

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 10th day of November, 2023, at 9:00 a.m., at 10250 Regency Circle, Suite 300, Omaha, Nebraska.

Present were: Peggy L. Lawton, Matt Burnham, Jon Meyers, Wayne Breyfogle and Scott Pekarek. Also attending was Mark J. LaPuzza, attorney for the District, Ed Hobza, Thompson, Dreessen & Dorner, Inc., John Kuehl of D.A. Davidson & Co., and Jim Noerrlinger.

Absent: None.

Notice of the meeting was given in advance thereof by publication in the Omaha World Herald on November 3, 2023, 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 10250 Regency Circle, Suite 300, Omaha, Nebraska 68114.

The meeting was called to order. Upon roll call, all of the Trustees were present.

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 various statements and invoices for payment by the District.

There were next presented invoices from Thompson, Dreessen & Dorner, Inc., engineers for the District, for services rendered in construction-related matters through October 15, 2023, Invoice #15990, in the amount of One Thousand Sixty-Five and no/100 Dollars (\$1,065.00).

There were next presented statements from Kraig J. Thelen, for services rendered in connection with Federal Disaster DR 4420 NE, as follows: (i) Statement No. 54, in the amount of zero, and (ii) Statement No. 55, in the amount of Two Hundred Sixty-Six and no/100 Dollars (\$266.00); said statements being in the aggregate amount of Two Hundred Sixty-Six and no/100 Dollars (\$266.00).

There were next presented statements from Nebraska Public Power District, for lighting at Highway 75, Account #211010041398, **having a small credit balance in the amount of Twenty-Four and 72/100 Dollars (\$24.72). The Board next directed advance payment to be made in the amount of Two Hundred and no/100 Dollars (\$200.00).**

There were next presented statements from Omaha Public Power District for street lights and other electrical services, Account #5843000090, from July 31, 2023 to September 29, 2023, in the aggregate amount of Four Thousand Six Hundred Thirty-Two and 66/100 Dollars (\$4,632.66).

There were next presented invoices from Wilbur-Ellis, for miscellaneous maintenance purchases, as follows: (i) Invoice #31966, in the amount of Two Hundred Forty-One and no/100 Dollars (\$241.00), and (ii) Invoice #32309, in the amount of Three Thousand Nine Hundred Ninety-Five and 84/100 Dollars (\$3,995.84);

said invoices being in the aggregate amount of Four Thousand Two Hundred Thirty-Six and 84/100 Dollars (\$4,236.84).

There were next presented invoices from One Call Concepts, Inc., for line locates within the District, as follows: (i) Invoice #3080594, in the amount of Four and 38/100 Dollars (\$4.38), and (ii) Invoice #3090596, having a zero balance; said invoices being in the aggregate amount of Four and 38/100 Dollars (\$4.38). **The Board was next reminded that it has a credit balance in the amount of Twenty-Three and 61/100 Dollars (\$23.61). The Board next directed advance payment in the amount of Two Hundred and no/100 Dollars (\$200.00).**

There was next presented a statement from Frontier Cooperative, for miscellaneous purchases, Invoice #004418, in the amount of Two Hundred Fifty-Eight and 21/100 Dollars (\$258.21).

There was next presented an invoice from Nebraska Public Health Environmental Lab, for testing of water, Invoice #569140, having a credit balance.

There was next presented correspondence from Jim Noerrlinger, presenting and requesting reimbursement to Noerrlinger Construction, for registration for training class for Alternative Technologies for septic systems, in the amount of Three Hundred Fifty and no/100 Dollars (\$350.00).

There was next presented an invoice from Aqua-Chem, Inc., for chlorination supplies and new pump, Invoice #00204113, in the amount of Six Hundred Thirty-Five and 20/100 Dollars (\$635.20).

There was next presented an invoice from Midwest Laboratories Inc., for water samples due to boil water advisory, Invoice #1157321, in the amount of Eight Hundred and no/100 Dollars (\$800.00).

There was next presented an invoice from Thompson, Dreessen & Dorner, Inc., engineers for the District, for services rendered in miscellaneous District matters through October 15, 2023, Invoice #159989, in the amount of One Thousand Seven Hundred Seventy-Two and 50/100 Dollars (\$1,772.50).

There was next presented a statement from Pansing Hogan Ernst & Buser LLP, attorneys for the District, for legal services performed through October 31, 2023, in the amount of Six Thousand Thirty-Three and no/100 Dollars (\$6,033.00), and costs advanced in the amount of Three Hundred Sixty-One and 30/100 Dollars (\$361.30); said statement being in the aggregate amount of Six Thousand Three Hundred Ninety-Four and 30/100 Dollars (\$6,394.30).

There was next presented an invoice from Lake Wa-Con-Da Association, for the purchase of weed sprayer, Invoice #5024, in the amount of Eight Hundred Two and 83/100 Dollars (\$802.83).

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. 6227 and 6228, 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 five percent (5%) per annum (interest to be payable on February 10 of each year) and to be redeemed no later than **November 10, 2028**, 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. 6227, for the amount of One Thousand Sixty-Five and no/100 Dollars (\$1,065.00), payable to Thompson, Dreessen & Dorner, Inc.

Warrant No. 6228, for the amount of Two Hundred Sixty-Six and no/100 Dollars (\$266.00), payable to Kraig J. Thelen.

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. 6229 through 6240 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 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 **November 10, , 2026**, 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. 6229, for the amount of Two Hundred and no/100 Dollars (\$200.00), payable to Nebraska Public Power District, Account #211010041398.

Warrant No. 6230, for the amount of Four Thousand Six Hundred Thirty-Two and 66/100 Dollars (\$4,632.66), payable to Omaha Public Power District, Account #5843000090.

Warrant No. 6231, for the amount of Four Thousand Two Hundred Thirty-Six and 84/100 Dollars (\$4,236.84), payable to Wilbur-Ellis.

Warrant No. 6232, for the amount of Two Hundred and no/100 Dollars (\$200.00), payable to One Call Concepts, Inc.

Warrant No. 6233, for the amount of Two Hundred Fifty-Eight and 21/100 Dollars (\$258.21), payable to Frontier Cooperative.

Warrant No. 6234, for the amount of Three Hundred Fifty and no/100 Dollars (\$350.00), payable to Noerlinger Construction.

Warrant No. 6235, for the amount of Six Hundred Thirty-Five and 20/100 Dollars (\$635.20), payable to Aqua-Chem, Inc.

Warrant No. 6236, for the amount of Eight Hundred and no/100 Dollars (\$800.00), payable to Midwest Laboratories Inc.

Warrant No. 6237, for the amount of One Thousand Seven Hundred Seventy-Two and 50/100 Dollars (\$1,772.50), payable to Thompson, Dreessen & Dorner, Inc.

Warrant No. 6238, for the amount of Five Thousand and no/100 Dollars (\$5,000.00), and Warrant No. 6239, for the amount of One Thousand Three Hundred Ninety-Four and 30/100 Dollars (\$1,394.30), payable to Pansing Hogan Ernst & Buser LLP.

Warrant No. 6240, for the amount of Eight Hundred Two and 83/100 Dollars (\$802.83), payable to Lake Wa-Con-Da 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, and warrant and agree

that (a) the facilities for which the above Warrants are issued are for essential governmental functions and are designed to serve members of the general public on an equal basis; (b) there are no persons with rights to use said facilities other than as members of the general public; (c) ownership and operation of said facilities is within the District or another political subdivision; (d) none of the proceeds of the Warrants will be loaned to any person and to the extent that special assessments have been or are to be levied for any said facilities, 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 such facilities in the District; (e) the development of the land in the District is for residential or commercial use; (f) the development of the land in the District for sale and occupation by the general public is proceeding with reasonable speed; and (g) the District hereby authorizes and directs the Chairman or Clerk to file, when due, an information reporting form pursuant to Section 149(e) of the Internal Revenue Code of 1986 pertaining to 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 \$5,000,000 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 Cass County Treasurer representing a deposit to the District's bond Federal Grant Funding, in the aggregate amount of Ninety-One Thousand Five Hundred Eighty-Four and 39/100 Dollars (\$91,584.39).

The next order of business was discussion regarding the Kenny Drake transaction. The Trustees discussed in detail a request by Kenny Drake, a neighboring property owner, to swap land with the District. Specifically, the District would take title to property which is currently being used or may be used by the District for operations and drainage in exchange for property the District does not need. The expectation would be that the transaction would be purely a land swap based on the acreage and use of the property presented. In particular, it was noted that Mr. Drake's interest in the property was simply increasing his overall holdings to greater than 20 acres, meaning that he only required any contiguous property. As the property he seeks to obtain from the District would otherwise be isolated, the Trustees believed there is no likely buyer that would provide consideration of similar value. Additionally, Mr. Drake noted that he is willing to grant the District a right of first refusal on the property should he ever elect to sell. Information regarding the exact properties involved was provided and discussed by Ed Hobza of Thompson, Dreesen & Dörner, Inc. Upon a motion duly made and seconded and upon a roll call vote, all the Trustees, Peggy Lawton, Matt Burnham, Jon Meyers, Wayne Breyfogle and Scott Pekarek voted "Aye" with none voting "Nay" thereby adopting the following resolution:

RESOLVED that the District hereby authorizes the exchange of properties between the District and Kenny Drake as proposed.

RESOLVED FURTHER that the Chairman and Clerk of the District are hereby authorized and directed to execute such further documents and agreements as may be necessary to effectuate the transaction, including Deeds and agreements related thereto.

RESOLVED FURTHER that the District will cooperate in subdivision and platting the property as necessary to effectuate the transaction.

The next order of business was discussion regarding the ongoing Road Repair and Chip Seal project. There was extended discussion regarding the ability of the District to reclaim rock from the project, identifying any small incremental costs in doing so. The Trustees authorized the District engineer to prepare an appropriate change order for the Chip Seal project.

There was then some discussion regarding a road surface treatment referred to as fogging. This had come up in discussions between engineers, the Trustees, and the chip seal contractor. Reports are that the fogging process can be effective in prolonging the life of a chip seal road and also helpful in mitigating dust issues. The Trustees agreed to investigate the matter further as it now appears to be a time sensitive matter.

The next order of business was discussion regarding fish stocking. The Trustees were reminded that this was previously discussed in the past. At this time, the Trustees made the decision to table the option for further fish stocking.

The next order of business was discussion regarding interim actions by the Clerk of the District. The Trustees were reminded that Jon Meyers, the previous Clerk for the District, had often taken actions to negotiate with third parties on relatively small and time sensitive contracts and agreements for services. Although payment would ultimately be authorized by the Board of Trustees, the District had generally authorized preliminary approval of expenditures up to a set amount. The Trustees discussed that any necessary and time sensitive matters addressed by the Clerk of the District, at his discretion, expenditures would be permitted up to \$10,000.00.

The next order of business was discussion regarding long-term construction planning for the District. A spreadsheet prepared by Ed Hobza of Thompson, Dreesen & Dornier, Inc. outlined all current, planned, and potential projects that had been discussed by the District, together with rough cost estimates. There was an extended discussion regarding priority of expenses. The Trustees directed Mr. Hobza to update the spreadsheet reflecting priorities and costs as discussed in the meeting.

In particular, the Trustees discussed the potential future need for a sewage treatment facility. There was some discussion that there may be low interest funding available through State programs. It was discussed that any available funding or grants should be carefully investigated in an attempt to minimize the expense to the District for such large-scale construction projects.

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SIGNATURES APPEAR ON THE FOLLOWING PAGE]**

The Clerk 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.

Matt Burnham, 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 November 10, 2023, meeting.


Matt Burnham, Clerk