

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 21st day of August, 2024, at 9:00 a.m., at 10250 Regency Circle, Suite 300, Omaha, Nebraska.

Present were: Peggy L. Lawton, Jon Meyers and Wayne Breyfogle. Also attending was Mark J. LaPuzza, attorney for the District, Cheryl Eliason, accountant for the District, John Kuehl, of D.A. Davidson & Co., and Jim Noerrlinger.

Absent: Matt Burnham.

Notice of the meeting was given in advance thereof by publication in the Omaha World Herald on August 15, 2024 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 statements from BOK Financial, for paying agent fee, as follows: (i) Series 2016 GO Refunding, statement dated July 29, 2024, in the amount of Seven Hundred and no/100 Dollars (\$700.00), and (ii) Series 2022 GO Bond and Series 2022B GO Bond, statement dated July 29, 2024, in the amount of One Thousand Two Hundred and no/100 Dollars (\$1,200.00); said statements being in the aggregate amount of One Thousand Nine Hundred and no/100 Dollars (\$1,900.00).

There was next presented a statement from Kraig J. Thelen, for services rendered in connection with Federal Disaster DR 4420 NE, Statement No. 65, in the amount of One Thousand Eight Hundred Sixty-Two and no/100 Dollars (\$1,862.00).

There was next presented a statement from Nebraska Public Power District, for lighting at Highway 75, Account #211010041398, **having a credit balance in the amount of Eighty-One and 29/100 Dollars (\$81.29).**

There was next presented a statement from Omaha Public Power District for street lights and other electrical services, Account #5843000090, from July 2, 2024 to August 2, 2024, in the amount of Two Thousand Two Hundred Seventy-Two and 49/100 Dollars (\$2,272.49).

There was next presented an invoice from Final Grade Construction & Conservation, for mobilization emergency flood work, Invoice #924, in the amount of Sixty-Five Thousand Six Hundred Seventy-Two and no/100 Dollars (\$65,672.00).

There was next presented a statement from Frontier Cooperative, for the purchase of propane, Invoice #028022, in the amount of Five Hundred Ten and 73/100 Dollars (\$510.73).

There was next presented an invoice from Midwest Laboratories, Inc., for the purchase of supplies, Invoice #1195682, in the amount of One Hundred Twenty-One and 86/100 Dollars (\$121.86).

There were next presented Invoices from AgriVision Equipment Group, for the purchase of parts and services as follows: (i) Invoice #1001309935, in the amount of Two Hundred Fifty and 25/100 Dollars (\$250.25), and (ii) Invoice #1001314388, in the amount of Thirteen Thousand Four Hundred Forty-Seven and 83/100 Dollars (\$13,447.83); said invoices being in the aggregate amount of Thirteen Thousand Six Hundred Ninety-Eight and 08/100 Dollars (\$13,698.08).

There was next presented an invoice from Nebraska Public Health Environmental Lab, for test sampling, Invoice #579905, in the amount of Two Hundred Thirty-Six and no/100 Dollars (\$236.00).

There was next presented an invoice from One Call Concepts, Inc., for line locates within the District, Invoice #4070618, in the amount of Two and 78/100 Dollars (\$2.78). **The Board was next reminded that it has a credit balance, so no payment is due at this time.**

There was next presented an invoice from Lake Wa-Con-Da Association, for miscellaneous costs within the District, Invoice #5062, in the amount of Two Thousand Five Hundred Forty-Eight and 41/100 Dollars (\$2,548.41).

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. 6331 and 6332, 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 **August 21, 2029**, 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. 6331, for the amount of One Thousand Nine Hundred and no/100 Dollars (\$1,900.00), payable to BOK Financial.

Warrant No. 6332, for the amount of One Thousand Eight Hundred Sixty-Two and no/100 Dollars (\$1,862.00), 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. 6333 through 6354 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 **seven percent (7%)** per annum and to be redeemed no later than **August 21, 2027**, 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. 6333, for the amount of Two Thousand Two Hundred Seventy-Two and 49/100 Dollars (\$2,272.49), payable to Omaha Public Power District, Account #5843000090.

Warrant Nos. 6334 through 6346, each for the amount of Five Thousand and no/100 Dollars (\$5,000.00), and Warrant No. 6347, for the amount of Six Hundred Seventy-Two and no/100 Dollars (\$672.00), payable to Final Grade Construction & Conservation.

Warrant No. 6348, for the amount of Five Hundred Ten and 73/100 Dollars (\$510.73), payable to Frontier Cooperative.

Warrant No. 6349, for the amount of One Hundred Twenty-One and 86/100 Dollars (\$121.86), payable to Midwest Laboratories, Inc.

Warrant Nos. 6350 and 6351, each for the amount of Five Thousand and no/100 Dollars (\$5,000.00), and Warrant No. 6352, for the amount of Three Thousand Six Hundred Ninety-Eight and 08/100 Dollars (\$3,698.08), payable to AgriVision Equipment Group.

Warrant No. 6353, for the amount of Two Hundred Thirty-Six and no/100 Dollars (\$236.00), payable to Nebraska Public Health Environmental Lab.

Warrant No. 6354, for the amount of Two Thousand Five Hundred Forty-Eight and 41/100 Dollars (\$2,548.41), 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.

The next order of business was discussion regarding the 2024-2025 Budget of the District. Cheryl Eliason, accountant for the District, gave an extended presentation of the District's budget history and options with respect to review and modification of budget line items. Also present was John Kuehl of D.A. Davidson, fiscal agent for the District, who provided information regarding the outstanding bonds of the District and the ability of the District to raise additional funds as needed.

The Trustees discussed that there was a strong desire to attempt to have the budget ultimately adopted by the District match the best expectations of the Trustees regarding expenditures. In particular, there was discussion reading the ability of the District to identify certain open projects with respect to the budget and also identifying the expected timing for payments. It was discussed that a project budgeted and approved in the fall of one year might be performed in the spring without payment being made until the next fiscal year.

There was discussion regarding the identification of maintenance expenses for equipment and proper classification of those expenses.

Ultimately, the Trustees discussed that there are multiple long-term projects of significant expense in the five-to-ten-year plan for the District. In particular, the Trustees discussed the continuing difficulty in residents installing septic systems seem to express a likelihood that the District would need to install some sort of District wide sewage treatment option. The expense of such project is not well known as it would involve running sewer lines and mains to all houses which would likely run into a number of undocumented encroachments. The Trustees also discussed that the District water system requires either reconditioning or a full upgrade.

The Trustees discussed there did not appear to be any opportunity for tax levy relief in the budget. Rather, the Trustees asked for the budget to be updated by the District accountant to reflect a lid-maximized general fund levy. For the construction fund, the Trustees asked debt projections to be provided for their consideration at a bond levy of \$1.10 and \$1.25. The Trustees were reminded these were not final decisions and the Board in September would adopt an actual budget.


The next order of business was discussion regarding an updated agreement between the District and the Lake Wa-Con-Da Homeowners Association. The Trustees were reminded that the Lake Wa-Con-Da Homeowners Association owns a significant volume of equipment which is used by the caretaker in performing services to the District under the contract between the parties. The Lake Wa-Con-Da Homeowners Association presented that it no longer wished to be involved in the ownership, insurance and maintenance of these equipment items and asked that the District accept ownership of such items. The Board generally agreed it would be willing to accept a transfer of such items and asked the caretaker to provide a list of equipment. In particular, it was discussed that any title to assets, such as vehicles would need to be transferred by appropriate legal process. Other materials can be transferred by document of sale. The Trustee directed Mark LaPuzza to work with the Lake Wa-Con-Da Homeowners Association to obtain all necessary information and signatures to complete the transfers of assets.

The next order of business was discussion regarding the updated agreement between the District and the Homeowners Association. An update was provided that the Lake Wa-Con-Da Homeowners Association is in the process of engaging legal counsel both for the purpose of properly documenting the employment relationship between the Lake Wa-Con-Da Homeowners Association and the caretaker as well as to assist in negotiating the terms of an updated agreement between the District and the Homeowners Association. The Lake Wa-Con-Da Homeowners Association should be directed to have their legal counsel contact Mark LaPuzza.

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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 August 21, 2024, meeting.



Matt Burnham, Clerk