

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 3rd day of April, 2019, and to be held at 10250 Regency Circle, Suite 300, Omaha, Nebraska.

Present: Gary P. Bruechert, Jon Meyers, Phillip Wright and Peggy L. Lawton. Also, in attendance were Mark J. LaPuzza, attorney for the District, John Kuehl, of D.A. Davidson & Co., Kraig Thelen, Ed Hobza of Thompson, Dreesen & Dorner, Inc., and Larry Lawton.

Absent: Wayne Breyfogle.

Notice of the meeting was given in advance thereof by publication in The Plattsmouth Journal on March 28, 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.

The next order of business was discussion regarding the March 2019 Flood. There was significant discussion regarding the specific damages suffered to private and public property. The Trustees discussed, generally, that the District should proceed in a manner which best protects the assets and safety of the District and its residents, but should continue to maintain appropriate records and follow appropriate procedures necessary to maximum recovery from any publicly available funds, including the Federal Emergency Management Agency ("FEMA"), the United States Army Corp of Engineers ("USACE"), and the Nebraska Emergency Management Agency ("NEMA").

The next order of business was discussion regarding retaining the services of Kraig Thelen to provide services for completion and submittal of the forms and information to the various government agencies with respect to the March 2019 Flood. Mr. Thelen provided such services with respect to the 2011 flooding. The Trustees discussed that the services provided by Kraig were greatly beneficial to the District and that Kraig was integral in obtaining the funding received with respect to the 2011 flooding. After discussion of the Board, the following resolution was duly moved and seconded and upon a roll call vote the Trustees, Gary P. Bruechert, Jon Meyers, Phillip Wright and Peggy L. Lawton voted "Aye" with none voting "Nay" thereby passing and adopting the following resolution:

RESOLVED, that Kraig Thelen is hereby retained to provide services for the District with respect to the March 2019 Flood, at reasonably customarily charges.

FURTHER RESOLVED, that Kraig Thelen is hereby authorized and directed to submitted such forms and documents as reasonably necessary to comply with FEMA, USACE, and NEMA requirements for submission

and reimbursement with respect to costs, reimbursements and improvements.

The next order of business was discussion regarding services provided by Jim Noerrlinger with respect to protection of property within the District. Mr. Noerrlinger noted that he would likely have to make arrangements for an employee or subcontractor given the volume of work performed. The Trustees advised Mr. Noerrlinger that whatever was necessary to provide these services under contract be seen as appropriate by the Trustees.

The next order of business was discussion regarding the finances of the District as relevant to the 2019 flood and expenses therefore. John Kuehl of D.A. Davidson & Co. noted that the District has approximately \$680,000.00 available for expenditure which is not otherwise allocated. Mr. Kuehl noted the distinction between this and the 2011 emergency, when the District had essentially no funds available and was restricted to only performing those protections and improvements for which reimbursement by agencies would be expected. The Trustees generally discussed that work should be performed and records should be maintained in a manner which maximizes the likelihood of recovery from appropriate agencies, but that the financial situation of the District would allow non-reimbursable expenditures. The Trustees generally discuss that the actions taken should be dictated by the best engineering solutions and not based solely on reimbursement.

The next order of business was discussion regarding an open construction project related to the installation of new piping under the public road near the caretaker's residence. The Trustees were reminded that the Board had approved this project and had directed construction to move forward. Phil Wright requested that the Trustees consider delaying this project despite previous approval. His concern was based on the March 2019 Flood. At this time, Mr. Wright explained that the District is not sure of its total expenditures or the best means by which to prevent future flooding. Mr. Wright reasoned that the project could be delayed until such information was known. The Trustees discussed this matter at length, discussing the benefits and general need for the project, as well as the unknown future expenditures. Mr. Wright moved that the installation of the pipes under the road be delayed. After discussion of the Board, the following resolution was duly moved and seconded and upon a roll call vote the Trustees, Phillip Wright voted "Aye" with Gary P. Bruechert, Jon Meyers and Peggy L. Lawton voting "Nay". As a result of such vote, the construction project will continue as contracted and previously approved.

The next order of business was discussion regarding the continued services provided by the Lake Waconda Association as a contractor for the District. The Trustees discussed that, with respect to previous disasters, the services provided by the Lake Waconda Association were questioned by FEMA and NEMA as not applicable to reimbursable government projects. For this reason, the Trustees wished to make a record that, as has been standing practice under contract for some time, the Lake Waconda Association provides services as an independent contractor to the District based on proximity, available equipment, and familiarity with the area. The Trustees also discussed and advised all involved that with respect to any payments or reimbursements, care should be taken to properly identify the services provided and, in particular, indicate that materials or services were provided to the District and not the Lake Waconda Association or "Wa-Con-Da" generally. The Trustees agreed that all reimbursements should specifically reference the "March 2019 Flood" for sake of consistency. The Trustees also discussed that all reimbursement charges and expenses needed to be provided well in advance of meetings in order to allow for prompt payment and reiterated that request for payment or reimbursement should all be submitted to and through the District's engineer so that a proper payment recommendation could be provided where appropriate.

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

There was next presented correspondence from Thompson, Dreessen & Dorner, Inc., engineers for the District, for the project entitled Trucking – Flood Fight 2019 (Lake Wa-Con-Da), to R & R Wilson Trucking, Inc., for delivery services of rock to the Lake, Invoice #501, in the amount of Fourteen Thousand One Hundred and 28/100 Dollars (\$14,100.28).

There was next presented correspondence from Thompson, Dreessen & Dorner, Inc., engineers for the District, for the project entitled Fill Sand – Flood Fight 2019 (Lake Wa-Con-Da), to Westover Rock & Sand, Inc., for delivery services of fill sand to the Lake to be placed along the toe of the levee near Bullfrog Bay, Invoice #10131, in the amount of Seven Thousand Fifty-Eight and 74/100 Dollars (\$7,058.74).

There was next presented correspondence from Thompson, Dreessen & Dorner, Inc., engineers for the District, for the project entitled Receipt Reimbursement – Flood Fight 2019 (Lake Wa-Con-Da), for reimbursement to the Lake Waconda Association, for supplies needed for the flood fight, as follows: (i) Hosecraft USA, Invoice #104833, in the amount of One Thousand Eight Hundred Forty-Three and 45/100 Dollars (\$1,843.45), (ii) Meeske Hardware, Inc., Invoice #1903-167617, in the amount of Two Hundred Seven and 54/100 Dollars (\$207.54); (iii) Westlake Ace Hardware Store No. 102, in the amount of One Hundred Twenty-Eight and 97/100 Dollars (\$128.97), (iv) Frontier Bag Co., Sales Order #2026003, in the amount of Three Thousand Five Hundred and no/100 Dollars (\$3,500.00), and (v) Frontier Bag Co., Invoice #1178, in the amount of One Thousand Four Hundred and no/100 Dollars (\$1,400.0); said statements being in the aggregate amount of Seven Thousand Ninety-Seven and 96/100 Dollars (\$7,097.96).

There were next presented statements from Nebraska Public Power District, for lighting at Highway 75, Account #211010041398, as follows: (i) Invoice dated February 18, 2019, in the amount of Sixteen and 78/100 Dollars (\$16.78), and (ii) Invoice dated March 18, 2019, in the amount of Sixteen and 78/100 Dollars (\$16.78); said statements having a credit balance in the amount of Sixty-Five and 28/100 Dollars (\$65.28).

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 One and 83/100 Dollars (\$4,001.83).

There was next presented a statement from Midwest Farmers Cooperative, for the purchase of propane, statement dated February 28, 2019, in the amount of Nine Hundred Ninety-Four and 04/100 Dollars (\$994.04).

There were next presented statements from Nebraska Public Health Environmental Lab, for lake water sampling, as follows: (i) Invoice #509775, in the amount of One Hundred Fifty and no/100 Dollars (\$150.00), and (ii) Invoice #510768, in the amount of Thirty-One and no/100 Dollars (\$31.00); said statements being in the aggregate amount of One Hundred Eighty-One and no/100 Dollars (\$181.00). The Board was next reminded that it has a credit balance, so no payment is due at this time.

There was next presented a statement from Masimore, Magnuson & Associates, P.C., accountants for the District, for audit of financial statements as of June 30, 2018 and preparing Forms 1099 and 1096 for 2018, Invoice #52189, in the amount of Eight Thousand Seven Hundred Thirty-Five and no/100 Dollars (\$8,735.00).

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 February 28, 2019, in the amount of Three Thousand Seven Hundred Ninety and no/100 Dollars (\$3,790.00), and costs advanced in the amount of Three Hundred Eighty-Seven and 98/100 Dollars (\$387.98); said statement being in the aggregate amount of Four Thousand One Hundred Seventy-Seven and 98/100 Dollars (\$4,177.98).

There was next presented a statement from Noerrlinger Construction, Inc., for equipment rental for snow removal within the District, Invoice #604, in the amount of One Thousand Four Hundred Sixty-Seven and 50/100 Dollars (\$1,467.50).

There was next presented a statement from Noerrlinger Farms Inc., for equipment rental for snow removal, Invoice dated March 28, 2019, in the amount of Four Hundred Twelve and 50/100 Dollars (\$412.50).

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 Nos. 5337 through 5344, 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 **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 April 3, 2024, 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. 5337 and 5338, each in the amount of Five Thousand and no/100 Dollars (\$5,000.00), and Warrant No. 5339, for the amount of Four Thousand One Hundred and 28/100 Dollars (\$4,100.28), payable to R & R Wilson Trucking, Inc.

Warrant No. 5340, in the amount of Five Thousand and no/100 Dollars (\$5,000.00), and Warrant No. 5341, for the amount of Two Thousand Fifty-Eight and 74/100 Dollars (\$2,058.74), payable to Westover Rock & Sand, Inc.

Warrant No. 5342, for the amount of Five Thousand and no/100 Dollars (\$5,000.00), and Warrant No. 5343, for the amount of Two Thousand Ninety-Seven and 96/100 Dollars (\$2,097.96), payable to Lake Waconda Association.

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. 5344 through 5350, 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 April 3, 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. 5344, for the amount of Four Thousand One and 83/100 Dollars (\$4,001.83), payable to Omaha Public Power District, Account #5843000090.

Warrant No. 5345, for the amount of Nine Hundred Ninety-Four and 04/100 Dollars (\$994.04), payable to Midwest Farmers Cooperative.

Warrant No. 5346, for the amount of Five Thousand and no/100 Dollars (\$5,000.00), and Warrant No. 5347, for the amount of Three Thousand Seven Hundred Thirty-Five and no/100 Dollars (\$3,735.00), payable to Masimore, Magnuson & Associates, P.C.

Warrant No. 5348, for the amount of Four Thousand One Hundred Seventy-Seven and 98/100 Dollars (\$4,177.98), payable to Pansing Hogan Ernst & Bachman LLP.

Warrant No. 5349, for the amount of One Thousand Four Hundred Sixty-Seven and 50/100 Dollars (\$1,467.50), payable to Noerrlinger Construction, Inc.

Warrant No. 5350, for the amount of Four Hundred Twelve and 50/100 Dollars (\$412.50), payable to Noerrlinger Farms 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.

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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 April 3, 2019, meeting.



Jon Meyers, Clerk