

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

June 13, 2012

The duly scheduled and noticed Meeting of the Board of Trustees of Sanitary & Improvement District No. 177 of Douglas County, Nebraska, was convened in open and public session on June 13, 2012, at 7:30 p.m. at D.C. West Public School Library 7<sup>th</sup> & Washington Streets, Waterloo, Nebraska.

	<u>Present</u>	<u>Absent</u>
Eric Nelson . . . . . Chairman	X	
Robert W. Lynn . . . . . Clerk	X	
Jeff Spilker . . . . . Trustee	X	
Mike Anderson . . . . . Trustee	X	
William Reppert . . . . . Trustee	X	

Also in attendance was Darren R. Carlson of the law firm of Carlson & Burnett, LLP who serves as the legal counsel for the Board of Trustees.

All of the Board Members being present, the Chairman called the meeting to order at 7:30 p.m. The Chairman reported and confirmed that Notice of the meeting was given in advance by publication in *The Daily Record*, a legal newspaper published and in general circulation in Douglas County, Nebraska on June 4, 2012. The "Proof of Publication" is attached to these Minutes as Exhibit "A" and incorporated herein. Advance notice of this meeting was given to all Board Members. The Acknowledgement of Receipt of Notice of Meeting by the Board of Trustees is attached to these Minutes as Exhibit "B" and incorporated herein.

Notice of this meeting was given to 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. The signed Agenda is attached to these Minutes as Exhibit "C".

All proceedings of the Board of Trustees were taken while the convened Meeting was open to the attendance of the public. The Chairman reported that the Nebraska Open Meetings Act was posted and available for public use and inspection.

**Approve Minutes of Meeting held on May 16, 2012:** Following discussion of the Minutes previously circulated, Trustee Anderson moved that the Minutes of the May 16, 2012, meeting be approved and Trustee Spilker seconded the motion in the following form:

**BE IT RESOLVED**, that Sanitary and Improvement District No. 177 Board of Trustees hereby approves the Minutes of the May 16, 2012, as completed and filed with the Omaha City Clerk.

On roll call vote thereon, the following Resolution was unanimously passed and adopted.

**PeopleService Report:** The next matter discussed was the written People Service Report presented by Bob McLaughlin. Bob McLaughlin's full written report for the month of May is attached to these Minutes as Exhibit "D" and incorporated herein. The bypass valve has been ordered and not yet been received and installed. As some discussions have developed surrounding testing the lakes and wells, Bob informed the board that he has the capabilities to test for total phosphorous.

The next matter discussed was the annual adjustment to the PeopleService contract. A motion was made by Trustee Nelsen and seconded by Trustee Spilker motion in the following form:

**BE IT RESOLVED**, that Sanitary & Improvement District #177 hereby consents to and accepts the adjustment of the People Service contract for the new year commencing July 1, 2012, with an annual increase of 2.3% tied to the increase in the Consumer Price Index ("CPI"). The new rate will effectively increase the monthly payments by the District to PeopleService from \$6,774 to \$6,930 per month. The adjustment to contract is attached hereto and incorporated herein as Exhibit "E" to these minutes.

On roll call vote thereon, the following Resolution was unanimously passed and adopted.

**Water and Waste-Water Plants:** Trustee Spilker reported that he is moving forward on the paperwork and award of the contract to J.R. Stelzer Co. from the May meeting.

**Lakes Management:** Trustee Reppert reported on his recent discussions, input and analysis of the lakes water tests. The tests confirmed that there is nothing toxic or harmful in the lake water. However, the well test revealed high levels of phosphorus (i.e. .22mg/L) when an acceptable high level would be approximately .05mg/L. Trustee Reppert's full written report is attached hereto as Exhibit "F".

Trustee Reppert introduced to the board Bill Neal, a former resident in the District. Bill Neal is a degreed Biologist and a retired manager for environmental affairs at OPPD. Bill is generally knowledgeable about the effects and potential risks of adding phosphorous to the lakes. The board, residents and Bill had a very good and lengthy discussion of the problems that will likely be caused if the District continues to pump into the lakes water with too high of levels of phosphorous. The ultimate conclusion and consensus was that the risks of pumping in more water with too high of levels of phosphorous is probably not prudent until the board can determine the risks, rewards, possible procedures to mitigate and other cause/effect factors.

The board and residents' discussions focused on lake management, phosphorous levels, control of the lakes' water depth, control of algae and other safety issues. Several parties reference a similar study and analysis that have been performed by other lake communities to try and control the algae and phosphorous levels in the water. When the wells are pumping water into the lakes to maintain the water levels, it is a contributor to the algae/phosphorous problem. The situation is being monitored. Following Trustee Reppert's report, he moved that "the

District turn on the well pumps, knowing full well that the water being pumped in contains unacceptable high levels of phosphorus that will likely significantly and permanently pollute the lake.” This motion failed for lack of a second. Other trustees noted that they had not been provided the written reports and materials from Trustee Reppert prior to the meeting. Advance notice and copies of materials would greatly improve and aid in the decision-making process.

Trustee Anderson inquired who in attendance would be willing to serve on or assist a committee to review and make recommendations to study the situation and report back to the board. Several residents voiced willingness to assist. The attorney for the District emphasized that any ultimate decision to hire a consultant or to undertake remedial action would have to involve the District’s Engineers and compliance with the public bidding procedures.

At the conclusion of this discussion, the board agreed to work on developing a set of criteria and parameters to guide the District’s Engineers in preparing the Notice To Contractors to obtain bids from consultants to address the issues raised.

**Grounds Management:** Trustee Anderson reported that a load of sand was brought in for the beach. Complaints were received that several of the metal picnic tables were in need of replacement. Trustee Anderson reported back that the rubber mulch for the playground that was authorized for purchase in May is significantly more expensive than initially represented by the supplier. Following discussion of these items, Trustee Anderson moved and Trustee Reppert seconded the motion in the following form:

**BE IT RESOLVED**, that Sanitary & Improvement District #177 hereby authorizes the purchase and installation of wood chips and/or wood mulch in an amount not to exceed four thousand dollars (\$4,000.00) for the playground.

On roll call vote thereon, the following Resolution was unanimously passed and adopted.

**Attorney’s Report:** The attorney reported that the Fiscal Agent for the District could not make this June meeting but intended to attend the July meeting when the date is set. The attorney will contact John Kuehl to request his attendance next month. A copy of the District’s insurance application was circulated to the members of the board. The application for renewal is being processed. A thorough review and meeting was conducted last summer by the attorney and Trustee Lynn. It appears that the list of property covered by the insurance is now accurate and up to date. The attorney reported that the election notices will be mailed the last week of June or first week of July when the Douglas County Election Commissioner furnishes the list of mailing labels. The attorney will send a letter to a resident to request repair of the sea wall that is in very poor condition as requested by the board. The attorney informed the board that the warrant interest rate starting July 1, 2012 will be reduced from 6.5% to 6.0%.

**Payment of Bills.** The Clerk presented the current bills for review and discussion. A listing of all of the vendors, amount of payment, description of transaction and warrant numbers is attached to these Minutes as Exhibit “G” and incorporated herein. After reviewing the bills, a motion was made by Trustee Lynn and seconded by Trustee Nelson in the following form:

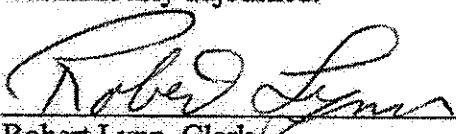
**BE IT RESOLVED**, by the Board of Trustees of Sanitary and Improvement District No. 177 of Douglas County, Nebraska, that the Board hereby ratifies, adopts and approves that the Chairman and Clerk to execute and deliver **GENERAL FUND Warrant Nos. 5972 through 5986** of the District, to the payees and in the amounts listed on the attached Exhibit "G", 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 three years after issuance, subject to the extension of the said maturity date by order of the District Court of Douglas County, Nebraska, after notice is given as required by law.

**BE IT FURTHER RESOLVED**, by the Board of Trustees of Sanitary and Improvement District No. 177 of Douglas County, Nebraska hereby adopts the Warrant Resolutions, Tax Exemption Resolutions and the Policy & Procedure for Federal Tax Law and Disclosure Requirements for Outstanding Bonds and Warrants all set forth in detail on Exhibit "H" attached hereto and incorporated herein.

Upon roll call thereon, the following Trustees voted yes: unanimous; voting no: none. The Chairman declared said Resolution duly passed and adopted.

**Next meeting Date, location and Time:** The next Regular Meeting of the Board will be conducted on Wednesday, July 25, 2012, at 7:30 p.m., at the DC West Public School Library, 7<sup>th</sup> & Washington Streets, Waterloo, Nebraska.

**Adjourn Meeting:** There being no further business to come before the Board, following motion and second by the Trustees, the Meeting was unanimously adjourned.

  
Robert Lynn, Clerk

## EXHIBITS TO MEETING

The attached Exhibits are a part of the transcript of meeting and are fully and expressly incorporated into the minutes of meeting of Sanitary & Improvement District #177 of Douglas County, Nebraska as though these Exhibits were set forth in their entirety in said Minutes.

Exhibit "A"	Affidavit of Publication—Daily Record
Exhibit "B"	Acknowledgment of Receipt of Notice of Meeting
Exhibit "C"	Agenda for Meeting
Exhibit "D"	People Service Report
Exhibit "E"	PeopleService CPI-U adjustment contract
Exhibit "F"	Report on Lakes
Exhibit "G"	General Fund Warrants
Exhibit "H"	Warrant Resolutions and Tax Exemption Resolutions

# EXHIBIT "A"

**CARLSON & BURNETT, LLP**  
Attorneys

816 South 169th Street  
Omaha, Nebraska 68118

**NOTICE OF MEETING  
SANITARY AND IMPROVEMENT  
DISTRICT NO. 177 OF  
DOUGLAS COUNTY, NEBRASKA**

NOTICE IS HEREBY GIVEN

that a Meeting of the Board of Trustees of Sanitary & Improvement District No. 177 of Douglas County, Nebraska will be held:

Date: **June 13, 2012**

Place: Douglas County West Public School Library, 7th & Washington Streets, Waterloo, Nebraska.

Time: 7:30 p.m.

This Meeting will be open to the public.

An agenda for the meeting, kept continuously current but which may be modified at least twenty-four hours before the meeting, or by the Board during the meeting in the event of an emergency, is available for public inspection at 816 South 169th Street, Omaha, Nebraska 68118, and includes the payment of bills of the District.

ROBERT W. LYNN,  
Clerk of the District

6-4-12

## THE DAILY RECORD OF OMAHA

LYNDA K. HENNINGSEN, Publisher  
**PROOF OF PUBLICATION**

UNITED STATES OF AMERICA,  
The State of Nebraska,  
District of Nebraska,  
County of Douglas,  
City of Omaha, } ss.

**J. BOYD**

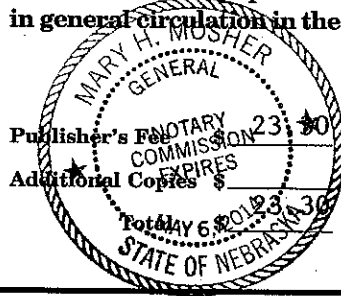
being duly sworn, deposes and says that she is

**LEGAL EDITOR**

of **THE DAILY RECORD**, of Omaha, a legal newspaper, printed and published daily in the English language, having a bona fide paid circulation in Douglas County in excess of 300 copies, printed in Omaha, in said County of Douglas, for more than fifty-two weeks last past; that the printed notice hereto attached was published in **THE DAILY RECORD**, of Omaha, on

June 4, 2012

That said Newspaper during that time was regularly published and in general circulation in the County of Douglas, and State of Nebraska.



Subscribed in my presence and sworn to before  
me this 4th day of  
June 20, 2012

Notary Public in and for Douglas County,  
State of Nebraska

# EXHIBIT "B"

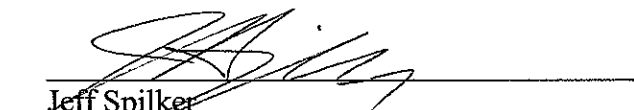
## ACKNOWLEDGMENT OF RECEIPT OF NOTICE OF MEETING

The undersigned Trustees of Sanitary and Improvement District No. 177 of Douglas County, Nebraska, hereby acknowledge receipt of advance notice of a meeting of the Board of Trustees of said District and the agenda for such meeting held at 7:30 on June 13, 2012, at DC West Public School Library, 7<sup>th</sup> & Washington Streets, Waterloo, Nebraska.

Dated this 13<sup>th</sup> day of June, 2012.

  
William Reppert

  
Robert Lynn

  
Jeff Spilker

  
Mike Anderson

  
Eric Nelson

# EXHIBIT "C"

## AGENDA

### MEETING OF THE BOARD OF TRUSTEES SANITARY AND IMPROVEMENT DISTRICT NO. 177 DOUGLAS COUNTY, NEBRASKA

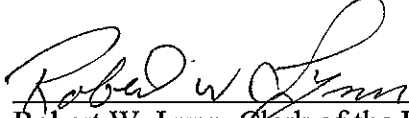
June 13, 2012  
7:30 p.m.

Douglas County West Public School Library  
7<sup>th</sup> & Washington Streets  
Waterloo, Nebraska

1. Roll Call and Call Meeting to Order.
2. Nebraska Open Meetings Act Announcement and Announcement that comments from audience will be permitted during the discussion of each Agenda item.
3. Approve Minutes of May 16, 2012 Meeting.
4. PeopleService Report
5. Reports and Business
  - 5.1 Water and Waste-water Plants ..... Trustee Spiker
  - 5.2 Lakes Management..... Trustee Reppert
  - 5.3 Grounds Management..... Trustee Anderson
  - 5.4 Legal..... Darren R. Carlson
  - 5.5 Payment of Bills..... Trustee Lynn
6. Other Matters
7. Set Next meeting Date & Adjourn Meeting.

## CERTIFICATE

The undersigned hereby certifies that the foregoing Agenda was prepared and available for public inspection at the address shown in the Notice to Meeting prior to the commencement of said meeting, and that no items were added to the agenda after the commencement of the meeting. The Clerk further certifies that a current copy of the Nebraska Open Meetings Act was available for review and indicated the location of such copy in the room where the meeting was being held.

  
\_\_\_\_\_  
Robert W. Lynn, Clerk of the District



Date: June 12, 2012

To: Riverside Lakes

From: Bob McLaughlin, Operator

O & M Report: May 2012

### **Water Operation & Maintenance**

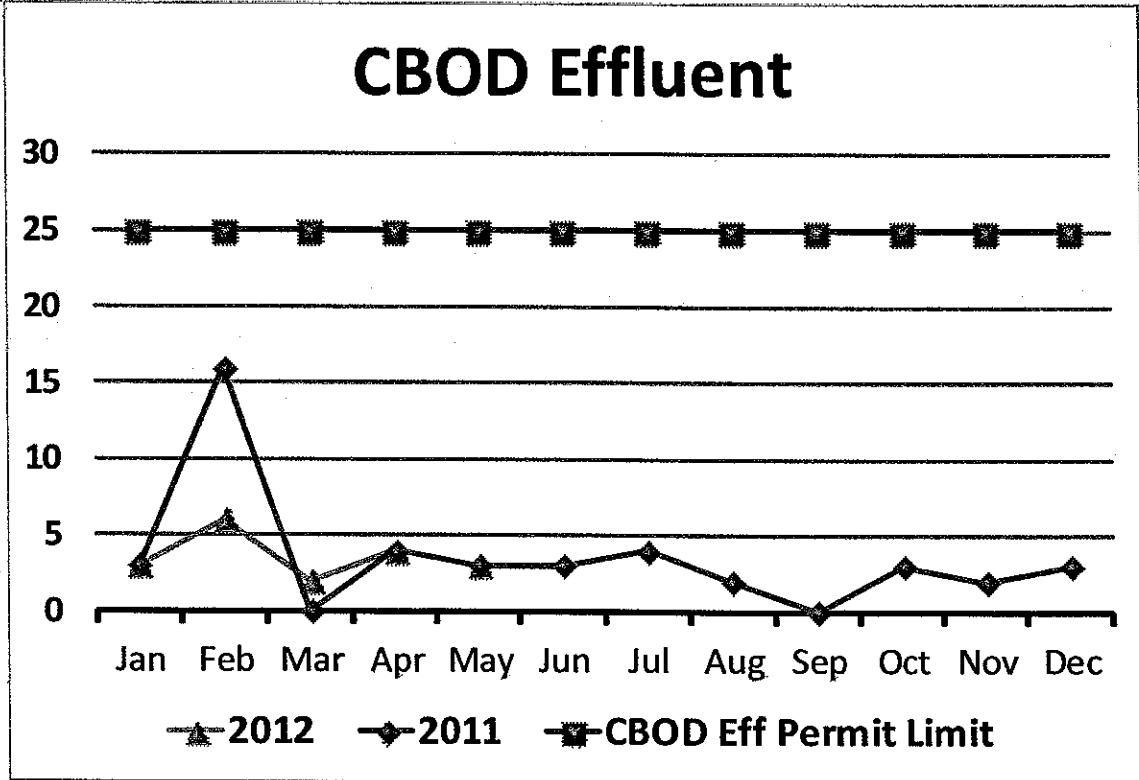
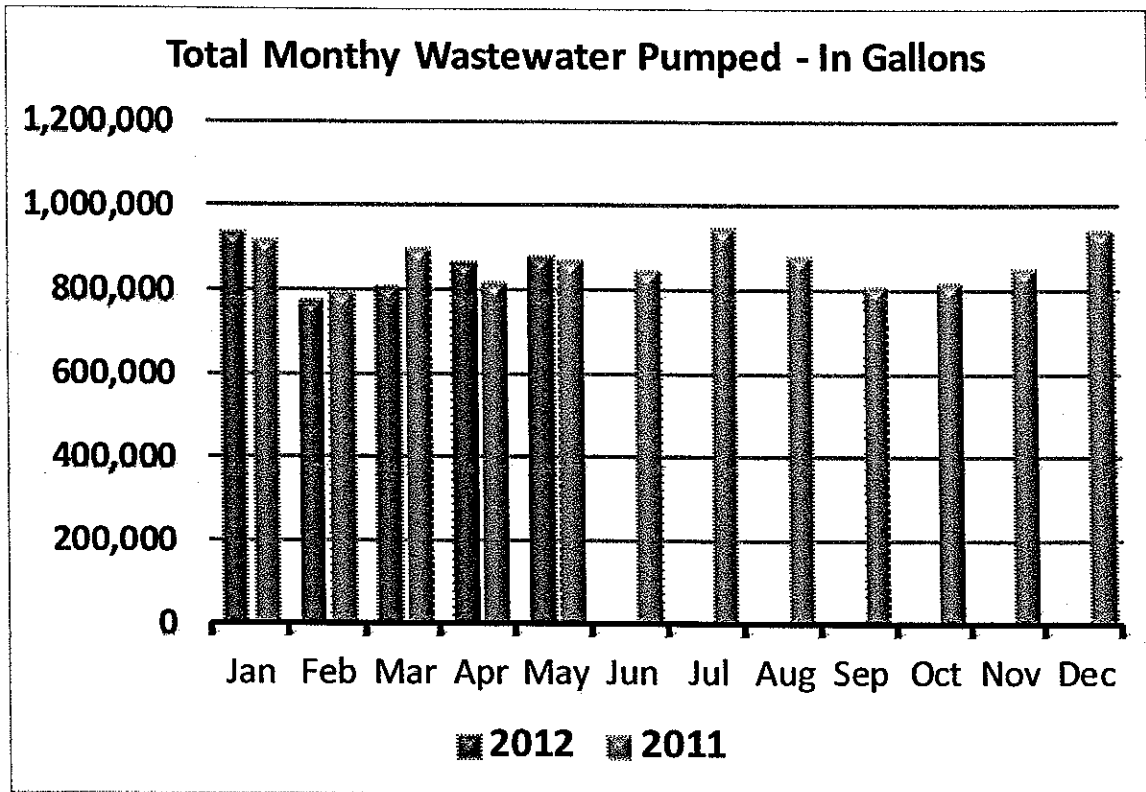
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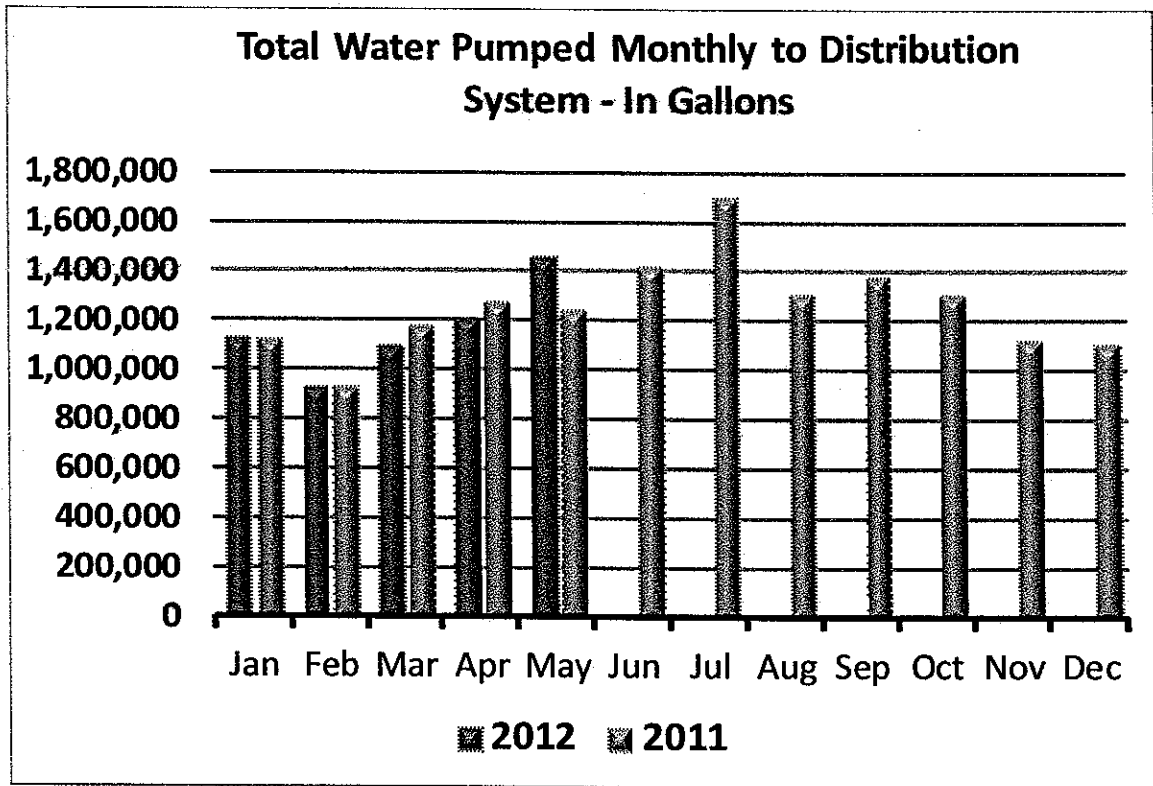
- We received water samples taken in April for Gross Alpha and Radium. All the results came back below the Maximum Contaminant levels.
- Bob was having some issues with empty beer cans and trash being left in front of the plant during the night. After talking to homeowners in the area we found out who was responsible. I spoke to the parents of the kids that were doing it , they said it would be taken care of. I haven't found any trash since.
- I ordered the bypass valve for the plant we spoke of. They sent me the wrong one so I am currently waiting for the right one to install.
- Two water shut off notices were given this month.
- Water meters were read on the 29<sup>th</sup>.
- Filters at the plant were backwashed as needed.

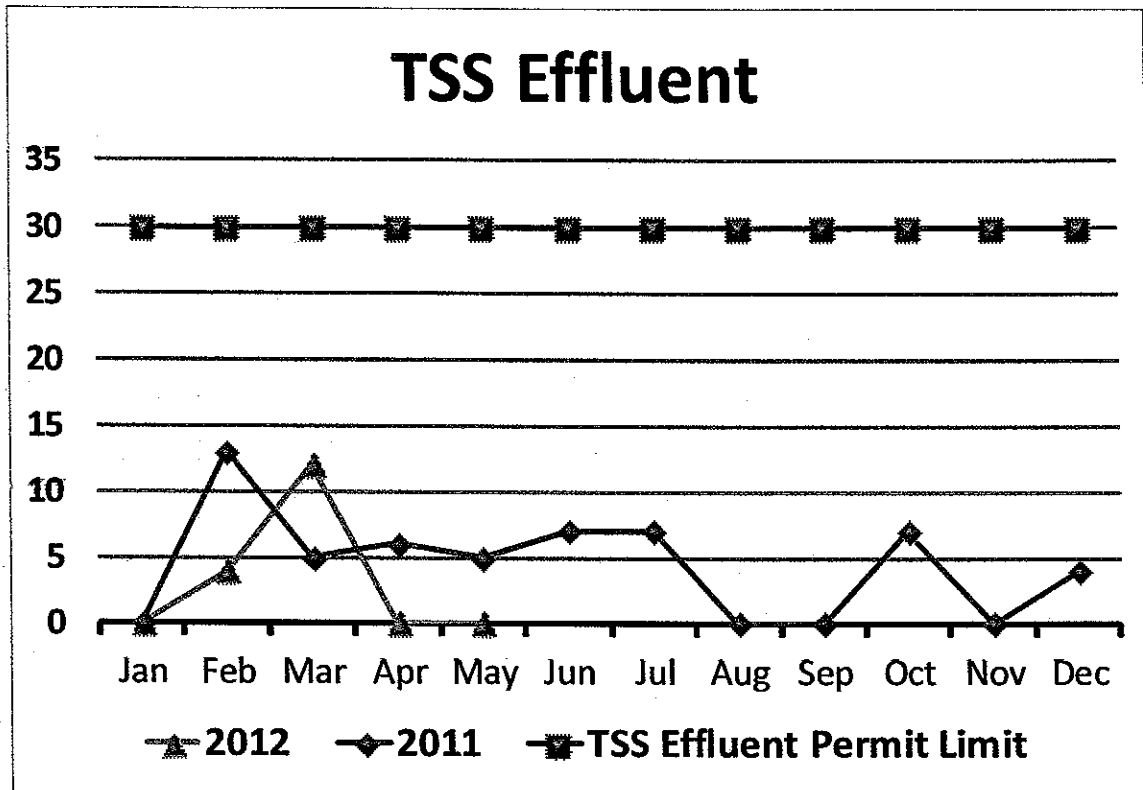
### **Wastewater Operation & Maintenance**

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- The monthly effluent sampler was set up on 5\07\12 and then taken to the lab on 5\08\12. All samples results came back within permit limits.
- I placed an order for more U.V. bulbs this month to have on hand.
- I haven't removed any sludge from the plant yet. I plan to sometime this month.
- Normal daily operations, maintenance and cleaning was done including mowing and trimming.
- The plant ran well with on problems to report.







	Units	May-12	April-12	May-11
<b>Water</b>				
Average Daily Pumped to Plant	gallons	52,506	46,130	50,080
Total Monthly Pumped to Plant	gallons	1,627,700	1,383,900	1,552,500
Total Monthly Pumped to Dist System	gallons	1,468,000	1,224,000	1,250,000
Average Daily Pumped to Dist System	gallons	47,354	40,800	40,322
Wells - Total Runtime	hours	141	120	126
Wells - Average Daily Runtime	hours	5	4	4
<b>Wastewater</b>				
<b>CBOD</b>				
CBOD Effluent	mg/L	3	4	3
CBOD Eff Permit Limit	mg/L	25	25.0	25
<b>TSS</b>				
TSS Effluent	mg/L	<4	<4	5
TSS Effluent Permit Limit	mg/L	30	30	30
<b>Nitrogen Ammonia</b>				
NA Effluent	mg/L	not needed	<0.10	0
NA Effluent Permit Limit	mg/L	53	53	89
<b>Effluent Flow</b>				
Total Monthly	gallons	889,000	872,000	877,000
Average Daily	gallons	28,677	29,066	28,290
Maximum Daily	gallons	55,000	52,000	37,000

Contract True-Ups - Current Contract Year				
Item	Budgeted Amount	Amount Spent	% of Budget	% of Time
Maintenance Budget	\$8,193.00	\$7,439.00	91%	92%

**Completed Work Order List Report**

Completed	Equipment Number	Task	Description	WO #	Type
5/15/2012	5104 BLW	MPM	Monthly Preventive Maint.	2957	Sched
5/18/2012	5104 GENERATOR	CHECK FLUI	CHECK FLUID	2961	Sched
5/18/2012	6104 HSP#2	INSPE UNIT	INSPECT ENTIRE UNIT	2979	Sched
5/18/2012	6104 HSP #1	INSPE UNIT	INSPECT ENTIRE UNIT	2978	Sched
5/18/2012	5104 PUM	INSPE UNIT	INSPECT ENTIRE UNIT	2976	Sched
5/18/2012	5104 COMM	GREASE	Grease Bearings	2960	Sched
5/18/2012	5104 BLW MOTOR #1	GREASE	Grease Bearings	2956	Sched
5/18/2012	5104 PUMP	INSPE UNIT	INSPECT ENTIRE UNIT	2977	Sched

May 15, 2012

Chairperson, Douglas County SID #177  
14710 West Dodge Road  
Suite 203  
Omaha, NE 68154

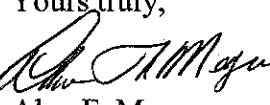
Dear Chairperson,

Pursuant to Paragraphs 1.3 and 4.2 of the Operations and Maintenance Agreement dated July 15, 2009 between the Sanitary Improvement District #177 (Riverside Lakes) of Douglas County, Nebraska and PeopleService, Inc., the maximum annual maintenance/repair (non-capital) expenditure amount and the monthly compensation SID #177 pays for our services are to be adjusted each July 1<sup>st</sup>. This adjustment is to be based on the change in the Consumer Price Index for All Urban Consumers (CPI-U) between April of 2011 and April of 2012.

The change to the CPI-U was an increase of 2.3%. Thus, effective July 1, 2012, the District's maximum annual maintenance/repair (non-capital) expenditure amount will be increased from \$8,193 to \$8,381 and the monthly compensation will be increased from \$6,774 to \$6,930.

PeopleService would appreciate your signing this letter in the space provided below, and returning a copy to the address shown at the top of this letter. By doing so, you acknowledge receipt of this letter and the adjustment and increase in accordance with the Operations and Maintenance Agreement.

If you have any questions, please don't hesitate to contact either Duane Grashorn, our Region Manager for your area, or myself.

Yours truly,  
  
Alan F. Meyer  
President

Acknowledged:  
SANITARY IMPROVEMENT DISTRICT #177

By:   
Chairperson

Dated: 6-13-12

# EXHIBIT "F"

At the last meeting we were asked to have the lakes water sampled. We did and would like to report that there is nothing toxic or harmful in the lake water. We did find the well test rather alarming. High levels of phosphorus, .22mg/L when an acceptable high level would be .05.

Phosphorus is the primary cause of algae blooms. Especially Toxic Blue Green algae. Phosphorus is a problem in that once introduced it does not dissipate but becomes a permanent pollutant. The problem will only continue to grow worse as more is added. One pound of phosphorus produces 300 to 500 pounds of algae.

The fishing Lake has had so much phosphorus pumped into it that it is completely out of control and no longer responding to chemical treatment. The lake will need to have action taken to abate this phosphorus. The sludge will have to be removed. The lake has been severely damaged. Those of you from the big lake that are skeptical of the effects of phosphorus need only to go the fishing lake and see for yourself. This is the way it looks after repeated chemical treatments. It has been treated 5 different times this month.

Mark Kemp, West Virginia University writes. Too much phosphorous triggers algae blooms through a process called eutrophication, that depletes the receiving waters of oxygen under certain conditions, killing the aquatic life. In many surface waters, algae blooms can have considerable detrimental impacts on leisure activities, fish and other organisms

University of Nebraska says reducing the amount of nutrients such as phosphorus is the most important step toward reducing toxic algae in lakes and ponds. Thus the well has been shut off to the fishing lake and only the old well that has no problems has been left on to the boating lake. We have 3 wells and two of the wells are affected. The S.W. and N.W. Wells. The old well on the south east in our drinking water well field does not appear to have problems and is currently pumping into the big lake.

I feel our first priority is to figure out how we are going to clean up the fishing lake, as it has the bigger problem. A workable plan needs to be formed and acted upon. We need more time to figure out a solution. I only hope we can somehow save the season for the people on the fishing lake. Water quality problems have been building on both lakes for several years now. We need to address this now. The fishing lake is in big trouble. Perhaps we could get a committee of residents on the Fishing Lake to research and propose workable solutions. We also will need a committee formed to come up with a workable and cost effective way to fix these wells.

I know that many of you are here demanding that the S.W. well to the big lake be turned on. You feel you can deal with the algae later. I guess I am willing to make the motion we turn that well on even knowing it contains unacceptable high levels of phosphorus that will permanently pollute the lake. If I can get a second on that, the board can surely have a vote. But before we take that vote I would like to introduce Bill Neal. He is a former resident of Riverside lakes. He is a degreed Biologist and retired manager for

environmental affairs at O.P.P.D. He is currently serving on the board at West Shores. He will be glad to fill you all in on the dangers of adding phosphorous to the lakes.



# EXHIBIT

"G"

## 2012 June General Fund Warrants

<u>Date</u>	<u>Num</u>	<u>Transaction</u>	<u>Payment</u>	<u>Deposit</u>	<u>Balance</u>
06/19/12		General Fund Cat: (Special) memo: Transfer to General Fund		\$8,238.28	47,440.51
06/19/12	5972	Nebraska Department of Revenue Cat: Sales Taxes memo: May	420.74		47,019.77
06/19/12	5973	Ginger Parker cat: Prof Fees: Bookkeeping/supplies memo: May	155.00		46,864.77
06/19/12	5974	Robert Lynn cat: Clerk Fees/memorial memo: May	94.35		46,770.42
06/19/12	5975	Carlson & Burnett, LLP cat: Legal memo: June Attney fees	1,000.00		45,770.42
06/19/12	5976	Peoples Service cat: grounds memo #2451131	6,774.00		38,996.42
06/19/12	5977	Papillion Sanitation cat: Repair/Maint Grounds memo: #2431029	38.50		38,957.92
06/19/12	5978	Omaha Public Power District cat: split memo: June	2,427.21		36,530.71
06/19/12	5979	Higgins Professional Lawn Care cat: Repair/Maint Grounds memo: contract labor 2000.entry flowers	2,029.12		34,501.59
06/19/12	5980	Menards cat: Repair/Maint lake memo:#71145	39.99		34,461.60
06/19/12	5981	Inspro cat: insur: Columbia com pkg policy Repair/Maint Grounds memo: policy #CMPNE11182	4,151.00		30,310.60
06/19/12	5982	Rod Anderson cat: Repair/Maint lake memo: electric work lake #8028#	285.00		30,025.60
06/19/12	5983	Grass Groomers cat: Repair/Maint Grounds memo: #715 mowing	3,332.50		26,693.10
06/19/12	5984	Reasonable Rain LLC cat: Repair/grounds memo: #616767 boat ramp	350.00		26,343.10
06/19/12	5985	Mutchis Lawn & tree cat: Repair/Maint Grounds memo: #616767 boat ramp	64.20		26,278.90
06/19/12	5986	Farmers National Co cat: lakes algae chemicals memo: #4400/#4390	10,088.44		16,190.46
06/19/12		K Buesing cat: Misc incRepair/streets memo: boat key replacement#2107		75.00	16,265.46
					16,265.46
					16,265.46

**Warrant Resolutions and Resolution of Tax Exemption  
(Exhibit "H" To Minutes)**

The Board of Trustees of Sanitary and Improvement District No. 177 of Douglas County, Nebraska hereby:

**BE IT 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 covenants, warrants 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 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 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 sell or otherwise dispose of said improvements and/or facilities, in whole or in part, prior to the last maturity of the above Warrants.

**BE IT FURTHER RESOLVED** that the District hereby covenants, warrants and agrees as follow: (a) to take all actions necessary under current federal law to maintain the tax exempt status (as to taxpayers generally) of interest on the above warrants; (b) to the extent that it may lawfully do so, the District hereby designates the above Warrants as (B) (i) (111) 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 that \$5,000,000 during the calendar year in which the above warrants are to be issued.

**BE IT FURTHER RESOLVED**, 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 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.

**BE IT FURTHER RESOLVED**, that the Board of Trustees of Sanitary and Improvement District No. 177 of Douglas County, Nebraska ("the District") as follows:

Section 1: The Board of Trustees of the District hereby finds and determines:

- (a) that the District was duly formed and remains in existence pursuant to the Constitution and applicable laws of the State of Nebraska:
- (b) that the District has heretofore issued and there are now outstanding bonds and/or warrants of the District (collectively, the "Outstanding Tax-Exempt Obligation"); and
- (c) that it is necessary and advisable for the District to adopt certain procedures to promote compliance with certain federal tax and securities laws relating to the Outstanding Tax-Exempt Obligation.

Section 2: Now therefore be it resolved that the policy and procedures attached hereto as Exhibit -- "Policy and Procedures" are hereby adopted by the Board of Trustees of the District in all respects.

Section 3: This Resolution shall be in full force and effect, immediately upon its adoption by the Board of Trustees.

The Chair declared said Resolution duly passed and adopted.