

**MINUTES OF THE MEETING OF  
THE BOARD OF TRUSTEES OF  
SANITARY AND IMPROVEMENT DISTRICT NO. 177  
DOUGLAS COUNTY NEBRASKA**

**SEPTEMBER 17, 2008**

A scheduled Meeting of the Board of Trustees of Sanitary & Improvement District No. 177 of Douglas County, Nebraska, was convened in open and public session on Sep. 17, 2008, at the D.C. West Public School Library 7th & Washington Streets, Waterloo, Nebraska.

<b>PRESENT:</b>	Dean Miller .....	Chairman
	Ginger Parker .....	Clerk
	Steve Clark .....	Trustee
	William Reppert ....	Trustee
 <b>ABSENT:</b>		
	Jerry Hraban .....	Trustee

Notice of the Meeting was given in advance by publication in **The Daily Record**, a legal newspaper published in Douglas County, Nebraska, on Sep. 4, 2008, a copy of the Proof of Publication being attached to these Minutes.

Notice of this Meeting was given to all Trustees in advance by the Clerk, and the Acknowledgement of Receipt of Notice of Meeting and Agenda by the Trustees is also attached to these Minutes.

Notice of this Meeting was given the Clerk of the City of Omaha, Nebraska, the municipality having zoning jurisdiction over the District, at least seven days prior to the Meeting, and notice of the Meeting and Agenda were posted in the District.

Availability of the Agenda was communicated in the published Notice and in the Notices to the City and Trustees.

All proceedings of the Board of Trustees were taken while the convened Meeting was open to the attendance of the public.

**Agenda Item 1. Role Call and call Meeting to Order:** A majority of the Board Members being present, Chairman called the Meeting to order at 7:40 p.m.

**Agenda Item 2. Nebraska Open Meetings Act:** The Chairman reviewed the Nebraska Press Association publication entitled "Nebraska Open Meetings Act, For Public Use During a Meeting", and announced that the pamphlet containing the Act, would be posted during each meeting of the Trustees, and that comments from the audience would be permitted during the discussion of each Agenda item.

**Agenda Item 3. Approve Minutes of Meeting held on Aug. 20, 2008:** Following discussion of the draft of the Minutes previously furnished the Trustees, Trustee Parker moved that the Minutes be approved, and Trustee Miller seconded the motion. On roll call vote thereon, the following Trustees voted aye: Miller, Parker, Clark, and Reppert; voting nay: None. The Chairman, declared said Resolution duly passed and adopted.

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**Agenda Item 4. PeopleService Report:** The PeopleService Report for Aug. (S.T.) was reviewed by the Board. After discussion the following Resolution was proposed by Trustee Parker and seconded by Trustee Reppert:

**RESOLUTION**

**RESOLVED**, by the Board of Trustees of Sanitary and Improvement District No. 177 of Douglas County, Nebraska, that Anderson Electric Company be engaged to install a required backflow prevention device at the Waste Water Treatment Plant at a cost not to exceed \$1,750 following the execution of the District's Acceptance of Proposal form.

On roll call vote thereon, the following Trustees voted aye: Miller, Parker, Clark, and Reppert; voting nay: None. The Chairman declared said Resolution duly passed and adopted by the Board.

At 7:47 the Chairman recessed the Meeting at 7:47 p.m. and convened the Budget Hearing. During the discussion of the budget Paul O'Brien requested that his prepared statement be included in the Minutes of the Meeting (S.P.) The Budget Hearing was adjourned at 8:27 p.m. and the Special Hearing was convened at 8:30 p.m. The Special Hearing was adjourned at 8:32 p.m. The Chairman called the Meeting back into order at 8:35 p.m.

**Agenda Item 5. Attorney Craig Martin** discussed the District's insurance claims against Darwin Insurance Company on its Errors and Omissions coverage and Scottsdale Insurance Company on its General Liability Coverage. It was decided to wait for Darwin's response to the District's lasted demand for coverage. If the carrier again denies coverage, the Trustees will consider filing suit after the Cooper case is resolved.

**Agenda Item 6. Reports and Business:**

**6.1 Water and Waste-water Plants:** Covered under item 4.

**6.2 Lakes Management:** Trustee Reppert did not ave a report.

**6.3 Grounds Management:** Trustee Clark reviewed a list of projects.

**6.3.1** After discussion the following Resolution was proposed by Trustee Miller and seconded by Trustee Reppert:

**RESOLUTION**

**RESOLVED**, by the Board of Trustees of Sanitary and Improvement District No. 177 of Douglas County, Nebraska, that Midwest Coating be engaged to patching and sealing the District's streets at a cost not to exceed \$4,000.00, following the execution of the District's Acceptance of Proposal form.

On roll call vote thereon, the following Trustees voted aye: Miller, Parker, Clark, and Reppert; voting nay: None. The Chairman declared said Resolution duly passed and adopted by the Board.

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**6.3.2** After discussing recent damages to the District's satellite rest rooms, lights and tennis courts, the Board will consider offering a reward for the arrest and conviction of any person or persons damaging or destroying District property at the next meeting.

**6.3.3** After discussion the following Resolution was proposed by Trustee Parker and seconded by Trustee Miller:

**RESOLUTION**

**RESOLVED**, by the Board of Trustees of Sanitary and Improvement District No. 177 of Douglas County, Nebraska, that since Bryan Toelle has elected to extend his contract with the District for another year, and the District is satisfied with his work during the past year, the District agrees to renew the contract for another year with a cost of living adjustment of 6%.

On roll call vote thereon, the following Trustees voted aye: Miller, Parker, Clark, and Reppert; voting nay: None. The Chairman declared said Resolution duly passed and adopted by the Board.

**6.3.4** After discussion the following Resolution was proposed by Trustee Parker and seconded by Trustee Reppert:

**RESOLUTION**

**RESOLVED**, by the Board of Trustees of Sanitary and Improvement District No. 177 of Douglas County, Nebraska, that wet land grasses be planted in the low areas of the area where the dredged material was deposited at a cost of up to \$500.00; and the windows in the Water Treatment building be boarded up at a cost not to exceed \$200.00.

On roll call vote thereon, the following Trustees voted aye: Miller, Parker, Clark, and Reppert; voting nay: None. The Chairman declared said Resolution duly passed and adopted by the Board.

The Trustees discussed the installation of snow fence this year and authorized Bryan to secure estimates for good quality fencing.

The Board will consider installing irrigation equipment in the park area and adding quarry fines to the walking train next year.

**6.4 Legal: The Attorney reported:**

**6.4.1** Election of new Board of Trustees: The Election Commission is counting the votes and will certify the results to the Clerk and Attorney within the next 10 to 15 days. The results will also be posted on the Commission's website: "www.votedouglascounty.com".

**6.4.2** A response to the accountant's annual letter requesting an opinion on the District's pending or threatened litigation, claims and assessments was prepared and delivered to Dutton & Associates (S.T.).

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**6.5 Payment of Bills:** Trustee Parker presented the current bills for discussion. After reviewing the bills the following Resolution was proposed for adoption by Trustee Miller and seconded by Trustee Clark:

**RESOLUTION**

**RESOLVED**, by the Board of Trustees of Sanitary and Improvement District No. 177 of Douglas County, Nebraska, that the Chairman and Clerk be, and they hereby are, authorized and directed to execute and deliver **Warrant Nos. 5285 through 5300** of the District, dated the date of this Meeting, to the payees and in the amounts listed on the attached Exhibit "A", said Warrants to be drawn on the General Fund of the District and to draw interest at the rate of six and one-half percent (6.5%) per annum and to be redeemed no later than Sep. 17, 2011, subject to extension of said maturity date by order of the District Court of Douglas County, Nebraska, after notice is given as required by law.

**FURTHER RESOLVED** by the Board of Trustees of Sanitary and Improvement District No. 177 of Douglas County, Nebraska, that both they and the District hereby find and determine and covenant, warrant and agree as follows: the improvements and/or facilities being financed or refinanced by the above Warrants are for essential governmental functions and are designed to serve members of the general public on an equal basis; all improvements have from the time of their first acquisition and construction been owned, are owned and are to be owned by the District or another political subdivision; to the extent special assessments have been or are to be levied for any of said improvements, such special assessments have been or are to be levied under Nebraska law as a matter of general application to all property specially benefited by said improvements in the District; the development of the land in the District is for residential or commercial use and the development of the land in the District for sale and occupation by the general public has proceeded and is proceeding with reasonable speed; other than any incidental use of said improvements by a developer during the initial period of development of said improvements there have been, and will be no persons with rights to use such improvements other than as members of the general public; none of the proceeds of said Bonds or any refinanced indebtedness have been or will be loaned to any private person or entity; the District hereby authorizes and directs the Chairperson or Clerk to file or cause to be filed, when due, an information reporting form pursuant to Section 149(e) of the Internal Revenue Code of 1986, as amended, pertaining to the above Warrants; and the District does not reasonably expect to sell or otherwise dispose of said improvements and/or facilities, in whole or in part, prior to the last maturity of the above Warrants.

**FURTHER RESOLVED** by the Board of Trustees of Sanitary and Improvement District of 177 of Douglas County, Nebraska, that the District hereby covenants, warrants and agrees as follows: (a)

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to take all actions necessary under current federal law to maintain the tax exempt status (as to taxpayers generally) of interest on the above Warrants; (b) to the extent that it may lawfully do so, the District hereby designates the above Warrants as (B)(i)(iii) of the Internal Revenue Code of 1986, as amended, and covenants and warrants that the District does not reasonably expect to issue warrants or bonds or other obligations aggregating in the principal amount of more than \$5,000,000 during the calendar year in which the above Warrants are to be issued.

**FURTHER RESOLVED** by the Board of Trustees of Sanitary and Improvement District of 177 of Douglas County, Nebraska, that this and the preceding Resolutions are hereby adopted as the Certificate With Respect to Arbitrage of the District pertaining to the above Warrants and the District and the Chairman and Clerk of the District hereby further certify, as of the date of the registration of the above Warrants with the County Treasurer of Douglas County, Nebraska as follows:

(1) No separate reserve or replacement fund has been or will be established with respect to the above Warrants. The District reasonably anticipates that monies in excess of the lesser of: (a) ten percent (10%) of the net principal proceeds of the above Warrants, (b) the maximum annual debt service due on the above Warrants, or (c) one hundred twenty-five percent (125%) of average annual debt service due on the above Warrants, will be expended for payment of principal of and interest on the above Warrants within thirteen (13) months after receipt of such monies. That amount which is currently held in the District's Bond Fund which exceeds the amount which is to be expended for payment of principal and interest on the above Warrants within thirteen (13) months after receipt of such monies, plus that amount arrived at pursuant to the immediately preceding sentence, will not be invested in any securities or any other investment obligations which bear a yield, as computed in accordance with the actuarial method, in excess of the yield on the above Warrants.

(2) To the best of their knowledge, information and belief, the above expectations are reasonable.

(3) The District has not been notified of any listing of it by the Internal Revenue Service as an issuer that may not certify its bonds.

(4) This Certificate is being passed, executed and delivered pursuant to Section 1.148-2(b)(2) of the Income Tax Regulations under the Internal Revenue Code of 1986, as amended.

On roll call vote thereon, the following Trustees voted aye: Miller, Parker, Clark, and Reppert; voting nay: None. The Chairman declared said Resolution duly passed and adopted by the Board.

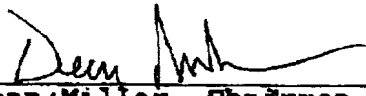
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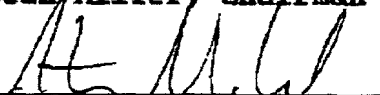
Agenda Item 7. Set Next Meeting Date, Location and Time: The next Regular Meeting of the Board will be conducted on Oct. 22, 2008, at 7:30 p.m., at the D.C. West Public School Library, 7th & Washington Streets, Waterloo, Nebraska.

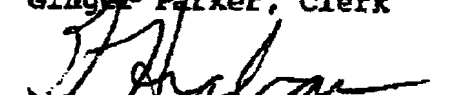
Agenda Item 8. Adjourn Meeting: There being no further business to come before the Board, the Meeting was, upon motion by Trustee Clark, seconded by Trustee Parker, with the following Trustees voting aye: Miller, Parker, Clark, and Reppert; voting nay: None; the Meeting was adjourned at 9:30 p.m.

SANITARY AND IMPROVEMENT DISTRICT NO. 177  
DOUGLAS COUNTY NEBRASKA

  
Dean Miller, Chairman

  
Ginger Parker, Clerk

  
Steve Clark, Trustee

  
Gerald Hraban, Trustee

  
William Reppert, Trustee

**2008 September General Fund Warrants**

<u>Date</u>	<u>Num</u>	<u>Transaction</u>	<u>Payment</u>	<u>Deposit</u>	<u>Balance</u>
09/17/08		General Fund Cat: (Special) memo: Transfer to General Fund		\$11,440.00	\$39,395.76
09/17/08	5285	Nebraska Department of Revenue Cat: Sales Taxes memo: August	\$581.46		\$38,814.30
09/17/08	5286	Paula Magiera cat: Prof Fees: Bookkeeping memo: August	\$115.44		\$38,698.86
09/17/08	5287	Ginger Parker cat: Clerk Fees memo: August	\$92.45		\$38,606.41
09/17/08	5288	Daily Record cat: Publication memo: Inv # 81158	\$84.60		\$38,521.81
09/17/08	5289	Don Overholt cat: Professional Fees: Legal Fees memo: August	\$1,200.00		\$37,321.81
09/17/08	5290	Peoples Service cat:Repair/Maint.: Contractor Fees memo: August	\$6,182.00		\$31,139.81
09/17/08	5291	Brian Toelle cat: Repair/Maint: Grounds memo: #804,808, 817,818	\$4,830.00		\$26,309.81
09/17/08	5292	Ace Hardware cat: Repair/Maint: Grounds memo: Misc. Parts	\$136.16		\$26,173.65
09/17/08	5293	Eagle Services cat: Repair/Maint: Grounds memo: Rental/Replacmnt 60878;60807	\$845.04		\$25,328.61
09/17/08	5294	Omaha Public Power District cat: split memo: August	\$1,203.47		\$24,125.14
09/17/08	5295	Bill Reppert cat: Repair/Maint: Lakes memo: Fish Lake Aerator	\$414.85		\$23,710.29

EXHIBIT "A"

**2008 September General Fund Warrants**

09/17/08	5296	DBA Natural Habitats cat: Repair/Maint: Lakes memo: Treat algae #3218;3209	\$1,450.00	\$22,260.29
09/17/08	5297	Jeff Holling cat: Repair/Maint: Grounds memo: Survey	\$139.68	\$22,120.61
09/17/08	5298	Swain Construction cat: Repair/Maint: Grounds memo: Street Repair Inv 17079	\$15,498.65	\$6,621.96
09/17/08	5299	Turf & Tree Technology, Inc. cat: Repair/Maint: Grounds memo: Spray Wilson Trees	\$500.00	\$6,121.96
09/17/08	5300	Nebraska Dept Of Revenue cat: NE Tax memo: NE Waste Reduction/Recycl Fee	\$25.00	\$6,096.96



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**SUPPLEMENTAL TRANSCRIPT**

1. PeopleService Report for Aug. 2008.
2. Attorney's response to the accountant's annual letter requesting an opinion on the District's pending or threatened litigation, claims and assessments.
3. Prepared statement of Paul O'Brien.

**OBrien, Paul**

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**From:** OBrien, Paul  
**Sent:** Wednesday, August 27, 2008 10:26 AM  
**To:** 'JEFFERY MARCIA SPILKER'  
**Subject:** RE: Annexation

Why was there nothing said about the settlement amount off the lawsuit that SID177 expended taxpayer money over years, and had gone to court which ruled in favor of the SID twice and the board settled for a \$20,000.00 rather than the \$300,000 originally sought in the litigation that went on for years according to SID records. Why did SID council offer that the SID split the settlement amount with the firm the SID had hired at a 50/ 50 ratio. The normal agreed on rate is one third. This action does not represent acting being a good Stewart of tax payers interest. This board needs to reflect on the actions that have been already taken that are not representing the community in a elected position. I also found that the SID has the ability to provide tax relief to the community through refinancing bonds already out at a lower rate and longer time period 20 or more years thus reducing the tax burden to the community. It was stated that the current bond council would not allow this. This is completely inaccurate and several bonding companies are interested in the SID business of creating a new bond issue for our community thus saving the property owners considerable money. I have noticed the infrastructure not being maintained in the manner it has been in the past. We have a water plant that will be needing filter media replaced in the near future, according to records this media needs to be replaced approximately every 10 years we are a present 12 years out. The main tank needs to be checked for possible relining also. The board needs to be proactive and work with the outside contractors to make sure we are getting what we are paying for not just accepting a report at board meeting times. Has any member taken the time to make spot inspection of either plant to make sure bearing are greased, maintenance made to equipment or maintained to the requirements of the Peoples contract. Has the board discussed on how improvements can be made to the existing plants or for expansion. Just because things are operating good now doesn't mean they can't be improved. Members of the board have commented on how bad water pressure is and shortfalls to systems but no discussion has been made to resolve issues. These are serious issues and need not to be ignored. This community is only as good as its infrastructure and it was noted in the proposed budget little monies for improvements and repairs. We are not funding a social event we are managing a community.

As you will note this is not the place to endorse candidates, issues need to be resolved.

Paul O'Brien  
225 Lakehurst  
Waterloo, Ne 68069