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SANITARY AND IMPROVEMENT DISTRICT NO. 23
OF SARPY COUNTY, NEBRASKA

Minutes of Meeting of Board of Trustees
October 7, 2014

A meeting of the Board of Trustees of Sanitary and Improvement District No. 23 of Sarpy County, Nebraska was held on October 7, 2014 at 6:30 o'clock p.m. at Westmont Elementary School, 13210 Glenn Street, Omaha, Nebraska.

Present were Chairwoman Jeannine Glesmann (402.616.5581), Trustee Shirley Merritt (402.896.9047), Trustee Bob Burbee (402.896.1084), and Trustee Michael Quinn (402.699.1788). Also present were Gerald Pesek of G.F. Pesek, Inc., Gary Shepherd of Professional Accounting Service, Accounts Receivable Clerk June Jordening, Accounts Payable Clerk Linda Comstock, and Attorney Cassidy V. Chapman of Johnson, Pekny & Chapman, L.L.C.

Notice of the meeting was given in advance thereof by publication in The Papillion Times on September 24, 2014. All proceedings hereafter shown were taken while the meeting was open to the attendance of the public.

1. **Compliance with Open Meetings Law**: In compliance with the Act, Chairwoman Glesmann provided a current copy of the Nebraska Open Meetings Act on the table.

2. **Approval of Minutes:** Trustee Merritt mentioned that she didn't speak with the Sarpy County Sheriff about the neighborhood watch, as was indicated in the September 2, 2014 minutes. It was just a representative from that office. Trustee Burbee motioned to approve the September 2, 2014 minutes with the noted change. Trustee Glesmann seconded. All voted in favor.

3. **Next Meeting Date:** The next meeting of the Board will be held on November 4, 2014 at 6:30 p.m. at Westmont Elementary School, 13210 Glenn Street, Omaha, Nebraska.

4. **Resident Concerns**: Ron Cook mentioned that the minutes were not available at the store when he went last week. Trustee Quinn stated that he gave the store 45 copies. He also noted that they were not available online. Mr. Cook also mentioned that he ran into Gerald Pesek and that they talked about putting limits on the amount of time residents can talk because the last meeting took so long.
   Trustee Merritt noted that the neighborhood watch meeting with be held on Monday, November 3, 2014 at 6:30 p.m. in the Westmont Elementary gymnasium. Curtis Rainge of the Sarpy County Sheriff's Office will be in attendance. Signs for the neighborhood watch would cost $35. Trustee Quinn was under the impression that the signs would be free.

5. **Report from G.F. Pesek:** Both wells are cycling properly. The routine monthly coliform test for September indicated "total coliform present, does not meet bacteriological standards" and "e.coli absent." The required additional four repeat samples were submitted and all samples met standards. This meets the NDHHS requirements. Trustee Burbee asked if the dam site could be causing this. Mr. Pesek stated that it could not be the problem because at least one of the samples has to come from the well.
   The Annual Nitrate 3rd quarter 2014 samples of both wells reported 0.271 mg/L and 0.264 mg/L. The results meet the MCL of the EPA standards.
   The lift station was monitored and is cycling properly. There was power interruption during a lightning storm, which triggered a response call.
   The water shut off project detected curb stop issues at three sites.

6. **Professional Accounting Service:** Gary Shepherd reported that fund balances as of August 31, 2014 were as follows:

| | |
|---|---|
| General Fund | $125,393.57 |
| Bond Fund | $159,362.13 |
| Bond Investment | $0.00 |

| | |
|---|---|
| Water Deposits | $3,450.00 |
| Bond Reserve Fund | $6,530.17 |

The bond reserve fund, which was in a CD, matured in August of 2014. It will be transferred to the general fund.
Mr. Shepherd distributed to the Trustees copies of his graphs of general fund activities and a review of those graphs ensued. Total usage was 324,723. Average usage was 818 cubic feet. Minimum users were 325. Total users were 397. The average water bill was $35.70. Sales tax in the amount of $802.29 was paid in September for the month of August.

Mr. Shepherd next distributed to the Trustees his accounts receivable analysis showing those accounts currently in a delinquent status. Shut-off notices will be mailed with regard to the following accounts if balances are not received by October 15, 2014:

| Account Number | Account Name |
|---|---|
| 1070 | David Kurth |
| 1095 | Gregory Middleton |
| 1105 | Russell Swanson |
| 1144 | Sam Kohlbeck |
| 1212 | Stacey Trecek |
| 1282 | Steven Pope |
| 1285 | Les Nelsen |
| 1311 | Richard A. Matthews |
| 1319 | Stephen Warren |
| 1356 | Brandy Irvin |
| 1358 | Jim Howell |
| 1383 | Ryan Jeffery |

7. **Accounts Receivable:** June Jordening reported that 16,915.17 was deposited for the month of September.

8. **Engineering Issues:** Mr. Pesek is working with TD2 regarding the roof for the well house. There is also additional weatherproofing work being done on the building. The roof is done, but the ancillary work isn't done yet.

**Attorney Issues:** The attorney said that a demand letter was sent to Mike Bendon regarding all of the District information he has been collecting and refusing to share with the board. The attorney gave a fourteen (14) day deadline to receive the information.
The attorney also sent a letter to TREKK demanding payment for the damaged sidewalk. A fourteen (14) day deadline for payment of $2,650.00 was given. Mr. Pesek got ahold of TREKK right after the last meeting and he put them in touch with Trustee Quinn again. That particular individual said he wasn't aware of the claim. He said that he has his own people to fix their problems. He said that he would look into it and get back to Mr. Pesek about it. The attorney stated that there is no reason for Mr. Pesek to have to be involved as a middle man. Trustee Quinn talked to him and the guy said he would get back to him in a week, which he hasn't done. The damage to the sidewalk was actually from when they did some pumping work at the lift station, not from dealing with the root removal.
The attorney provided a draft of the VA water service agreement. She stated that she had spoken with Brian Schuele from Olsson Associates, who is managing the project for the VA. The attorney noted that she received TD2's estimate of quantities and costs for construction of the water main extension and it is $57,850.65. The attorney told Mr. Schuele today that she planned to work with the District accountant to make modifications to the agreement so that payments are made as the project is underway. Additionally, Pat Lavelle told the attorney that the budget would need to be modified because of the amount needed for the project. The attorney also told Mr. Schuele that Trustees and District residents had noted concerns at the last meeting about water pressure. Mr. Schuele stated that someone from his company would be willing to come to the next meeting and discuss any concerns. When there are fires in the District, the fire department has to bring in water trucks because the

current system only provides appropriately 20 minutes of water pressure. The District's pressure requirements are the mandatory minimum. Mr. Pesek said that in order to increase the pressure, pressure systems are often used instead of towers. He said that that's what Omaha does. There is an existing issue because of the aging infrastructure, though. Some individual homes have installed pressure increasers, but Trustee Quinn noted that the Trustees don't want to put any costs on the taxpayers for this. The weakest point is at Jim Grimm's house. The whole upper third of the District is limited in pressure. Trustee Quinn also wants a yearly inspection on the water line to ensure that they aren't tapping into the water line anywhere else. Pesek asked how many meters. The attorney said three. Trustee Quinn asked if there would be a shut off for the water on District property. Pesek said that it would be possible. Mr. Shepherd said the District needs to be very careful about sewer usage. Trustee Burbee said they won't be using the District sewer lines, but they will still need to pay the sewer fee because it will still be charged to the District by the county. Omaha's sewer rates will increase all sewer rates. The attorney will work with Mr. Shepherd and TD2 to get numbers for billing and other contingencies accounted for in the contract.

9. **Payment of Bills:**

Trustee Quinn contacted Charlie Riggs at TD2 regarding the bills from last month for manhole repairs from TD2 and Jochim Precast Concrete. He hasn't heard anything back, so Warrants 9809 and 9810 are still on hold. Trustee Burbee motioned to pay all of the bills. Trustee Quinn seconded. All bills submitted for payment were approved by unanimous vote. The detail of the approved warrants is as follows:

| Warrant | Date | Issued to | Amount | Purpose | Invoice # |
|---|---|---|---|---|---|
| 9811 | 9/16/14 | Century Link | 84.92 | Phone South Well | |
| 9812 | 9/16/14 | Century Link | 84.92 | Phone North Well | |
| 9813 | 9/16/14 | Omaha World Herald | 84.89 | Publications | 153698140831 |
| 9814 | 9/21/14 | NDHHS | 143.00 | Water Testing | 455713 |
| 9815 | 9/21/14 | Abe's Trash Service | 47.25 | Maintenance shed trash service | |
| 9816 | 9/21/14 | Century Link | 126.01 | Phone Water Tower | |
| 9817 | 10/7/14 | City of Omaha | 5,000.00 | Sewer Fee – June | 103127 |
| 9818 | 10/7/14 | City of Omaha | 1,061.83 | Sewer Fee – June | 103127 |
| 9819 | 10/7/14 | Abe's Trash Service | 31.00 | Park trash service | 1004642 |
| 9820 | 10/7/14 | Johnson, Pekny & Chapman | 387.50 | Legal fees | 3946 |
| 9821 | 10/7/14 | OPPD | 2,223.27 | Electrical service | |
| 9822 | 10/7/14 | Johnson, Pekny & Chapman | 1,650.00 | Legal fees | |
| 9823 | 10/7/14 | Linda Comstock | 335.48 | Accounts payable – September | |
| 9824 | 10/7/14 | TD2 | 253.46 | Engineer fees | 106466 |
| 9825 | 10/7/14 | Kersten Construction | 254.00 | Shut-off curb stop | 32014 |
| 9826 | 10/7/14 | G.F. Pesek | 4,055.00 | Maintenance – September | |
| 9827 | 10/7/14 | June Jordening | 557.38 | Accounts receivable – September | |
| 9828 | 10/7/14 | Professional Accounting | 1,498.28 | Professional accounting | |
| 9829 | 10/7/14 | June Jordening | 138.75 | Garden maintenance | |
| 9830 | 10/7/14 | Mike Quinn | 144.68 | Clerk fees | 108 |
| 9831 | 10/7/14 | Omaha World Herald | 7.79 | Publications | 153698140928 |
| 9832 | 10/7/14 | Century Link | 84.92 | Phone North Well | |
| 9833 | 10/7/14 | Century Link | 84.92 | Phone South Well | |

10. **Old Business:**

a. Bond items – Trustee Quinn discussed making park improvements in increments. He wants to see the project move along, so a vote is necessary. The attorney said that a vote would be necessary, bids would have to go out, the work would have to be completed, and warrants issued before the bond can get underway. Depending on what is approved, the budget would potentially need to be modified. Trustee Quinn believes that the park does need updates to make it friendlier so more people in the District use it. In the last six to seven years, he believes it has really gone downhill. The weeds are

taking over and it is looking pretty trashy. He believes the park would be taken out if the District is annexed and it is not in good shape. Trustee Burbee thinks that the fence does need to go up. He has seen people camping by the water tower. Trustee Burbee thinks the fence would go right up to where the VA is going to put in their fence. Trustee Quinn doesn't want to do a survey for the fence because it would be an extra cost. It would be easier to put it in after the VA installs their fence. They were supposed to have already done it. There is a problem with people camping by the water tower. Trustee Burbee also thinks improvements should be done in phases. Trustee Burbee thinks the District should start out with the shelter. Trustee Quinn will present specifics at next month's meeting.
Mr. Shepherd talked with a guy from Blackhills Energy for almost two hours about water meters. He couldn't get a price out of him for him to do the water meters. The guy said the meters the District has are fine, but their system wouldn't work with the meters. The cost would be $60,000.00 to replace the meters that would work with their interface. The current meters are definitely not accurate. Mr. Pesek went to an operators meeting in Seward. He said they replaced meters and it took five years to pay off. Mr. Shepherd thinks it's the smart thing to do. This could be wrapped into the new bond. This would pay for itself in four to five years.

b. Water deposits update – Ms. Comstock said Accounts 1055 Brandon, 1246 O'Connor, and 1346 Middleton cleared. There are 14 deposits remaining that Chairwoman Glesmann would like to just pay to the state unclaimed fund because she hasn't heard anything back from the property owners. Chairwoman Glesmann motioned for approval to do this. Trustee Burbee seconded. All voted in favor. Ms. Comstock has four warrants that were sent that haven't been cashed. These were all sent in the last three to six months. The attorney suggested that the Chairwoman follow up and tell people that if the warrants aren't cashed within a certain period of time, they will be cancelled and the amount will be submitted to the state unclaimed fund.
c. Tree trimming – The letter hasn't gone out yet. Chairwoman Glesmann asked that Trustee Burbee look for the letter.
d. The south sewer inlet cleaning has been completed.
e. Trustee Quinn looked at the streets for repairs. There are nine places that seem to be the worst. Two are around manholes that are sinking. These definitely need to be repaired. He sent these to Charlie Riggs to add to the old list. Some of the repairs will need to be made immediately. The rest can wait until spring.
f. Liens – Account 1337 was the HUD foreclosure house. It did sell and the outstanding was paid, but there is one more bill that needs to be paid. Based on the fiasco with this house, Mr. Shepherd would like all liens submitted to him so that he has a record for when he is contacted about it.
g. Sewer fees – Mr. Shepherd provided a report for amounts billed and collected for sewer fees. Discussion was had that the board needs to more regularly assess fees for water and sewer because expenses increase regularly. Sewer fees need to be raised under the Masters contract. Their sewer fees are $2.14. Former Trustee Bendon and Former attorney Larry Foreman put this together. Residents, on the other hand, pay $21.50.
Currently, the District is subsidizing the sewer fee because it is so low. Chairwoman Glesmann motioned to increase the rate to the standard residential rate of $21.50. Trustee Burbee seconded. All voted in favor. Mr. Shepherd will send a notice that the increase will begin next month.

**11. New Business:**

a. Williams put up landscaping, including trees and a sprinkler system, on Richland Drive. They have not installed sidewalks. Trustees Burbee and Quinn are concerned about the chemicals that they could be using. The grading on the property started without permits, so the project was shut down for a couple of months until they did get permits. Trustee Burbee is going to look into whether the permit required the installation of sidewalks.
b. Chairwoman Glesmann noted that she may have an update for the guy who hit the tree. He pled guilty and will be paying restitution. Chairwoman Glesmann received a letter from the county attorney today. She will provide that to the attorney.
c. The board is going to appoint a trustee to replace former Trustee Bendon at the next meeting. If any residents are interested, they could attend the meeting and express their interest in resident concerns prior to any vote.

Trustee Merritt motioned to adjourn. Chairwoman Glesmann seconded. All trustees voted in favor.