

**ACKNOWLEDGEMENT OF RECEIPT OF NOTICE OF MEETING
OF THE MAYOR AND CITY COUNCIL OF
THE CITY OF DAVID CITY, NEBRASKA**

The undersigned members of the governing body of the City of David City, Nebraska, hereby acknowledge receipt of advance notice of a regular meeting of said body and the agenda for such meeting to be held at 7:00 o'clock p.m. on the **9th day of March, 2016**, in the meeting room of the City Office, 557 N 4th Street, David City, Nebraska.

This agenda is available for public inspection in the office of the City Clerk and may be modified up to twenty-four hours prior to the opening of the meeting.

Dated this 1st day of March, 2016.

AGENDA AS FOLLOWS:

1. Roll Call;
2. Pledge of Allegiance;
3. Inform the Public about the location of the Open Meetings Act and the Citizens Participation Rules;
4. Minutes of the February 10th, and March 2nd, 2016 meetings of the Mayor and City Council;
5. Consideration of Claims;
6. Committee and Officer Reports;
7. Consideration of a taxi-way for Jared Storm at the David City Municipal Airport;
8. Public Hearing to amend Ordinance No. 1060 – Zoning Ordinance to amend Section 4.14.06 Accessory Buildings and Uses; Detached garages and outbuildings – 2. The sidewalls of said building shall not exceed 10 feet in height in R-2 Two Family Residential , R-3 Multi-Family Residential, and R-M Mobile Home Residential Districts; and shall not exceed 12 feet in R-1 Single Family Residential;
9. Consideration of Ordinance No. 1244 amending Ordinance No. 1060 – Zoning Ordinance to amend Section 4.14.06 – 2. The sidewalls of said building shall not exceed 10 feet in height in R-2 Two Family Residential , R-3 Multi-Family Residential, and R-M Mobile Home Residential Districts; and shall not exceed 12 feet in R-1 Single Family Residential;
10. Consideration of hiring Olsson Associates in the amount of \$27,000 for phases 1 and 2 to provide professional services concerning the Sewer Collection System Infiltration and Inflow Study;
11. Consideration of the bids received for a new server;
12. Consideration of the application by Ka-Boomer's Enterprises, Inc. to sell permissible fireworks at 1510 4th Street;
13. Consideration of entering into an Underwriting Engagement Letter with D.A. Davidson & Company in compliance with and under the rules, guidelines and allowable exceptions, effective July 1, 2014, as set out by the Securities and Exchange Commission;

14. Consideration of the sanitary sewer line concerning the installation of the box culvert on 11th Street;
15. Adjourn;

CITY COUNCIL PROCEEDINGS

March 9, 2016

The City Council of the City of David City, Nebraska, met in open public session in the meeting room of the City Office, 557 N 4th Street, David City, Nebraska. The Public had been advised of the meeting by publication of notice in The Banner Press on March 3rd, and an affidavit of the publisher is on file in the office of the City Clerk. The Mayor and members of the City Council acknowledged advance notice of the meeting by signing the Agenda which is a part of these minutes. The advance notice to the Public, Mayor, and Council members conveyed the availability of the agenda, which was kept continuously current in the office of the City Clerk and was available for public inspection during regular office hours. No new items were added to the agenda during the twenty-four hours immediately prior to the opening of the Council meeting.

Present for the meeting were: Mayor Alan Zavodny, Council President Gary Kroesing, Council members Tom Kobus, Gary Smith, Mike Rogers, and Kevin Hotovy, City Attorney James Egr, and City Clerk Joan Kovar. Council member John Vandenberg was absent

Also present for the meeting were: Craig Reinsch of Olsson Associates, Jared Storm and Shawn Koranda of Storm Flying Service, Micky Rutenbeck of Extreme Technology, Butler County Sheriff Marcus Siebken, Janis Cameron, Banner Press Editor Larry Peirce, Street Supervisor Rodney Rech, Electric Supervisor Pat Hoefft, Power Plant Supervisor Eric Betzen, and Sewer Supervisor Kevin Betzen.

The meeting opened with the Pledge of Allegiance.

Mayor Zavodny informed the public of the "Open Meetings Act" posted on the east wall of the meeting room.

The minutes of the February 10th and March 2nd, 2016 meetings of the Mayor and City Council were approved upon a motion by Council member Smith and seconded by Council member Rogers. Voting AYE: Council members Kroesing, Hotovy, Kobus, Rogers, and Smith. Voting NAY: None. Council member Vandenberg was absent. The motion carried.

Mayor Zavodny asked for consideration of claims. Council member Smith made a motion to authorize the payment of claims and Council member Kobus seconded the motion. Voting AYE: Council members Rogers, Kroesing, Hotovy, Kobus, and Smith. Voting NAY: None. Council member Vandenberg was absent. The motion carried.

Mayor Zavodny asked for any comments or questions concerning the Committee and Officer Reports.

Council member Rogers stated: "I spoke with the Mayor a few nights ago that I had something that I wanted to say to the people and to this Council. First, I would like to thank the members of the Council for tolerating my absence, and it's been several times, and I apologize to Mr. Peirce for not answering his e-mail but at the time it was a highly personal thing to me. I

want to thank members of the Butler County Sheriff's Office and Butler Bounty Communications for filling in for me when I was not there. Most of all, I want to thank my wife of 42 years who sat beside my bed when she didn't know if I was going to live or die. But, after four visits to Nebraska Heart and two visits to St. Elizabeth's Hospital when I didn't even know who I was and two visits to Butler County Health Care Center when I still didn't know who I was. I want you to know I appreciate them all and I love them all. I thank God for the strength he has given me and this is so difficult for me, no I'm not resigning, but I believe you needed an explanation. I've been asked: "Mike, why didn't you run?" Well that's why I didn't run and I have to have a kidney transplant after July which is unfair to me, my family, my friends, and I'm going to tell you something that not a lot of people will believe but Councilman Kroesing has stood beside me all the way. My friend, he's called me every other day to make sure I was okay when he had his own problems to worry about. I just wanted to talk about this publicly one time and I really don't want to talk about it anymore from here and I was scared about violating the rules tonight. If I would have had my kidney transplant I would have ran. I care about the people of David City, I really do, and my dream for David City was not to replace existing businesses but to bring new businesses into this town, and I hope you understand that and I hope you believe it. My dream was to see David City like it was on Friday nights with the streets filled and everybody laughing, joking, and having a good time. I know that's probably impossible with big stores like Wal-Mart and everything like that but I hope someday we can. I also want to thank St. Joseph's Villa for giving my wife all the time off she needed and my apologies to her for putting her through everything she had to go through. Thank You."

It was noted that we need to advertise the IRIS system as we only have about 20 – 30 people currently signed up. This is an important notification system for our customers to notify them when the City is flushing mains, have a power outage, upcoming projects, emergencies, etc. This will be marketed with fliers and brochures being distributed at various grocery stores, Senior Center, and it will be posted on the electronic sign by the Court House.

Council member Kroesing asked when anything was going to be done with the salary surveys. Kroesing stated: "We paid \$10,000 (Paul Essman, Capital City Concepts) for one, and now we have the annual survey from the League of Nebraska Municipalities, so there are two to consider."

Mayor Zavodny stated that they needed to carefully consider the surveys as this is a very involved process. Everything factors into this: pay, benefit package, holidays, vacation time, sick leave, personal leave, health insurance, comp time, retirement; you have to look at this in totality. A small group may be appointed to work on this. Mayor Zavodny stated that the employees may look at the salary surveys if they wish; there are no secrets, you have to have transparency.

Council member Hotovy made a motion to accept the committee and officers reports as presented. Council member Rogers seconded the motion. Voting AYE: Council members Smith, Kobus, Kroesing, Rogers, and Hotovy. Voting NAY: None. Council member Vandenberg was absent. The motion carried.

Jared Storm of Storm Flying Service stated: "We have to get from our building from here to the runway, so what we came up with is doing a diagonal taxiway around here, dirt work and then planting grass, not doing concrete, because at some point I assume we are going to tear this out and do this probably a little more practically, so we decided to go with just dirt and then grass. So, I started asking people for bids on the dirt work and costs, but then I talked to Alan

and he said we probably had to advertise for this. We have bids here, I've never opened them, I just got them from Joan."

Mayor Zavodny stated: "I think with the dollar amount we are talking about, obviously you have talked to some people that we would feel very good about, it has nothing to do with who's been involved it's just the fact with that dollar amount we have a process we need to follow."

Jared Storm stated: "So, this will be a lot cheaper, or less expensive, going with dirt and grass than concrete ever would have been, but I guess I'd ask the Council to put it open for bid because we have to get grass growing and established by, obviously we want to move in this summer, we have to be in by August because the FAA is doing an audit on us. So, August is probably the deadline for sure. The FAA is on a budget, there're going to come out one time a year, if we miss the August deadline we have to wait until next August, so that's what we're shooting for. I don't know the bid process, how that works, the length of time it takes to do that."

Mayor Zavodny stated: "I think we'll work with you on that, get started on that as soon as we can. Have you talked to Eric (Johnson of Kirkham Michael) about the T-Hangars and the distance we're going to need?"

Jared stated: "Yea, I talked to him once. He was supposed to meet us out there and he never showed up. We kind of need to know what's going to happen here (between that last hangar and the new ones) we need to have enough space to get through here; probably take the shortest route there. We need to coordinate with the T-Hangars to figure out where we're going to be so Eric needs to be involved with this; he needs to communicate what we can do."

Mayor Zavodny stated: "How is your work towards finding employees gone?"

Jared stated: "Oh, I mean it's.....we've advertised a little bit, but no-one from here has gone out there to work for us. We've had people move to Hershey (Hershey Flying Service, Hershey, Nebraska) from other places. We could use a welder right now, so if anybody knows a welder that would go to Hershey until August. We would even pay a bonus if they would do that, so if you know a TIG welder that would be interested. We could hire four people right now in Hershey but no one wants to go from David City for four months and then come back. It's TIG welding so it's light welding and it's pretty specific welding so we're looking for somebody that has some experience welding. (Tungsten inert gas welding is performed by using an electric arc, shielded by a flow of gas, to melt a welding rod. TIG welding requires both hands, one holding an electrode lead close to a metal joint and the other manipulating a filler rod in a pattern to form a weld.)

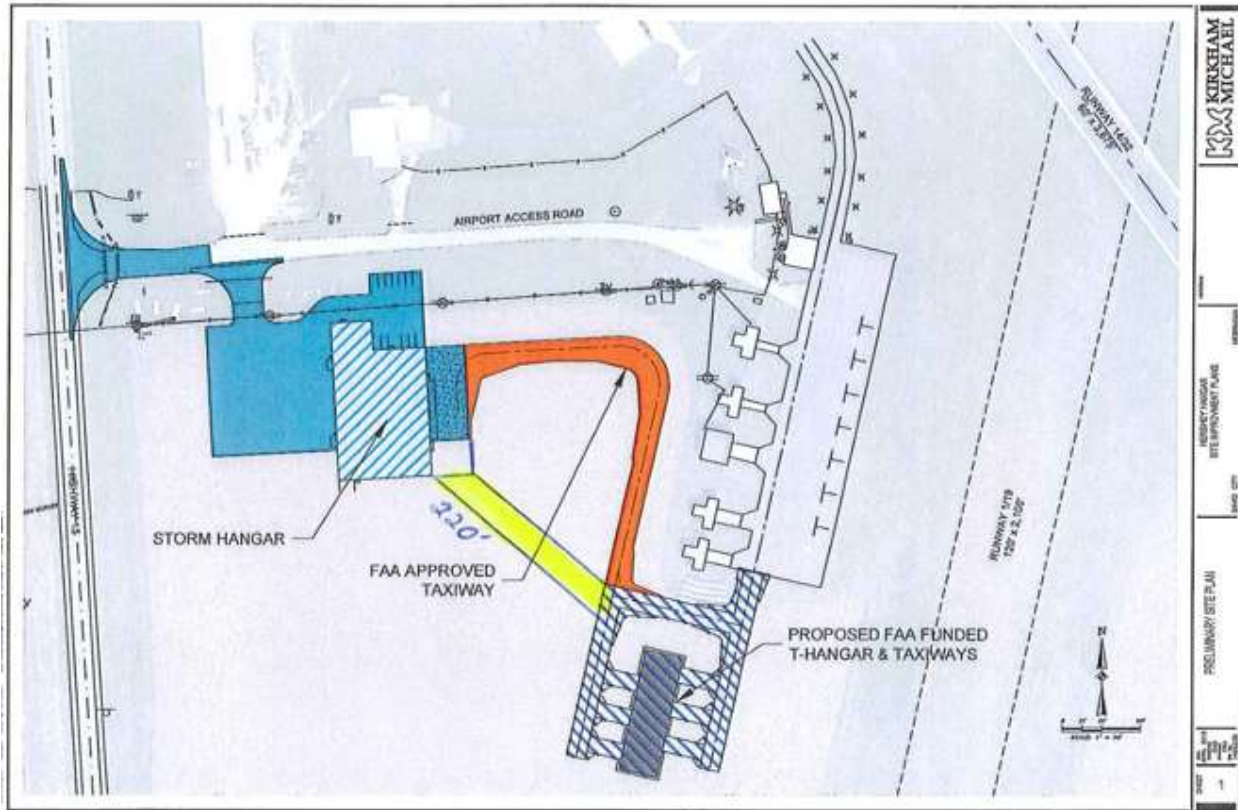
Council member Kobus asked: "Do you have a plan for the taxi way, how many yards and where?"

Jared stated: "Yea, I've talked to your brother and the other guy but it's not specific because Eric Johnson's never, ever met with us to tell us what the heck's going on out there."

Mayor Zavodny stated: "In order to get a bid out we're going to need some specifications so we're bidding apples to apples."

Jared stated: "That's why Monday, I won't be here, but Shawn will. (An Airport pre-construction meeting is scheduled for Monday, March 14th at 11 a.m.) We need to know exactly.....I told Eric "stake this

place out so we know what we are dealing with”. I also talked to the farmer out there, Greg Sabata; no one has talked to him about what’s going on out there, so I’m going to meet with him tomorrow and kind of give him an idea of what we’re going to do before he buys all his seed and fertilizer, he probably already has. There’s something else that I think the Council needs to be aware of here, and Sod, is now that we’re doing this diagonal taxiway, what’s going to happen to all this area right here? If this is a built up grass taxiway establishment we can’t have tractors and stuff driving across that, so unless he has some access I don’t know what the Airports going to do.”



Street/Airport Supervisor Rodney Rech stated: “Make it grass. It will be my responsibility to mow it because it’s still not a part of your lease.”

Jared stated: “Also, we’re going to need a place to park some airplanes, I mean, you have places here to tie down aircraft but you know people who fly in here are going to tie down there. It would be really nice if we could just have grass here and some tie downs out of the way for bigger aircraft, you know?” (In the area just east of his hangar where the taxiway is shown in red.)

Mayor Zavodny asked: “Is that in your footprint or that’s on ours?”

Jared stated: “That’s in your footprint. But you could put in some grass tie downs here for that.”

Rodney Rech stated: “That’s the first I’ve ever heard of it.”

Mayor Zavodny stated: “The first I’ve heard of it too.”

Jared stated: "I know, I'm just trying to say if you're going to have this whole area and it's all grass here."

Rodney Rech stated: "You have your private lease. The proposed taxiway is on Airport ground, but you want these tie downs, that shouldn't be the responsibility of the City because no other plane is going to tie down there except the planes....."

Jared Storm stated: "Well no, technically they kind of could. If you have a fly in like they do once a year here, they could."

Rodney Rech stated: "I don't let them out there. They will not go out there, the fly in people that come in with their ultra-lights. They have to stay on the regular tie down area, that apron, and then they go out into the trees. No planes in the trees, no planes past the existing hangars."

Jared Storm stated: "Well, it'd just be nice to utilize that for something than just grass. I could put the tie downs in. If you're saying the tie downs, we could do all that and pay for it and do all that."

Mayor Zavodny stated: "You'd have to mow around it."

Storm said: "We can even mow around it."

Council member Kobus stated: "It'd probably take you a year to get that approved."

Mayor Zavodny stated: "This again is a new development, one that we would have to sit down and figure out."

Storm said: "I don't foresee us having tons of aircraft here, I'm just thinking down the road if we get.....I'm just trying...."

Mayor Zavodny stated: "Well I think the next step is probably involving Eric in it and saying "We need some specs", we can't advertise for bids without knowing, like Tom had mentioned, how big it's going to be so they can calculate how many yards of dirt and everything else that goes into it. Grass seed to bid for as big as it's going to be, and I think that's the next step, let's get specifications for the bid."

Council member Rogers stated: "I'm confused a bit, I thought we were only going to put in culverts out there and Jared would do the dirt work. Am I confused?"

Mayor Zavodny stated: "Well he did the dirt work around his building but as far as the taxiway that's our Airport thing. At one time we talked about concrete."

Council member Kroesing asked: "We're going to put in the taxi way?"

City Attorney Egr stated: "That's in the lease agreement."

Council member Kroesing stated: "I saw the first amendment to the ground lease.
(Tenant understands and agrees that Landlord's construction of the taxiway, electricity, water and other

utilities to the Demised Premises shall be non-exclusive to Tenant and other tenants of the Airport and are for the mutual discriminatory benefit of all tenants of the Airport. All utilities available to tenants of the Airport shall be separately metered to each user and each tenant shall be billed directly for the use of such services and shall pay the same when due.)

City Attorney Egr stated: "The amendment refers to the fact that the utilities and the taxiway have to be accessible to everybody else, but attached to that addendum was the lease that was initially signed and paragraph 10 of that initial lease says we will put that in."

Council member Kroesing stated: "Non-discriminatory and uniformly enforced. Ok, what about Gordon Harms? Did you forget about him? He put in his own taxiway and asphalted it. Now what are you going to do?"

City Attorney Egr stated: "It's kind of like those people, Souba's, who put in all the concrete and everything else in Silver Heights Subdivision and then now the City's going to start putting in that kind of stuff in developments, the same situation Gary."

NOTE: Souba's Subdivision was in 1976. Then in later years, to spur growth, the City decided to provide concrete and utilities but then decided the City couldn't afford that. So, since the passage of Ordinance No. 991 dated March 9, 2005, the developer is responsible for 100% of all costs.

Council member Kroesing stated: "I don't buy it. I don't buy it at all."

Council member Rogers stated: "I was just confused, you know we were going to put in the culverts and Jared would do the dirt-work and grass. That's what I understood."

Council member Kroesing stated: "And I swear I heard that from his hired man (Shawn Koranda) back there, last time we had a meeting, he said they were going to put in the taxiway."

Jared stated: "The original agreement said David City would put in the taxiway."

Mayor Zavodny stated: "I know when we talked about this we talked about what's the City's property and what's his. Originally when that first hangar (clear to the north) was going to go we talked about paving a road, it was going to be like a road, and then that wasn't going to happen and then they came back with going with dirt which was a cheaper alternative. We're talking probably \$35,000 to do this roughly, the guesses you've had from the people you have talked to. I think that is our responsibility given it's our Airport and it's there for use and it will tie into the new hangars."

Council member Hotovy stated: "So now that that's out on the table and cleared up, I grow things for a living and I can kind of empathize with the whole deal of, regardless if anybody thinks it's right that the City pays for the taxiway or not, I would assume everybody can agree when you're trying to grow something that's green in the spring in Nebraska, time is of the essence. If you are going to have green grass on a runway in June in Nebraska you're going to want to get it seeded pretty darn soon because June and July in Nebraska turn pretty hot for grass, especially when it's next to pavement."

Mayor Zavodny stated: "I had mentioned that to Jared that ideally you seed grass in September, that time frame, but we're not going to have that ability here."

Discussion followed concerning the compaction needed for the taxi-way. They would probably strip off the top soil, bring in clay, pack that, and put the top soil back on. They would probably want 90% compaction or more just like for a road.

Mayor Zavodny stated: "The next step is let's get bid specs and then we'll go from there."

Council member Hotovy made a motion to get specs and advertise for bids for a taxiway at the David City Municipal Airport. Council member Smith seconded the motion. Voting AYE: Council members Rogers, Kobus, Smith, and Hotovy. Voting NAY: Council member Kroesing. Council member Vandenberg was absent. The motion carried.

Mayor Zavodny opened the Public Hearing at 7:43 p.m. to consider amending Ordinance No. 1060 – Zoning Ordinance to amend Section 4.14.06 Accessory Buildings and Uses; Detached garages and outbuildings – 2. The sidewalls of said building shall not exceed 10 feet in height in R-2 Two Family Residential, R-3 Multi-Family Residential, and R-M Mobile Home Residential Districts; and shall not exceed 12 feet in R-1 Single Family Residential.

Council member Kroesing stated: "If you're worried about having a building next door to you that's taller than 10' or 12' you still could have one because all this is regulating is sidewalls."

Council member Hotovy agreed stating: "Like my house is 13/12 roof pitch; if you put that on top of a 10' wall it'd make it a 32' wide garage that things still going to be 30' tall."

Council member Kroesing stated: "Sidewalls have nothing to do with height, it all depends on the gables. It's a moot point."

There being no other comments, Mayor Zavodny closed the Public Hearing at 7:49 p.m.

Council member Hotovy introduced Ordinance No. 1244. Mayor Zavodny read Ordinance No. 1244 by title. Council member Hotovy made a motion to pass Ordinance No. 1244 on first reading only. Council member Kobus seconded the motion. Voting AYE: Council member Hotovy. Voting NAY: Council members Rogers, Smith, Kobus, and Kroesing. Council member Vandenberg was absent. The motion failed.

ORDINANCE NO. 1244

AN ORDINANCE, TO AMEND ZONING ORDINANCE NO. 1060, BY AMENDING SECTION 4.14.06 ACCESSORY BUILDINGS AND USES; DETACHED GARAGES AND OUTBUILDINGS, SECTION – 2 - HEIGHT; TO PROVIDE FOR THE REPEAL OF ANY ORDINANCE OR RESOLUTION IN CONFLICT THEREWITH; TO PROVIDE FOR AN EFFECTIVE DATE THEREOF; AND TO AUTHORIZE PUBLICATION IN PAMPHLET FORM.

BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF DAVID CITY, BUTLER COUNTY, NEBRASKA, THAT THE FOLLOWING SECTION OF ZONING ORDINANCE NO. 1060 BE AMENDED AS FOLLOWS:

SECTION 4.14 ACCESSORY BUILDING AND USES.

4.14.06

2. The sidewalls of said building shall not exceed 10 feet in height in R-2 Two Family Residential, R-3 Multi-Family Residential, and R-M Mobile Home Residential Districts; and shall not exceed 12 feet in R-1 Single Family Residential;

This Ordinance shall be in full force and effect from and after passage, approval and publication or posting as required by law.

PASSED AND APPROVED THIS ___ day of _____, 20____.

FAILED

Mayor Alan Zavodny

FAILED

City Clerk Joan Kovar

Craig Reinsch of Olsson Associates stated: "Last year Kevin asked me to put some numbers together for the budget and the sewer infiltration and inflow study was one of those things. We did put together three phases; the first being smoke testing and a report, the second being flow metering, and the third televising the sewer and additional investigation. The first two phases are \$27,000 so that's what's before you now. We have contacted Rural Water and they are in line to do smoke testing towards the end of the month and we have made arrangements to get the flow meters within the spring to look at some rainfall, or if we get any more snow, maybe some snow melt."

Sewer Supervisor Kevin Betzen stated: "Just with the snow fall we went from bringing about 400,000/day to 1.2 to 1.5 million gallons each day for 5 days which overran our SBR's. We went from doing 4 cycles a day each basin which is a time processing to 10 each basin. We need to figure out where all of this water is coming from and why we are being overrun."

Craig Reinsch stated: "I do have an alternate on here if you guys are interested we'll have enough information to do a hydraulic model of the collection system. I wasn't sure if you were interested in that; that would be an additional \$6,500."

Council member Smith made a motion to approve hiring Olsson Associates in the amount of \$27,000 for Phases 1 and 2 to provide professional services concerning the sewer collection system infiltration and inflow study. Council member Kobus seconded the motion. Voting AYE: Council members Rogers, Hotovy, Kroesing, Smith, and Kobus. Voting NAY: None. Council member Vandenberg was absent. The motion carried.

LETTER AGREEMENT FOR PROFESSIONAL SERVICES

March 1, 2016

City of David City
Attn: Ms. Joan Kovar
557 North 4th Street
David City, Nebraska 68632

Re: **LETTER AGREEMENT FOR PROFESSIONAL SERVICES**
Sewer Collection System Infiltration and Inflow Study (the "Project")
David City, Nebraska

Dear Ms. Kovar:

It is our understanding that City of David City, Nebraska ("Client") requests Olsson Associates, Inc. ("Olsson") to perform the services described herein pursuant to the terms of this Letter Agreement for Professional Services, Olsson's General Provisions and any exhibits attached hereto (all documents constitute and are referred to herein as the "Agreement") for the Project.

Olsson has acquainted itself with the information provided by Client relative to the Project and based upon such information offers to provide the services described below for the Project. Client warrants that it is either the legal owner of the property to be improved by this Project or that Client is acting as the duly authorized agent of the legal owner of such property. Client acknowledges that it has reviewed the General Provisions and any exhibits attached hereto, which are expressly made a part of and incorporated into the Agreement by this reference. In the event of any conflict or inconsistency between this Letter Agreement, and the General Provisions regarding the services to be performed by Olsson, the terms of the General Provisions shall take precedence.

Olsson shall provide the following services ("Scope of Services") to Client for the Project:

PROJECT ADMINISTRATIONS AND COORDINATION

- **Project Initiation Meeting** - Meet with the Client project representative and staff to clarify and define the Client requirements for the Project. The purpose of the meeting will be to identify and discuss expectations and needs, review the project schedule, identify communication channels, discuss and obtain existing information from the Client, collect pertinent project data from Client records and obtain data and drawings, and flow records relative to completing the study.
- **Presentation to City** - At the 95% completion level, meet with the Client to review the draft Summary Report. Feedback will be taken and incorporated into the final Summary Report.

DATA COLLECTION

Olsson has access to the City's most recent sanitary sewer collection system maps, last updated in the early 2000's. These maps show the location and sizes of the collection system piping, as well as a majority of the manhole depths and flow directions. This information will be used as part of this report.

- **Flow Data Review** – Olsson will utilize flow metering data collected by the City at its lift station to establish existing flows. Up to three years of data will be analyzed.
- **Sanitary Sewer Flow Metering** – The City has observed prolonged, excessive surges of sanitary sewer flow following rainfall or snowmelting events. Olsson will work with GPM, the City's wastewater flow meter provider to furnish and install four gravity flow meters and one tipping bucket rain gauge to monitor the effects of inflow and infiltration due to rainfall. Meter data will be collected for a period of three months. Metering will be completed during spring months when rainfall is typically more frequent. GPM will function as Olsson's sub-consultant in this endeavor, with costs included in this proposal.
- **Smoke Testing** – Smoke testing will be completed by Nebraska Rural Water Association (NeRWA). NeRWA performs smoke testing for its members for no cost. Olsson will be on site to observe the testing. This has been scheduled for March 28-29, 2016.
- **Analyze Inflow & Infiltration** – Utilizing the data mentioned above, Olsson will determine the extents of inflow and infiltration. Accordingly, recommendations will be provided for potential solutions and/or further evaluation.

PREPARE SUMMARY REPORT

- Prepare a Summary Report in accordance with generally accepted criteria. At a minimum, the following items will be addressed:
 - Summary of Findings and Recommendations
 - Sewer System Requirements
 - Summary of Existing Facilities
 - Summary of System Deficiencies
 - Summary of Collection System Analysis
 - Suggested Improvement Alternatives with Exhibits
 - Costs and Benefits of Suggested Improvements
 - Potential Funding Sources
 - Impacts of Potential Improvements to Utility Rates
 - Prepare and distribute 10 hard copies and an electronic copy of the final Summary Report to City.
- **Quality Control** - Olsson will conduct an internal quality review at the 90 percent stage. The review will include verification of compliance with the original design parameters, regulatory agency standards, and a review to ensure that a complete and concise summary report has been provided.

ADDITIONAL AND EXCLUDED SERVICES

The following services are available upon request and approval from the City.

➤ **Hydraulic Analysis of the Sanitary Sewer Collection System**

Using hydraulic analysis software and data collected in tasks described above, Olsson can estimate the following:

- Flow capacity of the existing trunk sewers.
- The amount of the existing trunk sewer capacity currently utilized by the existing population.
- The reserve capacity currently unused in the existing trunk sewers.
- Based upon the projected future flows per area, the area of future development that the sewer can serve will be projected.

Identify future sewers and sewer improvements required to serve areas of development and future growth.

- Identify collector sewer alignments based upon the sewer drainage basins. Olsson will identify alignments for future collector sewers that could be constructed to serve the study area.
- Size future sewers based upon hydraulic study and growth projections.

Additional Cost: \$6,500.00

➤ Further evaluation may require closed circuit television (CCTV) examination of the more susceptible mains. Scope and fee for any necessary CCTV examination and analysis can be negotiated after the above steps are complete. This was a part of the estimated study budget requested by the City as part of the 2015-2016 fiscal year budget.

➤ **Exclusions:**

- Engineering design of project plans and specifications or construction administration and observation.
- Survey, research, and associated services.
- Mapping updates.
- The items described in the Exclusions section may be provided as additional services to the Client, if so requested.

Should Client request work in addition to the Scope of Services, Olsson shall invoice Client for such additional services (Optional Additional Services) at the standard hourly billing labor rate charged for those employees actually performing the work, plus reimbursable expenses if any. Olsson shall not commence work on Optional Additional Services without Client's prior written approval.

Olsson agrees to provide all of its services in a timely, competent and professional manner, in accordance with applicable standards of care, for projects of similar geographic location, quality and scope.

SCHEDULE FOR OLSSON'S SERVICES

Unless otherwise agreed, Olsson expects to perform its services under the Agreement as follows:

Anticipated Start Date: March 21, 2016
Anticipated Completion Date: August 10, 2016

Olsson will endeavor to start its services on the Anticipated Start Date and to complete its services on the Anticipated Completion Date. However, the Anticipated Start Date, the Anticipated Completion Date, and any milestone dates are approximate only, and Olsson reserves the right to adjust its schedule and any or all of those dates at its sole discretion, for any reason, including, but not limited to, delays caused by Client or delays caused by third parties.

COMPENSATION

Client shall pay to Olsson for the performance of the Scope of Services a fixed fee of Twenty Seven Thousand Dollars (\$27,000.00). Olsson's reimbursable expenses for this Project are included in the fixed fee. Olsson shall submit invoices on a monthly basis and payment is due within 30 calendar days of invoice date.

TERMS AND CONDITIONS OF SERVICE

We have discussed with you the risks, rewards and benefits of the Project, the Scope of Services, and our fees for such services and the Agreement represents the entire understanding between Client and Olsson with respect to the Project. The Agreement may only be modified in writing signed by both parties.

Client's designated Project Representative shall be: Mr. Kevin Betzen.

If this Agreement satisfactorily sets forth your understanding of our agreement, please sign in the space provided below. Retain one original for your files and return an executed original to Olsson. This proposal will be open for acceptance for a period of 30 days from the date set forth above, unless changed by us in writing.

OLSSON ASSOCIATES, INC.

By  By 

By signing below, you acknowledge that you have full authority to bind Client to the terms of the Agreement. If you accept the terms set forth herein, please sign:

CITY OF DAVID CITY

By 
Signature

Print Name Alan Zavodny

Title Mayor

Dated 3-9-2016

If the City wishes to include the hydraulic modeling component (Additional \$6,500, for a total cost of \$33,500) to this phase of the study, please initial here: _____.

Attachments

- General Provisions
- Labor Rate Schedule
- Reimbursable Expense Schedule

Electric Supervisor Pat Hoefft stated that he had received two bids for a new server: 1) Micky Rutenbeck of Extreme Technology, L.L.C., and 2) Tony Kresha of Connecting Point. Micky was present, however Tony was not.

Mayor Zavodny asked Micky if he had seen the Connecting Point bid and he stated no. Micky then explained what he was proposing. The Mayor then questioned if we knew if we were even comparing apples to apples and stated that it would have been helpful if Tony would have been present so the two could have explained the differences in their proposals. Pat Hoefft stated that he planned to have them both attend the Committee of the Whole meeting however, Mayor Zavodny told City Clerk Kovar to put in on this agenda and so that that rushed him. Pat stated that Tony was currently in Colorado and he wasn't going to have him cut his vacation short.

Council member Kroesing made a motion to table consideration of the bids received for a new server. Council member Hotovy seconded the motion. Voting AYE: Council members Rogers, Kroesing, Smith, Kobus, and Hotovy. Voting NAY: None. Council member Vandenberg was absent. The motion carried.

Council member Smith made a motion to approve the application by Ka-Boomer's Enterprises, Inc. to sell permissible fireworks at 1510 4th Street. Council member Kobus seconded the motion. Voting AYE: Council members Rogers, Kroesing, Smith, Hotovy, and Kobus. Voting NAY: None. Council member Vandenberg was absent. The motion carried.

Council member Kroesing made a motion to enter into an Underwriting Engagement Letter with D.A. Davidson & Company in compliance with and under the rules, guidelines and allowable exceptions, effective July 1, 2014, as set out by the Securities and Exchange Commission. [In order to assure compliance with Federal regulations governing municipal borrowings, it is necessary to have a current letter of engagement referencing specific projects and dates. The letter is non-binding and does not obligate an issue to issue notes or bonds. Rather it allows open conversation and discussion of projects and financings. It is an update of prior agreements and actions.] Council member Smith seconded the motion. Voting AYE: Council members Kobus, Hotovy, Rogers, Smith, and Kroesing. Voting NAY: None. Council member Vandenberg was absent. The motion carried.



D|A|DAVIDSON
FIXED INCOME CAPITAL MARKETS

March 9, 2016

Mayor and City Council
City of David City
557 4th Street, PO Box 191
David City, NE 68632-0191

1111 N. 102nd Court, Suite 300
Omaha, NE 68114
(402) 397-5777
(800) 776-5777
Fax (402) 392-7908
www.davidsoncompanies.com/ficm
D.A. Davidson & Co. member SIPC

Re: Underwriting Engagement Letter – Updated Agreement, Updating 2014 Letter

Honorable Mayor and Council Members:

D.A. Davidson & Co. (“Davidson” or “we”), appreciates the opportunity to serve the City of David City, Nebraska (“you” or the “Issuer”) as underwriter. The most recent updated Engagement Letter was approved by Council action January 8, 2014, as required by the initial July 1, 2014 effective date for the SEC’s federally mandated municipal advisor rules (“SEC Rules”). The SEC Rules remain fully effective. In our primary role of bond underwriters, to ascertain that the City and we are in concert with federal regulations, based on our Counsel’s interpretation, and to assure the City’s and our ongoing compliance with the SEC Rules, we are advised that the scope of our work as a bond underwriter must properly reference the City’s proposed issuances of notes or bonds. To be enabled to provide input on the structure, timing and other matters, all as set out herein, related to the proposed Sales Tax extension election and any related issuance of Bond Anticipation Notes, Bonds, Certificates of Participation or Revenue Bonds and General Obligation Bonds (collectively the “Securities”) an updated engagement letter is necessary. This letter will confirm the terms of our engagement specifically related to the foregoing defined Securities, said definition of Securities now expanded to include issuance of one or more series of Bond Anticipation Notes in calendar years 2016 and/or 2017; however, it is anticipated that this letter and its previous versions will be replaced and superseded by a bond purchase agreement or agreements to be entered into by the parties (the “Purchase Agreement(s)”) if and when Securities are priced following successful completion of the offering process.

1. Services to be provided by Davidson. The Issuer hereby engages Davidson to serve as Underwriter of the proposed offering and issuance of the Securities, and in such capacity Davidson agrees to provide certain services in compliance with and under the rules, guidelines and allowable exceptions, effective July 1, 2014, as set out by the Securities and Exchange Commission (“SEC”) and you hereby request Davidson to provide certain information and repayment information relative to debt issuance and to assist in providing the following services:

- Review and evaluate the proposed terms of the offering and the Securities
- Develop a marketing plan for the offering, including identification of potential investors
- Assist in the preparation of the official statement and/or other offering documents
- Contact potential investors; provide them with offering-related information
- Consult with Bond Counsel and other service providers about the offering and the terms of the Securities
- Negotiate the pricing, including the interest rate, and other terms of the Securities
- Obtain CUSIP number(s) for the Securities and arrange for their DTC book-entry eligibility
- Plan and arrange for the closing and settlement of the issuance and the delivery of the Securities
- Such other usual and customary underwriting services as may be requested by the Issuer

As underwriter, Davidson will purchase the Securities pursuant and subject to the terms of the Purchase Agreement, which will not be signed until successful completion of the pre-sale offering period.

2. No Advisory or Fiduciary Role. The Issuer acknowledges and agrees that: (i) the primary role of Davidson, as an underwriter, is to purchase securities, for resale to investors, in an arm's-length commercial transaction between the Issuer and Davidson and that Davidson has financial and other interests that may differ from those of the issuer.; (ii) Davidson is not acting as a municipal advisor, financial advisor, or fiduciary to the Issuer and has not assumed any advisory or fiduciary responsibility to the Issuer with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether Davidson has provided other services or is currently providing other services to the Issuer on other matters); (iii) the only obligations Davidson has to the Issuer with respect to the transaction contemplated hereby expressly are set forth in this agreement; and (iv) the Issuer, to the extent it deems appropriate will, or has consulted its own financial and/or municipal, legal, accounting, tax and other advisors, as applicable. If the Issuer would like a municipal advisor in this transaction(s) that has legal fiduciary duties to the Issuer, the Issuer is free to engage a municipal advisor to serve in that capacity.

3. Fees and Expenses. Davidson's proposed underwriting fee/spread shall be at a mutually agreeable rate which shall not exceed 1.40% of the principal amount of the Securities issued. The underwriting fee/spread will represent the difference between the price that Davidson pays for the Securities and the public offering price stated on the cover of the final official statement or offering circular. Davidson shall pay costs incident to the underwriting and sale of the Bonds including printing of preliminary and final official statements (or offering circulars, as applicable), CUSIP and DTC fees. The Issuer shall be responsible for paying or reimbursing Davidson for all other costs of issuance, including without limitation, bond counsel, paying agent fees (if Issuer determines to engage such agent), and all other expenses incident to the performance of the Issuer's obligations under the proposed offering.

4. Term and Termination. The term of this engagement shall extend from the date of this letter to the closing of the offering of the Securities. Notwithstanding the forgoing, either party may terminate Davidson's engagement at any time without liability of penalty upon at least 30 days' prior written notice to the other party.

5. Indemnification; Limitation of Liability. The Issuer agrees that neither Davidson nor its employees, officers, agents or affiliates shall have any liability to the Issuer for the services provided hereunder except to the extent it is judicially determined that Davidson engaged in gross negligence or willful misconduct. In addition, to the extent permitted by applicable law, the Issuer shall indemnify, defend and hold Davidson and its employees, officers, agents and affiliates harmless from and against any losses claims, damages and liabilities that arise from or otherwise relate to this Agreement, actions taken or omitted in connection herewith, or the transactions and other matters contemplated hereby, except to the extent such losses, claims, damages or liabilities are judicially determined to be the result of Davidson's gross negligence or willful misconduct.

6. Miscellaneous. This letter shall be governed and construed in accordance with the laws of the State of Nebraska. This Agreement may not be amended or modified except by means of a written instrument executed by both parties hereto. This Agreement may not be assigned by either party without the prior written consent of the other party.

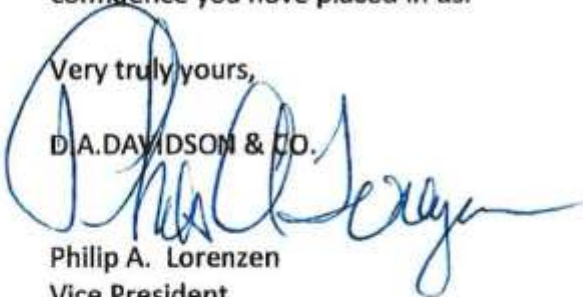
"Exhibit A" is attached in compliance with Davidson's Disclosure Pursuant to MSRB Rules G-17 and G-23 and requires acknowledgement of its receipt by an officer of the City.

Again, we thank you for the opportunity to assist you with your proposed financing and the confidence you have placed in us.

Very truly yours,

D.A. DAVIDSON & CO.

Philip A. Lorenzen
Vice President



Accepted this _____ day of _____, 2016
CITY OF DAVID CITY, NEBRASKA

ATTEST:

By: _____
Mayor

Clerk

[SEAL]

EXHIBIT A



March 9, 2016

Joan Kovar Interim City Administrator
City of David City
557 4th Street, PO Box 191
David City, NE 68632-0191

1111 N. 102nd Court, Suite 300
Omaha, NE 68114
(402) 397-5777
(800) 776-5777
Fax (402) 392-7908
www.davidsoncompanies.com/ficm
D.A. Davidson & Co. member SIPC

Re: Disclosures by D.A. Davidson & Co. as Underwriter
Pursuant to MSRB Rules G-17 and G-23
Bond Anticipation Notes, Certificates of Participation, General Obligation Bonds &
Revenue Bonds, Series 2016 and Series 2017

Dear Joan:

We are writing to provide you, as Administrator of the City of David City, Nebraska ("Issuer"), with certain disclosures relating to the captioned bond issue ("Bonds"), as required by the Municipal Securities Rulemaking Board (MSRB) Rule G-17 as set forth in MSRB Notice 2012-25 (May 7, 2012).

The Issuer has engaged D.A. Davidson & Co. (hereinafter referred to as "Davidson" or "underwriter") to serve as an underwriter, and not as a financial advisor or municipal advisor, in connection with the issuance of the Bonds.

As underwriter, Davidson's primary role will be to purchase as principal, or arrange for the placement of the securities in a commercial arm's length transaction with the Issuer, and may have financial and other interests that differ from those of the Issuer. In its capacity as underwriter and not as financial advisor, Davidson may provide incidental financial advisory services at the Issuer's request, including advice regarding the structure, timing, terms and other similar matters concerning the issuance. However, Davidson does not assume any financial advisory or fiduciary responsibilities with respect to the Issuer.

As part of our services as underwriter, Davidson may provide advice concerning the structure, timing, terms, and other similar matters concerning the issuance of the Bonds.

Disclosures Concerning the Underwriters Role:

- (i) MSRB Rule G-17 requires an underwriter to deal fairly at all times with both municipal issuers and investors.
- (ii) The underwriters' primary role is to purchase the Bonds with a view to distribution in an arm's-length transaction with the Issuer. The underwriters financial and other interests that may differ from those of the Issuer.
- (iii) Unlike a municipal advisor, the underwriters do not have a fiduciary duty to the Issuer under the federal securities laws and are, therefore, not required by federal law to act in the best interests of the Issuer without regard to their own financial or other interests.

- (iv) The underwriters have a duty to purchase the Bonds from the Issuer at a fair and reasonable price, but must balance that duty with their duty to sell the Bonds to investors at prices that are fair and reasonable.
- (v) The underwriter will review the official statement for the Bonds in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of this transaction.

Disclosures Concerning the Underwriters Compensation:

As underwriter, Davidson will be compensated by a fee and/or an underwriting discount that will be set forth in the bond purchase agreement to be negotiated and entered into in connection with the issuance of the Bonds. Payment or receipt of the underwriting fee or discount will be contingent on the closing of the transaction and the amount of the fee or discount may be based, in whole or in part, on a percentage of the principal amount of the Bonds. While this form of compensation is customary in the municipal securities market, it presents a conflict of interest since the underwriter(s) may have an incentive to recommend to the Issuer a transaction that is unnecessary or to recommend that the size of the transaction be larger than is necessary.

Additional Conflicts Disclosure:

Davidson has not identified any additional potential or actual material conflicts that require disclosure.

Disclosures Concerning Complex Municipal Securities Financing:

Since Davidson has not recommended a "complex municipal securities financing" to the Issuer, additional disclosures regarding the financing structure for the Bonds are not required under MSRB Rule G-17. However, in accordance with the requirements of MSRB Rule G-17, the following is a description of the material financial characteristics of that financing structure as well as the material financial risks of the financing that are known to us and reasonably foreseeable at this time.

Risk Disclosures Pursuant to MSRB Rule G-17 - Fixed Rate Bonds

The following is a general description of the financial characteristics and security structures of fixed rate municipal bonds ("Fixed Rate Bonds"), as well as a general description of certain financial risks that you should consider before deciding whether to issue Fixed Rate Bonds.

Financial Characteristics

Maturity and Interest. Fixed Rate Bonds are interest-bearing debt securities issued by state and local governments, political subdivisions and agencies and authorities. Maturity dates for Fixed Rate Bonds are fixed at the time of issuance and may include serial maturities (specified principal amounts are payable on the same date in each year until final maturity) or one or more term maturities (specified principal amounts are payable on each term maturity date) or a combination of serial and term maturities. The final maturity date typically will range between 10 and 30 years from the date of issuance. Interest on the Fixed Rate Bonds typically is paid semiannually at a stated fixed rate or rates for each maturity date.

Redemption. Fixed Rate Bonds may be subject to optional redemption, which allows you, at your option, to redeem some or all of the bonds on a date prior to scheduled maturity, such as in connection with the issuance of refunding bonds to take advantage of lower interest rates.

Fixed Rate Bonds will be subject to optional redemption only after the passage of a specified period of time, often approximately ten years from the date of issuance, and upon payment of the redemption price set forth in the bonds, which may include a redemption premium. You will be required to send out a notice of optional redemption to the holders of the bonds, usually not less than 30 days prior to the redemption date. Fixed Rate Bonds with term maturity dates also may be subject to mandatory sinking fund redemption, which requires you to redeem specified principal amounts of the bonds annually in advance of the term maturity date. The mandatory sinking fund redemption price is 100% of the principal amount of the bonds to be redeemed.

Security

Payment of principal of and interest on a municipal security, including Fixed Rate Bonds, may be backed by various types of pledges and forms of security, some of which are described below.

General Obligation Bonds. "General obligation bonds" are debt securities to which your full faith and credit is pledged to pay principal and interest. If you have taxing power, generally you will pledge to use your ad valorem (property) taxing power to pay principal and interest. Ad valorem taxes necessary to pay debt service on general obligation bonds may not be subject to state constitutional property tax millage limits (an unlimited tax general obligation bond). The term "limited" tax is used when such limits exist.

General obligation bonds constitute a debt and, depending on applicable state law, may require that you obtain approval by voters prior to issuance. In the event of default in required payments of interest or principal, the holders of general obligation bonds have certain rights under state law to compel you to impose a tax levy.

Revenue Bonds. "Revenue bonds" are debt securities that are payable only from a specific source or sources of revenues. Revenue bonds are not a pledge of your full faith and credit and you are obligated to pay principal and interest on your revenue bonds only from the revenue source(s) specifically pledged to the bonds. Revenue bonds do not permit the bondholders to compel you to impose a tax levy for payment of debt service. Pledged revenues may be derived from operation of the financed project or system, grants or excise or other specified taxes. Generally, subject to state law or local charter requirements, you are not required to obtain voter approval prior to issuance of revenue bonds. If the specified source(s) of revenue become inadequate, a default in payment of principal or interest may occur. Various types of pledges of revenue may be used to secure interest and principal payments on revenue bonds. The nature of these pledges may differ widely based on state law, the type of issuer, the type of revenue stream and other factors.

The description above regarding "Security" is only a brief summary of certain possible security provisions for the bonds and is not intended as legal advice. You should consult with your bond counsel for further information regarding the security for the bonds.

Financial Risk Considerations

Certain risks may arise in connection with your issuance of Fixed Rate Bonds, including some or all of the following:

Issuer Default Risk. You may be in default if the funds pledged to secure your bonds are not sufficient to pay debt service on the bonds when due. The consequences of a default may be serious for you and, depending on applicable state law and the terms of the authorizing documents, the holders of the bonds, the trustee and any credit support provider may be able to exercise a range of available remedies against you. For example, if the bonds are secured by a general obligation pledge, you may be ordered by a court to raise taxes. Other budgetary adjustments also may be necessary to enable you to provide sufficient funds to pay debt service on the bonds. If the bonds are revenue bonds, you may be required to take steps to increase the available revenues that are pledged as security for the bonds. A default may negatively impact your credit ratings and may effectively limit your ability to publicly offer bonds or other securities at market interest rate levels. Further, if you are unable to provide sufficient funds to remedy the default, subject to applicable state law and the terms of the authorizing documents, you may find it necessary to consider available alternatives under state law, including (for some issuers) state-mandated receivership or bankruptcy. A default also may occur if you are unable to comply with covenants or other provisions agreed to in connection with the issuance of the bonds.

This description is only a brief summary of issues relating to defaults and is not intended as legal advice. You should consult with your bond counsel for further information regarding defaults and remedies.

Redemption Risk. Your ability to redeem the bonds prior to maturity may be limited, depending on the terms of any optional redemption provisions. In the event that interest rates decline, you may be unable to take advantage of the lower interest rates to reduce debt service.

Refinancing Risk. If your financing plan contemplates refinancing some or all of the bonds at maturity (for example, if you have term maturities or if you choose a shorter final maturity than might otherwise be permitted under the applicable federal tax rules), market conditions or changes in law may limit or prevent you from refinancing those bonds when required. Further, limitations in the federal tax rules on advance refunding of bonds (an advance refunding of bonds occurs when tax-exempt bonds are refunded more than 90 days prior to the date on which those bonds may be retired) may restrict your ability to refund the bonds to take advantage of lower interest rates.

Reinvestment Risk. You may have proceeds of the bonds to invest prior to the time that you are able to spend those proceeds for the authorized purpose. Depending on market conditions, you may not be able to invest those proceeds at or near the rate of interest that you are paying on the bonds, which is referred to as "negative arbitrage".

Tax Compliance Risk. The issuance of tax-exempt bonds is subject to a number of requirements under the United States Internal Revenue Code, as enforced by the Internal Revenue Service (IRS). You must take certain steps and make certain representations prior to the issuance of tax-exempt bonds. You also must covenant to take certain additional actions after issuance of the tax-exempt bonds. A breach of your representations or your failure to comply with certain tax-related covenants may cause the interest on the bonds to become taxable retroactively to the date of issuance of the bonds, which may result in an increase in the interest rate that you pay on the bonds or the mandatory redemption of the bonds. The IRS also may audit you or your bonds, in some cases on a random basis and in other cases targeted to specific types of bond issues or tax concerns. If the bonds are declared taxable, or if

you are subject to audit, the market price of your bonds may be adversely affected. Further, your ability to issue other tax-exempt bonds also may be limited.

This description of tax compliance risks is not intended as legal advice and you should consult with your bond counsel regarding tax implications of issuing the bonds.

If you or any other Issuer officials have any questions or concerns about these disclosures, please make those questions or concerns known immediately to the undersigned. In addition, you should consult with the Issuer's own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent you deem appropriate.

It is our understanding that you have the authority to bind the Issuer by contract with us, and that you are not a party to any conflict of interest relating to the subject transaction. If our understanding is incorrect, please notify the undersigned immediately.

We are required to seek your acknowledgement that you have received this letter. Accordingly, please sign and return the enclosed copy of this letter to me either via email or to the address set forth below. Depending on the structure of the transaction that the Issuer decides to pursue, or if additional potential or actual material conflicts are identified, we may be required to send you additional disclosures regarding the material financial characteristics and risks of such transaction and/or describing those conflicts. At that time, we also will seek your acknowledgement of receipt of any such additional disclosures.

We look forward to working with you and the Issuer in connection with the issuance of the Bonds.
Thank you.

Sincerely,



Philip A. Lorenzen
Vice President, Public Finance Banker

Acknowledgement: Date: _____, 2016

Joan Kovar, Interim City Administrator
City of David City, Nebraska

CC: Bond Counsel

Sewer Supervisor Kevin Betzen stated: "The sewer line is a 2" forced sewer main that drains Hildy's Addition up there and it's, from the plans, it's supposed to be a minimum of 2' underneath the flow line and they found it about 15" underneath the surface and it needs to be dropped about 4' to allow for the box culvert to go in for the proper depth and clearance, so it needs to be moved." (No one could remember if the City crew's put in the 2" forced sewer line or if they hired it out.)

Mayor Zavodny asked: "Do you have any idea how that happened?"

Sewer Supervisor Kevin Betzen stated: "How what happened? The sewer going so low, or it being in the way and no-one knew it?"

Mayor Zavodny stated: "Ok, let's go with both."

Sewer Supervisor Kevin Betzen stated: "That's what I had a concern with. When I asked Matt (Rief of Olsson's), you know I said, *"Isn't it your job to locate utilities and stuff?"* I mean we located them and marked them as to where they're at and stuff and we had a meeting, Sod and I, and brought the plans from when Hildy Addition was built and showed them everything but it didn't seem like it raised a flag with anybody."

Mayor Zavodny asked: "It's always in our best interest to have someone oversee some of these things because I wonder how that happened."

Kevin stated: "Mike Davis, Olsson Associates, who oversaw the Airport project will be back on this project; he doesn't let the contractors get away with anything. Mike is an authority, *"You're not doing it that way it says right here it's to be done this way; lower it two more inches, or whatever."* So he makes them stick to the plan and I think that's valuable."

Mayor Zavodny stated: "So the bottom line to this, is to do it right, it's going to cost us more money."

Matt Rief of Olsson Associates was not present, but he submitted the following recap of the project:

Change Order 2

This work is for relocating an existing 2" Plastic Sanitary Sewer Force Main which will be required for the box culvert construction. The existing main was planned to be under the existing box culvert. The horizontal location of the main was accurate according to our design plans. We assumed the depth of the sewer main to be at least 4' deep which is a standard practice for installing sanitary sewer force main below frost line. The main is actually only 15" below the flowline of the existing stream channel. At this depth it will be in conflict with our proposed box culvert construction.

This work includes installing approximately 80 feet of new 2" line next to the existing, lowering the depth of the main not to conflict with box culvert construction. The main will be installed through a PVC sleeve underneath the box culvert for additional protection and replacement of the main if needed in the future. The ends of the 2" plastic main will be connected back to the existing line with fused couplings.

The total cost for this change is \$6,200. Yong construction requested an additional 4 days for this work, increasing the total calendar days to 64 days.

Change Order 3

This work is for extending the existing culvert in the southwest corner of Kansas Street and 11th Street intersection. The existing corrugated metal pipe (CMP) will be extended 15' to widen the shoulder around the return of this intersection. This was discussed at the Council meeting when Yong Construction was awarded the contract. There is a short existing shoulder today off the edge of the pavement. This will improve safety and maintenance of the intersection as recommended by City staff.

The total cost of this change is \$850.

Council member Hotovy made a motion to approve Change Orders No. 2 and No. 3 to relocate an existing 2" Plastic Sanitary Sewer Force Main and extending the existing culvert in the southwest corner of Kansas Street and 11th Street intersection, respectively. Council member Kobus seconded the motion. Voting AYE: Council members Kroesing, Rogers, Smith, Kobus, and Hotovy. Voting NAY: None. Council member Vandenberg was absent. The motion carried.

Date of Issuance: 3/9/16 Effective Date: 3/9/16

Project: 11 th Street Box Culvert, David City, Nebraska – 2015	Owner: City of David City, Nebraska	Owner's Contract No.:
Contract: 11 th Street Box Culvert		Date of Contract: 1/27/16
Contractor: Yong Construction Co., 12 Ginger Cove Rd., Valley, Nebraska 68064		Engineer's Project No.: 014-2572

The Contract Documents are modified as follows upon execution of this Change Order:

Description: Relocate 2" force main, so the box can be built, work includes:

- Temporarily dam off creek
- Locate and expose both ends of force main
- Open trench creek crossing
- Install 2" pipe with sleeve
- Open trench remaining pipe to existing exposed force main
- Fuse ne main into existing
- Backfill

lump sum \$6,200; 4 days added to contract, time to commence upon construction to start.

CHANGE IN CONTRACT PRICE:

Original Contract Price:

\$ 119,010.00

[[Increase] [Decrease] from previously approved Change Orders
No. 0 to No. 0;

\$ 0.00

Contract Price prior to this Change Order:

\$ 119,010.00

Increase of this Change Order:

\$ 6,200.00

Contract Price incorporating this Change Order:

\$ 125,210.00

CHANGE IN CONTRACT TIMES:

Original Working days Calendar days

Substantial completion (days or date): May 1, 2016

Ready for final payment (days or date): May 31, 2016

Change from previously approved Change Orders

No. 0 to No. 1;

Substantial completion (days or date): 60 Calendar Days and completed by May 1, 2016

Ready for final payment (days or date): May 31, 2016

Contract Times prior to this Change Order:

Substantial completion (days or date): 60 Calendar Days and completed by May 1, 2016

Ready for final payment (days or date): May 31, 2016

Increase of this Change Order:

Substantial completion (days or date): 64 Calendar Days

Ready for final payment (days or date): June 15, 2016

Contract Times with all approved Change Orders:

Substantial completion (days or date): 64 Calendar Days

Ready for final payment (days or date): June 15, 2016

RECOMMENDED: Olsson Associates

ACCEPTED: City of David City, Nebraska

ACCEPTED: Yong Construction Co.

By: _____
Engineer (Authorized Signature)

By: 
Owner (Authorized Signature)

By: _____
Contractor (Authorized Signature)

Date: _____

Date: 3-9-2016

Date: _____

Approved by Funding Agency (if applicable): _____

Date: _____

Date of Issuance: 3/9/16 Effective Date: 3/9/16

Project: 11 th Street Box Culvert, David City, Nebraska – 2015	Owner: City of David City, Nebraska	Owner's Contract No.:
Contract: 11 th Street Box Culvert		Date of Contract: 1/27/16
Contractor: Yong Construction Co., 12 Ginger Cove Rd., Valley, Nebraska 68064		Engineer's Project No.: 014-2572

The Contract Documents are modified as follows upon execution of this Change Order:

Description: Extend existing culvert under Kansas Street south, which is north of the box culvert:

Item	Unit	Quantity	Unit Cost	Total Cost
24" CMP	LF	15	30	450
24" CMP Flared End Section	EA	1	200	200
Concrete Collar	EA	1	200	200
Total				850

CHANGE IN CONTRACT PRICE:

Original Contract Price:
\$ 119,010.00

Increase from previously approved Change Orders
No. 1 to No. 2 :

\$ 6,200.00

Contract Price prior to this Change Order:

\$ 125,210.00

Increase of this Change Order:

\$ 850.00

Contract Price incorporating this Change Order:

\$ 126,060.00

CHANGE IN CONTRACT TIMES:

Original Working days Calendar days
Substantial completion (days or date): May 1, 2016
Ready for final payment (days or date): May 31, 2016

Change from previously approved Change Orders
No. 1 to No. 2 :
Substantial completion (days or date): 64 Calendar Days

Ready for final payment (days or date): June 15, 2016

Contract Times prior to this Change Order:
Substantial completion (days or date): 64 Calendar Days

Ready for final payment (days or date): June 15, 2016

(Increase)(Decrease) of this Change Order:
Substantial completion (days or date): N/A
Ready for final payment (days or date): N/A

Contract Times with all approved Change Orders:
Substantial completion (days or date): 64 Calendar Days

Ready for final payment (days or date): June 15, 2016

RECOMMENDED: Olsson Associates ACCEPTED: City of David City, Nebraska ACCEPTED: Yong Construction Co.

By: _____ By: *Da Zavadny* By: _____
Engineer (Authorized Signature) Owner (Authorized Signature) Contractor (Authorized Signature)

Date: _____ Date: 3-9-2016 Date: _____

Approved by Funding Agency (if applicable): _____ Date: _____

There being no further business to come before the Council, Council member Smith made a motion to adjourn. Council member Kobus seconded the motion. Voting AYE: Council members Kobus, Hotovy, Kroesing, Rogers and Smith. Voting NAY: None. Council member Vandenberg was absent. The motion carried and Mayor Zavodny declared the meeting adjourned at 8:17 p.m.



CERTIFICATION OF MINUTES
March 9, 2016

I, Joan Kovar, duly qualified and acting City Clerk for the City of David City, Nebraska, do hereby certify with regard to all proceedings of March 9, 2016; that all of the subjects included in the foregoing proceedings were contained in the agenda for the meeting, kept continually current and available for public inspection at the office of the City Clerk; that such subjects were contained in said agenda for at least twenty-four hours prior to said meeting; that the minutes of the meeting of the City Council of the City of David City, Nebraska, were in written form and available for public inspection within ten working days and prior to the next convened meeting of said body; that all news media requesting notification concerning meetings of said body were provided with advance notification of the time and place of said meeting and the subjects to be discussed at said meeting.

Joan Kovar, City Clerk