

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 July, 2020, and to be held at the 10250 Regency Circle, 2nd Floor, Omaha, Nebraska.

Present: Peggy L. Lawton, Jon Meyers, Wayne Breyfogle, Phillip Wright and Scott Pekarek. Also, in attendance were Mark J. LaPuzza, attorney for the District, Kraig Thelen, Ed Hobza of Thompson, Dreessen & Dorner, Inc., and John Kuehl, of D.A. Davidson & Co.

Absent: None.

Notice of the meeting was given in advance thereof by publication in The Plattsmouth Journal on July 23, 2020, 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.

Discussion was next had regarding the meetings of the District held on April 8, 2020 and June 17, 2020. The Trustees acknowledge that the meetings were held in accordance with the requirements of the Executive Orders of the Governor as noted in the meeting Minutes. The Trustees discussed that it would be reasonable and appropriate to ratify the decision to hold the meetings in accordance with the Executive Orders of the Governor, and, further to ratify all actions taken at the meetings. After discussion, the Trustees, Peggy L. Lawton, Jon Meyers, Wayne Breyfogle, Phillip Wright and Scott Pekarek voted "Aye" with none voting "Nay," ratified all actions taken at the April 8, 2020 and June 17, 2020 meetings and affirm the discussions, decisions, and actions taken thereunder.

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

There was next presented a statement from First National Bank of Omaha, for paying agent fees for Series 2016, Invoice dated June 30, 2020, in the amount of Seven Hundred and no/100 Dollars (\$700.00).

There was next presented a statement from Kraig J. Thelen, for work performed on FEMA Disaster DR 4420, Statement dated June 2020, in the amount of Two Thousand One Hundred Forty-Seven and no/100 Dollars (\$2,147.00).

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 – March 2019 Flood, Invoice #639, in the amount of Three Hundred Thirty-One and 50/100 Dollars (\$331.50).

There was next presented a statement from Thompson, Dreessen & Dorner, Inc., engineers for the District, for services rendered for the project entitled March 2019 Flood, Invoice #138437, in the amount of Four Hundred Fifty and no/100 Dollars (\$450.00).

There were next presented statements from Nebraska Public Power District, for lighting at Highway 75, Account #211010041398, as follows: (i) Invoice dated June 16, 2020, in the amount of Sixteen and 78/100 Dollars (\$16.78), and (ii) Invoice dated July 17, 2020, in the amount of Sixteen and 78/100 Dollars (\$16.78); said statements being in the aggregate amount of Thirty-Three and 56/100 Dollars (\$33.56). **The Board was next reminded that it has a small credit balance in the amount of Thirty-One and 80/100 Dollars (\$31.80). The Board next directed advance payment to be made in the amount of One Hundred and no/100 Dollars (\$100.00).**

There was next presented a statement of Summary Account #5843000090 from Omaha Public Power District, for street lights and other electrical services, Statement dated July 7, 2020, in the amount of Two Thousand Four Hundred Twenty-Three and 11/100 Dollars (\$2,423.11).

There was next presented a statement from Frontier Cooperative, for the purchase of propane, Invoice #006348, in the amount of One Hundred Seven and 80/100 Dollars (\$107.80).

There was next presented a statement from Subsurface Solutions, for the purchase of water line detection tool, Invoice #15268, in the amount of Six Thousand Six Hundred Eighty-Seven and 10/100 Dollars (\$6,687.10).

There was next presented a statement from Asphalt & Concrete Materials C, for general road maintenance work, Invoice #00046612, in the amount of One Thousand Two Hundred Sixty-Six and 10/100 Dollars (\$1,266.10).

There was next presented a statement from Nebraska Public Health Environmental Lab, for water testing, Invoice #527899, in the amount of Thirty-Four and no/100 Dollars (\$34.00).

There was next presented a statement from One Call Concepts, Inc., for line locates within the District, Invoice #0060556, in the amount of Seventy-Seven Cents (\$0.77). **The Board was next reminded that it has a credit balance in the amount of Eighteen and 34/100 Dollars (\$18.34), so no payment is due at this time.**

There were next presented statements from Thompson, Dreessen & Dorner, Inc., engineers for the District, for miscellaneous District maintenance through July 21, 2020, as follows: (i) Invoice #138127, in the amount of Two Thousand Eight Hundred Eighty-Seven and 60/100 Dollars (\$2,887.60), and (ii) Invoice #138436, in the amount of Eight Hundred Seventy-Five and 60/100 Dollars (\$875.60); said statements being in the aggregate amount of Three Thousand Seven Hundred Sixty-Three and 20/100 Dollars (\$3,763.20).

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 to do miscellaneous tasks throughout the District, Invoice #631, in the amount of One Thousand Two Hundred Forty-Seven and 50/100 Dollars (\$1,247.50).

There were next presented statements from Pansing Hogan Ernst & Bachman LLP, attorneys for the District, for legal services performed through June 30, 2020, as follows: (i) Miscellaneous District matters, in the amount of Seven Thousand Eight Hundred Seventy-One and 30/100 Dollars (\$7,871.30), and (ii) March 2019 Flood, in the amount of Three Hundred Fifty-Seven and 50/100 Dollars (\$357.50); said statements being in the aggregate amount of Eight Thousand Two Hundred Twenty-Eight and 80/100 Dollars (\$8,228.80).

There was next presented correspondence from Jim Noerrlinger, presenting and requesting payment in favor of Lake Waconda Association, for miscellaneous expense, for Nebraska Rural Water Association Membership Dues, in the amount of One Hundred Twenty-Five and no/100 Dollars (\$125.00).

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 August 15, 2020, November 15, 2020, February 15, 2021, and May 15, 2021 each in the amount of Seventeen Thousand Five Hundred and no/100 Dollars (\$17,500.00), 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, Peggy L. Lawton, Jon Meyers, Wayne Breyfogle, Phillip Wright and Scott Pekarek voted "Aye" with none voting "Nay" thereby adopting these payments to the Lake Waconda Association.

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. 5556 through 5559, 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 July 30, 2025, 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. 5556, for the amount of Seven Hundred and no/100 Dollars (\$700.00), payable to First National Bank of Omaha.

Warrant No. 5557, for the amount of Two Thousand One Hundred Forty-Seven and no/100 Dollars (\$2,147.00), payable to Kraig J. Thelen.

Warrant No. 5558, for the amount of Three Hundred Thirty-One and 50/100 Dollars (\$331.50), payable to Noerrlinger Construction Inc.

Warrant No. 5559, for the amount of Four Hundred Fifty and no/100 Dollars (\$450.00), payable to Thompson, Dreessen & Dorner, Inc.

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. 5560 through 5573, 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 30, 2023, 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. 5560, for the amount of One Hundred and no/100 Dollars (\$100.00), payable to Nebraska Public Power District, Account #211010041398.

Warrant No. 5561, for the amount of Two Thousand Four Hundred Twenty-Three and 11/100 Dollars (\$2,423.11), payable to Omaha Public Power District, Account No. 584300090.

Warrant No. 5562, for the amount of One Hundred Seven and 80/100 Dollars (\$107.80), payable to Frontier Cooperative.

Warrant No. 5563, for the amount of Six Thousand Six Hundred Eighty-Seven and 10/100 Dollars (\$6,687.10), payable to Subsurface Solutions.

Warrant No. 5564, for the amount of One Thousand Two Hundred Sixty-Six and 10/100 Dollars (\$1,266.10), payable to Asphalt & Concrete Materials C.

Warrant No. 5565, for the amount of Thirty-Four and no/100 Dollars (\$34.00), payable to Nebraska Public Health Environmental Lab.

Warrant No. 5566, for the amount of Three Thousand Seven Hundred Sixty-Three and 20/100 Dollars (\$3,763.20), payable to Thompson, Dreessen & Dorner, Inc.

Warrant No. 5567, for the amount of One Thousand Two Hundred Forty-Seven and 50/100 Dollars (\$1,247.50), payable to Noerrlinger Construction Inc.

Warrant No. 5568, for the amount of Eight Thousand Two Hundred Twenty-Eight and 80/100 Dollars (\$8,228.80), payable to Pansing Hogan Ernst & Bachman LLP.

Warrant No. 5569, for the amount of One Hundred Twenty-Five and no/100 Dollars (\$125.00), payable to Lake Waconda Association.

Warrant No. 5570, for the amount of Seventeen Thousand Five Hundred and no/100 Dollars (\$17,500.00), payable to Lake Waconda Association.

Warrant No. 5571 for the amount of Seventeen Thousand Five Hundred and no/100 Dollars (\$17,500.00), payable to Lake Waconda Association.

Warrant No. 5572, for the amount of Seventeen Thousand Five Hundred and no/100 Dollars (\$17,500.00), payable to Lake Waconda Association.

Warrant No. 5573, for the amount of Seventeen Thousand Five Hundred and no/100 Dollars (\$17,500.00), 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.

The Clerk then presented for the consideration of the Trustees a proposed Resolution concerning the Lower Platte South Natural Resources District Multi-Jurisdictional Hazard Mitigation Plan. The Clerk was directed to attach a copy of the Resolution to the minutes of these proceedings. After discussion of the Board, the following resolution was duly moved and seconded and upon a roll call vote the Trustees, Peggy L. Lawton, Jon Meyers, Wayne Breyfogle, Phillip Wright and Scott Pekarek voted "Aye" with none voting "Nay" thereby passing and adopting the following resolution:

RESOLVED, by the Board of Trustees of Sanitary and Improvement District No. 1 of Cass County, Nebraska, that the proposed Resolution concerning the Lower Platte South Natural Resources District Multi-Jurisdictional Hazard Mitigation Plan, be ratified and approved as proposed.

FURTHER RESOLVED, that the Chairman and Clerk be, and hereby are, authorized and directed to take such steps as are necessary to implement this resolution, including the execution of such Resolution for and on behalf of the District.

The next order of business was discussion regarding participation by the District in the United States Army Corp of Engineers levee improvement project (the "Corp Project"). There was an extended discussion reiterating many items previously considered and analyzed by the Trustees. It was reported that, of approximately 60 responses received from members of the public, 90% were in favor of the District participating in the Corp Project.

It was reiterated that the cost of the project would be a significant fiscal expense to the District. It was also discussed that, in comparing total overall costs, the costs of performing a less extensive set of repairs and improvements would likely bear a similar expense because of a lack of cost sharing. While there is no guaranty that the Corp Project will resolve all potential issues, maintaining status in the levy program by completing the Corp Project will maintain the District's ability to receive cost share assistance in performing work in the future.

There was a discussion regarding the ability of the District to finance the cost of the Corp Project. John Kuehl of D.A. Davidson & Co. presented that warrants would need to be issued to cover the cost of preliminary expense outlays by the District. While the District may be able to issue bonds to redeem warrants once the project has been let to bid, it was discussed it would be appropriate to consider the cost of issuance and complexity of multiple bond issues and warrant calls. It was also noted that, once the District portion of work is performed and the District cost share is delivered to the Corp, the District expense will have been finalized and bonds could likely be issued before the Corp has completed work.

Each Trustee individually explained their struggle with the circumstances surrounding the Corp Project. In particular, the Trustees each noted that it was unfortunate that the Corp Project required removal of homes and residences. Ultimately, each Trustee voiced support for the Corp Project.

There was an opportunity for residents in attendance to state their positions on the matter. And several Trustees and others in attendance noted that the Corp Project seems to be significantly different than what the District might do without the consideration of the cost share.

After discussion of the Board, the following resolution was duly moved and seconded and upon a roll call vote the Trustees, Peggy L. Lawton, Jon Meyers, Wayne Breyfogle, Phillip Wright and Scott Pekarek voted "Aye" with none voting "Nay" thereby passing and adopting the following resolution:

RESOLVED, by the Board of Trustees of Sanitary and Improvement District No. 1 of Cass County, Nebraska, hereby approves participation in the Corp Project and notice should be given to the appropriate representatives of the Corp to maintain funding and secure efforts necessary to cause the work identified in the Corp Project to be performed.

There was next a discussion regarding the need for the District to secure the property, materials and improvements necessary to allow the Corp to perform its work. There was a discussion regarding the need for the District to reach out to the individual property owners whose homes would need to be purchased or condemned and relay the decision to those individuals, as well as to hear their concerns and expectations, particularly with regard to timing. It was also discussed that the District should be in efforts to determine the value of the properties to be purchased or condemned. It was discussed that a broker opinion of value would provide a baseline valuation for the Trustees to consider in such matters.

After discussion of the Board, the following resolution was duly moved and seconded and upon a roll call vote the Trustees, Peggy L. Lawton, Jon Meyers, Wayne Breyfogle, Phillip Wright and Scott Pekarek voted "Aye" with none voting "Nay" thereby passing and adopting the following resolution:

RESOLVED, by the Board of Trustees of Sanitary and Improvement District No. 1 of Cass County, Nebraska, hereby approves that Jon Meyers is hereby authorized and directed to retain the services of a residential real estate agent to provide a broker opinion of value, market analysis, or similar written documentation of the properties to be purchased, at a cost not to exceed \$150.00 per property.

FURTHER RESOLVED, that the broker opinion of value or similar information is to be provided directly to Mark LaPuzza of Pansing Hogan Ernst & Bachman LLP, as legal counsel for the District, with such information to be maintained as confidential with respect to the negotiation of the purchase price or condemnation of individual properties.

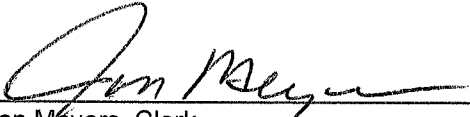
The next order of business regarding the need for a meeting of the Trustees in last August. The Trustees expressed a desire to have a meeting scheduled as soon after Monday, August 24, 2020, as feasible.

Ed Hobza of Thompson Dreessen & Dornier, Inc., engineer for the District, noted that a full topographical survey of the District and relevant surrounding areas would be beneficial to ensure that work performed is the most effective and costs are properly calculated. He reported that his original estimate was that a full topographical survey of the District would cost approximately \$15,000.00. The Trustees discussed that such cost was likely the first of many expenses necessary to maximize the benefit to the District of the Corp Project.

**[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 July 30, 2020, meeting.



Jon Meyers, Clerk