

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

July 18, 2016

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 July 18, 2016, at 7:30 p.m. at D.C. West Public School Library 7th & Washington Streets, Waterloo, Nebraska.

		<u>Present</u>	<u>Absent</u>
Keith Heinrich	Chairman	X	
Robert W. Lynn	Clerk	X	
Chris Perchal	Trustee	X	
Tony Staup	Trustee	X	
Larry Rasmussen	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 and John Kuehl of D. A. Davidson the Fiscal Agent for the District.

The Chairman Keith Heinrich 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 on the website and Posted in the District. The "Certificate of Posting Notice" 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 Notice of Meeting 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, 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 June 22, 2016: Following discussion of the Minutes previously circulated, Trustee Staup moved that the Minutes of the June 22, 2016, meeting be approved and Trustee Perchal 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 June 22, 2016, as completed and filed with the Omaha City Clerk.

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

People Service Report: Robert McLaughlin of People Service Report was in attendance to discuss any questions that the Board may have. Robert reported that he was in the process of scheduling the inspection and report (probably next Friday) for the waste water treatment plant engineering report recommending the amount and scope of repair. Robert has coordinated this inspection through TDD (Art Beccard and Charlie Riggs) with their recommendation and affiliation of Olmstead Engineering. This is necessary for both planning and prior to People Service submitting to the State of Nebraska a request for additional assistance for funding of such repairs. This request for assistance with funding is actually made to the Nebraska DEQ. The People Service Report is attached to these minutes as Exhibit "D".

Fiscal Agent Report. John Kuehl of D.A. Davidson was in attendance to discuss the status of the outstanding debt and financing options for the future fishing lake dredging, water treatment plan improvement, waste water treatment improvement, and the alum applications. John Kuehl started by presenting a Financial Information Report attached to these minutes as Exhibit "E". The highlights of the report discussed. The final bond payment is scheduled to occur in February of 2017. The Board discussed Mr. Kuehl's recommendation that we payoff this one final payment in approximately 30 days so that we avoid the additional months of interest since we already have the cash in the Bond Fund to retire these bond issue. From the discussion, motion was made by Trustee Staup and seconded by Trustee Perchal in the following form:

BE IT RESOLVED, that Sanitary and Improvement District No. 177 of Douglas County, Nebraska, Board of Trustees hereby calls in the General Obligation Bonds, Series 2012, dated February 15, 2007 for redemption on August 19, 2016 in accordance with the full "Bond Call Resolution" attached hereto and incorporated herein as Exhibit "E" to these Minutes and hereby authorizes the Clerk and Chairman to execute the attached Bond Call Resolution and deliver it to D.A..Davidson to proceed with the call.

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

The Board further discussed some of the high points of the Financial Information Report presented by John Kuehl. With the "call" of the only outstanding bond issue, the Board will not have any outstanding bonds as of September. The Board discussed the availability of maintaining the Bond Fund Levy at 0.1500 dollar/\$100. By maintaining this levy for the 2017 year, the Bond Fund will generate approximately \$90,000 of tax revenue. The general discussion is that this tax revenue will be ear marked for repairs to the water treatment facilities and waste water treatment facilities. The Bond Fund has a current balance of \$352,206. These funds are available for use to repair the water treatment plant or for funding of the dredging project anticipated in the spring of 2017 for the fishing lake.

Grounds: Trustee Staup reported that he Mutchie Tree Care was prepared to treat the ash trees in and throughout the District for the ash borer. The exact timing is left to the discretion

of Mutchie Tree Care. Trustee Staup reported that the sprinkler systems have been looked at and any repairs needed will be completed in the next month or so. The pumps are all operational and in good shape. A few sprinkler heads will need to be repaired or replaced.

The Board had discussion and questions from citizens on the procedures to have trees trimmed. Chuck Higgins reported that nearly all the District's trees have been recently trimmed. As the Board and residents discussed the locations that may need trimmed, most of the locations were on private property or the trees of residents. Trustee Lynn was going to speak to one homeowner to see if they would trim back the trees on her three lots (2 different sides of street) that are the most severe in terms of street encroachment. The Board discussed the need to remind the HOA and the residents to trim their trees from overhanging the streets where they interfere with either vision or vehicles.

Trustee Staup and Attorney Carlson reported on a meeting that they had attended earlier in the day with the Village of Waterloo (Garry Lee and one other council person), People Service (Robert McLaughlin and another rep) and MUD (Keri Kasun and Dave DeBoer). The purpose of the meeting was to discuss and explore whether the Village of Waterloo would be willing to participate in the purchase of MUD water and resale of it to Riverside Lakes. Currently, Waterloo is facilitating this service to West Shores Lakes Subdivision. MUD is prohibited from the direct sale of water to SID's. As such, although MUD can supply the water to Riverside Lakes, it would have to contractually run the water contracts through Waterloo. The general consensus was that Waterloo was doing it currently and would be very willing to do it to facilitate the process with Riverside Lakes. Mr. DeBoer of MUD presented a conceptual Village of Waterloo "Water System Boundary Map" that outlined the potential service area. The conceptual plan would call for bringing a water main across the Elkhorn River on the southeast side of Riverside Lakes just north of Pacific Street/Skyline Drive. Previous estimates provided the District estimate the installation and conversion over to MUD water (through the Village of Waterloo) close to \$1.0 million for installation. The current commodity charge by MUD to Waterloo is \$1.25/1,000 gallons. Assuming that Waterloo was merely the conduit to be billed for the water and to reimburse MUD, they would typically mark up the cost by approximately ten percent. The SID would continue to handle the billing and oversee repairs to the water lines in the District through People Service as it is doing currently. If the Village of Waterloo was to take over the entire water system and operate it, billing and line maintenance rates would likely be close to \$3.50/1,000 gallons. This significantly higher cost is to create a "sinking fund" to cover the future updates and repairs to the water distribution system that will be required. The representative of Waterloo greatly prefers being a conduit and not being responsible to takeover and run the entire system. With regards to waste water treatment, currently Waterloo probably does not have capacity to service Riverside Lakes without a significant upgrade to its current capacity. The cost for this upgrade is probably in excess of \$500,000. The Water Treatment Plant is operating at about 70% capacity but is obligated to maintain capacity as new homes come online with West Shores Lake. There would be additional infrastructure costs to install the pipe. The cost of both of these options (water treatment and waste water treatment) seemed to Attorney Carlson and Trustee Staup to be more than the District would spend at this point in time. However, if down the road the District wanted to change over to MUD water, the procedures and opportunity are clearly available as an option.

The Board had discussed updates to both the waste water treatment plant and the water plant. After considerable discussion, the Board agreed that they need to take a look at “like for like” contractors who could replace the four tanks, media and piping in the water treatment plant. Since this is a “like for like,” it should require very little engineering, at least at this stage, to get bids from a number of vendors. Trustee Rasmussen will contact a number of vendors to see if he can obtain bids for the proposed work.

Lake Management: The Board discussed that a couple of the Trustees, along with the District’s special council, Mike Linder of Koley Jessen, had met with the NDEQ to discuss the variance/application for alum applications. For the NDEQ was Jim Macey and Jim Bender. The state representatives were very impressed with the actual testing, studies and knowledge of the Riverside Lake with regards to the hydrology and water quality studies. From this meeting, the Board is anticipating permission to proceed with a mild alum application to the Fishing Lake. The full application for major treatment will likely be spring. However, the mild treatment to the Fishing Lake will greatly assist with the mapping of the lake and better assist with moving the dredging project forward.

Trustee Perchal reported that Outback Construction of Fremont, Nebraska, would begin repairs the first week of August to approximately 170 linear feet of seawall around the North Island, and approximately 50 feet of seawall around the South Island. There may be a need for limited “no wake” activity, but currently because of the high water, these condition has been predominately the norm for the summer. Trustee Perchal also agreed, at the request of a resident, to contact Kevin Danker at the City of Omaha to have a very deteriorated seawall looked at and, hopefully, the resident cited. The resident has been written and requested to do the repairs a number of times but so far not complied.

Payment of Bills: Trustee Lynn 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 “F” and incorporated herein. The Board also discussed the need to pay ongoing expenditures of the District between meetings. To facilitate the payment of standard and recurring expenses for the District, the Trustees concurred that the adoption of an ongoing resolution authorizing these payments is and would be appropriate. After reviewing the bills, a motion was made by Trustee Lynn and seconded by Trustee Rasmussen 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. 6760 through 6778**, of the District, to the payees and in the amounts listed on the attached Exhibit “F”, said Warrants to be drawn on the General Fund of the District and to draw interest at the rate of six (6.0%) per annum and to be redeemed no later than three years after issuance, subject to the extension of the said maturity date by order or 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, that the Board

hereby authorizes and approves that the Chairman and Clerk to pay the bills between meetings, to execute and sign warrants on behalf of the District, to pay the regular and recurring bills that may come due between meetings. That authorization is to continue from and after the date of this meeting through the fiscal year end.

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 "G" 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.

Other Matters: The Board discussed that some residents or their guest seem to be getting a little lax on following the parking rules. The major area of concern was construction workers parking all day long in the area more appropriately reserved for individuals to park for loading and unloading boats at the parking ramp. The area is not large enough and was not intend for all day parking except by folks using the parking ramp. The Board instructed Trustee Staup to arrange for the purchase and installation of appropriate signage in this area.

Next Regular Meeting Date, Location and Time: The next regular meeting will be conducted on Monday, August 22, 2016, at 7:30 p.m., at the DC West Public School Library, 7th & Washington Streets, Waterloo, Nebraska.

Adjourn Meeting: There being no further business to come before the Board, following a motion made by Trustee Staup and seconded by Trustee Perchal, 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"	Certificate of Posting Notice of Meeting
Exhibit "B"	Acknowledgment of Notice of Meeting
Exhibit "C"	Agenda for Meeting
Exhibit "D"	People Service Report
Exhibit "E"	Financial Information Report from D.A. Davidson
Exhibit "F"	Bond Call Resolution
Exhibit "G"	General Fund Warrants
Exhibit "H"	Warrant Resolutions and Tax Exemption Resolutions