

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 6th day of April, 2017, at 10250 Regency Circle, Suite 300, Omaha, Nebraska.

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

Absent: None.

Notice of the meeting was given in advance thereof by publication in The Plattsmouth Journal on March 30, 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 were next presented statements from Nebraska Public Power District, for lighting at Highway 75, from November, 2016, through March, 2017, in the amount of Seventeen and no/100 Dollars (\$17.00). The Board next directed advance payment in the amount of One Hundred Fifty and no/100 Dollars (\$150.00).

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 Eight Thousand Two Hundred Ninety-Six and 17/100 Dollars (\$8,296.17).

There were next presented statements from One Call Concepts, Inc., for line locates within the District, as follows: (i) Invoice #6110567, in the amount of Two and 28/100 Dollars (\$2.28), (ii) Invoice #6120570, in the amount of One and 14/100 Dollars (\$1.14), (iii) Invoice #7010568, in the amount of One and 14/100 Dollars (\$1.14), (iv) Invoice #7020572, in the amount of Four and 56/100 Dollars (\$4.56), and (v) Invoice #7030574, in the amount of One and 14/100 Dollars (\$1.14); said statements being in the aggregate amount of Ten and 26/100 Dollars (\$10.26). **The Board was next reminded that it has a credit balance at this time.**

There was next presented a statement from Midwest Farmers Cooperative, for installation of tanks at Lake Waconda and purchase of propane, statement dated January 31, 2017, in the amount of Twelve Thousand Five Hundred Fifty-Eight and 98/100 Dollars (\$12,558.98).

There were next presented statements from Murray Building and Supply, for miscellaneous District maintenance purchases, as follows: (i) Invoice #102014998, in the amount of Five Hundred Eighty-One and 95/100 Dollars (\$581.95), and (ii) Invoice #102015068, in the amount of One Hundred Fifty-Nine and 28/100 Dollars (\$159.28); said statements being in the aggregate amount of Seven Hundred Forty-One and 23/100 Dollars (\$741.23).

There were next presented statements from Thompson, Dreessen & Dorner, Inc., engineers for the District, for services rendered in miscellaneous District maintenance matters through February 12, 2017, as follows: (i) Invoice #118257, in the amount of Two Thousand Fifty-Six and no/100 Dollars (\$2,056.00), (ii) Invoice #118673, in the amount of Two Thousand Nine Hundred Seventy and no/100 Dollars (\$2,970.00), and (iii) Invoice #119716, in the amount of Three Hundred Two and 50/100 Dollars (\$302.50); said statements being in the aggregate amount of Five Thousand Three Hundred Twenty-Eight and 50/100 Dollars (\$5,328.50).

There was next presented a statement from Masimore Magnuson & Associates, P.C., accountants for the District, for accounting services performed, Invoice dated January 16, 2017, Invoice #46982, in the amount of Seven Thousand Nine Hundred Twenty-Five and no/100 Dollars (\$7,925.00).

There was next presented correspondence from Gary Kaplan, requesting reimbursement to Jon Meyers, for sid1.org website bill, in the amount of One Hundred Ninety-Nine and 75/100 Dollars (\$199.75).

There was next presented a Customer Sales History Report presented by Midwest Farmers Cooperative for SID purchases made in the year 2016. Jim Noerrlinger requested the Board to make an advance payment for purchases to be made during the 2017 year, in the amount of Two Thousand Five Hundred and no/100 Dollars (\$2,500.00).

There was next presented from the Nebraska Department of Health and Human Services, for the 2017 Routine Sample Schedules and Cost Estimate, Public Water System ID Number #NE3102519, in the amount of Two Hundred and no/100 Dollars (\$250.00).

There was next presented a statement from Schmader Electric Constr. Co., for Lake Waconda siren maintenance, Invoice #323, in the amount of Two Hundred Twenty-Two and 92/100 Dollars (\$222.92).

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 picking up piled trees along the Missouri River and cleaning up burned pile, Invoice #578, in the amount of Six Hundred Seven and 50/100 Dollars (\$607.50).

There was next presented a statement from Pansing Hogan Ernst & Bachman LLP, attorneys for the District, for legal services performed through February 28, 2016, in the amount of Two Thousand One Hundred Eighty-Nine and no/100 Dollars (\$2,189.00), and costs advanced in the amount of Fifty-Six and 89/100 Dollars (\$56.89); said statement being in the aggregate amount of Two Thousand Two Hundred Forty-Five and 89/100 Dollars (\$2,245.89).

There was next presented correspondence from Gary Kaplan, requesting reimbursement to Lake Waconda Association, for payment of the general liability insurance paid to United States Liability Insurance Company, in the amount of Two Thousand One Hundred Fifty and no/100 Dollars (\$2,150.00).

There was next presented correspondence from Jim Noerrlinger, requesting reimbursement to Lake Waconda Association, for bills paid for work on the caretaker's house and miscellaneous bills, as follows: (i) Receipt from Menards for ceiling fan, in the amount of Eighty-Nine and no/100 Dollars (\$89.00), (ii) Receipt from Menards for exhaust fan, in the amount of Sixty-Four and 99/100 Dollars (\$64.99), (iii) Receipt from Menards for house siding, in the amount of Two Hundred Fifty and 13/100 Dollars (\$250.13), (iv) Receipt from Menards, for shop siding supplies, in the amount of Three Hundred Forty-Four and 66/100 Dollars (\$344.66), (v) Invoice from Jesse Drumheller, for gutters, in the amount of One Thousand Two Hundred Ten and no/100 Dollars (\$1,210.00), (vi) Invoice from Bescheinen Earthmoving for replacing water hydrant bluff, in the amount of Four Hundred Fifty and no/100 Dollars (\$450.00), (vii) Invoice #3135, from Kreifels Electric L.L.C., for hardwired smoke detectors, in the amount

of Six Hundred Ninety-Five and no/100 Dollars (\$695.00), (viii) Invoice #3181, from Kreifels Electric L.L.C., for electrical to new fuel tanks, in the amount of Two Thousand Five Hundred Sixty-Five and 36/100 Dollars (\$2,565.36), (ix) Nebraska Public Health Environmental Lab, for invoices in November, December and January, in the amount of Sixty-One and no/100 Dollars (\$61.00), (x) Invoice from Nebraska Rural Water Association, for continuing education, in the amount of Seventy-Five and no/100 Dollars (\$75.00), (xi) Invoice #11079, from Omaha/Council Bluffs Plumbing Inc, for testing backflow, in the amount of Seventy-Four and 90/100 Dollars (\$74.90), (xii) Invoices from Nebraska Public Health Environmental Lab, in the aggregate amount of One Hundred Twenty-One and no/100 Dollars (\$121.00), and (xii) 2017 Membership Renewal from Nebraska Rural Water Association, in the amount of One Hundred Fifty and no/100 Dollars (\$150.00); said statements being in the aggregate amount of Six Thousand One Hundred Fifty-One and 04/100 Dollars (\$6,151.04).

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 Nos. 5150 through 5169, 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 6, 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. 5150, for the amount of One Hundred Fifty and no/100 Dollars (\$150.00), payable to Nebraska Public Power District, Account #211010041398.

Warrant No. 5151, for the amount of Five Thousand and no/100 Dollars (\$5,000.00), and Warrant No. 5152, for the amount of Three Thousand Two Hundred Ninety-Six and 17/100 Dollars (\$3,296.17), payable to Omaha Public Power District, Account #5843000090.

Warrant Nos. 5153 and 5154, each for the amount of Five Thousand and no/100 Dollars (\$5,000.00), and Warrant No. 5155, for the amount of Two Thousand Five Hundred Fifty-Eight and 98/100 Dollars (\$2,558.98), payable to Midwest Farmers Cooperative.

Warrant No. 5156, for the amount of Seven Hundred Forty-One and 23/100 Dollars (\$741.23), payable to Murray Building and Supply.

Warrant No. 5157, for the Five Thousand and no/100 Dollars (\$5,000.00), and Warrant No. 5158, for the amount of Three Hundred Twenty-Eight and 50/100 Dollars (\$328.50), payable to Thompson, Dreesen & Dorner, Inc.

Warrant No. 5159, for the amount of Five Thousand and no/100 Dollars (\$5,000.00), and Warrant No. 5160, in the amount of Two Thousand Nine Hundred Twenty-Five and no/100 Dollars (\$2,925.00), payable to Masimore Magnuson & Associate, P.C.

Warrant No. 5161, for the amount of One Hundred Ninety-Nine and 75/100 Dollars (\$199.75), payable to Jon Meyers.

Warrant No. 5162, for the amount of Two Thousand Five Hundred and no/100 Dollars (\$2,500.00), payable to Midwest Farmers Cooperative.

Warrant No. 5163, for the amount of Two Hundred Fifty and no/100 Dollars (\$250.00), payable to Nebraska Public Health Environmental Lab.

Warrant No. 5164, for the amount of Two Hundred Twenty-Two and 92/100 Dollars (\$222.92), payable to Schmader Electric Constr. Co..

Warrant No. 5165, for the amount of Six Hundred Seven and 50/100 Dollars (\$607.50), payable to Noerrlinger Construction, Inc.

Warrant No. 5166, for the amount of Two Thousand Two Hundred Forty-Five and 89/100 Dollars (\$2,245.89), payable to Pansing Hogan Ernst & Bachman LLP.

Warrant No. 5167, for the amount of Two Thousand One Hundred Fifty and no/100 Dollars (\$2,150.00), payable to Lake Waconda Association.

Warrant No. 5168, for the amount of Five Thousand and no/100D Dollars (\$5,000.00), and Warrant No. 5169, for the amount of One Thousand One Hundred Fifty-One and 04/100 Dollars (\$1,151.04), 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.

There was next presented a receipt from the Cass County Treasurer representing a deposit to the District's general fund for cash rent from Noerrlinger Farms, Inc., in the amount of Nine Thousand Eight Hundred Thirty-Seven and 50/100 Dollars (\$9,837.50).

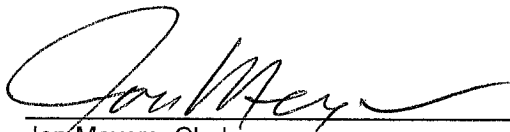
The Board discussed some repairs that were mandated on the access road to the District because of washout and recent storms. The Board agreed to cooperate with the Lake Wa-Con-Da Homeowners Association for repair and unanimously passed a resolution to reimburse up to one-half (1/2) of the costs of such repair, with the reimbursement amount from the District not to exceed Ten Thousand and no/100 Dollars (\$10,000.00).

The Board also authorized tree trimming of trees existent within the District's right-of-way for an amount up to Four Thousand and no/100 Dollars (\$4,000.00).

**[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 April 6, 2017, meeting.



Jon Meyers, Clerk