

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

**JUNE 18, 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 Jun. 18, 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
	Jerry Hraban .....	Trustee
	William Reppert ....	Trustee

**ABSENT:** None

Notice of the Meeting was given in advance by publication in **The Daily Record**, a legal newspaper published in Douglas County, Nebraska, on Jun. 10, 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:** All of the Board Members being present, Chairman called the Meeting to order at 7:34 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 on display at each meeting of the Trustees.

**Agenda Item 3. Approve Minutes of Meeting held on May. 22, 2008:** Following discussion of the draft of the Minutes previously furnished the Trustees, Trustee Hraban moved that the Minutes be approved, and Trustee Parker seconded the motion. On roll call vote thereon, the following Trustees voted aye: Miller, Parker, Clark, Hraban 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 May. (S.T.) was reviewed by the Board.

**Agenda Item 5. Insurance presentations:** Linda McDermitt, Fricke & Associates, and Rodney Muench, First Western Insurance, presented a proposal for the renewal of the District's insurance policies (S.T.) which expire on July 10th, and answered questions.

During the discussion Rodney stated that he could not discuss pending litigation but did answer "yes" or "probably" to the question posed by the Attorney: "would the following acts constitute "wrongful acts" (acts, errors, omissions) under the Darwin Professional Liability Insurance Policy carried by the District:

- Failing to protect SID property from misuse and abuse;
- Failing to enforce SID rules and regulations;
- Failing to use its authority to make and enforce the necessary rules and regulations to the benefit of residents;
- Permitting the creation of a nuisance; and
- Failing to protect resident's property from a nuisance.

These are allegations in the pending suit and Darwin has denied coverage under the policy.

Jeff Jorgensen with Inspro Insurance advised that he is working on a proposal to secure insurance policies with the Birkshire Companies replacing the District's current policies with EMC, Darwin and Scottsdale.

After discussion the following Resolution was proposed by Trustee Hraban and seconded by Trustee Parker:

**RESOLUTION**

**RESOLVED**, by the Board of Trustees of Sanitary and Improvement District No. 177 of Douglas County, Nebraska, that because the Trustees will not be meeting before the July 10, 2008 termination of the District's current policies, the Trustees be authorized to accept the insurance carriers, coverages and policies which they believe to be most beneficial for the District by majority, verbal vote of the Trustees, with a record of the votes being included in the Minutes of the next meeting of the Board of Trustees.

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

6. **Comments from audience:** None.

7. **Reports and Business:**

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**7.1 Water and Waste-water Plants:** A three year inspection of the water treatment plant resulted in an order requiring that all chemicals be removed from the building so that they cannot be injected into the water supply, and that a flaper valve be installed in the waste water treatment discharge line to prevent possible back flow. After discussing the possibility of purchasing a lockable shed, the Board decided to ask Brian to inventory the chemicals to determine if some are surplus and can be disposed of. The required flaper valve will be installed.

**7.2 Lakes Management:** Trustee Reppert reported that efforts are underway to attempt to pump water (which is at an all time high) out of the Boating Lake as soon as the engineers are of the opinion that the water table level will permit successful pumping. The manifold on the outlet pipe has been welded and the pump repaired. He mentioned that all of the lakes in the vicinity are experiencing extremely high water levels and have not been able to lower the water levels even though they have significant pumping capacity. The Fishing Lake level has dropped 2" but the level in the Boating Lake has not changed. The Elkhorn River is reported to have dropped 7'. Some residents complained that pumping out had not been started. The Trustees agreed to consider pumping when it can be done at a reasonable cost and with good predictable results.

**7.3 Grounds Management:** The study conducted by the District's Engineer last year indicated that the District's streets were in fairly good condition for a SID, however, the winter has taken its toll and Trustee Clark has located 146 square yards of areas of severe damage and 57 sq. yds. of areas needing repairs. He recommended that these areas be patched and sealed at a cost not to exceed \$15,500.

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 the Board authorize Trustee Clark to secure bids for the patching and sealing of the areas which he has designated for repairs at an expenditure of up to \$15,500. -

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

The Chairman will check with the County to attempt to arrange for fogging for mosquitoes. The County has marked the locations for the No Parking signs and expects to have them installed before the July 4th weekend. Trustee Clark will get bids for the installation of a watering system for the volley ball-tennis areas. The idea of a drinking fountain was rejected. Several trees will need to be replaced.

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**7.4 Legal:****7.4.1 Executive Session to discuss litigation:** Deferred.**7.4.2 2008 election of Trustees:** Timetable:

Jul. 1, 2008: E-mail list of owners and label file;  
Jul. 6, 2008: Deadline for Notices of Election;  
Jul. 21, 2008: Filing deadline for candidates;  
Aug. 20, 2008: Ballots mailed to owners;  
Sep. 11, 2008: 10:00 a.m. deadline for return of ballots.

The Clerk will print the labels, sign the notice and the Attorney will mail the notices.

**8.5 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 Reppert:

**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. 5236 through 5246** 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 Jun. 18, 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 the Chairman and Clerk be, and they hereby are, authorized and directed to execute and deliver **Warrant No. A487** of the District, dated the date of this Meeting, to the payee and in the amount listed on the attached Exhibit "A", said Warrant to be drawn on the Construction Fund of the District, and to draw interest at the rate of six and one-half percent (6.5%) percent per annum (interest payable on Oct. 10th of each year) and to be redeemed no later than Jun. 18, 2013, 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

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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) 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 its "qualified tax exempt obligations" under Section 265(b)(3)-(B)(i)(iii) of the Internal Revenue Code of 1986, as amended, and covenants and warrants that the District does not reasonably expect to issue warrants or bonds or other obligations aggregating in the principal amount of more than \$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

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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, Hraban, and Reppert; voting nay: None. The Chairman declared said Resolution duly passed and adopted by the Board.

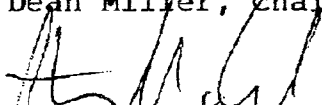
Agenda Item 7. Set Next Meeting Date, Location and Time: The next Regular Meeting of the Board will be conducted on Jul. 23, 2008, at 7:30 p.m., at the D.C. West Public School Library, 7th & Washington Streets, Waterloo, Nebraska.

Agenda Item 8. Adjourn Meeting: There being no further business to come before the Board, the Meeting was, upon motion by Trustee Parker, seconded by Trustee Reppert, with the following Trustees voting aye: Miller, Parker, Clark, Hraban, and Reppert; voting nay: None, the Meeting was adjourned at 10:00 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

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**SUPPLEMENTAL TRANSCRIPT**

1. PeopleService Report for May, 2008.
  
2. Fricke & Associates proposal for the renewal of the District's insurance policies which expire on July 10th.

2008 June General Fund Warrants

<u>Date</u>	<u>Num</u>	<u>Transaction</u>	<u>Payment</u>	<u>Deposit</u>	<u>Balance</u>
06/18/08		General Fund Cat: (Special) memo: Transfer to General Fund		7,398.40	68,321.77
06/18/08	5236	Douglas County Engineer cat: Grounds memo: parking signs	3,332.00		64,989.77
06/18/08	5237	Nebraska Department of Revenue Cat: Sales Taxes memo: May	376.02		64,613.75
06/18/08	5238	Paula Magiera cat: Prof Fees: Bookkeeping memo: May	115.44		64,498.31
06/18/08	5239	Ginger Parker cat: Clerk Fees memo: May	92.45		64,405.86
06/18/08	5240	Daily Record cat: Publication memo: Inv # 79117	21.20		64,384.66
06/18/08	5241	Don Overholt cat: Professional Fees: Legal Fees memo: May	1,200.00		63,184.66
06/18/08	5242	Peoples Service cat: Repair/Maint.: Contractor Fees memo: May	6,182.00		57,002.66
06/18/08	5243	Brian Toelle cat: Repair/Maint: Grounds memo: #803,808,811,812,813,814,815	8,135.61		48,867.05
06/18/08	5244	Ace Hardware cat: Repair/Maint: Grounds memo: Misc. Parts	98.86		48,768.19
06/18/08	5245	Eagle Services cat: grounds memo: Port Restrooms Inv 58489	77.04		48,691.15
06/18/08		Void Warrant # 5235 Signal 88 Security Group Reissue warrant # 5246		3,354.45	52,045.60
06/18/08	5246	Signal 88 Security Group cat: grounds memo: sec. comput/cam inv #550856	3,140.45		48,905.15

EXHIBIT A-1

**2008 June Bond Fund Warrants**

<u>Date</u>	<u>Num</u>	<u>Transaction</u>	<u>Payment</u>	<u>Deposit</u>	<u>Balance</u>
04/16/08		Balance Forward			65,216.22
06/18/08	A487	First National Bank cat: Bond Mgmt Fes Inv June 13, 2008	\$2,800.00		62,416.22

*EXHIBIT A-2*