-Seven and 29/100 Dollars (\$1,477.29).

There was next presented correspondence from Jim Noerrlinger, requesting reimbursement to the Lake Waconda Association, for the payment to ASP Enterprises, for straw blankets, in the amount of One Hundred Eighty-Five and 68/100 Dollars (\$185.68).

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 culvert repairs at Lot 31 and the lake entrance, Invoice #582, in the amount of Three Hundred Forty-Two and no/100 Dollars (\$342.00).

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 removing designated tree on the north side of the lake and constructing drainage improvements on the drain line by the Cobb Community Center, Invoice #14049, in the amount of Two Thousand Two Hundred Eighty and no/100 Dollars (\$2,280.00).

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 services rendered as follows: (i) Invoice #14051, **for removing and replacing the damaged section of the east culvert on the access road**, in the amount of Twelve Thousand Four Hundred Ninety-Eight and no/100 Dollars (\$12,498.00) and (ii) Invoice #14052, **for removing and replacing the damaged section of the west culvert on the access road**, in the amount of Eight Thousand Eight Hundred Twenty and 08/100 Dollars (\$8,820.08); said statements being in the aggregate amount of Twenty-One Thousand Three Hundred Eighteen and 08/100 Dollars (\$21,318.08). Jon Meyers reminded the board that the Lake Wa-Con-Da Homeowners Association had previously committed to paying \$10,000 toward the cost of these repairs, so the SID owes only \$11,318.08.

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. 5182, of the District, dated the date of this meeting, to the following payee and in the following amount, said Warrant to be drawn on the **BOND** Fund of the District and to draw interest at the rate of seven percent (7%) per annum (interest to be payable on February 10 of each year) and to be redeemed no later than July 13, 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. 5182, for the amount of Five Hundred Twenty-Five and no/100 Dollars (\$525.00), payable to First National Bank of Omaha.

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. 5183 through 5196, 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 July 13, 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. 5183, for the amount of Four Thousand Five Hundred Thirty-Four and 82/100 Dollars (\$4,534.82), payable to Omaha Public Power District, Account #5843000090.

Warrant No. 5184, for the amount of Three Thousand Three Hundred One and 88/100 Dollars (\$3,301.88), payable to Builders Supply Co.

Warrant No. 5185, for the amount of One Hundred Sixteen and 77/100 Dollars (\$116.77), payable to Murray Building and Supply.

Warrant No. 5186, for the amount of Five Thousand and no/100 Dollars (\$5,000.00), and Warrant No. 5187, for the amount of Two Thousand Fifty-Three and 67/100 Dollars (\$2,053.67), payable to Thompson, Dreessen & Dorner, Inc.

Warrant No. 5188, for the amount of One Thousand Four Hundred Seventy-Seven and 29/100 Dollars (\$1,477.29), payable to Pansing Hogan Ernst & Bachman LLP.

Warrant No. 5189, for the amount of One Hundred Eighty-Five and 68/100 Dollars (\$185.68), payable to Lake Waconda Association.

Warrant No. 5190, for the amount of Three Hundred Forty-Two and no/100 Dollars (\$342.00), payable to Noerrlinger Construction, Inc.

Warrant No. 5191, for the amount of Two Thousand Two Hundred Eighty and no/100 Dollars (\$2,280.00), payable to Kerns Excavating Company.

Warrant Nos. 5194 through 5195, each for the amount of Five Thousand and no/100 Dollars (\$5,000.00), and Warrant No. 5196, for the amount of One Thousand Three Hundred Eighteen and 08/100 Dollars (\$1,318.08), payable to Kerns Excavating Company. **{Please note Warrant Nos. 5192 and 5193 were cancelled at this meeting.}**

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 work being done on the culvert. The Trustees discussed that the cost was to be divided between the Homeowners Association and the District. The decision was made that, for fiscal and budgeting reasons, that the Association should pay its share of the expenses directly to Kerns in the amount of \$10,000.00. Therefore, the Trustees approved the Invoice and the work performed, but did not agree to provide and order the cancellation of Warrants Nos. 5192 and 5193.

The next order of business was a discussion regarding excess FEMA payments.

The next order of business was discussion regarding proposed District repair, maintenance and construction projects. A full and updated detail of such materials was provided by Daren Konda, of Thompson, Dreessen and Dorner, engineers for the District. There was significant discussion regarding the specific projects identified on Mr. Konda's report, a copy of which is circulated the Trustees and made a part of these meeting Minutes. The Trustees engaged in significant discussion regarding the priorities of such projects and the source of funding for such projects. Mr. LaPuzza agreed to discuss these projects with Denny Hogan to try to identify which projects could be funded out of the construction fund of the District. In particular, eligibility regarding new concrete paving replacing chip seal and asphalt at for the "shop" area was discussed. The Trustees noted that this was new construction, performed with the intention of providing a better paved area and improving drainage and the effective water runoff on surrounding areas. Specific projects were discussed in detail. A motion was made to approve the projects identified as Items 1-2 for \$2,000, 1-3 for \$1,000, 3-3 for \$7,000, 3-4 for \$5,000, 3-5 for \$8,000, 3-6 for \$18,000, 4-1 for \$2,000, and 5-2 for \$6,000 on the engineer's report. After a full and complete 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 that the District hereby approves and directs the District engineer to contract for the performance of the identified projects.

RESOLVED FURTHER, that the engineer for the District is authorized and directed to coordinate all construction and service matters necessary with respect to such projects.

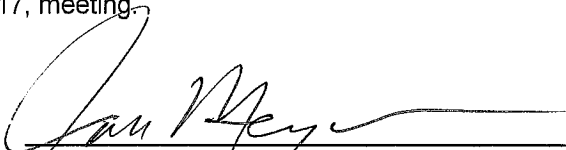
RESOLVED FURTHER, that the engineer of the District is hereby authorized and directed to secure the performance of such work.

The next order of business was discussion regarding the private drive between the District's public streets and the highway. The Trustees discussed that maintenance for this road had previously been performed by the Homeowners Association. There was extended discussion regarding whether or not the drive was within the District, and the easement rights, current or future, which may authorize the District to expend funds to improve and maintain such a road. Mark LaPuzza agreed to discuss this matter with Denny Hogan and Daren Konda to identify what means, if any, might be appropriate to allow the expenditure of District funds to participate in or manage such repairs in the future.

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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 July 13, 2017, meeting.



Jon Meyers, Clerk