

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 30th day of March, 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 John Kuehl of D.A. Davidson & Co., Daren Konda of Thompson, Dreesen & Dorner, Inc., and Jim Noerrlinger.

Absent: None.

Notice of the meeting was given in advance thereof by publication in The Plattsmouth Journal on March 24, 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 was next presented a statement from Nebraska Public Power District, for lighting at Highway 75, from February, 2016, through March, 2016, having a small credit balance in the amount of Four and 89/100 Dollars (\$4.89). **The Board was next reminded that advance payment in the amount of Two Hundred and no/100 Dollars (\$200.00) was made at the February 11, 2016 meeting.**

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 Seventy-Six and 28/100 Dollars (\$2,076.28).

There was next presented a statement from Midwest Laboratories, Inc., for lake water package and testing, Invoice #795488, in the amount of Thirty-Two and 73/100 Dollars (\$32.73).

There was next presented a statement from Murray Building and Supply, for the purchase of hardware and lumber, Invoice #1020000861, in the amount of Forty-Six and 71/100 Dollars (\$46.71).

There was next presented a statement from Midwest Farmers Cooperative, for the purchase of Ruby Fieldmaster, statement dated February 29, 2016, in the amount of One Hundred Sixty-Two and 10/100 Dollars (\$162.10).

There were next presented statements from Nebraska Public Health Environmental Laboratory, for well water testing kit and testing of water as follows: (i) Invoice #472731, in the amount of Fifteen and no/100 Dollars (\$15.00), and (ii) Invoice #473687, in the amount of Five Hundred Thirty-Two and no/100

Dollars (\$532.00); said statements being in the aggregate amount of Five Hundred Forty-Seven and no/100 Dollars (\$547.00).

There was next presented a statement from Layne Christensen Company, for the purchase of "2' Air Release Valve, Invoice dated February 9, 2016, in the amount of Six Hundred Thirty-Eight and 16/100 Dollars (\$638.16).

There were next presented statements from Thompson, Dreessen & Dornier, Inc., engineers for the District, for services rendered in miscellaneous District maintenance matters through March 6, 2016, as follows: (i) Invoice #113987, in the amount of One Thousand Three Hundred Twenty and 97/100 Dollars (\$1,320.97), and (ii) Invoice #114359, in the amount of Two Thousand Ninety-Three and 20/100 Dollars (\$2,093.20); said statements being in the aggregate amount of Three Thousand Four Hundred Fourteen and 17/100 Dollars (\$3,414.17).

There was next presented a statement from Pansing Hogan Ernst & Bachman LLP, attorneys for the District, for legal services performed through February 29, 2016, in the amount of One Thousand Five Hundred Sixty-Eight and 50/100 Dollars (\$1,568.50), and costs advanced in the amount of Seventy-One and 08/100 Dollars (\$71.08); said statement being in the aggregate amount of One Thousand Six Hundred Thirty-Nine and 58/100 Dollars (\$1,639.58).

There was next presented correspondence from Thompson, Dreessen & Dornier, Inc., engineers for the District, presenting and recommending payment to Noerrlinger Construction Inc., for equipment rental to handle miscellaneous District maintenance matters and snow removal, Invoice #565, in the amount Nine Hundred Fifteen and no/100 Dollars (\$915.00).

There was next presented correspondence from Jon Meyers, requesting payment to be made to Global Contracting Service Inc., for rock repair on the west side of the lake and bank stabilization and grading around the lake, Proposal dated March 11, 2016, in the amount of Six Thousand Six Hundred and no/100 Dollars (\$6,600.00).

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. 5075 through 5085, 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 March 30, 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. 5075, for the amount of Two Thousand Seventy-Six and 28/100 Dollars (\$2,076.28), payable to Omaha Public Power District, Account #5843000090.

Warrant No. 5076, for the amount of Thirty-Two and 73/100 Dollars (\$32.73), payable to Midwest Laboratories, Inc.

Warrant No. 5077, for the amount of Forty-Six and 71/100 Dollars (\$46.71), payable to Murray Building and Supply.

Warrant No. 5078, for the amount of One Hundred Sixty-Two and 10/100 Dollars (\$162.10), payable to Midwest Farmers Cooperative.

Warrant No. 5079, for the amount of Five Hundred Forty-Seven and no/100 Dollars (\$547.00), payable to Nebraska Public Health Environmental Laboratory.

Warrant No. 5080, for the amount of Six Hundred Thirty-Eight and 16/100 Dollars (\$638.16), payable to Layne Christensen Company.

Warrant No. 5081, for the amount of Three Thousand Four Hundred Fourteen and 17/100 Dollars (\$3,414.17), payable to Thompson, Dreessen & Dorner, Inc.

Warrant No. 5082, for the amount of One Thousand Six Hundred Thirty-Nine and 58/100 Dollars (\$1,639.58), payable to Pansing Hogan Ernst & Bachman LLP.

Warrant No. 5083, for the amount of Nine Hundred Fifteen and no/100 Dollars (\$915.00), payable to Noerrlinger Construction Inc.

Warrant No. 5084, for the amount of Five Thousand and no/100 Dollars (\$5,000.00), and Warrant No. 5085, for the amount of One Thousand Six Hundred and no/100 Dollars (\$1,600.00), payable to Global Contracting Service 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.

John Kuehl appeared on behalf of D.A. Davidson & Co., the District's financial advisor. John undertook a discussion with the Board as to its current tax rate and cash flow analysis of each fund with such rate. The analysis indicated that the District would not need to adjust its rate to fully amortize its outstanding bonds in accordance with their term. Additionally, he indicated that, subject to the bills being paid at this meeting, the General Fund of the District currently had approximately \$240,000.00 in it. It was also indicated that using cash to pay off bonds with the highest interest rates would not yield a significant

benefit until approximately 2030. If the District elected to spend any of the money currently on deposit in its Construction Fund, it would have to consider an increase in that fund's levy at some point in the future.

To begin work on a capital improvement and maintenance plan, Daren Konda of Thompson, Dreessen & Dorner, Inc., the District's engineers, presented a list of concerns and possible projects to be considered by the Board in the future. The Board undertook a very general discussion as to the priority of such projects, the costs associated with them, as well as manner of payment. Daren pointed out that certain of the projects may be reimbursable by either certain federal government programs or programs of the Lower Platte Natural Resources District. Applications would be made to such funding mechanisms in order to soften the costs of such projects. The Board took no action on any of the projects not previously authorized, and elected to review the status and import of such projects for discussion at the Board's next meeting in attempt to prioritize and come up with a plan for implementation of such projects.


The Board next undertook a lengthy discussion as to having Thompson, Dreessen & Dorner, Inc., undertake a lake integrity/feasibility analysis of the lake. The Board continued to be intrigued by what long-term impact the flood had upon the ability of the lake to retain its water level and the ability of levee sections not reinforced recently to resist a future flood event. The Board authorized a feasibility study and review of such issues by Thompson, Dreessen & Dorner, Inc. Daren Konda indicated that such a review would be available by the end of May.

The Board next determined that its next meeting should be on May 31, 2016, at 11:00 a.m., with scheduling to be arranged.

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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 March 30, 2016, meeting.



Jon Meyers, Clerk