

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 20th day of February, 2020, and to be held at the 10250 Regency Circle, Suite 300, 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, and Ed Hobza of Thompson, Dreessen & Dorner, Inc.

Absent: None.

Notice of the meeting was given in advance thereof by publication in The Plattsmouth Journal on February 13, 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.

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

The Clerk next presented to the Board the final estimate with regard to Lake Wa-Con-Da 2019 Paving Repair – March 2019 Flood and its installation by Flinn Paving Co., Inc., which recommended that a final and complete payment be made in the total amount of Sixty Thousand Two Hundred Sixty-Six and 81/100 Dollars (\$60,266.81) with such being final payment and the final estimate for work completed on such project. The Clerk also presented the Certificate of Completion from the District's engineers, Thompson, Dreessen & Dorner, Inc., recommending that final payment and acceptance of such project be made by the District. Upon a motion duly made and seconded, and upon the following 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 District's project entitled Lake Wa-Con-Da 2019 Paving Repair – March 2019 Flood be accepted as completed in accordance with recommendation of the District's engineers, Thompson, Dreessen & Dorner, Inc. and that final payment be made in the following scheduled amount:

<u>Contractor</u>	<u>Amount</u>
Flinn Paving Co., Inc.	\$60,266.81

There was next presented correspondence from Thompson, Dreessen & Dorner, Inc., engineers for the District, presenting and recommending payment in favor of Frontier Cooperative, for the purchase of fuel for the tractor entitled **Tractor Fuel – March 2019 Flood (Lake Wa-Con-Da)**, Statement dated December 31, 2019, in the amount of Three Thousand Six Hundred Six and 12/100 Dollars (\$3,606.12).

There was next presented correspondence from Thompson, Dreessen & Dorner, Inc., engineers for the District, presenting and recommending payment in favor of Lake Waconda Association, for services entitled **Receipt Reimbursement – March 2019 Flood (Lake Wa-Con-Da)**, as follows: (i) Invoice No. 133801071042, from Menards, in the amount of One Hundred Sixty-Nine and 99/100 Dollars (\$169.99), (ii) Order No. 04-04464-699995, from eBay, in the amount of Five Hundred Twenty-Six and 4/5010 Dollars (\$526.45), (iii) Order No. 11-04470-53663, from eBay, in the amount of Five Hundred Twenty-Seven and 49/100 Dollars (\$527.49), (iv) Invoice No. 3013764, from AgriVision, in the amount of Four Hundred Fifty-Nine and 58/100 Dollars (\$459.58), (v) Invoice No. 3010136, from AgriVision, in the amount of Twenty-Six and 05/100 Dollars (\$26.05), (vi) Invoice No. 1757425, from AgriVision, in the amount of Three Hundred Thirty-Two and 63/100 Dollars (\$332.63), and (vii) Invoice No. 3013298, from AgriVision, in the amount of Two Hundred Forty-Five and 86/100 Dollars (\$245.86); said statements being in the aggregate amount of Two Thousand Two Hundred Eighty-Eight and 05/010 Dollars (\$2,288.05).

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 services entitled **Equipment Rental – March 2019 Flood (Lake Wa-Con-Da)**, Invoice #624, in the amount of Four Hundred Thirty-One and 50/100 Dollars (\$431.50).

There was next presented a statement from Kraig J. Thelen, for work performed on FEMA Disaster DR 4420, Statement dated January, 2020, in the amount of One Thousand Nine Hundred Forty-Seven and 50/100 Dollars (\$1,947.50).

There was next presented a statement from Thompson, Dreessen & Dorner, Inc., engineers for the District, for services provided for the project entitled **March 2019 Flood (Lake Wa-Con-Da)**, Invoice #135860, in the amount of Two Hundred Ten and no/100 Dollars (\$210.00).

There were next presented statements of Summary Account #5843000090 from Omaha Public Power District, for street lights and other electrical services, as follows: (i) Statement dated January 7, 2020, in the amount of One Thousand Seven Hundred Ninety-Nine and 39/100 Dollars (\$1,799.39), and (ii) Statement dated February 5, 2020, in the amount of One Thousand Nine Hundred and 56/100 Dollars (\$1,900.56); said statements being in the aggregate amount of Three Thousand Six Hundred Ninety-Nine and 95/100 Dollars (\$3,699.95).

There was next presented a statement from Frontier Cooperative, for the purchase of propane for the caretaker's home, Statement dated January 31, 2020, in the amount of Seven Hundred Sixty-Nine and 92/100 Dollars (\$769.92).

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 miscellaneous tasks throughout the District, Invoice #625, in the amount of Five Hundred Sixty-Five and no/100 Dollars (\$565.00).

There were next presented statements from One Call Concepts, Inc., for line locates within the District, as follows: (i) invoice #9120549, in the amount of Nine and 20/100 Dollars (\$9.20), and (ii) Invoice #0010551, in the amount of One and 15/100 Dollars (\$1.15); said statements being in the aggregate amount of Ten and 35/100 Dollars (\$10.35). **The Board was next reminded that it has a credit balance in the amount of Thirty-Eight and 32/100 Dollars (\$38.32), so no payment is due at this time.**

There was next presented a statement from Thompson, Dreessen & Dorner, Inc., engineers for the District, for miscellaneous District maintenance through February 10, 2020, Invoice #135859, in the amount of Two Thousand Two Hundred Seventy-Seven and 50/100 Dollars (\$2,277.50).

There was next presented a statement from Masimore, Magnuson & Associates, P.C., for accounting services performed including the audit of financial statements and preparing forms 1099 and 1096 for 2019, Invoice #54804, in the amount of Nine Thousand Four Hundred Eighty and no/100 Dollars (\$9,480.00).

There were next presented statements from Pansing Hogan Ernst & Bachman LLP, attorneys for the District, for legal services performed through January 31, 2020, as follows: (i) Miscellaneous District matters, in the amount of Four Thousand One Hundred Thirty-Nine and 85/100 Dollars (\$4,139.85), and (ii) March 2019 Flood, in the amount of Seven Hundred Sixty-Four and no/100 Dollars (\$764.00); said statements being in the aggregate amount of Four Thousand Nine Hundred Three and 85/100 Dollars (\$4,903.85).

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. 5516 through 5521, 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 February 20, 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. 5516, in the amount of Sixty Thousand Two Hundred Sixty-Six and 81/100 Dollars (\$60,266.81), payable to Flinn Paving Co., Inc.

Warrant No. 5517, for the amount of Three Thousand Six Hundred Six and 12/100 Dollars (\$3,606.12), payable to Frontier Cooperative.

Warrant No. 5518, for the amount of Two Thousand Two Hundred Eighty-Eight and 05/100 Dollars (\$2,288.05), payable to Lake Waconda Association.

Warrant No. 5519, for the amount of Four Hundred Thirty-One and 50/100 Dollars (\$431.50), payable to Noerrlinger Construction Inc.

Warrant No. 5520, for the amount of One Thousand Nine Hundred Forty-Seven and 50/100 Dollars (\$1,947.50), payable to Kraig J. Thelen.

Warrant No. 5521, for the amount of Two Hundred Ten and no/100 Dollars (\$210.00), 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. 5522 through 5528, 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 February 20, 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. 5522, for the amount of Three Thousand Six Hundred Ninety-Nine and 95/100 Dollars (\$3,699.95), payable to Omaha Public Power District, Account #5843000090.

Warrant No. 5523, for the amount of Seven Hundred Sixty-Nine and 92/100 Dollars (\$769.92), payable to Frontier Cooperative.

Warrant No. 5524, for the amount of Five Hundred Sixty-Five and no/100 Dollars (\$565.00), payable to Noerrlinger Construction Inc.

Warrant No. 5525, for the amount of Two Thousand Two Hundred Seventy-Seven and 50/100 Dollars (\$2,277.50), payable to Thompson, Dreesen & Dorner, Inc.

Warrant No. 5526, for the amount of Five Thousand and no/100 Dollars (\$5,000.00), and Warrant No. 5527, for the amount of Four Thousand Four Hundred Eighty and no/100 Dollars (\$4,480.00), payable to Masimore Magnuson & Associates, P.C.

Warrant No. 5528, for the amount of Four Thousand Nine Hundred Three and 85/100 Dollars (\$4,903.85), payable to Pansing Hogan Ernst & Bachman LLP.

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 next order of business was discussion regarding investigation as to potential government grants for improvements in the District. The Chairperson noted that she had had extended discussions with representatives of JEO and it did not appear, at the present time, that funds were available under the 404 or 406 programs, due in part to the expense relative to damages suffered.

There was next a report provided by Kraig Thelen as to the status of FEMA reimbursement submittals. He reported that the process had been moving smoothly and that he continued to provide necessary information to FEMA when requested. He reported that several projects had been approved or were near approval for reimbursement.

There was next a discussion regarding the potential for the United States Army Corps of Engineers for improvements to the levy and related projects. Jon Meyers reported that the Corps had not yet finalized the 90% plans and estimates, leaving the matter in the hands of the Corps for the time being.

There was some discussing regarding potential road repairs that could be approved for cost sharing by FEMA. Although the Trustees noted that any road repairs are likely to be subjected to significant wear and tear as an element of any new levy improvement projects, the cost sharing availability might warrant participation in a road repair project, particularly if the construction related to the levy might not begin until next year.

The next order of business was discussion regarding updates and requests of Jim Noerrlinger. First, he asked the Trustees to address whether or not to put hard surface on the top of the levy to make access easier for flood fighting efforts. The Trustees discussed that any additional hard surface installation would make flood fighting easier. However, the Trustees also discussed that doing so might encourage more residents driving on the levy, which is generally seen as hazardous to levy conditions. Furthermore, Ed Hobza, of Thompson, Dreessen & Dornier, Inc., engineer for the District, noted that the addition of any material would require removal of existing dirt on top of the levy in order to avoid increasing the height of the levy beyond the standards established by the United States Army Corps of Engineers. No action was taken at this time.

There was some discussion as to the ability of the District to raise the levy. The Trustees discussed that levy height is created and enforced by the United States Army Corps of Engineers, such that the Corps has required removal of unauthorized levy additions and, ultimately, could claim that an improper levy enhancement disqualifies the District from program participation.

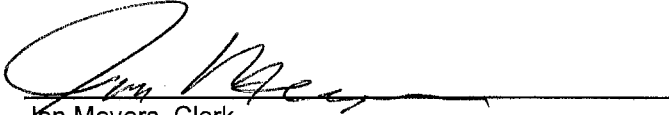
The next order of business was discussion regarding the potential acquisition of a tractor or other diesel or electric motor. The Trustees discussed that the cost of renting such equipment in a disaster situation was extremely expensive, and that it may be beneficial for the District to obtain its own equipment. The Trustees agreed to discuss the matter at the next meeting.

The next order of business was discussion regarding acquisition of a water line locator. Jim Noerrlinger noted that he believed that he had identified equipment that would be capable of locating the District water lines, having previously not found any feasible options for line location. The Trustees discussed that the cost of the line locator, approximately \$6,500.00, may be reasonable, but that the Trustees would want to make sure that the equipment was tested and verified to work before making such a purchase.

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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 February 20, 2020, meeting.



Jon Meyers, Clerk