FALLS CITY
NEBRASKA
PASSIONATE • PROVEN • PROSPEROUS

CITY COUNCIL REGULAR MEETING
MONDAY – NOVEMBER 2, 2026, 6:00 PM
CITY HALL - COUNCIL CHAMBERS
2307 BARADA STREET
FALLS CITY, NE 68355

Watch the meeting livestream at https://www.youtube.com/@FallsCityNE/streams

The City Council may vote to go into Closed Session on any agenda item as allowed by State Law.

ROUTINE BUSINESS

1. Open Meeting Act
2. Roll Call
3. Pledge of Allegiance
4. Mayors Report
5. City Administrators Report
6. Chief of Police Report

CONSENT AGENDA

1. Agenda Approval
2. Minutes Approval for October 19, 2026
3. Claims Approval for November 2, 2026
4. Consent Agenda

Any item listed on the Consent Agenda may, at the request of any single Council Member, be considered as a separate item under the Regular Agenda Section of the Agenda.

OLD BUSINESS

REGULAR BUSINESS

1. Discussion & Action – Resolutions for year-end certification of city street superintendents for calendar year 2026

2. Discussion & Action – Appointment of Joyce Jones to the Planning Commission as recommended by Mayor Harkendorff

3. First Reading - Ordinance 2026-103 to authorize Mayor Harkendorff to sign SRF loan #D311751 agreement with DWEE in the amount of $4.4 million for lead pipe identification and replacement

4. Discussion & Action – Resolution to approve SRF Loan #D311751 agreement with DWEE in the amount of $4.4 million for lead pipe identification and replacement

5. Discussion & Action – Authorize Release of Occupied Rehab loan for Kathy Russell upon repayment of Amortized amount of $12,082.85 at 802 McLean Street

6. Discussion & Action – Master agreement work order No. 17 with Olsson for Street Superintendent service for 2027

7. Discussion & Action – Master agreement work order No. 16 with Olsson for General Engineering Consulting Services for $5,000 for 2027

8. Discussion & Action – Purchase Grasshopper mower for the Parks Department for $30,538.70

ADJOURNMENT

Gary Jorn, City Clerk

October 19, 2026

A meeting of the City Council of the City of Falls City, Nebraska, was held in said City on the 19th day of October 2026, at 6:00 o'clock P.M. Council met in Regular Session. Mayor Harkendorff called the meeting to order, Clerk Jorn recorded the minutes of the meeting. On roll call the following Council persons were present: Fouraker, Ferguson, K. Killingsworth, F. Killingsworth. Absent: Buckminster, Kaster, Leyden. Notice of the meeting was given in advance thereof by posting in three public places, a designated method for giving notice as shown by the Certificate of Posting Notice attached to these minutes. Notice of this meeting was given to the Mayor and all persons of the Council and a copy of their acknowledgment of receipt of notice and the agenda is attached to the minutes. Availability of the agenda was communicated in the advance notice and in the notice to the Mayor and Council of this meeting. All proceedings shown hereafter were taken while the convened meeting was open to the attendance of the public. Mayor Harkendorff 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 copies in the room where the meeting was being held.

STANDING REPORTS

City administrator gave an administrative report to the Mayor and City Council.

APPROVAL CONSENT RESOULUTION FOR OCTOBER 19, 2026

WHEREAS, certain business of the City Council (Council) of the City of Falls City (City) transpires on a regular and routine basis or is not of controversial nature; and *WHEREAS*, roll call votes on each individual issue greatly extend the meeting time. *NOW, THEREFORE, BE IT HEREBY RESOLVED* BY the City Council that in the interest of economizing time, yet complying with the Public Meeting Laws of the State of Nebraska, which require roll call voting, the following issues are hereby consolidated in this Consent Resolution: *1. BE IT FURTHER RESOLVED BY* the Council that the agenda for October 19, 2026 meeting is hereby approved.2.*BE IT FURTHER RESOLVED BY* the Council that the minutes from the October 5, 2026 meeting are hereby approved.3.*BE IT FURTHER RESOLVED BY* the Council that the claims for October 19, 2026 meeting is hereby approved. 4. *BE IT FURTHER RESOLVED BY* the Council that the September 2026 Police Report is hereby approved. 5. *BE IT FURTHER RESOLVED BY* the Council that the September 2026 Treasurer Report is hereby approved.6. *BE IT FURTHER RESOLVED BY* the Council that the Consent Resolution for October 19, 2026 is hereby approved.

A motion was made by Council person F. Killingsworth and seconded by Council person Ruiz to approve the Consent Resolution as presented. Roll was called on this motion and the Council persons voted as follows: "YEA" Ferguson, Fouraker, F. Killingsworth, K. Killingsworth, Ruiz. "NAY" None. "Absent" Buckminster, Kaster, Leyden. Motion carried.

EDGE 2026 3RD QUARTER REPORT – EXECUTIVE DIRECTOR LUCAS FROESCHL

A motion was made by Council person F. Killingsworth and seconded by Council person Ruiz to approve the EDGE 2026 3rd Quarter Report. Roll was called on this motion and the Council persons voted as follows: "YEA" Ferguson, Fouraker, F. Killingsworth, K. Killingsworth, Ruiz. "NAY" None. "Absent" Buckminster, Kaster, Leyden. Motion carried.

SALT CONTRACTING - POWER PLANT ROOF OVERLAY FOR $84,126

A motion was made by Council person F. Killingsworth and seconded by Council person K. Killingsworth to approve Salt Contracting bid for $84,126 for replacement of the roof overlay at the Power Plant. Roll was called on this motion and the Council persons voted as follows: "YEA" Ferguson, Fouraker, F. Killingsworth, K. Killingsworth, Ruiz. "NAY" None. "Absent" Buckminster, Kaster, Leyden. Motion carried.

THERE BEING NO FURTHER BUSINESS, THE MEETING WAS ADJOURNED AT 6:28 P.M.

I, the undersigned, City Clerk for the City of Falls City, Nebraska, hereby certify that the foregoing is a true and correct copy of proceedings had and done by Council on October 19, 2026; that all of the subjects included in the foregoing proceedings were contained in the agenda for the meeting, kept continually current and available for public inspection at the office of the City Clerk; that such agenda items were sufficiently descriptive to give the public reasonable notice of the matters to be considered at the meeting; that such subjects were contained in said agenda for at least twenty-four hours prior to said meeting; that at least three copies of all reproducible material discussed at the meeting were available at the meeting for examination by persons of the public; that the said minutes from which the foregoing proceedings have been extracted were in written form and available for public inspection within ten working days and prior to the next convened meeting of said body; that all news media requesting notification concerning meetings of said body were provided advance notification of the time and place of said meeting and the subjects to be discussed at said meeting; and that a current copy of the Nebraska Open Meetings Act was available and accessible to persons of the public, posted during such meeting in the room in which such meeting was held.

(SEAL)

_____
CITY CLERK

_____
CITY CLERK

_____
MAYOR

City of Falls City, NE

Claims Report - 11.02.2026

By Fund

Payment Dates 10/20/2026 - 11/2/2026

Vendor Name	Description (Item)		Amount
Fund: 100 - General			
Associated Bank	HSA	$	(200.00)
Kansas Municipal Utilities	KMU LEVEL 3 TRAINING GROUP4 2026 QUARTERLY DUES	$	326.65
NATIONWIDE	SURETY BOND BD7900675616 12/01/26-11/30/27	$	217.00
Pro Serv	CONTRACT LEASE CHARGE	$	273.50
Wolfe's Printing	COLUMN BOOK	$	10.48
TASC	Funded HRA	$	125.00
General Petty Cash	Stamps	$	738.00
Southeast Nebraska Communications, Inc.	October 2026 Service	$	677.01
Marvin Planning Consultants	Invoice #2	$	4,740.00
Utility Department	City Office	$	1,251.39
Utility Department	Old City Hall Lease Property	$	80.49
Nebraska Dept of Revenue	Garnishment	$	250.00
Falls City Economic and Development Growth Enterprises	Monthly Contribution (MOU-7.5.2023)	$	11,041.75
Falls City Main Street, Inc.	Monthly Contribution (MOU 7.17.2023)	$	2,500.00
	Fund 100 - General Total:	**$**	**22,031.27**
Fund: 110 - Police			
Kansas Municipal Utilities	KMU LEVEL 3 TRAINING GROUP4 2026 QUARTERLY DUES	$	326.65
Harmon's OK Tire	TIRE REPAIR	$	30.00
Haug Communications	BATTERY	$	615.00
Armbruster Motor Co	Wrecker Service	$	150.00
Pro Serv	CONTRACT LEASE CHARGE	$	273.50
Das State Accounting - Centeral Finance	NETWORK SERV CHARGES 09/2026	$	844.80
Southeast Nebraska Communications, Inc.	October 2026 Service	$	263.01
Police Chiefs Association of Nebraska	Dues	$	120.00
	Fund 110 - Police Total:	**$**	**2,622.96**
Fund: 115 - Animal Control			
Omaha Public Power District	EL Service	$	89.62
Utility Department	Animal Control	$	15.27
	Fund 115 - Animal Control Total:	**$**	**104.89**
Fund: 120 - Fire			
Falls City Volunteer Fire Dept	REIMBURSE FIREMEN	$	200.00
Southeast Nebraska Communications, Inc.	October 2026 Service	$	129.75
Falls City Volunteer Fire Dept	Reimbursement - Unit #87 Generator Replacement	$	12,500.00
Utility Department	Ambulance Bldg	$	117.54
Utility Department	Fire Station	$	265.42
Utility Department	Fire Station/Hyd	$	90.58
Utility Department	Fire Station/Hydrants	$	4,780.09
	Fund 120 - Fire Total:	**$**	**18,083.38**
Fund: 130 - Building Inspections & Code Enforcement			
Kansas Municipal Utilities	KMU LEVEL 3 TRAINING GROUP4 2026 QUARTERLY DUES	$	326.65
	Fund 130 - Building Inspections & Code Enforcement Total:	**$**	**326.65**
Fund: 150 - Parks			
J.F. Ahern Company	auditorium inspection	$	428.00
Farm & City Supply	SCREWS	$	5.20
Grimms Gardens	TREE STRAP	$	19.90
Grimms Gardens	TREE STAKE	$	99.90
Farm & City Supply	PAINT BRUSH	$	8.99
Farm & City Supply	RUST STOP BLACK	$	7.59
Farm & City Supply	RUST STOP YELLOW	$	18.99
Farm & City Supply	PLIERS	$	18.99
Kansas Municipal Utilities	KMU LEVEL 3 TRAINING GROUP4 2026 QUARTERLY DUES	$	326.65
Farm & City Supply	CHIP BRUSH	$	5.18
Farm & City Supply	HOSE	$	35.99
Farm & City Supply	FOAM SOLVENT	$	35.97
Farm & City Supply	BLADE	$	23.94
Farm & City Supply	RAT TRAPS	$	31.99
Farm & City Supply	PICKUP TOOL	$	33.99

Scheitel Feed & Seed	5-WAY FESCUE	$	360.00
O'Reilly Automotive Inc	3PK AUTO CLOTH	$	6.99
O'Reilly Automotive Inc	16OZ PROTECT	$	9.49
O'Reilly Automotive Inc	PAPER	$	4.79
O'Reilly Automotive Inc	DETAIL WIPES	$	9.49
Falls City Mercantile	JUMBO TOILET TISSUE	$	103.30
Falls City Mercantile	PAPER TOWELS	$	35.20
Harmon's OK Tire	TIRE	$	99.00
Harmon's OK Tire	TIRE DISPOSAL	$	4.00
Harmon's OK Tire	STEM	$	1.25
Harmon's OK Tire	TIRE FEE	$	1.00
Falls City Sanitation Service	MONTHLY CHARGE STANTON LAKE	$	130.00
Utility Department	Riding Club Site/City Usage	$	89.47
Utility Department	Amphitheater	$	13.27
Utility Department	Grandview Park	$	148.32
Utility Department	Snack Shack-Irr	$	68.50
Utility Department	Snack Shack New	$	633.77
Utility Department	Dallas Jones- Irr Mtr	$	1,604.49
Utility Department	Stanton Lake Camper Sites/Caretaker	$	245.08
Utility Department	Morehead Field/Irrigation	$	385.25
Utility Department	Parks Dept New Shop	$	168.25
Utility Department	Stanton Lake North Camper	$	53.72
Utility Department	Stanton Lake Cabin	$	61.60
Utility Department	Snack Shack-Old El Only	$	155.17
Utility Department	Stanton Lake South Camper	$	78.33
Utility Department	Dallas Jones Tennis Court	$	54.55
Utility Department	Hartman Field	$	81.64
Utility Department	Legion Park	$	55.93
Utility Department	F&M Bank Field	$	45.98
Utility Department	4-H Barn	$	45.98
Utility Department	SNC Field	$	45.98
Utility Department	Stanton Lake Volleyball	$	87.03
	Fund 150 - Parks Total:	**$**	**5,988.09**
Fund: 151 - Auditorim			
Unifirst Corportation	CLEANING SUPPLIES	$	118.48
Jessica Casey	SPIN CLASSES FOR SEPTEMBER 9/3-9/14-9/25	$	45.00
Maggy Nelson	SEPTEMBER SPIN 12 CLASSES 9/1-2,7-9,14-16,21-23,30	$	180.00
Trane U.S. INC	Replace Relay, contactors, head press	$	3,279.00
Trane U.S. INC	Time Delay Relays/Charge sys w/ R-22 refrigerant	$	5,664.00
Trane U.S. INC	condenser fan motor & blade	$	3,712.00
Trane U.S. INC	condenser fan motor & blade	$	3,712.00
Jim Hill's	DOOR SWEEPS	$	45.00
TONI WINTZ	Refund - Cancelled Auditorium Reservation/Deposit	$	375.00
Falls City Sanitation Service	MONTHLY CHARGE AUDITORIUM	$	130.00
Southeast Nebraska Communications, Inc.	October 2026 Service	$	100.83
Utility Department	Auditorium	$	2,745.18
	Fund 151 - Auditorim Total:	**$**	**20,106.49**
Fund: 152 - Aquatic Center			
Utility Department	Aquatic Center	$	289.23
	Fund 152 - Aquatic Center Total:	**$**	**289.23**
Fund: 170 - Library			
J.F. Ahern Company	library inspection	$	428.00
Ingram	books	$	1,286.53
Amazon Capital Services	DUST MOP	$	20.89
Amazon Capital Services	MOP	$	79.88
Amazon Capital Services	SIGN HOLDERS 12 PK	$	31.34
Amazon Capital Services	STORAGE BINS 8 PK	$	86.99
Amazon Capital Services	BROOM	$	14.69
Amazon Capital Services	Acrylic Sign Holder	$	34.19
Kansas Municipal Utilities	KMU LEVEL 3 TRAINING GROUP4 2026 QUARTERLY DUES	$	326.65
Amazon Capital Services	Acrylic Sign Holder	$	(31.34)
NEBRASKA LIBRARY COMMISSION	OVERDRIVE ANNUAL PARTICIPATION FEE 10/1/26-9/30/27	$	500.00
NEBRASKA LIBRARY COMMISSION	OVERDRIVE ANNUAL MAGAZINE SUBSCRIPTION FEE	$	125.00
Amazon Capital Services	Books	$	18.16
Husker Electric Supply	LIGHT BULBS	$	206.25
Security Equipment Inc	ALARM MONITORING 11/126-10/31/27	$	536.04
Amazon Capital Services	SINGLE DVD CASES (50 PK)	$	39.55

Falls City Sanitation Service	MONTHLY CHARGE - LIBRARY	$	65.00
Library Petty Cash	POSTAGE	$	300.06
Library Petty Cash	SUPPLIES FOR BINGO	$	23.88
Richard Gilkerson	LIBRARY MAINTENANCE SEPT-OCT 2026	$	292.50
Southeast Nebraska Communications, Inc.	October 2026 Service	$	178.60
Utility Department	Library	$	2,358.71
	Fund 170 - Library Total:	**$**	**6,921.57**
Fund: 180 - Cemetery			
Falls City Auto Supply	FILTER	$	8.99
Falls City Auto Supply	WAR62939	$	24.89
Kansas Municipal Utilities	KMU LEVEL 3 TRAINING GROUP4 2026 QUARTERLY DUES	$	326.65
Farm & City Supply	NOZZLE	$	19.99
Farm & City Supply	HOSE	$	22.99
Southeast Nebraska Communications, Inc.	October 2026 Service	$	99.80
Utility Department	Cemetery	$	160.05
	Fund 180 - Cemetery Total:	**$**	**663.36**
Fund: 190 - Streets			
Concrete Industries, Inc	Concrete	$	16,153.63
Kansas Municipal Utilities	KMU LEVEL 3 TRAINING GROUP4 2026 QUARTERLY DUES	$	326.66
159 Lumber & Rentals	2X6X20	$	222.99
159 Lumber & Rentals	24" STAKES, (50 PK)	$	148.50
159 Lumber & Rentals	1X4X10	$	79.70
159 Lumber & Rentals	18" STAKES (50 PK)	$	69.00
Home Lumber Company	2x4x16	$	45.96
Home Lumber Company	1x2x18,stake	$	34.00
Home Lumber Company	1x2x24 stake	$	22.50
Home Lumber Company	quantity break	$	(8.50)
Home Lumber Company	2 x 4 x 12	$	8.59
Home Lumber Company	1x2x12 stake	$	12.00
159 Lumber & Rentals	2X4X20	$	23.68
159 Lumber & Rentals	1 1/2 REBAR CHAIR	$	253.08
159 Lumber & Rentals	2X8X16	$	55.35
159 Lumber & Rentals	FLAT TITAN TURBO,	$	140.00
159 Lumber & Rentals	8" EXPANSION JOINT	$	54.00
Home Lumber Company	bender board	$	79.96
Home Lumber Company	tappers	$	65.00
Home Lumber Company	quantity break	$	(16.00)
Home Lumber Company	magnetc nutsetter	$	4.59
THRASHER	NexusPro - joint sealant	$	300.00
THRASHER	concrete repair	$	13,428.72
Farm & City Supply	brick rub	$	22.99
Farm & City Supply	Gatogrip rub	$	16.99
Husker Electric Supply	#10 strd CU THWN green	$	384.00
Husker Electric Supply	#6 strd CU THWN black	$	547.50
Husker Electric Supply	#6 strd CU THWN white	$	519.03
Husker Electric Supply	#10 strd CU THWN black	$	384.00
Husker Electric Supply	#10 strd CU THWN white	$	384.00
Falls City Auto Supply	DIESEL EX FLUID	$	73.74
159 Lumber & Rentals	GRAY SIKAFLEX	$	119.94
Falls City Auto Supply	SEA FOAM	$	237.36
Falls City Auto Supply	FLOOR DRY,	$	77.94
Falls City Sanitation Service	MONTHLY CHARGE STREET	$	65.00
Southeast Nebraska Communications, Inc.	October 2026 Service	$	51.03
Harmon's OK Tire	tire fee	$	4.00
Harmon's OK Tire	T11R22.5 14P	$	1,526.40
Harmon's OK Tire	tire change	$	200.00
Harmon's OK Tire	tire disposal	$	40.00
Harmon's OK Tire	stems	$	20.00
Utility Department	Dist 56 Stop Sign	$	49.02
Utility Department	Street Lights	$	6,558.41
Utility Department	Dist 56 S S Stop Sign	$	50.13
Utility Department	Street Dept	$	306.75
	Fund 190 - Streets Total:	**$**	**43,141.64**
Fund: 195 - Mechanic Shop			
Kansas Municipal Utilities	KMU LEVEL 3 TRAINING GROUP4 2026 QUARTERLY DUES	$	326.66
Moridge Mfg. Inc.	BELT	$	89.98
Falls City Auto Supply	FILTER	$	84.89

Farm & City Supply	4" t-bolt hose clamp	$	17.98
NMC Inc	PUMP ASSEMBLY	$	55.81
NMC Inc	NIPPLE- QDISC	$	78.15
O'Reilly Automotive Inc	TIE ROD END	$	23.96
Falls City Auto Supply	CONNECTOR	$	9.49
MacQueen Euipment	HYDRAULIC FILTER KIT	$	363.06
Falls City Auto Supply	LAMP	$	11.79
O'Reilly Automotive Inc	5 GAL HYDRAULIC OIL	$	343.76
Falls City Auto Supply	BRG	$	28.40
Bruna Implement Company	SPRING	$	4.71
Bruna Implement Company	SEAL	$	4.62
Farm & City Supply	die 1" hex	$	13.99
Farm & City Supply	coupling	$	27.96
Farm & City Supply	cable sleeve	$	3.16
Farm & City Supply	pto pin	$	3.96
Farm & City Supply	cable sleeve	$	6.32
Farm & City Supply	hp clip	$	3.99
Farm & City Supply	cable	$	9.48
Farm & City Supply	credit for cable sleeve	$	(3.16)
Farm & City Supply	PTO pin	$	4.36
Amazon Capital Services	Crank/Cam-shaft Oil Seal Replacement	$	31.25
Amazon Capital Services	Crankshaft Oil Seal Replacement	$	(13.52)
O'Reilly Automotive Inc	BATTERY	$	103.81
O'Reilly Automotive Inc	CORE CHARGE	$	22.00
O'Reilly Automotive Inc	CORE EXCHANGE	$	(22.00)
O'Reilly Automotive Inc	WASHER NOZZLE	$	30.86
Falls City Auto Supply	TUBING	$	1.89
Southeast Nebraska Communications, Inc.	October 2026 Service	$	1.03
	Fund 195 - Mechanic Shop Total:	**$**	**1,668.64**
Fund: 205 - Dispatching			
Haug Communications	Mindshare to Fix Dispatch Console	$	372.00
Kansas Municipal Utilities	KMU LEVEL 3 TRAINING GROUP4 2026 QUARTERLY DUES	$	326.66
RR DONNELLEY	GUN CERTIFICATE	$	88.42
RR DONNELLEY	GUN APPLICATION	$	47.91
Lumen	MONTHLY CHARGES	$	3,220.06
Southeast Nebraska Communications, Inc.	October 2026 Service	$	718.17
	Fund 205 - Dispatching Total:	**$**	**4,773.22**
Fund: 280 - Housing Abatement/Demolition Program			
General Petty Cash	Certified Mail 8.25-9.15.2026	$	99.18
	Fund 280 - Housing Abatement/Demolition Program Total:	**$**	**99.18**
Fund: 600 - Electric			
UTILITIES SECTION	Utilities Section Membership Dues 9-1-26 - 8-31-27	$	1,903.80
Farmers Repair & Machine Shop	Steel Flat	$	63.55
Percival Culligan Water	50lb Salt	$	155.34
Farm & City Supply	Supplies	$	43.35
FARABEE MECHANICAL	Service Call- YLA Start up Issues	$	9,359.76
Farmers Repair & Machine Shop	2" ID Steel Pipe Tube 2'	$	186.94
Farm & City Supply	Supplies	$	102.07
Amazon Capital Services	Binoculars	$	175.42
Kansas Municipal Utilities	KMU Level 3 Training	$	1,763.91
Amazon Capital Services	Extended Battery	$	53.74
Farm & City Supply	Box Fan	$	85.99
ATCO International	Buster/SUKUP Mats	$	834.63
Farm & City Supply	Supplies/Materials	$	89.77
Omaha Public Power District (NC2)	FINAL BILL	$	14,275.34
Wesco Distribution	Sleeve, Heat Shrink, #ITTCSN-800-12 (E276)	$	144.05
Husker Electric Supply	10" adjustable wrench Klein D507-10 (E1663)	$	147.28
Husker Electric Supply	Locknut 1 1/4"-#144 (E93)	$	4.73
Husker Electric Supply	Locknut 1/2"-#L100 (E99)	$	1.61
Jeo Consulting Group Inc	On-call GIS services Project 231725.00	$	131.25
Cintas Corporation No 2	Supplies/Safety	$	425.81
Olsson Associates	Phase 100 - project management	$	5,055.29
Olsson Associates	Phase 200 - design	$	18,657.68
Border States	Cutout 100 AMP- S4B1P1A*** (E456)	$	1,626.22
Border States	Milwaukee folding skinning knive 48-22-1525 (E1656	$	63.55
Border States	8" adjustable wrench Klein D507-8 (E1663.2)	$	56.65

Border States	6" screwdriver Klein 600-6 (E1659)	$	21.61
Border States	4" screwdriver Klein 600-4 (E1660)	$	18.38
Border States	square washer 2 1/2" x 2 1/2"Jj1075 (E1102)	$	17.47
Border States	4" Phillips screwdriver Klein 603-4 (E1661)	$	15.09
Wolfe's Printing	#10 Envelopes	$	845.22
Wolfe's Printing	#9 Envelopes	$	734.79
Farm & City Supply	Supplies	$	50.27
Wesco Distribution	36" drop braces Hughes 2045-E45-11-11 or9-11 (Pair	$	77.40
Olsson Associates	Phase 10 - Project Management & Coordination	$	1,056.00
Olsson Associates	Phase 20 - Planning, Regulatory, & Agency Coord.	$	1,980.00
Farm & City Supply	Handling	$	10.00
Farm & City Supply	M18 Fuel Grinder	$	229.00
Farm & City Supply	Supplies/Materials	$	134.95
TASC	Funded HRA	$	75.00
Municipal Energy Agency of NE	Service Schedule	$	53,044.01
Municipal Energy Agency of NE	WAPA	$	39,868.80
Border States	line hose 1.5 x 72	$	3,064.27
Falls City Sanitation Service	October Service 2026	$	195.00
Falls City Sanitation Service	Temp Fuel Surcharge	$	19.31
Utility Department Petty Cash	Utility Petty Cash Reimbursement	$	497.11
Utility Department	Inventory Bldg-61	$	647.40
Utility Department	Power Plant Unit #9-62	$	5,573.46
Utility Department	Plant Water/Hi-Low-62	$	333.78
Utility Department	Power Plant Water Dept-62	$	3,685.30
Utility Department	Station Power-62	$	8,765.01
Utility Department	Power Plant-62	$	1,523.50
OutiFi	Basic Installation Fee	$	1,800.00
Southeast Nebraska Communications, Inc.	Service	$	639.94
	Fund 600 - Electric Total:	**$**	**180,329.80**
Fund: 610 - Water			
TG TECHNICAL SERVICES	MCX3 air monitor	$	1,039.43
UTILITIES SECTION	Utilities Section Membership Dues 9-1-26 - 8-31-27	$	253.84
Concrete Industries, Inc	3yrd	$	669.75
Kansas Municipal Utilities	KMU Level 3 Training	$	235.20
Farmers Cooperative	Fuel for Generator	$	2,830.29
Edwards Chemicals	Chemicals	$	577.25
Municipal Supply, Inc of Omaha	tracer wire solid CU direct bury wire 500' rolls (	$	241.88
Municipal Supply, Inc of Omaha	3/4" FIPT x PJ CTS Brass Female Adpt C14-33-NL (W8	$	160.86
Municipal Supply, Inc of Omaha	6" x 12" sleeve Smith BLair(W1539)	$	178.81
Farm & City Supply	Supplies	$	52.20
Farm & City Supply	Couplings	$	498.76
Jeo Consulting Group Inc	On-call GIS services Project 231725.00	$	17.50
Wolfe's Printing	#9 Envelopes	$	97.97
Wolfe's Printing	#10 Envelopes	$	112.69
Farm & City Supply	Outlet Duplex	$	4.93
Farm & City Supply	Supplies	$	16.95
TASC	Funded HRA	$	10.00
Falls City Sanitation Service	Temp Fuel Surcharge	$	2.58
Nebraska Generator Service LLC	Generator Service Oil	$	275.00
Nebraska Generator Service LLC	Generator Service Filter	$	140.77
Nebraska Generator Service LLC	Generator Service Mileage	$	103.60
Nebraska Generator Service LLC	Generator Service Misc	$	37.50
Nebraska Generator Service LLC	Generator Service Labor	$	660.00
UTILITY EQUIPMENT CO.	3/4" IPS stiffener (W918)	$	25.84
UTILITY EQUIPMENT CO.	3/4" FIPT ball curb stop Ford B11-333M-NL MINN THD	$	291.93
UTILITY EQUIPMENT CO.	3/4" x 6" brass nipple (W963)	$	30.22
UTILITY EQUIPMENT CO.	6" x 3/4" CC repair saddle #372-00069007000 (W1588	$	374.69
Utility Department Petty Cash	Utility Petty Cash Reimbursement	$	589.60
Utility Department	Rulo Water-Collector Well	$	9,220.62
Utility Department	Water Tower	$	83.05
OutiFi	Basic Installation Fee	$	240.00
Southeast Nebraska Communications, Inc.	Service	$	364.29
	Fund 610 - Water Total:	**$**	**19,438.00**
Fund: 620 - Gas			
UTILITIES SECTION	Utilities Section Membership Dues 9-1-26 - 8-31-27	$	761.52
Utility Consultants, Inc	Drug Tests	$	350.00
Kansas Municipal Utilities	KMU Level 3 Training	$	705.57

PEFA, INC	September 2026 PEFA Commodity	$	35,781.30
Lenard Heating & Cooling	Machinery/Camera Fee	$	1,800.00
Lenard Heating & Cooling	Labor	$	2,145.00
Lenard Heating & Cooling	Supplies	$	142.97
Farmers Repair & Machine Shop	Welding Rod	$	402.59
Industrial Sales Company Inc	pipe 1" CTS Drisco 8300 .101 (G4788)	$	4,384.66
Jeo Consulting Group Inc	On-call GIS services Project 231725.00	$	52.50
Wolfe's Printing	#10 Envelopes	$	338.08
Wolfe's Printing	#9 Envelopes	$	293.91
Dutton-Lainson Co	union 1 1/2" brass seated 150# (G4756)	$	26.18
TASC	Funded HRA	$	30.00
Falls City Sanitation Service	October Service 2026	$	65.00
Falls City Sanitation Service	Temp Fuel Surcharge	$	7.73
Utility Department Petty Cash	Utility Petty Cash Reimbursement	$	196.80
Utility Department	Gas N Mclean	$	80.23
Utility Department	Gas S Fulton	$	53.40
Utility Department	Gas Pipe Bldg	$	64.78
Utility Department	Gas W 14th St	$	72.92
Utility Department	Gas S Fulton	$	73.94
Utility Department	Gas W 21st	$	78.01
Utility Department	Gas Dept Office	$	327.53
OutiFi	Basic Installation Fee	$	720.00
Southeast Nebraska Communications, Inc.	Service	$	52.06
	Fund 620 - Gas Total:	**$**	**49,006.68**
Fund: 630 - Wastewater			
UTILITIES SECTION	Utilities Section Membership Dues 9-1-26 - 8-31-27	$	253.84
VESERIS	Mosquito Chemicals	$	1,182.28
Elliott Equipment Company	Aux Cover	$	255.97
Midwest Laboratories, Inc	Monthly Tests/Supply Order	$	160.32
Brown County Transfer	Special Waste Disposal from spoils pit	$	1,168.00
Kansas Municipal Utilities	KMU Level 3 Training	$	235.19
Midwest Pump Works	E/One Slip-On - 2' Simplex	$	660.00
Elliott Equipment Company	Aux Cover	$	252.80
Farmers Cooperative	Generator Fuel at WWTF & Lift Station	$	2,537.08
Holiday Inn - Kearney	Folio No. 477451	$	220.00
Farm & City Supply	Freight/Postage	$	92.12
Jeo Consulting Group Inc	On-call GIS services Project 231725.00	$	17.50
Wolfe's Printing	#9 Envelopes	$	97.97
Wolfe's Printing	#10 Envelopes	$	112.69
Spex CertiPrep Group, LLC	PEI-084K DMRQA Set 2	$	243.90
Brown County Transfer	Sludge Ticket	$	266.00
Home Lumber Company	Lumber	$	32.72
Percival Culligan Water	DI Bottled Water Delivery	$	9.75
TASC	Funded HRA	$	10.00
Falls City Sanitation Service	Temp Fuel Surcharge	$	2.58
Falls City Sanitation Service	October Service 2026	$	135.00
Nebraska Generator Service LLC	WWTF Standby Generator Full Service	$	1,445.81
Nebraska Generator Service LLC	Lift Station Standby Generator Full Service	$	471.10
Utility Department Petty Cash	Utility Petty Cash Reimbursement	$	65.60
Utility Department	WWTP	$	15,019.10
Utility Department	Lift Station	$	89.66
OutiFi	Basic Installation Fee	$	240.00
Southeast Nebraska Communications, Inc.	Service	$	104.67
	Fund 630 - Wastewater Total:	**$**	**25,381.65**
Fund: 998 - Utilities - Pooled Cash			
Paycom Gross Payroll & Taxes - Utilities -Pooled Cash	Payroll 10.30.2026	$	110,973.86
	Fund 998 - Utilities - Pooled Cash Total:	**$**	**110,973.86**
Fund: 999 - General Government - Pooled Cash			
Paycom Gross Payroll & Taxes - General Fund - Pooled Cash	Payroll 10.30.206	$	89,850.24
	Fund 999 - General Government - Pooled Cash Total:	**$**	**89,850.24**
	Grand Total:	**$**	**601,800.80**

Consent Resolution
November 2, 2026

WHEREAS, certain business of the City Council (Council) of the City of Falls City (City) transpires on a regular and routine basis or is not of controversial nature; and

WHEREAS, roll call votes on each individual issue greatly extend the meeting time.

NOW, THEREFORE, BE IT HEREBY RESOLVED BY the City Council that in the interest of economizing time, yet complying with the Public Meeting Laws of the State of Nebraska, which require roll call voting, the following issues are hereby consolidated in this Consent Resolution:

1. *BE IT FURTHER RESOLVED BY* the Council that the agenda for November 2, 2026 meeting is hereby approved.
2. *BE IT FURTHER RESOLVED BY* the Council that the minutes from the October 19, 2026 is hereby approved.
3. *BE IT FURTHER RESOLVED BY* the Council that the claims for November 2, 2026 is hereby approved.
5. *BE IT FURTHER RESOLVED BY* the Council that the Consent Resolution for November 2, 2026 is hereby approved.

Do not recreate or revise this document. Revisions and recreations will not be accepted. **Failure to complete and return the necessary documents per instructions will result in your municipality not receiving an Incentive Payment for Calendar Year 2026.** Documents include the Signing Resolution, Year-End Certification(s), and a copy of documentation of the appointment(s) of the City Street Superintendent(s). These must be received at the NDOT **by December 31, 2026.** **RECORD KEEPING**: NDOT recommends that the municipality keep a copy of everything you send to NDOT *(the forms and meeting minutes)* in a separate file for future reference.

RESOLUTION

SIGNING OF THE YEAR-END CERTIFICATION OF CITY STREET SUPERINTENDENT 2026

Resolution No. _____

Whereas: State of Nebraska Statutes, sections 39-2302, and 39-2511 through 39-2515 details the requirements that must be met in order for a municipality to qualify for an annual Incentive Payment; and

Whereas: The State of Nebraska Department of Transportation (NDOT) requires that each incorporated municipality must annually certify (by December 31st of each year) the appointment(s) of the City Street Superintendent(s) to the NDOT using the Year-End Certification of City Street Superintendent form; and

Whereas: The NDOT requires that each certification shall also include a copy of the documentation of the city street superintendent's appointment, i.e., meeting minutes; showing the appointment of the City Street Superintendent by their name as it appears on their License (if applicable), their License Number (if applicable), and Class of License (if applicable), and type of appointment, i.e., employed, contract (consultant, or interlocal agreement with another incorporated municipality and/or county), and the beginning date of the appointment; and

Whereas: The NDOT also requires that such Year-End Certification of City Street Superintendent form shall be signed by the Mayor or Village Board Chairperson and shall include a copy a resolution of the governing body authorizing the signing of the Year-End Certification of City Street Superintendent form by the Mayor or Village Board Chairperson.

Be it resolved that the Mayor ☐ Village Board Chairperson ☐ of _____
(Check one box) *(Print Name of Municipality)*
is hereby authorized to sign the attached Year-End Certification of City Street Superintendent completed form(s).

Adopted this _____ day of _____ , 20_____ at _____ , Nebraska.
(Date) *(Month)*

City Council/Village Board Members

_____ _____

_____ _____

_____ _____

_____ _____

_____ _____

City Council/Village Board Member _____
Moved the adoption of said resolution
Member _____ Seconded the Motion
Roll Call _____ Yes _____ No _____ Abstained _____ Absent
Resolution adopted, signed, and billed as adopted.

Attest:

_____
(Signature of Clerk)

Do not recreate or revise this document. Revisions and recreations will not be accepted. **Copying this form is acceptable; see (3) below.** **Failure to complete and return the necessary documents per instructions will result in your municipality not receiving an Incentive Payment for Calendar Year 2026.** Documents include the Signing Resolution, Year-End Certification(s), and a copy of documentation of the appointment(s) of the City Street Superintendent(s). These must be received at the NDOT **by December 31, 2026.** **RECORD KEEPING**: NDOT recommends that the municipality keep a copy of everything you send to NDOT *(the forms and meeting minutes)* in a separate file for future reference.

Year-End Certification of City Street Superintendent
For Determining Incentive Payment in Calendar Year 2026

Separate forms may be needed to account for the entire year, see (3) below

This Form Covers the Following Period: January (Month) 1 (Day), 2026 to January (Month) 16 (Day), 2026

(1)(a)** The municipality of Falls City (Print name of City or Village) certifies that: Brian Friedrichsen (Print name of Superintendent as it appears on license card if applicable) was the appointed City Street Superintendent during the above period. ***IF A NAME IS NOT ENTERED ABOVE (NO APPOINTED CITY STREET SUPERINTENDENT FOR THIS PERIOD), SKIP TO (2) BELOW.

(b) the superintending services of the above listed individual were provided by: *(Check one box)*

- ☐ Employment with this Municipality
- ☒ Contract (consultant) with this Municipality
- ☐ Contract (interlocal agreement) between this Municipality and the following listed Municipality(ies) and/or County(ies) _____, _____

(c) and the above listed individual **assisted** in the following: *Reference Neb. Rev. Stat. §39-2512*

1. Developing and annually updating a long-range plan based on needs and coordinated with adjacent local governmental units,
2. Developing an annual program for design, construction, and maintenance,
3. Developing an annual budget based on programmed projects and activities,
4. Submitting such plans, programs, and budgets to the local governing body for approval; and
5. Implementing the capital improvements and maintenance activities provided in the approved plans, programs, and budgets,

(d) the above listed individual also served as *(Check all boxes that apply)* *city engineer* ☐ *village engineer* ☐ *public works director* ☐ *city manager* ☐ *city administrator* ☐ *street commissioner* ☐

(e) If the above listed individual is a Licensed City Street Superintendent, enter their Superintendent's License Number S- 1704 and Class of License A (A or B), and/or

(f) If the above listed individual is a Licensed Engineer in Nebraska, enter their Engineer's License Number E- _____

(2) _____
Signature of Mayor ☒ ***Village Board Chairperson*** ☐ *(Check one box)*

***(3)** If during the calendar year your municipality **(a)** did not have an appointed City Street Superintendent for any portion(s) of the year; or **(b)** had one or more appointed City Street Superintendent(s) that were not licensed for any portion(s) of the year; or **(c)** had one or more appointed licensed City Street Superintendent(s) for any portion(s) of the year, please complete a separate Year-End Certification form for each period. **Copy this form as needed to account for these separate periods.**

(4) The payment amount will be computed based on **(a)** your most recent Federal Census as certified by the Tax Commissioner; **(b)** the number of full calendar months served by the appointed City Street Superintendent who is licensed or exempted from licensure under the Superintendents Act; **(c)** class of license, A or B if applicable; and **(d)** if the appointed City Street Superintendent assisted with the required duties in **(1)(c)** above. *Reference Neb. Rev. Stat. §§39-2302 and 39-2511 through 39-2515.*

(5) Failure to return by December 31, 2026, the Year-End Certification(s), Signing Resolution, and a copy of documentation of the appointment(s) of the superintendent(s) per the instructions will result in your municipality not receiving an Incentive Payment.

Return the completed signing resolution and certification(s), and a copy of the documentation of appointment(s) by December 31, 2026 to:

Highway Local Liaison Coordinator
Boards-Liaison Services Section
Local Assistance Division
Nebraska Department of Transportation
PO Box 94759
Lincoln NE 68509-4759
or email to ndot.blsHelp@nebraska.gov

Do not recreate or revise this document. Revisions and recreations will not be accepted. **Copying this form is acceptable; see (3) below.** **Failure to complete and return the necessary documents per instructions will result in your municipality not receiving an Incentive Payment for Calendar Year 2026.** Documents include the Signing Resolution, Year-End Certification(s), and a copy of documentation of the appointment(s) of the City Street Superintendent(s). These must be received at the NDOT **by December 31, 2026.** **RECORD KEEPING**: NDOT recommends that the municipality keep a copy of everything you send to NDOT *(the forms and meeting minutes)* in a separate file for future reference.

Year-End Certification of City Street Superintendent
For Determining Incentive Payment in Calendar Year 2026

Separate forms may be needed to account for the entire year, see (3) below

This Form Covers the Following Period: January (Month) 17 (Day), 2026 to April (Month) 19 (Day), 2026

(1)(a)** The municipality of Falls City (Print name of City or Village) certifies that: A. Dolen (Print name of Superintendent as it appears on license card if applicable) was the appointed City Street Superintendent during the above period. ***IF A NAME IS NOT ENTERED ABOVE (NO APPOINTED CITY STREET SUPERINTENDENT FOR THIS PERIOD), SKIP TO (2) BELOW.

(b) the superintending services of the above listed individual were provided by: *(Check one box)*

- ☐ Employment with this Municipality
- ☒ Contract (consultant) with this Municipality
- ☐ Contract (interlocal agreement) between this Municipality and the following listed Municipality(ies) and/or County(ies) _____ _____ ,

(c) and the above listed individual **assisted** in the following: *Reference Neb. Rev. Stat. §39-2512*

1. Developing and annually updating a long-range plan based on needs and coordinated with adjacent local governmental units,
2. Developing an annual program for design, construction, and maintenance,
3. Developing an annual budget based on programmed projects and activities,
4. Submitting such plans, programs, and budgets to the local governing body for approval; and
5. Implementing the capital improvements and maintenance activities provided in the approved plans, programs, and budgets,

(d) the above listed individual also served as *(Check all boxes that apply)* *city engineer* ☐ *village engineer* ☐ *public works director* ☐ *city manager* ☐ *city administrator* ☐ *street commissioner* ☐

(e) If the above listed individual is a Licensed City Street Superintendent, enter their Superintendent's License Number S- _____ and Class of License _____ (A or B), and/or

(f) If the above listed individual is a Licensed Engineer in Nebraska, enter their Engineer's License Number E- _____

(2) _____

Signature of Mayor ☒ ***Village Board Chairperson*** ☐ *(Check one box)*

***(3)** If during the calendar year your municipality **(a)** did not have an appointed City Street Superintendent for any portion(s) of the year; or **(b)** had one or more appointed City Street Superintendent(s) that were not licensed for any portion(s) of the year; or **(c)** had one or more appointed licensed City Street Superintendent(s) for any portion(s) of the year, please complete a separate Year-End Certification form for each period. **Copy this form as needed to account for these separate periods.**

(4) The payment amount will be computed based on **(a)** your most recent Federal Census as certified by the Tax Commissioner; **(b)** the number of full calendar months served by the appointed City Street Superintendent who is licensed or exempted from licensure under the Superintendents Act; **(c)** class of license, A or B if applicable; and **(d)** if the appointed City Street Superintendent assisted with the required duties in **(1)(c)** above. *Reference Neb. Rev. Stat. §§39-2302 and 39-2511 through 39-2515.*

(5) Failure to return by December 31, 2026, the Year-End Certification(s), Signing Resolution, and a copy of documentation of the appointment(s) of the superintendent(s) per the instructions will result in your municipality not receiving an Incentive Payment.

Return the completed signing resolution and certification(s), and a copy of the documentation of appointment(s) by December 31, 2026 to:

Highway Local Liaison Coordinator
Boards-Liaison Services Section
Local Assistance Division
Nebraska Department of Transportation
PO Box 94759
Lincoln NE 68509-4759
or email to ndot.blsHelp@nebraska.gov

Do not recreate or revise this document. Revisions and recreations will not be accepted. **Copying this form is acceptable; see (3) below.** **Failure to complete and return the necessary documents per instructions will result in your municipality not receiving an Incentive Payment for Calendar Year 2026.** Documents include the Signing Resolution, Year-End Certification(s), and a copy of documentation of the appointment(s) of the City Street Superintendent(s). These must be received at the NDOT **by December 31, 2026.** **RECORD KEEPING**: NDOT recommends that the municipality keep a copy of everything you send to NDOT *(the forms and meeting minutes)* in a separate file for future reference.

Year-End Certification of City Street Superintendent
For Determining Incentive Payment in Calendar Year 2026

Separate forms may be needed to account for the entire year, see (3) below

This Form Covers the Following Period: April 20 (Month) (Day), 2026 to December 31 (Month) (Day), 2026

(1)(a)** The municipality of Falls City (Print name of City or Village) certifies that: Jeff Palik (Print name of Superintendent as it appears on license card if applicable) was the appointed City Street Superintendent during the above period. ***IF A NAME IS NOT ENTERED ABOVE (NO APPOINTED CITY STREET SUPERINTENDENT FOR THIS PERIOD), SKIP TO (2) BELOW.

(b) the superintending services of the above listed individual were provided by: *(Check one box)*

- ☐ Employment with this Municipality
- ☒ Contract (consultant) with this Municipality
- ☐ Contract (interlocal agreement) between this Municipality and the following listed Municipality(ies) and/or County(ies) _____ , _____ ,

(c) and the above listed individual **assisted** in the following: *Reference Neb. Rev. Stat. §39-2512*

1. Developing and annually updating a long-range plan based on needs and coordinated with adjacent local governmental units,
2. Developing an annual program for design, construction, and maintenance,
3. Developing an annual budget based on programmed projects and activities,
4. Submitting such plans, programs, and budgets to the local governing body for approval; and
5. Implementing the capital improvements and maintenance activities provided in the approved plans, programs, and budgets,

(d) the above listed individual also served as *(Check all boxes that apply)* *city engineer* ☐ *village engineer* ☐ *public works director* ☐ *city manager* ☐ *city administrator* ☐ *street commissioner* ☐

(e) If the above listed individual is a Licensed City Street Superintendent, enter their Superintendent's License Number S- 1269 and Class of License A (A or B), and/or

(f) If the above listed individual is a Licensed Engineer in Nebraska, enter their Engineer's License Number E- _____

(2) _____

Signature of Mayor ☒ ***Village Board Chairperson*** ☐ *(Check one box)*

***(3)** If during the calendar year your municipality **(a)** did not have an appointed City Street Superintendent for any portion(s) of the year; or **(b)** had one or more appointed City Street Superintendent(s) that were not licensed for any portion(s) of the year; or **(c)** had one or more appointed licensed City Street Superintendent(s) for any portion(s) of the year, please complete a separate Year-End Certification form for each period. **Copy this form as needed to account for these separate periods.**

(4) The payment amount will be computed based on **(a)** your most recent Federal Census as certified by the Tax Commissioner; **(b)** the number of full calendar months served by the appointed City Street Superintendent who is licensed or exempted from licensure under the Superintendents Act; **(c)** class of license, A or B if applicable; and **(d)** if the appointed City Street Superintendent assisted with the required duties in **(1)(c)** above. *Reference Neb. Rev. Stat. §§39-2302 and 39-2511 through 39-2515.*

(5) Failure to return by December 31, 2026, the Year-End Certification(s), Signing Resolution, and a copy of documentation of the appointment(s) of the superintendent(s) per the instructions will result in your municipality not receiving an Incentive Payment.

Return the completed signing resolution and certification(s), and a copy of the documentation of appointment(s) by December 31, 2026 to:

Highway Local Liaison Coordinator
Boards-Liaison Services Section
Local Assistance Division
Nebraska Department of Transportation
PO Box 94759
Lincoln NE 68509-4759
or email to ndot.blsHelp@nebraska.gov

October 15, 2026

Mark Harkendorff
Office of Mayor
City of Falls City

Dear Sir:

This letter is my request to consider me for a position on the Zoning & Planning Commission for the City of Falls City. I am a retired citizen; willing to put forth the time to prepare and to serve on this commission.
I have been a life-long resident of Richardson County, and a resident in Falls City since March 1988. Worked 40 years in local hospital labs. My husband Tom and I own our home. Currently, we have two grandchildren attending FCHS.
The vitality of this city is important for the generations to come. I would like to be a part of the planning body as we look to the future of this agricultural community.
Thank you for your consideration.

Respectfully submitted,

Joyce M. Jones
816 E 19th St.
Falls City
402.801.9070
jjones29@sentco.net

FALLS CITY
NEBRASKA
PASSIONATE • PROVEN • PROSPEROUS

ORDINANCE NO. 2026-103

AN ORDINANCE AUTHORIZING THE MAYOR ON BEHALF OF THE CITY OF FALLS CITY, NEBRASKA TO EXECUTE LOAN AGREEMENT SRF NUMBER D311751 WITH THE NEBRASKA DEAPARTMENT OF WATER, ENERGY AND ENVIRONMENT PROVIDING FOR A $4.4 MILLION LOAN FOR FUNDS AVAILABLE FROM THE SAFE DRINKING WATER STATE REVOLVING FUNDS AND TO EXECUTE AND DELIVER A PROMISSORY NOTE AND ANY OTHER DOCUMENTS REQUIRED FOR SAID TRANSACTION AND TO PLEDGE THE RESERVES OF THE COMBINED UTILITIES OF THE CITY OF FALLS CITY FOR PAYMENT OF SUCH INDEBTEDNESS ON PARITY WITH OTHER INDEBTNESS OF THE COMBINED UTILITIES; TO REPEAL ALL OTHER ORDINANCES IN CONFLICT HEREWITH.

BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF FALLS CITY, NEBRASKA:

Section 1. That the City of Falls City has applied for a loan to remove lead pipes from its water system. After study and consultation, the Nebraska Department of Water, Energy and Environment has awarded a $4.4 million loan to the City of Falls City, Nebraska. That the Mayor of the City of Falls City, Nebraska, is hereby authorized to execute and deliver any and all documents required to effectuate loan SRF number D311751 with the Nebraska Department of Water, Energy and Environment.

Section 2. Said loan shall be payable in 80 semi annual installments of $19,500 over 40 years with 0% interest, loan forgiveness of $2.4 million and mechanical inventory grant of $.44 million for a total loan payment over 40 years of $1.56 million.

Section 3. As security for the loan the City of Falls City, Nebraska does hereby pledge as security for said loan the combined revenue of the City of Falls City Utility Department on parity with the pledges made under prior ordinances related to such income and any pledges made hereafter. Said prior ordinances are:

Ordinance 2021-100 authorizing combined Revenue Bonds of not to exceed $3 million

Ordinance 2020-100 authorizing combined Revenue Bonds of $375,000

Ordinance 2017-101 authorizing combined Revenue Bonds of $4.3 million

Ordinance 2016-108 authorizing combined Revenue Bonds of $6.945 million

Section 4. All ordinances, resolutions or orders or parts thereof in conflict with the provisions of this ordinance are to the extent of such conflict hereby repealed.

Section 5. This ordinance shall be in force and take effect from and after its passing and approval and publication according to Law.

Passed and approved this _____ day of _____, 2026.

_____
Mark Harkendorff, Mayor

ATTEST:

_____
Gary Jorn, City Clerk

ATTACHMENT H

RESOLUTION _____

WHEREAS, the City of Falls City, Nebraska recognizes that a properly functioning Public Water System is necessary to the health and welfare of the citizens of the city; and

WHEREAS, the Mayor and City Board of Trustees have determined that portions of the city Public Water System are in need of significant repair and improvement; and

WHEREAS, funding for the cost of the repair and improvement of portions of the city Public Water System may be obtained by loan from the Nebraska Department of Water, Energy, and Environment, subject to certain requirements and obligations;

NOW, THEREFORE, BE IT RESOLVED by the Mayor and City Board of Trustees of the City of Falls City, Nebraska that they should execute the contract for loan between the Nebraska Department of Water, Energy, and Environment and the City of Falls City, Nebraska designated as Project No. D311751, incorporated by reference into this Resolution as if fully set forth; and

BE IT FURTHER RESOLVED, _____, Mayor, is hereby directed to execute the Agreement and all other documents necessary to facilitate the Loan between the Nebraska Department of Water, Energy, and Environment and the City of Falls City, Nebraska for the purpose of repairing and improving the city's Public Water System; and

BE IT FURTHER RESOLVED THAT _____, Clerk, be authorized and directed to sign all necessary documents, to furnish such assurances to the State of Nebraska as may be required by law or regulations, and to receive payment on behalf of the applicant.

HEREBY the RESOLUTION has passed and approved as of _____.

City of Falls City, Nebraska

_____
(signature)

Title Mayor

Date _____

IN WITNESS WHEREOF, I have hereunto set my hand and seal this day of _____.

_____
(signature)

Title Clerk

ATTACHMENT E

OFFICE OF THE CITY ATTORNEY
CITY OF FALLS CITY

MICHAEL R. DUNN
CITY ATTORNEY
E-MAIL:
MIKEDUNN@HALBERTDUNN.COM

111 EAST 17TH STREET
POST OFFICE BOX 447
FALLS CITY, NEBRASKA 68355-0447
TELEPHONE 402-245-4486
FAX 402-245-4491

TRACY A. BURNS
DEPUTY CITY ATTORNEY
E-MAIL:
TBURNS@HALBERTDUNN.COM

November ___, 2026

Nebraska Department of Water, Energy, and Environment
Post Office Box 98922
Lincoln, NE 68509-8922
Attention: State Revolving Fund Program

To the Nebraska State Revolving Fund:

I have acted as Counsel in connection with the execution and delivery by City of Falls City (the "Borrower"), of an Agreement for Loan No. D311751 (the "Loan Agreement") between the Borrower and the Nebraska Department of Water, Energy, and Environment ("DWEE") and the issuance of a promissory note (the "Note") the Borrower to the DWEE. All terms used in this opinion letter and not defined shall have the meanings given to them in the Loan Agreement.

In this connection, I have examined the following:

(a) Certified copies of Ordinance 2026-___ pursuant to which loan agreement and note are entered into;

(b) An executed counterpart of the Loan Agreement;

(c) The executed Note; and

(d) Such other documents as I deemed relevant and necessary in rendering this opinion.

As to questions of fact material to my opinion, I have relied upon the certified proceedings and other certifications of public officials furnished to me without undertaking to verify the same by independent investigation.

Based upon the foregoing I am of the opinion that:

1. The Borrower is a city duly organized and validly existing under the laws of the State of Nebraska.

2. The Borrower is a governmental unit, as such term is used in Section 141(b)(6) of the Internal Revenue Code of 1986, as amended.

3. The Borrower has the power an authority to enter into the Loan Agreement, to issue the Note, to borrow the entire principal amount provided for in Section 2.01 of the Loan Agreement (the "Principal Amount") and to perform its obligations under the Loan Agreement and the Note.

4. The Loan Agreement and the Note have been duly authorized, executed and delivered by the Borrower and are, and would be if the entire Principal Amount were advanced to the Borrower pursuant to the Loan Agreement on the date of this opinion, valid and legally binding special obligations of the Borrower, payable solely from the sources provided therefor in the Loan Agreement, enforceable in accordance with their respective terms, except to the extent that the enforceability thereof may be limited by laws relating to bankruptcy, insolvency or other similar laws affecting creditors' rights generally and general principles of equity.

5. Pursuant, where applicable, to Nebraska Revised State Statutes §§18-1803 through 18-1805; §§31-732, 31-739, and 31-740, and all other applicable statutes governing eligible municipalities, the Loan Agreement creates a valid lien on the funds pledges by the Borrower pursuant to Section 3.02 of the Loan Agreement for the security of the Loan Agreement and the Note and no other debt of the Borrower is secured by a superior lien on such funds.

6. The Borrower has obtained or made all approvals, authorizations, consents, or other actions of, and filings, registrations, or qualifications with, the Borrower or any other government authority which are legally required to allow the Borrower to enter into and perform its obligations under the Loan Agreement and the Note and borrow the full Principal Amount pursuant to the Loan Agreement an the Note.

Very truly yours,

MICHAEL R. DUNN
City Attorney

LOAN AGREEMENT
(Governmental Borrower)

Between the

NEBRASKA DEPARTMENT OF WATER, ENERGY, AND ENVIRONMENT

And

CITY OF FALLS CITY, NEBRASKA

DWEE PROJECT NO. D311751

DATED AS OF _____

*****DRAFT COPY FOR REVIEW*****

PLEASE SEE EMAIL FOR MORE INFORMATION.

ATTACHMENT E & ATTACHMENT F ARE NEEDED BEFORE LOAN CAN BE SIGNED.

THIS DOCUMENT IS LOCKED, BUT COMMENTS CAN BE MADE USING "REVIEW" RIBBON AND "NEW COMMENT" OPTIONS IN WORD.

LOAN AGREEMENT
BETWEEN THE
NEBRASKA DEPARTMENT OF WATER, ENERGY, AND ENVIRONMENT
AND
THE CITY OF FALLS CITY, NEBRASKA
PROJECT NO. D311751

This LOAN AGREEMENT with SRF Number D311751 (hereinafter "Loan Agreement") is entered into by and between the State of Nebraska, acting by and through the Nebraska Department of Water, Energy, and Environment (hereinafter "DWEE") and the City of Falls City, Nebraska (hereinafter "Borrower").

WITNESSETH THAT

WHEREAS, the federal Safe Drinking Water Act, including the Safe Drinking Water Amendments Act of 1996, and all amendment thereto (hereinafter "Federal Act") established a state revolving fund program; and

WHEREAS, to fund the state revolving fund program, the United States (US) Environmental Protection Agency (hereinafter "EPA") will make annual capitalization grants to the states under Catalog of Federal Domestic Assistance (CFDA) #66.468 for Safe Drinking Water State Revolving Funds, on the condition that each state provide an appropriate match for such state's revolving fund; and

WHEREAS, Nebraska Revised State Statute (Neb. Rev. Stat.) §71-5318 empowers the Director of the DWEE to loan available funds in the Drinking Water Facilities Loan Fund (hereinafter "Fund") to borrowers pursuant to the Drinking Water State Revolving Fund Act (hereinafter "Act") and rules and regulations adopted under such Act; and

WHEREAS, under the Act, the Director of the DWEE is given the responsibility for administration and management of the Loan Fund; and

WHEREAS, the Nebraska Investment Finance Authority (hereinafter "NIFA") is authorized under the Act and Neb. Rev. Stat. §58-201 et seq. to issue revenue bonds for the purpose of financing projects as defined under the Act, including to provide funds for the DWEE to borrowers and satisfy the state match requirements of the Federal Act; and

WHEREAS, pursuant to such authorization, NIFA proposes to issue from time to time its Drinking Water State Revolving Loan Fund Revenue Bonds for the purpose of providing funds to the DWEE to loan to persons owning or operating Public Water Systems in Nebraska to pay those eligible portions of the costs of acquiring, constructing, improving, repairing, rehabilitating or extending safe drinking water projects (as defined in the Act), in order to provide the state match requirements of the Federal Act; and

WHEREAS, the DWEE may from time to time enter into a pledge agreement with NIFA (hereinafter "Pledge Agreement"), pursuant to which the DWEE will pledge the interest portion of Loan Repayments (as defined herein) and certain other revenues to NIFA for the payment of the principal of, redemption premium, if any, and interest on Drinking Water State Revolving Fund Revenue Bonds which may be issued by NIFA from time to time; and

WHEREAS, the Borrower is an "Owner" as defined in Neb. Rev. Stat. §71-5316(7); and

WHEREAS, the project to be financed under this Loan Agreement and described in Exhibit 1 (hereinafter "Project") is an eligible project under the Act; and

WHEREAS, the project costs (as defined herein) are based upon estimates of the Borrower and at times during or at completion of construction the loan amount may be adjusted by the DWEE pursuant to Section 2.01 of this Loan Agreement; and

WHEREAS, the Borrower is listed in the DWEE Intended Use Plan; and

WHEREAS, the DWEE has approved the Borrower's application for a loan from federal funds and the state match requirement if and when received by and made available to the DWEE pursuant to the Federal Act and the Act to finance Project Costs; and

NOW, THEREFORE, for and in consideration of the award of this Loan Agreement by the DWEE, the Borrower agrees to complete the Project and to perform under this Loan Agreement in accordance with the conditions, covenants, and procedures set forth below:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. The following terms as used in this Loan Agreement will, unless the context clearly requires otherwise, have the following meanings:

(a) "Act" means the Drinking Water State Revolving Fund Act, Neb. Rev. Stat. §§71-5314 to 71-5327, as amended.

(b) "Additional Revenue Obligation" means any obligation for the payment of money undertaken by the Borrower which is payable from or secured by a pledge of, or lien upon, the System Revenues incurred after the date of execution and delivery of this Loan Agreement, including any capital lease entered into by the Borrower the rentals of which are payable from, or secured by a pledge of or lien upon, System Revenues.

(c) "Authorized Representative" means the person or persons authorized pursuant to a resolution or ordinance of the governing body of the Borrower to perform any act or execute any document relating to this Loan Agreement.

(d) "Borrower" means the City of Falls City, Nebraska that is a party to and is described in the first paragraph of this Loan Agreement, and its successors and assignees.

(e) "Cut-off Date" means the date established by the DWEE, prior to which, the Borrower will make the final disbursement request for eligible Project Costs.

(f) "Disadvantaged business enterprise" or "DBE" means an entity owned or controlled by a socially and economically disadvantaged individual as described by Public Law 102-389 (42 U.S.C. 4370d) or an entity owned and controlled by a socially and economically disadvantaged individual as described by Title X of the Clean Air Act Amendments of 1990 (42 U.S.C. 7601 note); a Small Business Enterprise (SBE); a Small Business in a Rural Area (SBRA); or a Labor Surplus Area Firm (LSAF), a Historically Underutilized Business (HUB) Zone Small Business Concern, or a concern under a successor program.

(g) "Drinking Water State Revolving Fund" or "DWSRF" means the Nebraska Drinking Water State Revolving Fund Act established pursuant to the Act and Regulations.

(h) "Drinking Water System" means the structures, equipment, and processes to obtain source water, treat the source water, store water, distribute drinking water fit for human consumption, and dispose of any byproducts from the processes.

(i) "Due Date" means the dates specified for payment of principal and interest on the Loan as specified in Section 2.06.

(j) "Event of Default" means any occurrence or event specified in Article V of this Loan Agreement.

(k) "Existing Revenue Obligation" means any obligation for a payment of money undertaken by the Borrower which is payable from or secured by a pledge of, or lien upon, the System Revenues existing or outstanding at the time of execution and delivery of this Loan Agreement by the Borrower, including any capital lease entered into by the Borrower the rentals of which are payable from, or secured by a pledge of or lien upon, System Revenues.

(l) "Federal Act" means the Safe Drinking Water Act, et seq. as amended.

(m) "Fund" means the Drinking Water Facilities Loan Fund established pursuant to the Act.

(n) "GAAP" means generally accepted accounting principles as applicable to the Public Water System.

(o) "Indebtedness" means any financial obligation of the Borrower for the repayment of borrowed moneys or credit extended, including, without duplication, this Loan, Revenue Obligations, general obligation bonds or notes, leases or lease-purchase agreements, or similar financial transactions.

(p) "Initiation of Operation" means the date on which the Borrower places the Project in operation or the Project is capable of being placed in operation for the purposes for which it was planned, designed, and built.

(q) "Intended Use Plan" means a document prepared annually by the DWEE which identifies the intended use of all State Revolving Fund program funds.

(r) "Late Payment" means any payment that is not received within fifteen days of the due date as established by this Loan Agreement.

(s) "Lead Service Line" means a service line made of lead, which connects the water main to the building inlet. A lead service line may be owned by the water system, owned by the property owner, or both. A galvanized service line is considered a lead service line if it ever was or is currently downstream of any lead service line component or service line of unknown material. Goosenecks, pigtails, and connectors, whether standalone or connected to a lead service line, may also be included as a part of lead line service for replacement projects.

(t) "Loan" means the loan made by the DWEE to the Borrower to finance or refinance all or a portion of the Project Costs pursuant to this Loan Agreement.

(u) "Loan Agreement" means this Loan Agreement, including the Attachments hereto, as it may be properly supplemented, modified or amended.

(v) "Loan Amount" means the principal amount specified in Section 2.01 of this Loan Agreement and as amended which the DWEE has agreed to disburse to the Borrower subject to the terms, provisions, and conditions of this Loan Agreement and the availability of State and Federal Funds.

(w) "Loan Finalization Date" means the date established by this Loan Agreement in which the Loan Amount is considered finalized and no further disbursement can be made outside of the Loan Agreement being amended.

(x) "Loan Repayments" means the payments of the Loan required to be made by the Borrower pursuant to Section 2.06 of this Loan Agreement.

(y) "Loan Terms" means the terms as established by this Loan Agreement.

(z) "DWEE" means the Nebraska Department of Water, Energy, and Environment established pursuant to Neb. Rev. Stat. §81-1501 et seq., as amended.

(aa) "NIFA" means the Nebraska Investment Finance Authority, a public body politic and corporate and an instrumentality of the State, and its successors and assigns established pursuant to Neb. Rev. Stat. §58-201 et seq., as amended.

(bb) "Note" means a promissory note of the Borrower with respect to the Loan in the form of Attachment F to this Loan Agreement.

(cc) "Project" means an eligible item for funding under the Act and is as described in Exhibit 1 of this Loan Agreement.

(dd) "Project Costs" means eligible costs or expenses necessary or incidental to the Project, which are directly attributable thereto and which in the determination of the DWEE are eligible under the Federal Act, and the Act, and Regulations. Estimated Project Costs are described in Attachment B.

(ee) "Public Water System" means a Public Water System, as defined in Neb. Rev. Stat. §71-5301(10a).

(ff) "Regulations" means the Nebraska Administrative Code, Title 131, Rules and Regulations for the Wastewater Treatment Facilities and Drinking Water Construction Assistance Programs, and any amendments thereto promulgated by the DWEE pursuant to the Act.

(gg) "Retainage" means construction costs held back by the Borrower from the payments due to the contractor to assure satisfactory completion of the construction agreement.

(hh) "Revenue Obligation(s)" means, without duplication, (i) the Loan; (ii) any Existing Revenue Obligation; and (iii) any Additional Revenue Obligation.

(ii) "Sanitary Sewer Collection System" means the structures, equipment, and processes required to collect and transport sanitary sewer wastewater to the wastewater treatment facility.

(jj) "SEC Rule" means Rule 15c2 12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as such rule may be amended from time to time or such other similar rule regarding disclosure of information in securities transactions.

(kk) "State" means the State of Nebraska acting, unless otherwise specifically indicated, by and through the DWEE and its successors and assignees.

(ll) "System Revenues" means all revenues derived by the Borrower from the User Charge System.

(mm) "Trustee" means the trustee under any trust indenture with respect to revenue bonds the proceeds of which are deposited in the Fund.

(nn) "User Charge System" means the methodology used to assess user charge fee(s) for the users of a utility or utilities within the Borrower's jurisdiction. This includes the fees and charges for the use and services furnished by or through the Public Water System, or if applicable, a Combined Utilities System, to the Borrower and as defined herein of this Loan Agreement. Revenues shall include, without limitation:

(1) Receipts from all charges imposed upon users for service(s) provided; and

(2) Receipts from hookup fees, tap fees, capital facilities charges connected with the use or right to use the Public Water System, or, if applicable, right to use the Combined Utilities System, for any part thereof (specifically including the Project) whether any such receipts (as described herein of the definition of User Charge System of this Loan Agreement) are directly received by the Borrower from customers or indirectly through interlocal or other agreements with other political subdivisions.

(oo) "Wastewater Treatment Facility" or "Wastewater Treatment Works" means the structures, equipment, and processes required to treat domestic or industrial wastes and to discharge or dispose of the effluent and sludges.

ARTICLE II

LOAN CONDITIONS AND TERMS

Section 2.01. Amount of the Loan. Subject to all of the terms, provisions, and conditions of this Loan Agreement, and subject to the availability of state and federal funds, the DWEE will loan an amount not to exceed four million four hundred thousand dollars ($4,400,000) to the Borrower to pay a portion of the Project Costs described in Attachment B hereto.

(a) Loan Forgiveness.

(1) The total award of all Loan Forgiveness cannot exceed seventy-five percent of the total amount of eligible Project Costs.

(2) Loan Forgiveness. This Loan Agreement includes DWSRF Loan Forgiveness of up to 54.55% of the eligible Project Costs, up to a ceiling of two million four hundred thousand dollars ($2,400,000).

(3) Lead Service Line Mechanical Inventory Grant. This Loan Agreement includes DWSRF Lead Service Line Mechanical Inventory Grant of up to 10% of the eligible Project Costs, up to a ceiling of four hundred and forty thousand dollars ($440,000).

(4) All Loan Forgiveness shall be effective only upon the completion of the Project in accordance with this Loan Agreement, including compliance with the requirements of the DWSRF, as determined by the DWEE and Initiation of Operation. The amount of such Loan Forgiveness shall be stated on the final Attachment A repayment schedule prepared by the DWEE following disbursement of the full Loan Amount and Initiation of Operation.

The final actual amount of the Loan and any Loan Forgiveness/Grant may be reduced without revision of any other terms, provisions, or conditions of this Loan Agreement, other than adjustment by the DWEE to the final repayment schedule in Attachment A hereto, to reflect reductions in the estimated or actual total Project Costs as impacted by opening of bids for construction, change orders, final actual costs, and prepayments.

The Borrower must make provisions for the payment of all costs of the Project exceeding the Loan Amount. The DWEE may provide supplemental loan funds through a separate Loan Agreement. Receipt of any supplemental loan funds is dependent on availability of unobligated funds in the Fund and any obligation of additional funds to this Project is at the sole discretion of the DWEE with such revised or additional terms, conditions, and covenants as the DWEE may require.

Section 2.02. Term of the Loan. The Borrower agrees to fully repay the Loan with interest on the date of Initiation of Operation or to begin repayment of principal and interest on the Loan within one (1) year from the date of Initiation of Operation, but no later than three (3) years from the date of the Loan, whichever occurs first, and to repay such Loan in full no later than forty (40) years from Initiation of Operation and to pay all principal, interest, administrative fees, and penalty fees when due. The Borrower shall provide the DWEE no less than 60 days written notice of its intent to repay the Loan all or in part on the date of the Initiation of Operation.

Section 2.03. Interest Rate. The interest rate on this Loan is determined by the DWEE pursuant to Regulations and the Intended Use Plan and is applied to outstanding principal. The interest rate on this Loan is 0% per annum (calculated on the basis of a year equaling 360 days made up of 12 months of 30 days each) to be paid pursuant to Section 2.06 of this Loan Agreement.

Section 2.04. Administrative Fee. The administrative rate on this Loan is determined by the DWEE pursuant to Regulations and the Intended Use Plan and is applied to outstanding principal. The Borrower shall pay to the DWEE, or at the direction of the DWEE, to the NIFA or the Trustee, an annual administrative fee of 0% per annum (calculated on the basis of a year equaling 360 days made up of 12 months of 30 days each) to be paid pursuant to Section 2.06 of this Loan Agreement.

Section 2.05. Disbursement of Loan. Until the date of Loan Finalization, the Borrower may request disbursement of the loan pursuant to the following conditions:

(a) Upon receipt of a disbursement request for work completed accompanied by any certification from the Borrower required by the DWEE, the DWEE shall make progress disbursements as established by Section 2.01 of this Loan Agreement that correspond to such request of the Loan Amount to be used by the Borrower for Project Costs. The Borrower may obtain a copy of the disbursement record upon request to the DWEE. Each disbursement shall be Automated Clearing House (ACH) by the State of Nebraska and shall be equal to that portion of the unobligated principal amount incurred to the date of the request for disbursement from the Borrower.

(b) Minimum Disbursement Percentage. The minimum amount of a disbursement request that is not a final request must be at least 5% of the total loan amount of this Loan Agreement or $150,000, whichever is the lesser, or the DWEE may choose not to process the request.

(c) Submitted requests for disbursement must be supported by the following: (i) proper invoices for Project Costs; (ii) a certificate of the Authorized Representative to the effect that all representations made in this Loan Agreement remain true as of the date of the request and that no adverse developments affecting the financial condition of the Borrower or its ability to complete the Project or to repay the Loan have occurred since the date of this Loan Agreement; and (iii) other documentation acceptable to and approved by the DWEE.

(d) The Borrower may request disbursement of the Loan Amount for eligible Project Costs, when such Project Costs have been incurred and are due and payable to project contractors. However, actual payment of such Project Costs by the Borrower is not required as a condition of a disbursement request. Any Retainage withheld by the Borrower corresponding to the progress payment made to any contractor will be withheld by the DWEE until such Retainage is either reduced or released to the contractor by the Borrower.

(e) The Borrower shall submit a draft of the operation and maintenance manual for the Project to the designated Engineering Section at DWEE before disbursements exceed 75% of the Project Costs. The Borrower shall submit a final operation and maintenance manual to the designated Engineering Section at DWEE and receive approval before disbursements exceed 95% of the Project Costs or final disbursement, whichever comes first.

(f) If a request for disbursement is not received by the DWEE within eighteen (18) months from either the effective date of this Loan Agreement or the last disbursement request, the DWEE may finalize, close, or terminate this agreement pursuant to Section 6.12 of this Loan Agreement.

(g) The DWEE may finalize, close, or terminate this agreement pursuant to Section 6.12 of this Loan Agreement should the following disbursement milestones not be met:

(1) Twenty percent of agreement funds by July of 2029; or

(2) Forty percent of agreement funds by July of 2030; or

(3) Sixty percent of agreement funds by July of 2031; or

(4) Eighty percent of agreement funds by July of 2032.

Section 2.06. Loan Payments.

(a) Principal and Interest Payments. The Borrower shall pay to the DWEE, or at the direction of the DWEE, to the NIFA or the Trustee, on or before the due dates specified below, but only from the sources specified in Section 3.02 hereof, appropriate installments of principal and interest until all principal and interest due on the Loan to the DWEE has been paid in full. Installments of principal, interest, and administrative fees shall be paid semiannually on December 15 and June 15 of each year in accordance with the Loan Repayment Schedule in Attachment A; provided that, following the receipt of the Initiation of Operation date and the final disbursement of Loan proceeds to the Borrower, a revised Attachment A shall be prepared by the DWEE to establish the final debt service schedule based upon the parameters described in the projected Attachment A. Such revised final Attachment A thereafter shall be deemed to be incorporated herein by reference and made a part hereof and shall supersede and replace the projected Attachment A.

The DWEE will send the Borrower an invoice 30 days prior to the due date of each payment. When a Loan disbursement occurs after invoices are mailed, the DWEE will include adjustments for interest and fee charges on the next semiannual invoice.

(b) Optional Prepayment of the Loan.

(1) If the Borrower is receiving Loan Forgiveness, the Borrower may not prepay the Loan in whole or in part within ten (10) years of the date of this Loan Agreement. After the ten years, the Borrower may prepay the Loan together with any accrued interest in whole or in part without penalty upon giving no less than 60 days written notice to the DWEE of its intent to prepay.

(2) If the Borrower is not receiving Loan Forgiveness, the Borrower may prepay the Loan together with any accrued interest in whole or in part at any time without penalty upon giving no less than 60 days written notice to the DWEE of its intent to prepay.

(3) Once the Borrower is able to prepay the loan, the Borrower may make a partial prepayment of the Loan Amount only if the prepayment amount is greater than the lesser of 10% of the outstanding amount of the Loan, or fifty thousand dollars ($50,000). The DWEE shall prepare a new Loan Repayment Schedule to revise Attachment A following receipt of any partial prepayment of the Loan and such revised Attachment A thereafter shall be deemed to be incorporated herein by reference and made a part hereof and shall supersede and replace Attachment A.

(c) Mandatory Prepayment of Loan. If the Borrower receives a grant from any source for any portion of the Project Costs for which a portion of the Loan Amount has been disbursed and is outstanding under this Loan Agreement, the Borrower must notify the DWEE immediately and such portion of the Loan Amount shall become immediately due and payable.

(1) If the Borrower receives an early prepayment(s) from a property owner(s) from the City placing a lien on the property(ies) or any other debt repayment collection mechanism, the City of Falls City must:

i. Invest those prepayments in an Interest-Bearing Federal Deposit Insurance Corporation insured stand-alone account; and

ii. Contribute interest earnings to the Lead Service Line Replacement project prior to requesting DWSRF reimbursements; and

iii. Submit prepayments of all available principal balances to DWEE semi-annually on March 15th and September 15th.

(d) Delinquent Payment Penalty and Penalty Interest. Payments may be considered delinquent by the DWEE if not received within 15 days of the due date and for any such delinquent payment, the Borrower agrees to pay a 5% administrative penalty of said delinquent payment. In addition, the Borrower agrees to pay penalty interest on any such delinquent payment at the rate of 1% per month of the amount of such delinquent payment from and after the due date until it is paid. Failure to pay any payment or other charges due within sixty days of the date due will result in the Borrower's account to be considered a delinquent account, subject to State of Nebraska action pursuant to the provisions of Article V of this Agreement.

Section 2.07. Project Schedule. The Borrower agrees to perform steps of the Project in accordance with the following projected schedule of milestone dates:

(a) Construction Start – November 2026

(b) Substantial completion of construction – June 2034

(c) Initiation of Operation – June 2034

Section 2.08. Disadvantaged Business Enterprises. The Borrower hereby agrees to the following:

(a) To comply with the requirements of the EPA's Disadvantaged Business Enterprise (DBE) Program for procurement activities under assistance agreements, contained in 40 CFR, Part 33, and, to the fullest reasonable extent possible, ensure that at least ten percent will be made available to Disadvantage Business Enterprises for the Project;

(b) To make the following good faith efforts whenever procuring construction, equipment, services, and supplies:

(1) Ensure DBEs are made aware of contracting opportunities to the fullest extent practicable through outreach and recruitment activities. This includes placing DBEs on a solicitation list and soliciting them whenever they are potential sources;

(2) Make information on forthcoming opportunities available to DBEs and arrange time frames for contracts and establish delivery schedules, where the requirements permit, in a way that encourages and facilitates participation by DBEs in the competitive process. This includes, whenever possible, posting solicitations for bids or proposals for a minimum of 30 calendar days before the bid proposal closing date;

(3) Consider in the contracting process whether firms competing for large contracts could subcontract with DBEs. This includes dividing total requirements when economically feasible into smaller tasks or quantities to permit maximum participation by DBEs in the competitive process;

(4) Encourage contracting with a consortium of DBEs when a contract is too large for one of these firms to handle individually;

(5) Use the services and assistance of the Small Business Administration and the Minority Business Development Agency of the Department Commerce; and

(6) If the prime contractor awards subcontracts, require the prime contractor to take the steps in paragraphs (1) through (5) of this section.

Section 2.09. Borrower's Drinking Water Use Ordinances and User Charge Systems.

(a) The Borrower agrees to obtain approval from the DWEE of its User Charge System, and to adopt and implement any necessary changes before the Project is placed in operation.

(b) The Borrower agrees that it shall not modify, amend, make additions to, or deletions from its Public Water System Ordinance or User Charge System without the consent of the DWEE during the term of the Loan Agreement; with the exceptions of the following changes:

(1) Any increase in rates and charges necessary or deemed necessary by the governing body of the Borrower in order to comply with the provisions of this Loan Agreement, the Public Water System Ordinance, or any ordinance and other agreement pursuant to which any Revenue Obligations have been issued, and for which the revenues of the User Charge Systems have been pledged; or

(2) Any increase deemed necessary by the governing body of the Borrower in order to permit the issuance of or provide for the payment of Additional Revenue Obligations.

Section 2.10. Other Conditions and Terms.

(a) Engineering Services. The Borrower shall provide and maintain competent and adequate engineering supervision and resident inspection during construction.

(b) Construction Agreement Award. The Borrower shall obtain the DWEE concurrence and authorization of the construction agreement. For the purposes of this Loan Agreement, the Project is deemed to be complete on the date of the last Lead Service Line or Galvanized Requiring Replacement service line replaced that brings total disbursed funds equal to the Loan Amount.

(c) Initiation of Operation. The Engineering Section at the DWEE shall provide written notification to the DWEE of the date of Initiation of Operation of the Project. On failure of the Engineering Section to set an acceptable Initiation of Operation date the DWEE will look at the construction record or placement into service date and set the Initiation of Operation date.

(d) Construction Completion. The Borrower shall provide written notification to the DWEE of the construction completion date of the Project.

(e) Capacity Development. The Borrower agrees to maintain a system of records for annual review and reporting of technical, managerial, and financial capacity of the Public Water System to demonstrate continued compliance with the requirements of the Nebraska Safe Drinking Water Act as provided under Nebraska Administrative Code, Title 179 – Public Water Systems, and the requirements of an operating permit, as issued by the DWEE. The Borrower agrees to make any necessary system changes to achieve an acceptable Public Water System Capacity Survey assessment; acceptable, as determined by the DWEE prior to final disbursement of loan proceeds, and to maintain that acceptable assessment level status during the period of repayment.

(f) Contractor's Security. The Borrower agrees to require any contractor of the Project to post separate performance and payment bonds or other security approved by the DWEE in the amount of the bid but as it applies to the amount of Project work that is assigned, performed, and completed before additional Project work is assigned.

(g) Certified Operator. The Borrower agrees to provide a certified operator pursuant to Nebraska Administrative Code, Title 179 – Public Water Systems, Chapter 2, Regulations Governing Public Water Supply Systems.

(h) Site Title and Easements. The Borrower must certify that site title, including all easements and rights of way necessary to allow construction of the Project, has been obtained prior to award of the construction contract (i.e., all real property has been acquired, *bona fide* options have been taken or formal condemnation proceedings have been initiated for necessary real property).

(i) Contractor's Payments. The Borrower agrees to make prompt payment to its contractor(s) of sums due for construction and to retain only such amounts as may be justified by specific circumstances and provisions of the construction agreement.

(j) Bid Solicitation. The Borrower agrees to notify the DWEE of its intent to solicit bids for the project and to request the latest State Revolving Fund Federal Assurance Packet from the DWEE. The Borrower agrees to follow the directions in the packet and to include and insert all the required information, text, documents, and other items into the bid solicitation in accordance with the packet.

(k) Debarment or Suspension. The Borrower acknowledges that doing business with any party that has been declared ineligible to receive federal contracts may result in an event of default, disallowance of federal funds under this Loan Agreement, and may also result in suspension or debarment under 40 CFR Part 32. Instructions for finding the federal list of current companies declared ineligible can be found at the following website: https://www.dol.gov/agencies/ofccp/debarred-list.

(l) Other Federal Requirements. The Borrower agrees to comply with other applicable Federal Requirements in Attachment D hereto.

(m) Project Sign. If requested by the DWEE, the Borrower agrees to display a project sign created by the DWEE. The displaying of a project sign may include both physical displays and digital displays. This can include, but not be limited to, a physical board provided by the DWEE to be displayed at a designated site, digital graphic to be posted on a Borrower's website, or image and text to be posted in a newsletter, community notice, or newspaper. The DWEE will provide instructions for displaying the Project Sign.

(n) Employment under Public Contracts, LB 403. The Borrower agrees to comply with the provisions of Legislative Bill 403, approved by the Governor on April 8, 2009. The following language is required and will be included in all agreements made with contractors and is a pass-through requirement for his or her subcontractors.

"The Contractor is required and hereby agrees to use a federal immigration verification system to determine the work eligibility status of new employees physically performing services within the State of Nebraska. A federal immigration verification system means the electronic verification of the work authorization program authorized by the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, 8 U.S.C. 1324a, known as the E-Verify Program, or an equivalent federal program designated by the United States Department of Homeland Security or other federal agency authorized to verify the work eligibility status of a newly hired employee. If the Contractor is an individual or sole proprietorship, the following applies: 1. The Contractor must complete the United States Citizenship Attestation Form, available on the Department of Administrative Services website at www.das.state.ne.us; 2. If the Contractor indicates on such attestation form that he or she is a qualified alien, the Contractor agrees to provide the US Citizenship and Immigration Services documentation required to verify the Contractor's lawful presence in the United States using the Systematic Alien Verification for Entitlements (SAVE) Program; and, 3. The Contractor understands and agrees that lawful presence in the United States is required and the Contractor may be disqualified or the contract terminated if such lawful presence cannot be verified as required by Neb. Rev. Stat. §4-108."

(o) Wage Rate Requirements. By accepting this contract, the contractor acknowledges and agrees to the terms provided in the Davis Bacon Related Acts Requirements for Contractors and Subcontractors Under EPA Grants (https://www.epa.gov/grants/contract-provisions-davis-bacon-and-related-acts).

Davis-Bacon prevailing wage requirements will apply to the construction, alteration, and repair of a public building or public work, or building or work carried out in whole or in part with assistance made available by this Loan Agreement. For wages that require a Davis-Bacon prevailing wage, the Borrower certifies compliance with the following:

(1) Obtaining a Wage Determination.

(i) Wage Determinations for Soliciting. The Borrower is responsible for and shall obtain the wage determinations for the locality of the project prior to issuing requests for bids, proposals, quotes, or other methods for soliciting contracts for the project (hereinafter "soliciting"). These wage determinations will be incorporated into solicitations and any subsequent contracts. Prime contract must contain a provision requiring that subcontractors follow the wage determinations incorporated into the prime contract.

1. Monitoring for Current Wage Determinations During Solicitation Period. While the solicitation remains open, the Borrower shall monitor https://sam.gov/ weekly to ensure that the wage determinations contained in the solicitation remain current. The Borrower shall amend the solicitation if the Department of Labor issues a modification to the wage determinations more than ten (10) days prior to the closing date for the solicitation.

2. Monitoring for Current Wage Determinations After Closing Date. Unless extended in writing by the DWEE, if the Borrower does not award the contract within ninety (90) days of the closing date for the solicitation, the Borrower shall monitor https://sam.gov/ on a weekly basis for any modifications or supersedes the Department of Labor makes on the wage determinations contained in the solicitation and shall amend the solicitation.

(ii) Wage Determinations for Non-Published Solicitations. If the Borrower issues a task order, work assignment, or similar instrument to an existing contractor, or ordering instrument, rather than by publishing a solicitation, the Borrower shall insert the appropriate wage determinations from https://sam.gov/ into the ordering instrument.

(iii) Verification of Wage Determinations Inclusion. The Borrower shall review all contracts and subcontractors and verify that all contracts include the applicable wage determinations.

(iv) Issuance of Revised Wage Determinations. The Department of Labor may issue a revised wage determination applicable to a Borrower's contract after the award of a contract or the issuance of an ordering instrument if the Department of Labor determines that the Borrower has failed to incorporate a wage determination or has used a wage determination that clearly does not apply to the contract or ordering instrument. If this occurs, the Borrower shall either: i) terminate the contract or ordering instrument and issue a revised solicitation, or ii) incorporate the Department of Labor's wage determination retroactive to the beginning of the contract or ordering instrument by change order. All contractors must be compensated for any increases in wages resulting from the use of the Department of Labor's revised wage determination.

(2) DWEE Federal Assurance Package. Before soliciting, The Borrower agrees to contact the DWEE for the most recent applicable DWEE Federal Assurance Package and to incorporate the package into the solicitation documents. If the Borrower has failed to incorporate the most recent applicable DWEE Federal Assurance Package, the Borrower shall either: i) terminate the contract or ordering instrument and issue a revised solicitation, or ii) incorporate the DWEE Federal Assurance Package by change order.

(3) Contract and Subcontract Provisions. The Borrower shall insert in full for any contract entered into for the actual construction, alteration, and/or repair, including painting and decorating, of a public building or public work, or building, or work as defined by the DWEE, the required clauses as listed in most recent applicable DWEE Federal Assurance Package.

(i) Unlisted Classifications. The Borrower shall require that any class of laborers or mechanics, including helpers, which is not listed in the applicable wage determination and which is to be employed under the contract shall be classified in conformance with

the wage determinations in accordance with procedures established within the DWEE Federal Assurance Package.

(ii) Weekly Payroll Review and Certifications. The Borrower shall monitor, collect, and review weekly payrolls for each week in which any contract work is performed and provide written confirmation in a form satisfactory to the DWEE indicating whether or not the project is in compliance with the Davis-Bacon prevailing wage requirements.

(iii) Withholding Payments. The Borrower shall, upon written request by authorized representatives of the DWEE, the EPA, or of the Department of Labor, withhold or cause to be withheld from a contractor under this Loan Agreement or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor, so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees, and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee, or helper, employed or working on the site of the work, all or part of the wages required by the contract, the EPA may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased.

(4) Contract Provisions for Contracts in Excess of $100,000. All contracts in an amount in excess of $100,000 must comply with the Contract Work Hours and Safety Standards Act, 40 U.S.C. 3701 et seq., as amended. The Borrower shall insert in full for any contract in excess of $100,000 the required clauses as listed in the most recent applicable DWEE Federal Assurance Package. In addition:

(i) Withholding Payments. The Borrower, upon written request by authorized representatives of the DWEE, the EPA, or of the Department of Labor, shall withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as determined by the DWEE.

(ii) Maintaining of Payroll and Records. The Borrower shall insert a clause requiring that the contractor or subcontractor shall maintain payrolls and basic payroll records during the course of the work and shall preserve them for a period of three years from the completion of the contract for all laborers and mechanics, including guards and watchmen, working on the contract. Such records shall contain the name and address of each such employee, social security number, correct classifications, hourly rates of wages paid, daily and weekly number of hours worked, deductions made, and actual wages paid. Further, the Borrower shall insert in any such contract a clause providing that the records to be maintained under this paragraph shall be made available by the contractor or subcontractor for inspection, copying, or transcription by authorized representatives of the DWEE, EPA and the Department of Labor, and the contractor or subcontractor will permit such representatives to interview employees during working hours on the job.

(5) Compliance Verification.

(i) Interview Requirement. The Borrower shall periodically interview a sufficient number of employees entitled to Davis-Bacon prevailing wages to verify that contractors and/or subcontractors are paying the appropriate wages. All interviews must be conducted in

confidence. The Borrower must use Standard Form 1445 or equivalent documentation to memorialize the interviews. Copies of Standard Form 1445 are available from the EPA upon request.

(ii) Interview Frequency. The Borrower shall establish and follow an interview schedule based on its assessment of the risks of noncompliance with the Davis-Bacon prevailing wage requirements posed by contractors or subcontractors and the duration of the contract or subcontract. The Borrower must conduct more frequent interviews if the initial interviews or other information indicated that there is a risk that the contractor or subcontractor is not complying with Davis-Bacon prevailing wages. The Borrower shall immediately conduct interviews in response to an alleged violation of the prevailing wage requirements. All interviews shall be conducted in confidence.

(iii) Interview Spot Checks. The Borrower shall periodically conduct spot checks of a representative sample of weekly payroll data to verify that contractors or subcontractors are paying the appropriate wage rates. The Borrower shall establish and follow a spot check schedule based on its assessment of the risks of noncompliance with Davis-Bacon prevailing wages posed by contractors or subcontractors and the duration of the contract or subcontract. The Borrower must conduct more frequent spot checks if the initial spot check or other information indicates that there is a risk that the contractor or subcontractor is not complying with Davis-Bacon prevailing wage. In addition, during the examinations the Borrower shall verify evidence of fringe benefit plans and payments thereunder by contractors and subcontractors who claim credit for fringe benefit contributions.

(iv) Review of Apprentices and Trainees. The Borrower shall periodically review contractor's and subcontractor's use of apprentices and trainees to verify registration and certification with respect to apprenticeship and training programs approved by either the Department of Labor, or a state, as appropriate, and that contractors and subcontractors are not using disproportionate numbers of, laborers, trainees and apprentices. These reviews shall be conducted in accordance with the schedules for spot checks and interviews described in Section 2.10(o)(5)(ii through iii) of this Loan Agreement.

(6) Potential Violations. The Borrower must immediately report potential violations of the Davis-Bacon prevailing wage requirements to the DWEE, EPA, and to the appropriate Department of Labor Wage and Hour District Office listed at https://www.dol.gov/agencies/whd/contact/local-offices.

(p) Human Trafficking. Under the requirements of Section 106 of the Trafficking Victims Protection Act of 2000, as amended, the following provisions apply to this award:

"The Municipality, its employees, sub-recipients under this award, and sub-recipients' employees may not engage in severe forms of trafficking in persons during the period of time that the award is in effect; procure a commercial sex act during the period of time that the award is in effect; or use forced labor in the performance of the award or sub-awards under the award."

(q) American Iron and Steel (AIS) Products. Use of Loan funds for partial or full payment of the construction, alteration, maintenance, and repair of "Public Water Systems", as defined by the Federal Act, must be constructed pursuant to Public Law 113-76, et seq., as amended, which includes American Iron and Steel Act (AIS) requirements. The Borrower agrees to be responsible for and to comply with all American Iron and Steel conditions and requirements pursuant to the American Iron and Steel Act and agrees to provide written certification of such compliance to the DWEE after construction completion.

(r) State Cybersecurity. If the Borrower's network or information system is connected to EPA networks for the purpose of transferring data using systems other than the Environmental Information Exchange Network, or EPA's Central Data Exchange, the Borrower agrees that when collecting and managing

environmental data for this Project, the Borrower will protect the data by following all applicable state law cybersecurity requirements. Prior to collecting, managing, or transferring any environmental data, the Borrower agrees to contact the EPA and the assigned EPA Project Officer, notifying the DWEE when they have done so, and work with the EPA to ensure that any connections between the Borrower's network or information system and EPA networks used by the Borrower to transfer data under this Loan Agreement are secure.

(s) Loan Finalization Date. This Loan Agreement will be considered finalized either upon the date the DWEE processes the final disbursement request by the Borrower or twelve (12) months following receipt of the written notification of the construction completion pursuant to Section 2.10(d) of this Loan Agreement, whichever occurs first.

(t) Build America Buy America. Use of Loan funds for partial or full payment of the construction, alteration, maintenance, and repair of Public Water Systems, as defined by the Federal Act, must be constructed pursuant to Public Law 117-58, 135 Stat. 429, 70901-70927, et seq., as amended, which includes Build America Buy America Act (hereinafter BABA) requirements. The Borrower agrees to be responsible for and to comply with all BABA conditions and requirements pursuant to the BABA Act and agrees to provide written certification of such compliance to the DWEE, or any party designated by the DWEE, after construction completion unless i) the Borrower has requested and obtained a waiver from the DWEE, or any party designated by the DWEE, pertaining to the Project or the Project is otherwise covered by a general applicability waiver; or ii) all contributing Agencies to the Project that require BABA compliance have advised the Borrower in writing that BABA requirements are not applicable to the Project.

When applicable (e.g., unless eligible for a waiver, etc.), all of the iron, steel, manufactured products, and construction materials used in the project are produced in the United States per the following:

(1) All iron and steel used in the project are produced in the United States. This means all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States; and

(2) All manufactured products used in the project are produced in the United States. This means the manufactured product was manufactured in the United States, and the cost of the components of the manufactured product that are mined, produced, or manufactured in the United States is greater than 55% of the total cost of all components of the manufactured product, unless another standard that meets or exceeds this standard has been established under applicable law or regulations for determining the minimum amount of domestic content of the manufactured product; and

(3) All construction materials are manufactured in the United States. This means that all manufacturing processes for the construction material occurred in the United States.

The Borrower agrees to comply with all record keeping and reporting requirements under all applicable legal authorities, including any reports required by the DWEE, the EPA, or any party designated by the DWEE or EPA, such as performance indicators of program deliverables, information on costs and project progress. The Borrower understands that: i) each contract and subcontract related to the Project is subject to audit by appropriate federal and state entities; and ii) failure to comply with the applicable legal requirements and this Loan Agreement may result in a default hereunder subject to the conditions pursuant to Article V of this Loan Agreement and other remedial actions.

The BABA requirements do not supersede the American Iron and Steel requirement and both provisions still apply and work in conjunction.

(u) Prohibition on Certain Telecommunication and Video Surveillance Services or Equipment. The Borrower agrees to comply with the regulations of 2 CFR 200.216, *Prohibition on certain telecommunication and video surveillance services or equipment*, and section 889 of Public Law 115-232. The Borrower shall

prohibit procuring (enter into, extend, or renew contracts) or obtaining equipment, systems, or services that use "covered telecommunications equipment or services" identified in the regulations as specified by this section as a substantial or essential component of any system, or as critical technology as part of any system for the Project. This prohibition extends to Borrowers and their subrecipients (i.e. Consulting Engineers, contractors, etc.) that "uses any equipment, system, or service that uses covered telecommunications equipment or services" as a substantial or essential component of any system, or as critical technology as part of any system. Certain equipment, systems, or services, including equipment, systems, or services produced or provided by entities subject to the prohibition are recorded in the System for Award Management exclusion list (https://sam.gov/content/exclusions).

(v) Lead Service Lines. Use of funds for lead service lines shall be eligible pursuant to the Infrastructure Investment and Jobs Act (Public Law No. 117-58) and the Federal Act. In addition, the Borrower agrees to the following:

(1) The project and use of funds will be for lead service line replacement projects and associated activities directly connected to the identification, planning, design, and replacement of lead service lines. Costs associated with non-lead service lines are ineligible; and

(2) Lead service lines will be replaced in their entirety and cannot be partially replaced, unless a portion of the line has already been replaced or is concurrently being replaced with another funding source; and

(3) The Borrower agrees to provide documentation established by the Department of compliance with full lead line service replacement to the Department for review and approval at the time lead service line replacement project is initiated.

(w) Lead Service Line Notification Due Dates. The disbursement of all funds is contingent upon the Borrower performing all needed Lead Service Line Notification activities per the requirements of the Federal Act, and if provided, in accordance with the reporting template provided by the DWEE Drinking Water Monitoring and Compliance section. That shall be done prior to the dates detailed in the Federal Act, or before disbursements exceed 95% of Project Costs, whichever comes first.

ARTICLE III

REPRESENTATION AND COVENANTS OF THE BORROWER

Section 3.01. Representations of the Borrower. The Borrower represents as follows:

(a) Organization and Authority.

(1) The Borrower is a village, town, city, district, association, or other public body created by or pursuant to the constitution and statutes of the State of Nebraska.

(2) The Borrower has full legal right and authority and has all necessary licenses and permits required as of the date hereof (or is in the process of obtaining all necessary licenses and permits that will be required, but are not required to be in place as of the date hereof) to own, operate and maintain its Public Water System, to carry on its activities relating thereto, to execute and deliver this Loan Agreement, to undertake and complete the Project, and to carry out and consummate all transactions contemplated by this Loan Agreement.

(3) The proceedings of the Borrower's governing body conducted to approve this Loan Agreement and authorizing its execution, issuance, and delivery on behalf of the Borrower, and authorizing the Borrower to undertake and complete the Project, have been duly and lawfully convened and conducted and the resolution of the Borrower's governing body approving such matters has been duly and lawfully adopted.

(4) This Loan Agreement has been duly authorized, executed, and delivered on behalf of the Borrower, and constitutes the legal, valid, and binding obligation of the Borrower enforceable in accordance with its terms.

(b) Full Disclosure. To the best knowledge of the Borrower, there is no fact that the Borrower has not disclosed to the DWEE in writing on the Borrower's application for the Loan or otherwise anything that materially adversely affects or that will materially adversely affect the properties, activities of its Public Water System, or the ability of the Borrower to make all Loan Repayments and otherwise observe and perform its duties, covenants, obligations and agreement under this Loan Agreement.

(c) Non-Litigation. There is no controversy, suit or other proceeding of any kind pending, or to the best knowledge of the Borrower, threatened questioning, disputing or affecting in any way the: (i) legal organization of the Borrower or its boundaries; (ii) the right or title of any of its officers to their respective offices; (iii) the legality of any official act taken in connection with obtaining the Loan; (iv) the constitutionality or validity of the indebtedness represented by the Loan Agreement; (v) any of the proceedings had in relation to the authorization or execution or the pledging of the revenues stated in Section 2.09 and Section 3.02 of this Loan Agreement; or (vi) the ability of the Borrower to make all Loan Repayments or otherwise observe and perform its duties, covenants, obligations and agreements under this Loan Agreement.

(d) Compliance with Existing Laws and Agreements. The authorization, execution and delivery of this Loan Agreement by the Borrower, and the performance by the Borrower of its duties, covenants, obligations, and agreements thereunder will not result in any breach of any existing law or agreement to which the Borrower is a party.

(e) No Defaults. No event has occurred and no condition exists that would constitute an Event of Default. The Borrower is not in violation of any agreement which would materially adversely affect the ability of the Borrower to make all Loan Repayments or otherwise observe and perform its duties, covenants, obligations, and agreements under this Loan Agreement.

(f) Governmental Consent. The Borrower has obtained all permits and approvals required to date under this Loan Agreement (or is in the process of obtaining all permits and approvals that will be required, but are not required to be in place as of the date hereof) for the undertaking or completion of the Project and the financing or refinancing thereof. The Borrower has complied with, or expects to comply with, all applicable provisions of law requiring any notification, with any governmental body or officer in connection with this Loan Agreement or with the undertaking or completion of the Project and the financing or refinancing thereof.

(g) Compliance with the Law. The Borrower:

(1) Is in compliance with all laws, ordinances, governmental rules and regulations to which it is subject, including, without limitation, any public hearing or public notice requirements or environmental review requirements contained in the Regulations, with which the failure to comply would materially adversely affect the ability of the Borrower to conduct its activities, enter into this Loan Agreement or undertake or complete the Project; and

(2) Has obtained, or expects to obtain, all licenses, permits, franchises or other governmental authorizations presently necessary for the ownership of its property which, if not obtained, would materially adversely affect the ability of the Borrower to complete the Project.

(h) Use of Loan Proceeds. The Borrower will apply the proceeds of the Loan as described in Article II of this Loan Agreement:

(1) To finance or refinance a portion of the Project Costs; and

(2) Where applicable, to reimburse the Borrower for a portion of the Project Costs, which portion was paid or incurred in anticipation of reimbursement by the DWEE and is eligible for such reimbursement pursuant to the Regulations. All of such costs constitute Project Costs for which the DWEE is authorized to make loans to the Borrower pursuant to the Act and the Regulations.

(i) Project Costs. The Borrower certifies that the Project Costs, as listed in Attachment B, are reasonable and accurate estimations and, upon direction of the DWEE, will supply the same with a certificate from its engineer stating that such costs are reasonable and accurate estimations, taking into account investment income, if any, to be realized during the course of construction of the Project and other money that would, absent the Loan, have been used to pay the Project Costs.

Section 3.02. Particular Covenants of the Borrower.

(a) Dedicated Source of Revenue for Repayment of the Loan. The Borrower hereby pledges to the DWEE, and grants a lien to the DWEE on, the User Charge System as the dedicated source of revenue for the repayment of the Loan. The pledge herein provided for is made in accordance with and under the terms of Ordinance No. _____ and is secured on a parity with the pledge made under the ordinances described herein. The Borrower shall fix, establish, maintain and collect such rates, fees and charges for the use and services furnished by or through the Borrower's Public Water System, including all improvements and additions hereafter constructed or acquired by the Borrower, as will provide revenues sufficient to (i) pay the cost of the operation and maintenance, and replacement of the Borrower's Public Water System, (ii) pay at least 110% of the principal of and interest on the Loan as and when the same become due, and (iii) pay all other amounts due at any time under this Loan Agreement. The lien of the DWEE on the revenues of the Borrower's Public Water System, shall be on a parity with the lien on such revenues of the Borrower's outstanding Public Water System revenue bonds issued pursuant to and referred in Ordinance No. _____ of the Borrower's now outstanding, if any, and any additional revenue bonds hereafter issued on parity with such outstanding revenue bonds. The Borrower hereby expressly reserves the right to issue Revenue Obligations on parity with the lien described in this Loan Agreement and the other outstanding Revenue Obligations, provided, the Borrower complies with the covenants contained in this Subsection 3.02(a). These revenues shall be collected and maintained in separate accounts or ledgers for the operation and maintenance costs and for principal and interest payments on the Loan. The funds in such accounts or ledgers shall be restricted for their intended use, and the Loan obligation shall be reported on the financial statements of the Borrower. The Borrower agrees to develop the Drinking Water User Charge System based on actual or estimated use of Borrower's Public Water System, providing that each user and or user class pay its proportionate share to their drinking water use within the Borrower's service area and to conduct at least a biennial review of adequacy of the user charge rates. The Borrower agrees the initial financial analysis performed by the DWEE in Attachment C is a reasonable estimate of the Project Costs, of the financial condition of the Borrower in relation to this Project, and of the user charges necessary at the time of initiation of operation of the Project. The DWEE may review this information annually to ensure the Borrower's compliance with the Loan conditions and update Attachment C to reflect any changes.

(a) Performance Under Loan Agreement. The Borrower agrees:

(1) They are in compliance with the following federal regulations and will be subject to:

i. Civil Rights Act of 1964, 42. U.S.C. 2000d, et seq., as amended;

ii. Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. 794, et seq., as amended; and

iii. Age Discrimination Act of 1975, 42 U.S.C. 6102, et seq., as amended.

(2) To comply with all applicable State and federal laws, rules, and regulations in the performance of this Loan Agreement (including, but not limited to the federal crosscutting items set forth on Attachment D of this Loan Agreement, and other DWEE Regulations); and

(3) To cooperate with the DWEE in the observance and performance of the respective duties, covenants, obligations, and agreements of the Borrower and the DWEE under this Loan Agreement.

(b) Completion of Project and Provision of Moneys Therefore. The Borrower agrees:

(1) To exercise its best efforts in accordance with prudent public water supply utility practice to complete the Project and to so accomplish such completion on or before the estimated Project completion date set forth in Article II hereto; and

(2) To provide from its own financial resources all moneys, in excess of the total amount of proceeds it receives pursuant to this Loan Agreement, required to complete the Project.

(3) At the completion of the Work (e.g., the LSL Replacement at a Residential Property, etc.), the City and/or it's Contractor shall remove from the Site and adjacent areas all tools, appliances, construction equipment and machinery, and surplus materials and shall restore to original condition all property not designated for alteration in the use of the loan funds.

(c) Delivery of Documents. Concurrently with the delivery of this Loan Agreement (as previously authorized and executed) at the loan closing, the Borrower will cause to be delivered to the DWEE each of the following items:

(1) Counterparts of this Loan Agreement (as previously executed by parties hereto);

(2) Copies of the ordinances and/or resolutions of the governing body of the Borrower authorizing the execution and delivery of this Loan Agreement certified by an Authorized Representative;

(3) An Opinion of the Borrower's Counsel substantially in the form of Attachment E hereto;

(4) An executed Note (or other evidence of indebtedness) evidencing the Borrower's obligations under this Loan Agreement in the form of Attachment F;

(5) An executed certificate of the Borrower in the form of Attachment G hereto; and

(6) Such other certificates, documents, opinions, and information as the DWEE may require.

(d) Operation and Maintenance of Public Water System. The Borrower agrees that it shall operate in accordance with Nebraska Administrative Code, Title 179 – Public Water Systems, Chapter 22, and ensure the following:

(1) At all times operate the properties of its Public Water System in an efficient manner; and

(2) Maintain its Public Water System, making all necessary and proper repairs, renewals, replacements, additions, betterments, and improvements necessary to maintain its system in good repair, working order and operating condition.

(e) Disposition of Public Water System. The Borrower covenants that it intends to own and operate the Project at all times during the term of the Loan. The Borrower does not know of any reason why the Project will not be so used in the absence of:

(1) Supervening circumstances not anticipated by the Borrower at the time of the Loan;

(2) Adverse circumstances beyond the control of the Borrower; or;

(3) Obsolescence of such insubstantial parts or portions of the Project as may occur as a result of normal use thereof.

The Borrower shall not sell, lease, abandon or otherwise dispose of all or substantially all of its Public Water System except on 90 days' prior written notice to the DWEE and, in any event, shall not sell, lease, abandon or otherwise dispose of the same unless the Borrower shall in accordance with Section 4.02 hereof assign this Loan Agreement and its rights and interests hereunder to the purchaser or lessee of the Public Water System and such purchaser or lessee shall assume all duties, covenants, obligations and agreements of the Borrower under this Loan Agreement. In no event shall the Borrower sell, lease, abandon, or otherwise dispose of the Public Water System to any person or entity other than a municipal corporation or other political subdivision of the State of Nebraska, or any combination thereof, that has legal authority to own or operate the Public Water System.

Before any proposed disposition of the Public Water System can be made, the Borrower shall provide the DWEE, and NIFA if NIFA is an assignee of the Note, with an opinion of a nationally recognized bond counsel that such proposed disposition is permitted by the provisions of this subparagraph, and, further, that such disposition shall not endanger the exclusion from gross income for federal income tax purposes of the interest on any bonds issued to fund deposits into the Loan Fund, nor shall it relieve the Borrower of its duties, covenants, obligations and agreements under this Loan Agreement.

(f) Records and Accounts. The Borrower shall maintain accurate records and accounts in accordance with generally accepted accounting principles, including principles relating to the reporting of infrastructure assets for its Public Water System's Records (the "System Records"), which shall be separate and distinct from its other records and accounts (the "General Account"). The System Records and General Accounts shall be made available for inspection upon request by the DWEE at any reasonable time. The Borrower shall, upon written request by the DWEE during the term of the Loan, engage an independent auditor to conduct an audit of the project's financial records in accordance with generally accepted government auditing standards. The Borrower shall provide the DWEE a copy of the audit report, provided such audit shall not be due to the DWEE sooner than 210 days following the close of the fiscal year, or years, identified in the request for audit. In the event that during the period in which the Project financed by this Loan Agreement is under construction, and the Borrower expends, for any purpose, total federal funds in excess of seven hundred fifty thousand dollars ($750,000) during the Borrower's fiscal year, then the Borrower shall, irrespective of any request from the DWEE, provide the DWEE a copy of the Single Audit made on the Borrower's General Accounts performed by an independent auditor required in such cases by 2 CFR Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. In the sole discretion of the DWEE, any requirement herein to perform and/or provide an audit at the request of the DWEE may be waived by the DWEE on the basis of the Borrower's receipt of an audit waiver received from some other government agency and accurately acknowledging the Borrower's obligation to the DWEE under this Loan or for any other reason acceptable to the DWEE.

(g) Inspections; Information. The Borrower shall permit the EPA, the DWEE, and any party designated by the DWEE to examine, visit, and inspect, at any and all reasonable times, the property, if any, constituting the Project, and to inspect and make copies of any accounts, books, and records, including (without limitation) its records regarding receipts, disbursements, contracts, investments, and any other matters relating thereto and to its financial standing, and shall supply such reports and information as the EPA and the DWEE may reasonably require in connection therewith.

(h) Financial Information. The Borrower specifically agrees to provide to the DWEE a reasonable number of copies of such financial information and operating data of the Borrower and the Public Water System and the prompt notification of the occurrence of certain material events, to the extent necessary for the DWEE to comply with its continuing disclosure obligations set forth in the SEC Rule. Such financial information shall be prepared in accordance with GAAP. Such financial information and operating data, if requested, shall be supplied within 210 days after the end of its fiscal year. If audited financial information will be

prepared, but is not available within 210 days of the end of the appropriate Borrower's fiscal year, unaudited financial information shall be provided to the DWEE pending receipt of audited financial information. For purposes of this paragraph, "material event" shall mean:

(1) Principal and interest payment delinquencies on any Indebtedness;

(2) Non payment related defaults in agreements authorizing any Indebtedness;

(3) Rating changes on any Indebtedness;

(4) Adverse tax opinions or events affecting the tax exempt status of any Indebtedness; or

(5) Unscheduled draws on debt service reserves or credit enhancements on any Indebtedness reflecting financial difficulties.

(i) Insurance. The Borrower will carry and maintain such reasonable amount of all risk insurance on all properties and all operations of the Public Water System as would be carried by similar sized municipal operators of Public Water System, insofar as the properties are of an insurable nature. The Borrower also will carry general liability insurance in amounts not less than the maximum liability of a governmental entity for claims arising out of a single occurrence, as provided by the Nebraska Political Subdivisions Tort Claims Act (Neb. Rev. Stat. §§13-901 to 13-928), or other similar future law.

(j) Continuing Representations. The representations of the Borrower contained herein shall be true at the time of the execution of this Loan Agreement and at all times during the term of this Loan Agreement.

(k) Notice of Material Adverse Change. The Borrower shall promptly notify the DWEE of any material adverse change in the activities, prospects, or condition (financial or otherwise) of the Borrower's Public Water System, in accordance with the provisions of Sections 3.02(g) and 3.02(i) of this Loan Agreement, or in the ability of the Borrower to make all Loan Repayments and otherwise observe and perform its duties, covenants, obligations and agreements under this Loan Agreement.

(l) Additional Covenants and Requirements. If necessary in connection with the making of the Loan Agreement, additional covenants and requirements, if any, are hereby incorporated with their inclusion to Attachment I, Other Documents.

ARTICLE IV

ASSIGNMENT

Section 4.01. Assignment and Transfer by the DWEE. The Borrower hereby approves and consents to any assignment or transfer of this Loan Agreement that the DWEE deems necessary in connection with the operation and administration of the Fund. The Borrower hereby specifically approves the assignment and pledging of the interest portion of the Loan Repayments to NIFA.

Section 4.02. Assignment by the Borrower. This Loan Agreement may not be assigned by the Borrower for any reason, unless the following conditions shall be satisfied:

(a) The DWEE shall have approved said assignment in writing;

(b) The assignee is a village, town, city, district, association, county, or other public body created by or pursuant to State law of the State of Nebraska or any combination thereof, that has legal authority to own or operate the Public Water System;

(c) The assignee shall have expressly assumed in writing the full and faithful observance and performance of the Borrower's duties, covenants, and obligations under this Loan Agreement; provided, however, such

assignment shall not relieve the Borrower of its duties, covenants, and obligations under this Loan Agreement;

(d) The assignment will not adversely impact the DWEE's ability to meet its duties, covenants and obligations under any Pledge Agreement as determined in writing by the DWEE;

(e) The assignment will not adversely affect the exclusion from gross income for federal tax purposes of the interest on any bonds issued by NIFA to fund deposits into the Loan Fund; and

(f) The Borrower shall provide the DWEE, and NIFA if NIFA is an assignee of the Note, with:

(1) An opinion of a qualified attorney satisfactory to the DWEE that each of the conditions set forth in subparagraphs Section 4.02(b) and (c) above has been met; and

(2) An opinion of nationally recognized bond counsel satisfactory to the DWEE that the condition set forth in subparagraph Section 4.02(e) above has been met.

ARTICLE V

EVENTS OF DEFAULT AND NONCOMPLIANCE

Section 5.01. Event of Default. Event of Default means: (i) any violation or noncompliance by the Borrower of any of the provisions of this Loan Agreement; (ii) violation or noncompliance by the Borrower of any provision of federal, state, or local regulations or requirements; (iii) failure by the Borrower to pay when due any Loan Payment pursuant to Section 2.06 of this Loan Agreement and for such payment to be considered delinquent by the DWEE; and (iv) a default under the terms of any Revenue Obligation and other parity obligation allowing any holder of such obligation the right to exercise any remedies against the Borrower.

Section 5.02. Notice of Default.

(a) If an Event of Default shall occur and is discovered by the Borrower, the Borrower shall give the DWEE prompt telephonic notice of the Event of Default. Such telephonic notice shall be immediately followed by written notice of such Event of Default given in the manner as established by Section 6.03 of this Loan Agreement.

(b) If an Event of Default shall occur and is discovered by the DWEE, the DWEE shall give the Borrower and the NIFA prompt telephonic notice of the occurrence of such Event of Default. Such telephonic notice shall be immediately followed by written notice from the DWEE to the Borrower of such Event of Default given in the manner as established by Section 6.03 of this Loan Agreement.

Section 5.03. Remedies on Default.

(a) Whenever an Event of Default shall have occurred and be continuing, the DWEE or the Borrower shall have the right to take whatever action at law or in equity may appear necessary or desirable to collect the amounts then due and to become due or to enforce the performance and observance of any obligation or agreement of the Borrower (including, without limitation, withholding remaining Loan disbursements, cancellation of this Loan Agreement and acceleration of the remaining scheduled principal payments set forth on Attachment A, or such other remedies provided to the DWEE in the Act and the Regulations).

(b) If the Borrower fails to make any payment of principal and interest, administrative fee, late fee, or penalty interest imposed pursuant to this Loan Agreement within 60 days of the due dates specified in Section 2.06 of this Agreement, the payment shall be deducted from the amount of aid to municipalities to which the Borrower is entitled under Neb. Rev. Stat. §72-1503. Such amount shall be paid directly to the Fund.

Section 5.04. Expenses. Upon the occurrence of an Event of Default, and to the extent permitted by law, the Borrower shall, on demand, pay to the DWEE the reasonable fees and expenses incurred by the DWEE in the collection of Loan Repayments or any other sum due hereunder or in the enforcement of performance or observation of any other duties, covenants, obligations, or agreements of the Borrower contained herein. Upon request by the Borrower, the DWEE shall provide copies of statements evidencing the fees and expenses for which the DWEE is requesting payment.

Section 5.05. Application of Moneys. Any moneys collected by the DWEE pursuant to Section 5.03 or 5.04 hereof shall be applied;

(a) First, to pay administrative fees on the Loan as the same becomes due and payable;

(b) Second, to pay interest on the Loan as the same becomes due and payable;

(c) Third, to pay principal due and payable on the Loan;

(d) Fourth, to pay expenses owed by the Borrower pursuant to Section 5.04 hereof; and

(e) Fifth, to pay any other amounts due and payable hereunder as such amounts become due and payable. To the extent that the DWEE's right to receive Loan Repayments is on a parity of lien basis with the lien of Existing Revenue Obligations or Additional Revenue Obligations on the Borrower's System Revenues, such moneys shall be applied pro rata to all such obligations.

Section 5.06. No Remedy Exclusive; Waiver; Notice. No remedy herein conferred upon or reserved to the parties hereto is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Loan Agreement or now or hereafter existing at law or in equity. The parties hereto, in good faith, shall exercise such remedies with due diligence in a timely manner, however, no delay or omission to exercise any right, remedy or power accruing upon any Event of Default shall impair any such right, remedy or power or shall be construed to be a waiver thereof, but any such right, remedy or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the parties hereto to exercise any remedy reserved to them in this Article, it shall not be necessary to give any notice, other than such notice as may be required in this Article V.

Section 5.07. Retention of Rights. Notwithstanding any assignment or transfer of this Loan Agreement pursuant to the provisions hereof, or anything else to the contrary contained herein, the parties hereto shall have the right upon the occurrence of an Event of Default to take any action, including (without limitation) bringing an action against the defaulting party at law or in equity, as such party may, in its discretion, deem necessary to enforce the obligations of the defaulting party pursuant to this Loan Agreement.

Section 5.08. Violation of Loan Agreement Provisions. Violation or noncompliance of any of the provisions of this Loan Agreement by the Borrower, or failure of the Borrower to complete and maintain the Project in the manner proposed by the Borrower, and approved by the DWEE may result in a cancellation of this Loan Agreement, and a demand that any outstanding balance of principal, interest, and administrative fees and any other amounts due under this Loan Agreement be paid immediately.

ARTICLE VI

MISCELLANEOUS

Section 6.01. Hold Harmless Agreement. The State of Nebraska and the DWEE, and the officers, agents, and employees of each, shall have no responsibility or liability for the construction, operation and maintenance of the Project. The Borrower shall be responsible for such construction, operation and maintenance of the Project and shall assume responsibility for all Project Costs and any claims, demands, damages, losses, costs, expenses, or liability accruing or resulting to any and all contractors, subcontractors, employees, and any other person, firm, or corporation furnishing or supplying services, materials, or supplies in connection with construction of the Project,

and for any and all claims, demands, damages, losses, costs, expenses, or liability occurring or resulting to any person, firm or corporation, as a result of or incident to, either in whole or in part, whether directly or indirectly, the construction, or the operation of the Project.

Section 6.02. Waivers. Any waiver at any time of rights or duties under this Loan Agreement shall not be deemed to be a waiver of any subsequent right or duty under this Loan Agreement.

Section 6.03. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when hand delivered or mailed by registered or certified mail, postage prepaid, to the Borrower and the DWEE at the following addresses:

(a) BORROWER

City of Falls City
2307 Barada St.
City of Falls City, NE 68355
Phone: (402) 245-2851

(b) DWEE

Nebraska Department of Water, Energy, and Environment
245 Fallbrook Blvd., Suite 100
Lincoln, NE 68521
Phone: (402) 471-2186

All notices given by registered or certified mail as aforesaid shall be deemed duly given as of the date they are so mailed. Any of the foregoing parties may designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent, by notice in writing given to the others.

Section 6.04. Amendments, Supplements and Modifications. This Loan Agreement may not be amended, supplemented, or modified except in writing signed by the DWEE and the Borrower.

Section 6.05. Severability. In the event any provision of this Loan Agreement shall be held illegal, invalid, or unenforceable by any court of competent jurisdiction, such holding shall not invalidate, render unenforceable or otherwise affect any other provision hereof.

Section 6.06. Binding Effect. This Loan Agreement shall inure to the benefit of and shall be binding upon the DWEE and the Borrower and their respective successors and assigns.

Section 6.07. Execution in Counterparts. This Loan Agreement may be executed in several counterparts, each of which shall be deemed to be an original and all of which shall constitute but one and the same instrument.

Section 6.08. Governing Law and Regulations. This Loan Agreement shall be governed by and construed in accordance with the laws of the State of Nebraska, including the Act and the Regulations which are, by this reference thereto, incorporated herein as a part of this Loan Agreement.

Section 6.09. Consents and Approvals. Whenever the written consent or approval of the State shall be required under the provisions of this Loan Agreement, such consent or approval may only be given by the DWEE.

Section 6.10. Further Assurances. The Borrower shall, at the request of the DWEE, authorize, execute, acknowledge, and deliver such further resolutions, conveyances, transfers, assurances, financing statements, and other instruments as may be necessary or desirable for better assuring, conveying, granting, assigning, and confirming the rights, security interests and agreements granted or intended to be granted by this Loan Agreement.

Section 6.11. Notice to Trustee. Upon assignment of the Note to NIFA which may occur from time to time and thereafter, the DWEE shall deliver a notice of this Loan in the form prescribed by NIFA, and other pertinent information relating thereto, to the Trustee for any bonds of NIFA issued to fund deposits into the Fund.

Section 6.12. Finalizing, Closing, and Termination of the Loan Agreement. The DWEE reserves the right to finalize and close, or terminate this Loan Agreement for cause at any point during the term of the loan. Before any action is taken, the DWEE shall give no less than 30 days written notice of the DWEE's intent to the Borrower. Following the final disbursement of Loan proceeds to the Borrower, the DWEE shall revise Attachment A. Such revised Attachment A shall be deemed to be incorporated herein by reference and made a part hereof and shall supersede and replace Attachment A.

Section 6.13. Separate Eligibility. At the sole determination of the DWEE, the Borrower will be eligible for a separate loan agreement at a 0% interest rate for an amount not exceeding the principal repayment total in Attachment A and the subsequent provisions of Section 2.01 of this loan agreement. The determination will only be permitted during the bypass funding period of the DWSRF program, when the DWEE can determine that an adequate program cash balance is maintained. This separate loan agreement can only be used for a project that categorically meets the DWSRF eligibilities in the State of Nebraska.

Section 6.14. Electronic Signature. The DWEE and the Borrower hereby approve the usage of electronic signatures pursuant to Neb. Rev. Stat. §86-611 and Nebraska Administrative Code, Title 437, Digital Signatures Act.

(a) Attachment F – Promissory Note of the CITY OF FALLS CITY of this Loan Agreement may not be electronically signed and must be signed physically by the authorized signatories. The Borrower agrees that prior to electronically signing this Loan Agreement, Attachment F has been physically signed and provided to the DWEE.

Section 6.14. Effective Date. This Loan Agreement shall become effective upon the latter date of the following two signatures:

IN WITNESS THEREOF, the parties hereto have caused this Loan Agreement to be executed and delivered as of the date set forth below.

CITY OF FALLS CITY, NEBRASKA	NEBRASKA DEPARTMENT OF WATER, ENERGY, AND ENVIRONMENT
By _____ *(printed name)*	By _____ *(printed name)*
DRAFT: PLEASE DO NOT SIGN THIS SECTION. THIS SECTION WILL BE SIGNED ELECTRONICALLY THROUGH DOCUSIGN.	
(signature)	*(signature)*
Title Mayor	Title Director
Date _____	Date _____

INDEX OF ATTACHMENTS

Exhibit 1 -	Project Description
Attachment A -	Loan Repayment Schedule
Attachment B -	Project Costs and Projected Outlay Schedule
Attachment C -	Financial Analysis
Attachment D -	List of Federal Laws and Authorities
Attachment E -	Borrower's Counsel's Opinion
Attachment F -	Promissory Note
Attachment G -	Certificate
Attachment H -	Resolution
Attachment I -	Additional Documents

EXHIBIT 1

PROJECT DESCRIPTION

The project to be funded by this DWSRF financing is the replacement of known lead or lead contaminated water service lines, or service lines made of galvanized iron or galvanized steel (that are currently or have previously been downstream of lead or unknown components), each individually. In addition, the project may also include mechanical inventory efforts (e.g., potholing, hydro-vacuum excavations, service line resistivity testing, etc.) to investigate service lines of unknown material to finalize the community's inventory of known lead service or lead contaminated service lines.

The project includes all related work, land testing, construction change orders, and engineering fees.

ATTACHMENT A

LOAN REPAYMENT SCHEDULE

Payments are due on June 15 and December 15 of each year. Interest and Administrative fees shall accrue at the applicable rate as established by Section 2.03 and Section 2.04 of this Loan Agreement and repayments of such accrued interest and administrative fees will be repaid after the effective date of this Loan Agreement. A commencement of principal repayment is estimated to start on December 15, 2034 (as established by Section 2.02 of this Loan Agreement wherein repayment must begin within one (1) year from the date of Initiation of Operation, but no later than three (3) years from the date of the Loan, whichever occurs first).

Amounts due will be invoiced on or about May 15 and November 15 of each year for each six-month payment period ending on the set interest payment date. Interest and Administrative fee accruing on principal amounts drawn after the invoicing date are to be included with the next invoice.

The Amortization Schedule included in Attachment A is a projected schedule based upon estimated principal repayment start and full distribution of funds and is subject to change pending date of Initiation of Operation and final principal amount disbursed. Interest and Administrative fees accruing before the first principal repayment that is not reflected on the following draft amortization schedule will be billed and paid in accordance with the DWEE's procedures.

Following the receipt of Initiation of Operation date and the final disbursement of Loan proceeds to the Borrower, a revised final Attachment A shall be prepared by the DWEE to establish the final debt service schedule based upon the following parameters set forth below. Such revised final Attachment A thereafter shall be deemed to be incorporated herein by reference and made a part hereof and shall supersede and replace the projected Attachment A.

The final Loan Repayment Schedule shall be calculated by the DWEE based on the following parameters:

(1) Final principal amount of Loan;

(2) Amount of Loan Forgiveness, if any;

(3) Interest rate as set forth in Section 2.03;

(4) Administrative fee rate as set forth in Section 2.04;

(5) Installments of principal, interest, and fees on each June 15 and December 15 payment date shall:

   a. Begin no later than one year after the Initiation of Operation, or three years from the effective date of this Loan Agreement, whichever occurs first; and

   b. End on the last repayment which must be paid no later than forty (40) years from the date of either (i) one year after the Initiation of Operation, or (ii) three years from the effective date of this Loan agreement, whichever occurs first; and

(6) Amortization of principal to achieve level payments of principal and interest (not taking into account the administrative fee payment pursuant to Section 2.04).

ATTACHMENT A

PROJECTED AMORTIZATION SCHEDULE

TOTAL PRINCIPAL: $ 1,560,000 **INTEREST RATE (%):** 0.00

LOAN FORGIVENESS & GRANT: $ 2,840,000 **ADMIN FEE (%):** 0.00

TOTAL SRF ASSISTANCE: $ 4,400,000 **TERM (YEARS):** 40

Principal Payment	Principal	Principal Payment	Interest	Admin Fee	Total Payment	Remaining Principal
6/15/2029	$ 1,560,000.00	$ 19,500.00	$ 0.00	$ 0.00	$ 19,500.00	$ 1,540,500.00
12/15/2029	$ 1,540,500.00	$ 19,500.00	$ 0.00	$ 0.00	$ 19,500.00	$ 1,521,000.00
6/15/2030	$ 1,521,000.00	$ 19,500.00	$ 0.00	$ 0.00	$ 19,500.00	$ 1,501,500.00
12/15/2030	$ 1,501,500.00	$ 19,500.00	$ 0.00	$ 0.00	$ 19,500.00	$ 1,482,000.00
6/15/2031	$ 1,482,000.00	$ 19,500.00	$ 0.00	$ 0.00	$ 19,500.00	$ 1,462,500.00
12/15/2031	$ 1,462,500.00	$ 19,500.00	$ 0.00	$ 0.00	$ 19,500.00	$ 1,443,000.00
6/15/2032	$ 1,443,000.00	$ 19,500.00	$ 0.00	$ 0.00	$ 19,500.00	$ 1,423,500.00
12/15/2032	$ 1,423,500.00	$ 19,500.00	$ 0.00	$ 0.00	$ 19,500.00	$ 1,404,000.00
6/15/2033	$ 1,404,000.00	$ 19,500.00	$ 0.00	$ 0.00	$ 19,500.00	$ 1,384,500.00
12/15/2033	$ 1,384,500.00	$ 19,500.00	$ 0.00	$ 0.00	$ 19,500.00	$ 1,365,000.00
6/15/2034	$ 1,365,000.00	$ 19,500.00	$ 0.00	$ 0.00	$ 19,500.00	$ 1,345,500.00
12/15/2034	$ 1,345,500.00	$ 19,500.00	$ 0.00	$ 0.00	$ 19,500.00	$ 1,326,000.00
6/15/2035	$ 1,326,000.00	$ 19,500.00	$ 0.00	$ 0.00	$ 19,500.00	$ 1,306,500.00
12/15/2035	$ 1,306,500.00	$ 19,500.00	$ 0.00	$ 0.00	$ 19,500.00	$ 1,287,000.00
6/15/2036	$ 1,287,000.00	$ 19,500.00	$ 0.00	$ 0.00	$ 19,500.00	$ 1,267,500.00
12/15/2036	$ 1,267,500.00	$ 19,500.00	$ 0.00	$ 0.00	$ 19,500.00	$ 1,248,000.00
6/15/2037	$ 1,248,000.00	$ 19,500.00	$ 0.00	$ 0.00	$ 19,500.00	$ 1,228,500.00
12/15/2037	$ 1,228,500.00	$ 19,500.00	$ 0.00	$ 0.00	$ 19,500.00	$ 1,209,000.00
6/15/2038	$ 1,209,000.00	$ 19,500.00	$ 0.00	$ 0.00	$ 19,500.00	$ 1,189,500.00
12/15/2038	$ 1,189,500.00	$ 19,500.00	$ 0.00	$ 0.00	$ 19,500.00	$ 1,170,000.00
6/15/2039	$ 1,170,000.00	$ 19,500.00	$ 0.00	$ 0.00	$ 19,500.00	$ 1,150,500.00
12/15/2039	$ 1,150,500.00	$ 19,500.00	$ 0.00	$ 0.00	$ 19,500.00	$ 1,131,000.00
6/15/2040	$ 1,131,000.00	$ 19,500.00	$ 0.00	$ 0.00	$ 19,500.00	$ 1,111,500.0
12/15/2040	$ 1,111,500.00	$ 19,500.00	$ 0.00	$ 0.00	$ 19,500.00	$ 1,092,000.00
6/15/2041	$ 1,092,000.00	$ 19,500.00	$ 0.00	$ 0.00	$ 19,500.00	$ 1,072,500.00
12/15/2041	$ 1,072,500.00	$ 19,500.00	$ 0.00	$ 0.00	$ 19,500.00	$ 1,053,000.00
6/15/2042	$ 1,053,000.00	$ 19,500.00	$ 0.00	$ 0.00	$ 19,500.00	$ 1,033,500.00
12/15/2042	$ 1,033,500.00	$ 19,500.00	$ 0.00	$ 0.00	$ 19,500.00	$ 1,014,000.00
6/15/2043	$ 1,014,000.00	$ 19,500.00	$ 0.00	$ 0.00	$ 19,500.00	$ 994,500.00
12/15/2043	$ 994,500.00	$ 19,500.00	$ 0.00	$ 0.00	$ 19,500.00	$ 975,000.00
6/15/2044	$ 975,000.00	$ 19,500.00	$ 0.00	$ 0.00	$ 19,500.00	$ 955,500.00
12/15/2044	$ 955,500.00	$ 19,500.00	$ 0.00	$ 0.00	$ 19,500.00	$ 936,000.00
6/15/2045	$ 936,000.00	$ 19,500.00	$ 0.00	$ 0.00	$ 19,500.00	$ 916,500.00
12/15/2045	$ 916,500.00	$ 19,500.00	$ 0.00	$ 0.00	$ 19,500.00	$ 897,000.00
6/15/2046	$ 897,000.00	$ 19,500.00	$ 0.00	$ 0.00	$ 19,500.00	$ 877,500.00
12/15/2046	$ 877,500.00	$ 19,500.00	$ 0.00	$ 0.00	$ 19,500.00	$ 858,000.00
6/15/2047	$ 858,000.00	$ 19,500.00	$ 0.00	$ 0.00	$ 19,500.00	$ 838,500.00
12/15/2047	$ 838,500.00	$ 19,500.00	$ 0.00	$ 0.00	$ 19,500.00	$ 819,000.00
6/15/2048	$ 819,000.00	$ 19,500.00	$ 0.00	$ 0.00	$ 19,500.00	$ 799,500.00
12/15/2048	$ 799,500.00	$ 19,500.00	$ 0.00	$ 0.00	$ 19,500.00	$ 780,000.00
6/15/2049	$ 780,000.00	$ 19,500.00	$ 0.00	$ 0.00	$ 19,500.00	$ 760,500.00
12/15/2049	$ 760,500.00	$ 19,500.00	$ 0.00	$ 0.00	$ 19,500.00	$ 741,000.00
6/15/2050	$ 741,000.00	$ 19,500.00	$ 0.00	$ 0.00	$ 19,500.00	$ 721,500.00
12/15/2050	$ 721,500.00	$ 19,500.00	$ 0.00	$ 0.00	$ 19,500.00	$ 702,000.00
6/15/2051	$ 702,000.00	$ 19,500.00	$ 0.00	$ 0.00	$ 19,500.00	$ 682,500.00
12/15/2051	$ 682,500.00	$ 19,500.00	$ 0.00	$ 0.00	$ 19,500.00	$ 663,000.00
6/15/2052	$ 663,000.00	$ 19,500.00	$ 0.00	$ 0.00	$ 19,500.00	$ 643,500.00
12/15/2052	$ 643,500.00	$ 19,500.00	$ 0.00	$ 0.00	$ 19,500.00	$ 624,000.00
6/15/2053	$ 624,000.00	$ 19,500.00	$ 0.00	$ 0.00	$ 19,500.00	$ 604,500.00
12/15/2053	$ 604,500.00	$ 19,500.00	$ 0.00	$ 0.00	$ 19,500.00	$ 585,000.00
6/15/2054	$ 585,000.00	$ 19,500.00	$ 0.00	$ 0.00	$ 19,500.00	$ 565,500.00
12/15/2054	$ 565,500.00	$ 19,500.00	$ 0.00	$ 0.00	$ 19,500.00	$ 546,000.00
6/15/2055	$ 546,000.00	$ 19,500.00	$ 0.00	$ 0.00	$ 19,500.00	$ 526,500.00
12/15/2055	$ 526,500.00	$ 19,500.00	$ 0.00	$ 0.00	$ 19,500.00	$ 507,000.00
6/15/2056	$ 507,000.00	$ 19,500.00	$ 0.00	$ 0.00	$ 19,500.00	$ 487,500.00
12/15/2056	$ 487,500.00	$ 19,500.00	$ 0.00	$ 0.00	$ 19,500.00	$ 468,000.00
6/15/2057	$ 468,000.00	$ 19,500.00	$ 0.00	$ 0.00	$ 19,500.00	$ 448,500.00
12/15/2057	$ 448,500.00	$ 19,500.00	$ 0.00	$ 0.00	$ 19,500.00	$ 429,000.00
6/15/2058	$ 429,000.00	$ 19,500.00	$ 0.00	$ 0.00	$ 19,500.00	$ 409,500.00
12/15/2058	$ 409,500.00	$ 19,500.00	$ 0.00	$ 0.00	$ 19,500.00	$ 390,000.00
6/15/2059	$ 390,000.00	$ 19,500.00	$ 0.00	$ 0.00	$ 19,500.00	$ 370,500.00
12/15/2059	$ 370,500.00	$ 19,500.00	$ 0.00	$ 0.00	$ 19,500.00	$ 351,000.00

6/15/2060	$ 351,000.00	$ 19,500.00	$ 0.00	$ 0.00	$ 19,500.00	$ 331,500.00
12/15/2060	$ 331,500.00	$ 19,500.00	$ 0.00	$ 0.00	$ 19,500.00	$ 312,000.00
6/15/2061	$ 312,000.00	$ 19,500.00	$ 0.00	$ 0.00	$ 19,500.00	$ 292,500.00
12/15/2061	$ 292,500.00	$ 19,500.00	$ 0.00	$ 0.00	$ 19,500.00	$ 273,000.00
6/15/2062	$ 273,000.00	$ 19,500.00	$ 0.00	$ 0.00	$ 19,500.00	$ 253,500.00
12/15/2062	$ 253,500.00	$ 19,500.00	$ 0.00	$ 0.00	$ 19,500.00	$ 234,000.00
6/15/2063	$ 234,000.00	$ 19,500.00	$ 0.00	$ 0.00	$ 19,500.00	$ 214,500.00
12/15/2063	$ 214,500.00	$ 19,500.00	$ 0.00	$ 0.00	$ 19,500.00	$ 195,000.00
6/15/2064	$ 195,000.00	$ 19,500.00	$ 0.00	$ 0.00	$ 19,500.00	$ 175,500.00
12/15/2064	$ 175,500.00	$ 19,500.00	$ 0.00	$ 0.00	$ 19,500.00	$ 156,000.00
6/15/2065	$ 156,000.00	$ 19,500.00	$ 0.00	$ 0.00	$ 19,500.00	$ 136,500.00
12/15/2065	$ 136,500.00	$ 19,500.00	$ 0.00	$ 0.00	$ 19,500.00	$ 117,000.00
6/15/2066	$ 117,000.00	$ 19,500.00	$ 0.00	$ 0.00	$ 19,500.00	$ 97,500.00
12/15/2066	$ 97,500.00	$ 19,500.00	$ 0.00	$ 0.00	$ 19,500.00	$ 78,000.00
6/15/2067	$ 78,000.00	$ 19,500.00	$ 0.00	$ 0.00	$ 19,500.00	$ 58,500.00
12/15/2067	$ 58,500.00	$ 19,500.00	$ 0.00	$ 0.00	$ 19,500.00	$ 39,000.00
6/15/2068	$ 39,000.00	$ 19,500.00	$ 0.00	$ 0.00	$ 19,500.00	$ 19,500.00
12/15/2068	$ 19,500.00	$ 19,500.00	$ 0.00	$ 0.00	$ 19,500.00	$ -
	TOTAL:	**$1,560,000**	**$0.00**	**$0.00**	**$1,560,000.00**	

ATTACHMENT B

PROJECT COSTS

COST CLASSIFICATION	ESTIMATED TOTAL COST
1) Administrative and legal expenses	$ -
2) Land, structures, right-of-ways, appraisals, etc.	$ -
3) Relocation expenses and payments	$ -
4) Architectural and engineering fees	$ -
5) Project inspection fees	$ -
6) Site work, demolition and removal	$ -
7) Construction	$ 4,400,000
8) Equipment	$ -
9) Miscellaneous	$ -
10) SUBTOTAL (sum of lines 1-9)	**$ 4,400,000**
11) Contingencies	$ -
12) SUBTOTAL (sum of lines 10-11)	**$ 4,400,000**
13) Less project (program) income	$ -
TOTAL PROJECT COSTS (line 12 minus 13)	**$ 4,400,000**
SOURCE OF FUNDS	
OTHER PROJECT ASSISTANCE	$ -
LSLR DWSRF Loan (Principal)	1,560,000
LSLR DWSRF Loan Forgiveness	$ 2,400,000
LSLR DWSRF Historical Loan Forgiveness	$ -
LSLR DWSRF Mechanical Inventory Grant	$ 440,000
TOTAL PROJECT ASSISTANCE	$ 4,400,000

Funds shall be made only to owners of eligible systems for eligible projects pursuant to the Safe Drinking Water Act.

OUTLAY SCHEDULE

	2027 ESTIMATED OUTLAY	2028 ESTIMATED OUTLAY	2029 ESTIMATED OUTLAY
January	$ -	$ -	$ -
February	$ -	$ -	$ -
March	$ -	$ -	$ -
April	$ 50,000.00	$ 100,000.00	$ 100,000.00
May	$ 50,000.00	$ 100,000.00	$ 100,000.00
June	$ 50,000.00	$ 100,000.00	$ 100,000.00
July	$ 50,000.00	$ 100,000.00	$ 100,000.00
August	$ 50,000.00	$ 100,000.00	$ 100,000.00
September	$ 50,000.00	$ 100,000.00	$ 100,000.00
October	$ 50,000.00	$ 50,000.00	$ 50,000.00
November	$ -	$ -	$ -
December	$ -	$ -	$ 2,750,000.00
ANNUAL TOTAL:	$ 350,000	$ 650,000	$ 3,400,000
TOTAL OUTLAY:	**$**		**4,400,000**

ATTACHMENT C

FINANCIAL CAPABILITIES ANALYSIS

The City of Falls City, NE has requested DWSRF funding assistance for $4,400,000 to finance the replacement of lead service lines. The City of Falls City is eligible for up to 54.55% DWSRF Loan Forgiveness and 10% DWSRF Inventory Grant out of the SFY 2027 SRF Intended Use Plan.

An abbreviated financial analysis is presented. The documents reviewed and used to complete this analysis are:

1. Audit reports of the City of Falls City for the years 2022 through 2024;
2. Water & Wastewater Pre-application for Federal Assistance; and
3. Miscellaneous correspondence from the City of Falls City located in the project file.

Analysis of Water Utility

The City of Falls manages their combined utility which generates operating revenue by assessing use fees on the residents and industry. The operating revenue stream goes towards paying for the operation and maintenance expenses incurred to operate the combined utility system. The water use revenues will be used to pay the debt service due to the proposed DWSRF lead service line replacement loan.

Tables 1 and 2 display the City of Falls City's general gross profit from their revenue and expenses for the operation of the system. The Water Fund revenue and expenses measures are stated in Table 1 and consist of those proprietary funds specific to the Water Fund operations. Table 2 states those measures consistent with the combined funds that make up the Enterprise Fund and include revenues and expenses from the Electric, Water, Sewer, and Gas Funds. The individual Water Fund and combined Enterprise Fund ran an operating surplus in 2022 through 2024, as shown in Tables 1 and 2.

Table 1
Water Fund: Statement of Revenues, Expenses, and Changes in Fund Net Position

Year ending Sept. 30	*Operating Revenues (including Invest. Income)*	*Operating Expenses (excluding Depreciation)*	*Gross Profit (Revenues minus Expenses)*
2024	$1,669,211	$1,225,980	$443,231
2023	$1,487,398	$1,030,848	$456,550
2022	$1,408,876	$565,890	$842,986

Table 2
Total Enterprise Funds: Statement of Revenues, Expenses, and Changes in Fund Net Position

Year ending Sept. 30	*Operating Revenues (including Invest. Income)*	*Operating Expenses (excluding Depreciation)*	*Gross Profit (Revenues minus Expenses)*
2024	$14,184,881	$10,321,265	$3,863,616
2023	$14,633,641	$10,517,198	$4,116,443
2022	$11,833,795	$9,206,086	$2,627,209

Outstanding Debt Analysis

When measuring the long-term debt and subscriptions for the business-type activities, the average debt responsibility will be managed by the growth in the net position of the City of Falls City as supported by the measures in Table 2. As of September 30, 2024, the long-term liabilities and subscriptions payable for business-type activities are highlighted below:

Long-term Debt and Liabilities.

Water Department
On November 11, 2019, the City issued General Obligation Refunding Bonds, Series 2019, in the amount of $3,260,000, with interest rates ranging from 1.55% to 2.60%. These bonds were issued for the purpose of refunding the loan with the Nebraska Department of Environmental Quality (NDEQ), dated December 21, 2015. Interest on the Series 2019 General Obligation Refunding Bonds is paid semi-annually on June 15 and December 15, with principal payments due on December 15, starting in 2021. The balance at September 30, 2024 is $2,480,000.

Water Department
The City entered into a State Revolving Loan agreement with the Nebraska Department of Environment & Energy for $1,531,115 on April 28, 2021. The original loan was $1,700,770 with $300,136 which was forgiven. This is a 20 year loan at 0% interest. The semi-annual payments are due June 15th and December 15th at $42,531 each. The balance at September 30, 2024 was $1,488,584.

Water Department
The City entered into a State Revolving Loan agreement with Nebraska Department of Environment & Energy for $225,000 on May 28, 2020. This is a 10 year loan at .50% interest. Semi-Annual payments are due June 15th and December 15th. The balance at September 30, 2024 was $169,799.

Financial Funding Details

The City is eligible for a 40-year DWSRF loan at a per annum interest rate of 0.0 percent plus an annual 0.0 percent administrative fee on the outstanding principal amount. The DWSRF offers loan funding assistance of $4,400,000 minus $2,400,000 in loan forgiveness and $440,000 in inventory grant assistance for a principal amount of $1,560,000. An annual estimated payment of $39,000 plus the DWSRF contract required 10% debt service coverage or $3,900 for delinquency or loss of users, as shown in Table 3, totals $42,900 for the first-year debt service. Principal and interest repayments of SRF loans are protected by intercept statute Neb. Rev. Stat. §75-1503, which allows the Department to recover delinquent loan payments by intercepting state funds that are paid to the City of Falls City.

Table 3
Estimated Repayment Information

DWSRF Loan Term (Years)	Interest Rate	Admin Fee	Estimated First Year's Payment	First Year's Payment + 10% Coverage
40	0.0%	0.0%	$39,000	$42,900

City of Falls City's DWSRF Capacity

The revenues from the City of Falls City combined system utility will be dedicated to repaying the loan. The number of users is estimated at 2,001 total connections. The current water user charge is a base charge of $12.05 plus $5.32 per 100 cubic feet used per month for residential customers. The estimated current monthly water bill for 5,000 gallons usage would be $47.60. Based solely upon the projected number of users for the City, an estimated use charge increase by $1.79 per user per month, is recommended for proper debt coverage to service the DWSRF loan. However, this may not fully apply to this project as the City intends to offer 5-year repayment terms to residential properties owners, for their portion of the service line replacement costs and required a lien on the property to ensure repayment of those costs. That program element could result in monthly

bills increasing to between $40 to $60 per month, depending on the length of the service line replaced, but just to the owners of properties with lead service lines should they agree to participate in the replacement program.

ATTACHMENT D

LIST OF FEDERAL LAWS AND AUTHORITIES

ENVIRONMENTAL:

- Archeological and Historic Preservation Act of 1974, Pub. L. 93-291, 16 U.S.C. §469a-1
- Clean Air Act, PL 95-95, as amended, 42 U.S.C. 7506(c)
- Coastal Barrier Resources Act, PL 97-348, 96 Stat. 1653, 16 U.S.C. 3501 et seq.
- Coastal Zone Management Act of 1972, PL 92-583, as amended, 16 U.S.C. §1451 et seq.
- Endangered Species Act, PL 93-205, as amended, 16 U.S.C. 1531 et seq.
- Essential Fish Habitat Consultation Process Under the Magnuson-Stevens Fishery Conservation and Management Act, PL 94-265, as amended, 16 U.S.C. §1801 et seq.
- Executive Order 11988, Floodplain Management, as amended; Executive Order 12148, as amended
- Executive Order 11990, Protection of Wetlands, as amended; Executive Order 12608, as amended
- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, as amended
- Farmland Protection Policy Act, PL 97-98, 7 U.S.C. §4201 et seq.
- National Environmental Policy Act, PL 91-190, 42 U.S.C. §4321 et seq.
- National Historic Preservation Act of 1966, PL 89-665, as amended, 16 U.S.C. §740 et seq.
- Safe Drinking Water Act, as amended, PL 92-523, as amended, 42 U.S.C. 300f et seq.
- U.S. Fish and Wildlife Service National Wetlands Inventory
- Wild and Scenic Rivers Act, PL 90-542, as amended, 82 Stat. 913, 16 U.S.C. §1271 et seq.

ECONOMIC:

- Demonstration Cities and Metropolitan Development Act of 1966, PL 89-754, as amended, 42 U.S.C. §3331 et seq.
- Executive Order 12549, Debarment and Suspension, as amended
- Executive Order 13202, as amended; Executive Order 13208, as amended
- Section 306 of the Clean Air Act and Section 508 of the Clean Water Act, including Executive Order 11738, Administration of the Clean Air Act and the Federal Water Pollution Control Act, with Respect to Federal Contracts, Grants, or Loans, as amended
- Uniform Relocation and Real Property Acquisition Policies Act of 1970, PL 91-646, as amended, 42 U.S.C. §§4601-4655

SOCIAL LEGISLATION:

- Age Discrimination Act of 1975, PL 94-135, 42 U.S.C. §6102
- Department of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, PL 102-389
- Executive Order 11246, Equal Employment Opportunity, as amended
- Executive Orders 11625, 12138, and 12432 Women's and Minority Business Enterprise, as amended
- Section 129 of the Small Business Administration Reauthorization and Amendment Act of 1988, PL 100-590
- Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. §794
- Section 13 of the Federal Water Pollution Control Act Amendments of 1972, 33 U.S.C. §1251
- Title VI of the Civil Rights Act of 1964, PL 88-352, 42 U.S.C. §200d

MISCELLANEOUS AUTHORITY:

- Nebraska Drinking Water State Revolving Loan Fund #FS - 997805

**The list of Federal Laws and Authorities is based upon the EPA's listing of "Additional information on Cross-Cutting Federal Authorities" (http://water.epa.gov/grants_funding/dwsrf/xcuts.cfm) and the EPA's "Cross-Cutting Federal Authorities: A Handbook on Their Application in the Clean Water and Drinking Water State Revolving Fund Programs" (October 2003; https://www.epa.gov/sites/default/files/2015-08/documents/crosscutterhandbook.pdf) as of October 12, 2015. This list is subject to change based upon the federal authorities of the EPA.*

For Borrower's Legal/Bond Counsel: Please see notes on following page.

ATTACHMENT E

Form of Opinion of Borrower's Counsel

[USE BORROWER'S OR COUNSEL'S LETTERHEAD]

[Date]

[NOTE: Any of the opinions given below may be given in reliance upon the opinion of another Bond Counsel, and one Bond Counsel may give some of the opinions and another Bond Counsel may give others.]

Nebraska Department of Water, Energy, and Environment
Post Office Box 98922
Lincoln, NE 68509-8922
Attention: State Revolving Fund Program

To the Nebraska State Revolving Fund:

I have acted as **[Bond]** Counsel in connection with the execution and delivery by City of Falls City (the "Borrower"), of an Agreement for Loan No. D311751 (the "Loan Agreement") between the Borrower and the Nebraska Department of Water, Energy, and Environment ("DWEE") and the issuance of a promissory note (the "Note") by the Borrower to the DWEE. All terms used in this opinion letter and not defined shall have the meanings given to them in the Loan Agreement.

In this connection, I have examined the following:

(a) Certified copies of the **[DESCRIBE RESOLUTION AND/OR ORDINANCE PURSUANT TO WHICH LOAN AGREEMENT AND NOTE ARE TO BE ENTERED INTO]**;

(b) An executed counterpart of the Loan Agreement;

(c) The executed Note; and

(d) Such other documents as I deemed relevant and necessary in rendering this opinion.

As to questions of fact material to my opinion, I have relied upon the certified proceedings and other certifications of public officials furnished to me without undertaking to verify the same by independent investigation.

Based upon the foregoing I am of the opinion that:

1. The Borrower is a city duly organized and validly existing under the laws of the State of Nebraska.

2. The Borrower is a governmental unit, as such term is used in Section 141(b)(6) of the Internal Revenue Code of 1986, as amended.

3. The Borrower has the power and authority to enter into the Loan Agreement, to issue the Note, to borrow the entire principal amount provided for in Section 2.01 of the Loan Agreement (the "Principal Amount") and to perform its obligations under the Loan Agreement and the Note.

4. The Loan Agreement and the Note have been duly authorized, executed and delivered by the Borrower and are, and would be if the entire Principal Amount were advanced to the Borrower pursuant to the Loan Agreement on the date of this opinion, valid and legally binding special obligations of the Borrower, payable solely from the sources provided therefor in the Loan Agreement, enforceable in accordance with

their respective terms, except to the extent that the enforceability thereof may be limited by laws relating to bankruptcy, insolvency or other similar laws affecting creditors' rights generally and general principles of equity.

5. Pursuant, where applicable, to Nebraska Revised State Statutes §§18-1803 through 18-1805; §§31-732, 31-739, and 31-740, and all other applicable statutes governing eligible municipalities, the Loan Agreement creates a valid lien on the funds pledged by the Borrower pursuant to Section 3.02 of the Loan Agreement for the security of the Loan Agreement and the Note and no other debt of the Borrower is secured by a superior lien on such funds.

6. The Borrower has obtained or made all approvals, authorizations, consents, or other actions of, and filings, registrations, or qualifications with, the Borrower or any other government authority which are legally required to allow the Borrower to enter into and perform its obligations under the Loan Agreement and the Note and borrow the full Principal Amount pursuant to the Loan Agreement and the Note.

Very truly yours,

_____

For Borrower's Legal/Bond Counsel:

A Form of Opinion of Borrower's Counsel is required for this loan agreement. Attachment E is DWEE's recommended language and attestations with areas of blue to be changed. The letter should be on counsel's letterhead, if applicable, and must be signed by a counselor.

Signing of the letter can be done in one of two ways:

1) A signed letter is provided to the SRF Project Manager to insert and incorporate into the loan before document is electronically signed; or

2) Counsel can sign a prepared letter inserted into the loan agreement at the time of electronic signing. Please provide an unsigned letter to the SRF Project Manager to incorporate into the loan document, and the name and email of the signee. When the loan goes out for electronic signing, the DWEE Director will sign the document; the loan will then automatically be sent to the Borrower for signature. Once signed, the loan will then automatically be sent to the attorney/bond counsel for final review and approval via signature.

Any questions, please contact the SRF Project Manager.

ATTACHMENT F

PROMISSORY NOTE OF THE CITY OF FALLS CITY, NEBRASKA

FOR VALUE RECEIVED, the undersigned (the "Borrower") promises to pay, but solely from the sources described herein, to the order of the Nebraska Department of Water, Energy, and Environment ("DWEE"), or its successors and assigns, the principal sum of not to exceed $4,400,000 [less any Loan Forgiveness as established by Section 2.01 of the Loan Agreement], to the extent disbursed pursuant to Section 2.01 and Section 2.05 of the Loan Agreement No. D311751 ("the Loan Agreement"), with interest on each such amount until paid, pursuant to Section 2.03 of the Loan Agreement between the DWEE and the Borrower. In addition, the Borrower shall pay an Administrative Fee on the outstanding principal amount of this Note per annum pursuant to Section 2.04 of the Loan Agreement. The said principal, interest, and Administrative Fee shall be payable in semiannual installments each payable on June 15 and December 15 of each year in accordance with Section 2.06 of the Loan Agreement. Each installment shall be in the amount set forth in Attachment A to the Loan Agreement. The Borrower will pay any penalty or additional interest due pursuant to Section 2.06(d) of this Loan Agreement.

All payments under this Note shall be payable at the offices of the DWEE in Lincoln, Nebraska, and upon the assignment of this Note to the NIFA, at the principal corporate trust office of a Trustee designated by the NIFA, or such other place as the DWEE may designate in writing.

This Note is issued pursuant to and is secured by the Loan Agreement of the City of Falls City, Nebraska, the terms and provisions of which are incorporated herein by reference.

All payments of principal of and interest on this Note and other payment obligations of the Borrower hereunder shall be limited obligations of the Borrower payable solely out of the Dedicated Source of Revenue for the Payment of the Loan, as established in the Loan Agreement, and shall not be payable out of any other revenues of the Borrower. The obligations of the Borrower under this Note shall never constitute or give rise to a charge against its general credit or taxing power. This note shall not be a debt of the Borrower within the meaning of any constitutional statutory or charter limitation upon the creation of general obligation indebtedness of the Borrower.

If default be made in the payment of any installment due under this Note, or by the occurrence of any one or more of the Events of Default specified in Article V of the Loan Agreement, and if such Event of Default is not remedied as therein provided, or at any time thereafter, the DWEE may give notice to the Borrower that all unpaid amounts of this Note then outstanding, together with all other unpaid amounts outstanding under the Loan Agreement, are due and payable immediately, and thereupon, without further notice or demand, all such amounts shall become and be immediately due and payable. Failure to exercise this option shall not constitute a waiver of the right to exercise the same at any time in the event of any continuing or subsequent default.

The Borrower hereby waives presentment for payment, demand, protest, notice of protest and notice of dishonor.

This Note and all instruments securing the same are to be construed according to the laws of the State of Nebraska. Signed and sealed, if applicable, by the following:

[SEAL] *(if applicable)*

	CITY OF FALLS CITY, NEBRASKA		NEBRASKA DEPARTMENT OF WATER, ENERGY, AND ENVIRONMENT
Attest:	_____ *(signature)*	By _____ *(signature)*	By _____ *(signature)*
Title	Clerk	Title Mayor	Title Director
Date	_____	Date _____	Date _____

ATTACHMENT F

PROMISSORY NOTE OF THE CITY OF FALLS CITY, NEBRASKA

(continued)

Complete this section upon assignment of this Note to the NIFA.

Pursuant to the Pledge Agreement dated as of _____ as amended (the "Pledge Agreement"), by and between the DWEE and the Nebraska Investment Finance Authority ("NIFA"), and the _____ dated as of _____, as supplemented and amended, by and between NIFA _____, as trustee (the "Trustee"), the DWEE hereby assigns, grants and conveys any and all of the DWEE's rights, title and interest in this Note to NIFA, except as provided in the Pledge Agreement, and NIFA hereby assigns such rights, title and interest to the Trustee and any successor Trustee.

Attested by:

By _____
(printed name)

NEBRASKA INVESTMENT FINANCE AUTHORITY

By _____
(printed name)

Note For Borrower:

If there are no comments or corrections to be made to Attachment F: Promissory Note, please print the prior page sign, date, and seal (if applicable). Then mail in to:

Nebraska Department of Environment & Energy
ATTN: SRF PROGRAM – Steve McNulty
245 Fallbrook Blvd., Suite 100
Lincoln, NE 68521

Please leave this second page of Attachment F blank. This page only needs to be completed if the Nebraska Investment Finance Authority (NIFA) is appointed as a Trustee to the project.

ATTACHMENT G

CERTIFICATE OF THE CITY OF FALLS CITY

The following certifications are made in connection with the Agreement for Loan No. D311751 (the "Loan Agreement") between the Nebraska Department of Water, Energy, and Environment ("DWEE") and the City of Falls City, Nebraska (the "Borrower") for the purpose of establishing compliance by the Borrower with requirements for the maintenance of the tax exemption of interest on any bonds (the "Bonds") which may be from time to time issued by the Nebraska Investment Finance Authority ("NIFA") to provide funds for deposit in the Fund (as defined in the Loan Agreement).

WHEREFORE, the undersigned hereby certifies on behalf of the Borrower to the DWEE, the NIFA and any trustee for the Bonds, as follows:

1. The undersigned is authorized to make the following certifications on behalf of the Borrower.

2. The Borrower represents that it reasonably expects that the design and construction of the Project, as defined in this Loan Agreement, will commence within the stated Project Schedule established by Section 2.07 of this Loan Agreement and that the design and construction of the Project will proceed with due diligence thereafter to completion.

3. The proceeds of the loan pursuant to the Loan Agreement will be used for the project identified in Exhibit 1 of this Loan Agreement. There will be no Agreements for the use of the facility or Project other than Agreement on a rate scale basis. Specifically, the Borrower represents that there will be no Agreements for use of the Project that will require a non-governmental unit to make payments to the Borrower without regard to actual use of the Project.

   Signed and dated as of _____.

City of Falls City, Nebraska

DRAFT: PLEASE DO NOT SIGN THIS SECTION. THIS SECTION WILL BE SIGNED ELECTRONICALLY THROUGH DOCUSIGN.

Name _____

Title _____

Date _____

ATTACHMENT H

RESOLUTION _____

WHEREAS, the City of Falls City, Nebraska recognizes that a properly functioning Public Water System is necessary to the health and welfare of the citizens of the city; and

WHEREAS, the Mayor and City Board of Trustees have determined that portions of the city Public Water System are in need of significant repair and improvement; and

WHEREAS, funding for the cost of the repair and improvement of portions of the city Public Water System may be obtained by loan from the Nebraska Department of Water, Energy, and Environment, subject to certain requirements and obligations;

NOW, THEREFORE, BE IT RESOLVED by the Mayor and City Board of Trustees of the City of Falls City, Nebraska that they should execute the contract for loan between the Nebraska Department of Water, Energy, and Environment and the City of Falls City, Nebraska designated as Project No. D311751, incorporated by reference into this Resolution as if fully set forth; and

BE IT FURTHER RESOLVED, _____, Mayor, is hereby directed to execute the Agreement and all other documents necessary to facilitate the Loan between the Nebraska Department of Water, Energy, and Environment and the City of Falls City, Nebraska for the purpose of repairing and improving the city's Public Water System; and

BE IT FURTHER RESOLVED THAT _____, Clerk, be authorized and directed to sign all necessary documents, to furnish such assurances to the State of Nebraska as may be required by law or regulations, and to receive payment on behalf of the applicant.

HEREBY the RESOLUTION has passed and approved as of _____.

City of Falls City, Nebraska

_____
(signature)

Title Mayor

Date _____

IN WITNESS WHEREOF, I have hereunto set my hand and seal this day of _____.

_____
(signature)

Title Clerk

ATTACHMENT I

ADDITIONAL DOCUMENTS

Attachment I.01 – Loan Forgiveness Form

Attachment I.02 – Ordinance #XXXX

Attachment I.01

LOAN FORGIVENESS AGREEMENT FORM

PART I

SRF LOAN FORGIVENESS AWARD

Pursuant to Neb. Rev. Stat. §71-5322(9) et. Seq., as amended, the DWEE hereby offers the following Loan Forgiveness to the Borrower for the project as established by this Loan Agreement:

(1) Loan Forgiveness of up to 54.55% of eligible SRF project costs of this Loan Agreement, not to exceed two million four hundred thousand dollars ($2,400,000).

(2) Lead Service Line Mechanical Inventory Grant. This Loan Agreement includes DWSRF Lead Service Line Mechanical Inventory Grant of up to 10% of the eligible Project Costs, up to a ceiling of four hundred forty thousand dollars ($440,000).

This Loan Forgiveness is offered concurrent with this Loan Agreements Funds. Eligibility for such funds is made in accordance with the Federal Act, the state Act, Regulations, and the annual Intended Use Plan.

PART II

LOAN FORGIVENESS CERTIFICATION

If the Borrower is receiving Loan Forgiveness Funds, the Borrower certifies that as a condition of receipt of state allocations under this Loan Agreement, the following information is accurate and the Borrower agrees to the following statements and stipulations:

(1) The Borrower is not considered a privately owned entity;

(2) The Borrower has demonstrated serious financial hardship through the assessment and processes established in the related DWEE's State Fiscal Year's (SFY) Intended Use Plan;

(3) The Borrower's Median Household Income (MHI) as listed in the DWEE's SFY's Intended Use Plan at the time of signing of this Loan Agreement is less than 120% of the State's MHI for that SFY.

(4) The total amount of Loan Forgiveness cannot exceed 75.0% of eligible SRF project cost of this Loan Agreement and cannot exceed a maximum of $2,840,000.

PART III

LOAN FORGIVENESS CONDITIONS

(1) The total award of all Loan Forgiveness cannot exceed seventy-five percent of the total amount of eligible Project Costs.

(2) Application and distribution of all Subsidies will be done pursuant to the terms as established by the Loan Agreement.

(3) The total subsidy amount may be changed by the DWEE if the eligible project amount changes due to the project costs.

(4) Violation or noncompliance of this Loan Agreement will result in annulment of all Loan Forgiveness and a demand that any disbursed Loan Forgiveness funds be returned to the State of Nebraska immediately.

(5) If a Borrower receives any funding from any other funding source for costs paid for by this Loan Agreement, it will result in annulment of Loan Agreement Funds to the extent these costs are covered by the other funding. The Borrower will promptly notify the DWEE and promptly repay loan and Loan Forgiveness funds issued by the DWEE to the extent these costs are covered by the other funding.

(6) Notice of annulment of any Loan Forgiveness shall be by registered mail, return receipt requested.

(7) Additional changes to the Subsidies not specified in the stipulations herein shall be made through the amendment procedure as established by this Loan Agreement.

PART IV

ACCEPTANCE

In accepting this award, the Borrower agrees that:

(1) The undersigned represents that they are duly authorized to act on behalf of the City of Falls City, Nebraska;

(2) The award is subject to the applicable provisions of §71-5322 et. seq., as amended, the Federal Act, and Regulations, and that acceptance of any payments constitutes an agreement by the Borrower that the amounts, if any, found by the state to have been overpaid, shall be refunded or credited in full to the State of Nebraska; and

(3) If the Borrower receives funding from any source for any portion of the Project Costs for which a portion of the Loan Amount and Loan Forgiveness have been disbursed and is outstanding under this Loan Agreement, the recipient will notify the DWEE immediately and such portion of the Loan Amount and Loan Forgiveness amount shall become immediately due and payable.

IN WITNESS THEREOF, the parties hereto agree to the information and stipulations herein.

CITY OF FALLS CITY, NEBRASKA	NEBRASKA DEPARTMENT OF WATER, ENERGY, AND ENVIRONMENT
By _____ (signature)	By _____ (signature)
Title Mayor	Title Director
Date	Date

DRAFT: PLEASE DO NOT SIGN THIS SECTION. THIS SECTION WILL BE SIGNED ELECTRONICALLY THROUGH DOCUSIGN.

PROMISSORY NOTE FOR CONDITIONAL GRANT

$24,999.00 **EFFECTIVE DATE: April 2, 2024**

LENDER: ***City of Falls City Nebraska***

BORROWER(S): **Kathy Russell**

In consideration of a **"Conditional Grant"** in the amount of **$24,999.00**, the undersigned Borrower(s) jointly and severally promise to pay to the **City of Falls City**, (hereafter referred to as "Lender"), the principal sum of **Twenty-Four Thousand Nine Hundred Ninety-Nine & 00/100 Dollars ($24,999.00)**, payable as set forth herein.

INTEREST: This Note is due and payable without interest.

MATURITY: This Note is payable upon the Borrower(s) no longer using the subject property as their primary residence if within Five (5) years from the date hereof (Effective Date). Not using the subject property as a primary residence includes the sale or rental of the property and includes intentional as well as unintentional non-use or dispossession of the property **802 McLean St - Falls City, Nebraska 68355** This Note is secured by a Deed of Trust of even date, on property legally described as:

FALLS CITY O T BLK 193 LOTS 13 & 14 (2L)

REPAYMENT OF PRINCIPAL: Payment of this Note is subject to the following conditions:

1. The Borrower further agrees that if they should rent out the property, sell the property, transfer the title or not occupy the home, they shall reimburse the Lender the conditional grant amount at a declining monthly pro-rata rate for the Sixty (60) month period from the Effective Date of this Note (for example, should the borrower occupy the property for two years (24 months) prior to a sale, the borrower would then reimburse the Lender 36/60 of the total amount).
2. In the event that insufficient equity exists in the property at time of a sale for a fair market value, the Borrower may be allowed to repay an amount less than the required pro-rata payment, subject to the approval of the Lender. This lesser amount is defined as "Net Proceeds" and amounts to the sales price of the property minus any closing costs and minus any repayment of prior liens on the property.
3. Borrower shall have the right to prepay the principal amount due with no penalties.
4. If the Borrower continues to be the owner and occupant through the maturity date (5-year period) of this Note, the "conditional grant" will be forgiven and no payment will be due the Lender.
5. The property shall be the principal residence of the Borrower.

DEFAULT AND ACCELERATION: The Borrower shall be in default upon the occurrence of any one or more of the following events: (a) Borrower shall fail to pay, when due, any amount required hereunder; (b) Borrower fails to keep any agreements under this Promissory Note, Deed of Trust or other agreements intended to secure the repayment of this Promissory Note.

The Lender at its option may declare the entire unpaid balance of principal and interest, if any, immediately due and payable without notice or demand any time after default.

WAIVER: Demand, presentment, protest, notice of non-payment and dishonor of this Promissory Note are waived by the Borrower. Lender may release any party of security, make future loans to any party or contractually change its relationship to or the obligation of any party without waiving or affecting the obligation of any other party to this note. A party to this note is any maker, surety, endorser, or guarantor. Waiver by the lender at any time of any right conferred by this Note or any agreement securing same will not affect the Lender's future exercises of said right or any other.

BORROWER(S): Kathy Russell

Katherine Russell

Borrower(s) - Kathy Russell

STATE OF NEBRASKA)
)ss
COUNTY OF Richardson)

The foregoing instrument was acknowledged before me on April 23, 2024,
By **Kathy Russell (A Single Person)**.

Michelle A Strecker

Notary Public

GENERAL NOTARY

IN WITNESS WHEREOF, Trustor has executed this Deed of Trust as of the day and year first above written.

Kathy Russell
(Owner – Kathy Russell)

STATE OF NEBRASKA)
) ss
COUNTY OF Richardson)

The foregoing instrument was acknowledged before me on

Katherine Russell, 2024,

By **Kathy Russell (A Single Person)**.

Michelle R Strecker
Notary Public

GENERAL NOTARY - State of Nebraska
MICHELLE R STRECKER
My Comm. Exp. September 10, 2026

SCHEDULE B I
COMMITMENT
REQUIREMENTS

All of the following Requirements must be met:

1. The Proposed Insured must notify the Company in writing of the name of any party not referred to in this Commitment who will obtain an interest in the Land or who will make a loan on the Land. The Company may then make additional Requirements or Exceptions.

2. Pay the agreed amount for the estate or interest to be insured.

3. Pay the premiums, fees, and charges for the Policy to the Company.

4. Documents satisfactory to the Company that convey the Title or create the Mortgage to be insured, or both, must be properly authorized, executed, delivered, and recorded in the Public Records.

5. **Subject to the execution of an Owner's Affidavit as to Liens and Possession to be completed & signed by Aric C. Russell, Guardian of Katherine L. Russell.**

6. **Subject to the filing of a Reconveyance for a Nebraska Deed of Trust among Kathy Russell signed Katherine Russell, a single person, Trustor to Mike Dunn (City Attorney), Trustee, and the City of Falls City, Beneficiary, in the amount of (conditional grant) $24,999.00, with a maturity date of April 2, 2029, dated April 2, 2024, recorded August 16, 2024, in Book 301, Page 183.**

7. **Subject to the filing of the Order Approving Sale of the within real estate, in the case of "In the Matter of the Conservatorship/Guardianship of Katherine L. Russell, Case No. PR 24-35 in the County Court of Richardson County, Nebraska.**

8. **Subject to the filing of a validly executed Conservator's Deed from Aric C. Russell, Guardian/Conservator for Katherine L. Russell, conveying the within real estate to Luke T. Jones.**

Estimated Real Estate Closing Statement

Seller's Settlement Sheet

Date Prepared **October 8, 2026** Property **802 Mclean Street , Falls City , NE 68355**

Name of Seller **Aric C Russell** Estimated Closing Date **November 25, 2026**

SALES PRICE		$ 13,500.00
LESS SELLING EXPENSES:		
Discount Points - Fees	$	
Cost of Title Insurance **1/2 of $ 180**	90.00	
Recording Fees - Mortgage Release	16.00	
State Documentary Tax ($ **3.32** /1000)	46.48	
Deed Preparation **To Goldsmith**	50.00	
Escrow Closing Fee	150.00	
Termite Inspection Fee (VA Loan)		
Termite Treatment		
Prepayment Penalty		
Warehouse & Tax Service Fees (NIFA Loan)		
Home Warranty		
Seller Repairs		
Homeowner's Assn Fee (_____ days at $ **0.00** /day)		
Other		
Other		
PROFESSIONAL SERVICE FEES:		
Listing Broker	810.00	
Selling Broker		
TOTAL SELLING EXPENSES		$ 1,162.48
OTHER COSTS:		
Mortgage Balance **To The City of Falls City**	12,082.85	
Interest to Closing (_____ days at $ **0.00** /day)		
TOTAL MORTGAGE PAYOFF		$ 12,082.85
TAXES:		
Prior Years		
Current Year (**329** days at $ **0.35** /day)	115.64	
Special Assessments		
TOTAL	115.64	
(Escrow refund may be direct from loan company after closing.)		
TOTAL TAXES & OTHER LIENS		$ 12,198.49
APPROXIMATE FINAL NET		$ 139.03

Remarks: Seller agrees to pay all outstanding utility bills. Seller authorizes Listing Firm to disclose pertinent details of the above transaction. The above estimated closing statement, prepared by the Listing Firm, has been received, read and approved by the undersigned.

Copy received by:

Aric Russell Date

Date

Prepared by:

Doug Waller Date

(RETAIN FOR INCOME TAX PURPOSES)

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MASTER AGREEMENT WORK ORDER NO. 16

This exhibit dated January 1, 2027, is hereby attached to and made a part of the Master Agreement for Professional Services dated August 31, 2020, between City of Falls City ("Client") and Olsson, Inc. ("Olsson") providing for professional services. Olsson's Scope of Services for the Agreement is as indicated below.

GENERAL

Olsson has acquainted itself with the information provided by Client relative to the project and based upon such information offers to provide the services described below for the project. Client warrants that it is either the legal owner of the property to be improved by this Project or that Client is acting as the duly authorized agent of the legal owner of such property.

PROJECT DESCRIPTION AND LOCATION

Project will be located at: Falls City, Nebraska

Project Description: General Engineering Consulting Services

SCOPE OF SERVICES

Olsson shall provide the following services (Scope of Services) to Client for the Project:

General Engineering Consulting Services

Olsson will provide engineering consulting services as requested by the City Council Board or its authorized representatives. These general consulting services include the following:

- City Council/Planning Commission meeting attendance
- Site visits to collect data for miscellaneous engineering issues
- Professional opinions and recommendations for miscellaneous engineering issues
- Agency correspondence on behalf of the Client

Exclusions

- Surveying – legal, topographic and construction staking
- Geotechnical
- Environmental Reviews and Permitting
- Modeling Services
- Project Design beyond miscellaneous engineering issues
- Bidding Services
- Construction Administration and Observation
- Materials Testing
- Street Superintendent Services

All the exclusions listed can be completed upon request and would be defined in a separate work order.

Should Client request work in addition to the Scope of Services, Olsson shall invoice Client for such additional services (Optional Additional Services) at the standard hourly billing labor rate charged for those employees actually performing the work, plus reimbursable expenses if any. Olsson shall not commence work on Optional Additional Services without Client's prior written approval.

Olsson agrees to provide all of its services in a timely, competent, and professional manner, in accordance with applicable standards of care, for projects of similar geographic location, quality and scope.

SCHEDULE FOR OLSSON'S SERVICES

Unless otherwise agreed, Olsson expects to perform its services under the Agreement as follows:

Anticipated Start Date:	January 1, 2027
Anticipated Completion Date:	December 31, 2027

Olsson will endeavor to start its services on the Anticipated Start Date and to complete its services on the Anticipated Completion Date. However, the Anticipated Start Date, the Anticipated Completion Date, and any milestone dates are approximate only, and Olsson reserves the right to adjust its schedule and any or all of those dates at its sole discretion, for any reason, including, but not limited to, delays caused by Client or delays caused by third parties.

COMPENSATION

Client shall pay to Olsson for the performance of the Scope of Services, the actual hourly labor rates of personnel performing such services on the Project times a factor of 3.085 and all actual reimbursable expenses in accordance with Reimbursable Expense Schedule attached to this Agreement. Olsson shall submit invoices on a monthly basis and payment is due within 30 calendar days of invoice date.

Olsson's Scope of Services will be provided on a time and expense basis not to exceed $5,000.

TERMS AND CONDITIONS OF SERVICE

We have discussed with you the risks, rewards and benefits of the Project, the Scope of Services, and our fees for such services and the Agreement represents the entire understanding between Client and Olsson with respect to the Project. The Agreement may only be modified in writing signed by both parties.

Client's designated Project Representative shall be the City Clerk.

If this Work Order satisfactorily sets forth your understanding of our agreement, please sign in the space provided below. Retain a copy for your files and email an executed copy to Rachel Adams, Geographic Administrative Senior Coordinator at radams@olsson.com . This proposal will be open for acceptance for a period of 30 days from the date set forth above, unless changed by us in writing.

OLSSON, INC.

By _____
Jesse D. Hurlbert, PE

By _____
Jeff R. Palik, PE

By signing below, you acknowledge that you have full authority to bind Client to the terms of the Agreement. If you accept this Work Order, please sign:

CITY OF FALLS CITY

By _____
Signature

Print Name _____

Title _____ Dated: _____

Attachments
Billing Rate Schedule
Reimbursable Expense Schedule

MASTER AGREEMENT WORK ORDER NO. 17

This exhibit dated January 1, 2027, is hereby attached to and made a part of the Master Agreement for Professional Services dated August 31, 2020, between City of Falls City ("Client") and Olsson, Inc. ("Olsson") providing for professional services. Olsson's Scope of Services for the Agreement is as indicated below.

GENERAL

Olsson has acquainted itself with the information provided by Client relative to the project and based upon such information offers to provide the services described below for the project. Client warrants that it is either the legal owner of the property to be improved by this Project or that Client is acting as the duly authorized agent of the legal owner of such property.

PROJECT DESCRIPTION AND LOCATION

Project will be located at: Falls City, Nebraska

Project Description: Street Superintendent Services

SCOPE OF SERVICES

Olsson shall provide the following services (Scope of Services) to Client for the Project:

Street Superintendent Services

Olsson will provide Street Superintendent services following the guidance and requirements of the Nebraska Board of Public Roads Classifications and Standards (NBCS). Street Superintendent services include the following:

- Guidance and consultation for development and updates to the one and six-year street plans
- Review and updates to the street lane mile report
- Guidance and consultation for completion of the street system revenue, expenditure and budget report
- Attendance at one public hearing related to the one and six-year street plan

Exclusions

- Surveying – legal, topographic and construction staking
- Geotechnical
- Environmental Reviews and Permitting
- Project Design
- Bidding Services
- Construction Administration and Observation
- Materials Testing

All the exclusions listed can be completed upon request and would be defined in a separate work order.

Should Client request work in addition to the Scope of Services, Olsson shall invoice Client for such additional services (Optional Additional Services) at the standard hourly billing labor rate charged for those employees actually performing the work, plus reimbursable expenses if any. Olsson shall not commence work on Optional Additional Services without Client's prior written approval.

Olsson agrees to provide all of its services in a timely, competent and professional manner, in accordance with applicable standards of care, for projects of similar geographic location, quality and scope.

SCHEDULE FOR OLSSON'S SERVICES

Unless otherwise agreed, Olsson expects to perform its services under the Agreement as follows:

Anticipated Start Date:	January 1, 2027
Anticipated Completion Date:	December 31, 2027

Olsson will endeavor to start its services on the Anticipated Start Date and to complete its services on the Anticipated Completion Date. However, the Anticipated Start Date, the Anticipated Completion Date, and any milestone dates are approximate only, and Olsson reserves the right to adjust its schedule and any or all of those dates at its sole discretion, for any reason, including, but not limited to, delays caused by Client or delays caused by third parties.

COMPENSATION

Client shall pay to Olsson for the performance of the Scope of Services a lump sum of Four Thousand dollars ($4,000.00). Olsson's reimbursable expenses for this project are included in the lump sum. Olsson shall submit invoices on a monthly basis, and payment is due within 30 calendar days of invoice date.

TERMS AND CONDITIONS OF SERVICE

We have discussed with you the risks, rewards and benefits of the Project, the Scope of Services, and our fees for such services and the Agreement represents the entire understanding between Client and Olsson with respect to the Project. The Agreement may only be modified in writing signed by both parties.

Client's designated Project Representative shall be the City Clerk.

If this Work Order satisfactorily sets forth your understanding of our agreement, please sign in the space provided below. Retain a copy for your files and email an executed copy to Rachel Adams, Geographic Administrative Senior Coordinator at radams@olsson.com . This proposal will be open for acceptance for a period of 30 days from the date set forth above, unless changed by us in writing.

OLSSON, INC.

By _____ By _____
Jesse D. Hurlbert, PE Jeff R. Palik, PE

By signing below, you acknowledge that you have full authority to bind Client to the terms of the Agreement. If you accept this Work Order, please sign:

CITY OF FALLS CITY

By _____
Signature

Print Name _____

Title _____ Dated: _____

2026 Olsson Billing Rate Schedule

Description	Range		
Principal	$156.00	-	$486.00
Project Manager	$136.00	-	$294.00
Project Professional	$101.00	-	$258.00
Assistant Professional	$76.00	-	$187.00
Designer	$109.00	-	$238.00
CAD Operator	$66.00	-	$232.00
Survey	$61.00	-	$230.00 *
Construction Services	$56.00	-	$305.00 *
Administrative/Clerical	$51.00	-	$266.00

Note:

1. Special Services not included in above categories will be provided on a Special Labor Rate Schedule
2. Rates subject to change based upon updates to Billing Rates for upcoming year.

REIMBURSABLE EXPENSE SCHEDULE

The expenses incurred by Olsson or Olsson's independent professional associates or consultants directly or indirectly in connection with the Project shall be included in periodic billing as follows:

Classification	Cost
Automobiles (Personal Vehicle)	$0.725/mile*
Suburban's and Pick-Ups	$0.75/mile*
Automobiles (Olsson Vehicle)	$95.00/day
Automobile (Olsson EV)	$85.00/day
Other Travel or Lodging Cost	Actual Cost**
Meals	Actual Cost**
Printing and Duplication including Mylars and Linens	
In-House	Actual Cost
Outside	Actual Cost+10%
Postage & Shipping Charges for Project Related Materials including Express Mail and Special Delivery	Actual Cost
Film and Photo Developing	Actual Cost+10%
Telephone and Fax Transmissions	Actual Cost+10%
Miscellaneous Materials & Supplies Applicable to this Project	Actual Cost+10%
Copies of Deeds, Easements or other Project Related Documents	Actual Cost+10%
Fees for Applications or Permits	Actual Cost+10%
Sub-Consultants	Actual Cost+10%
Taxes Levied on Services and Reimbursable Expenses	Actual Cost

*Rates consistent with the IRS Mileage Rate Reimbursement Guidelines (Subject to Change).
**Rates consistent with the U.S. General Services Administration (GSA) Per Diem for Reimbursable Lodging, Meals and Incidental Costs (Subject to Change).

Grasshopper QuikQuote #80752N00111

Vendor:
Moridge Mfg. Inc.
105 Old Highway 82 S.
P.O. Box 810
Moundridge, KS 67107

Contact:
Brent Dobson
bdobson@grasshoppermower.com

Quoted by
Terry Martinez

,
P: (402) 852-8228

Terry Martinez
Factory Representative
E: tmartinez@grasshoppermower.com
P: 402-852-8228

Quoted for
City of Falls City
Falls City, Ne
E: B.burr@fallscityne.us
P: 402.801.9658



Models may be shown with optional equipment that may or may not appear on your specific quote
Model 900D-1.3L with 3472PF
Quoted: Jun 3, 2026
GovMVMT
Contract ID: #AU-20223-000066
Contract Period: 08/30/2023–08/29/2028

Power Unit & Deck	List	Contract
Model 900D-1.3L *(532165)* 1.3L MaxTorque Diesel engine; "no-gears" G3 pump-and-wheel-motor transmission; integated multi-point suspension; Premier Suspension Seat and shock-absorbing footrest	$23,755.00	$18,291.35
3472PF – 72" w/ PowerFold & pneumatic tires standard *(532979)*	$5,380.00	$4,142.60

Wholegoods	List	Contract
503218+503220 – Counterweight Kit - 50 lb. with mount kit (One 50-lb. weight included)	$345.00	$293.25
503708 – QuikAjust Tilt Lever Kit "Tall Boy" Hyd Switch	$230.00	$195.50
533511 – Turf Tread Tires - 24 x 12-12	$0.00	$0.00
503043 – Air Dam Kit 72" Deck	$105.00	$89.25

Implements	List	Contract
504800 –Joystick Control	$370.00	$314.50

Powervac – Model 15B HighLift	List	Contract
503190 –Model 15B Hopper - without mount	$2520.00	$2142.00
503174 –Vac Drive Assembly 372 - Includes Med. Lift blades - fits 3472 Decks	$1885.00	$1602.25
503555 –High-Lift 15B Collector Kit	$4080.00	$3468.00

List Total: $38,670.00

Contract: $30,538.70

Grand Total: $30,538.70

Make PO to: Moridge Mfg. Inc.

Fax PO to:

Email PO to: bdobson@grasshoppermower.com

PO #:

Approved by:

Signature:

Date:
