CITY COUNCIL PROCEEDINGS

November 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 North 4th Street, David City, Nebraska. The Public had been advised of the meeting by publication of notice in The Banner Press on November 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 and Council members John Vandenberg, Tom Kobus, Gary Smith, Mike Rogers, and Kevin Hotovy, City Attorney Jim Egr, and City Clerk Joan Kovar.

Also present for the meeting were: Ryan Ruth of Agency One Insurance, Sheriff Marcus Siebken, Banner Press Reporter Joseph Bodenbach, Jeff Hilger, Pat Meysenburg, Skip Trowbridge, Electric Plant Supervisor Eric Betzen, Electric Distribution Supervisor Pat Hoeft, and Street Supervisor Rodney Rech.

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 and asked those present to please silence their cell phones.

The minutes of the October 12th, 2016 meeting of the Mayor and City Council were approved upon a motion by Council member Vandenberg and seconded by Council member Rogers. Voting AYE: Council members Kroesing, Smith, Hotovy, Kobus, Rogers, and Vandenberg. Voting NAY: None. The motion carried.

Mayor Zavodny asked for consideration of claims. Council member Kroesing questioned the payment from Sales Tax to Preister Well & Backhoe, Inc., in the amount of \$9,921.41 as submitted by the Ball Association. It was noted that was far from a miscellaneous expense and this expense would need to be explained to the City Council. Council member Smith made a motion to authorize the payment of claims, excluding the payment to Preister Well & Backhoe, Inc. in the amount of \$9,921.41, and Council member Kobus seconded the motion. Voting AYE: Council members Kroesing, Hotovy, Vandenberg, Kobus, Rogers, and Smith. Voting NAY: None. The motion carried.

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

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

Council member Kroesing made a motion to accept Change Order #5 for a decrease of \$1,720.00 regarding the 11th Street Box Culvert. Council member Rogers seconded the motion. Voting AYE: Council members Hotovy, Smith, Kobus, Vandenberg, Kroesing, and Rogers. Voting NAY: None. The motion carried.

Council member Kroesing made a motion to approve the Final Certificate of Payment request in the amount of \$850.00 to Yong Construction for the 11th Street Box Culvert Project. Council member Rogers seconded the motion. Voting AYE: Council members Vandenberg, Kobus, Smith, Rogers, Kroesing, and Hotovy. Voting NAY: None. The motion carried.

Council member Smith stated that he felt guard rails should have been installed on the 11th Street box culvert. Guard rails were not included in the project. Council member Rogers agreed that guard rails would have been desirable. Street Supervisor Rodney Rech was instructed to get costs for a guard rail.

Council member Kroesing made a motion to approve the agreement with Kirkham Michael and authorize Mayor Zavodny to execute Airport Improvement Program (AIP) Project No. 3-31-0025-011 to rehabilitate the Airport runway, taxiway, and apron. Council member Vandenberg seconded the motion. Voting AYE: Council members Kobus, Hotovy, Smith, Kroesing, Vandenberg, and Rogers. Voting NAY: None. The motion carried.



Iowa • Kansas • Nebraska

www.kirkham.com

Memorandum

To:	David City Council	From:	Eric Johnson
Subject:	Runway, Apron and Taxiway rehabilitation	Date:	November 9, 2016
	agreement David City Municipal Airport, David City,		
,	NE. Update on t-hangar project.		
AIP No.:	3-31-0025-011	KM No.:	43

Mayor and Council,

Attached please find the following:

- 4-approved copies of the Consultants Agreement for the runway, taxiway and apron rehabilitation project covering all phases of work under an FAA AIP grant. Please execute all 4 and return back to this office. I will date them once we receive them back.
- The total is \$136,042.89. City share is \$13,604.29.
- FAA approval email to execute.

> U.S. Department of Transportation

Federal Aviation Administration

Central Regions lows, Kansas, Missouri, Nebraska

901 Locust Kansas City, Missouri 64106 (816) 329-2600

September 28, 2016

Mr. Russell Gasper, P.E. Project Management, Division Manager Nebraska Department of Aeronautics P.O. Box 82088 Lincoln, NE 68501

Re:

David City Municipal Airport (93Y); David City, NE

Potential AIP No. 3-31-0025-011

Rehabilitate Runway, Taxiway and Apron (Seal Coat)

Subject: Initiation of Work for Proposed FY 2017 Project

Dear Mr. Gasper:

Proposed Project

The FAA is considering the following project(s) as part of the FY 2017 Airport Improvement Program (AIP):

> Rehabilitate Runway 14/32 (Seal Coat [3,675 Feet X 60 Feet]); Rehabilitate Taxiway (Seal Coat [720 Feet X 25

\$311,400.00

Feet]); Rehabilitate Apron (Seal Coat [5,000 Square

Yards])

Proposed Project Description

Anticipated Federal Share

The project(s) scope of work and anticipated Federal share are based on your Airport Capital Improvement Plan (ACIP) Data Sheet.

Only one bid was received for the replacement of the roof on the City Maintenance/ Electric Department Building as follows:

T. NOVAK CONSTRUCTION, INC.

o: City B.	mary		
OTY	DESCRIPTION	PRICE	AMOUNT
Estimate y		existing #	00 01 7 /
Clat Rook	Material cost	Increase	1.475.00
Include			1,317,61888
		erimeter was	LS L
INSTALL /	418 Roof with 4/12 PI	tch over en	tree builde
INSTAU E	THE WOMES FOR SEPERATE	Synte Fire M	AHIC AND
tile paper	WOOK AND PROTOS WITH	Roof shingle	
Ever the to	Roof Paper.	Koor Survey	Marie
This town 2	4" vented Aluminum	Soffells + PAS	cia to
entire 1	54' Perimeter.		
Extend ex	disting vent pipes out	o New Roof.	
			V
Includes	All INDORY MATERIAL	S FOR MOSVE	LOOP F.
OPTIONS:	S. T. a. d. W. a.	#	
2. Acad	on I make Desistant	4150.00	3,900.00
3. Add 12	" Rock Wool Attic Insular	ven Estimated	-# 12,2854
Continues of paint Wallington and Continues	1.0	with Don Ha	los a mai
Note I u	rould need to confirm A big	WITH DON HI	tel Care

While discussing the bid Electric Supervisor Pat Hoeft stated that Tony Novak would start the project in early spring. The additional cost for impact resistant shingles for \$3,900.00 were guaranteed for 50 years, where the other shingles he thought were only guaranteed for 35 years. Council member Kobus stated that he didn't think there were any shingles that last that long. The bid doesn't really say what kind of shingles are being bid. Electric Supervisor Hoeft stated that he could ask Tony Novak to attend the next council meeting to answer questions.

Council member Kroesing made a motion to table consideration of the bid received for the replacement of the City Maintenance/ Electric Department Building roof until the December Council Meeting. Council member Vandenberg seconded the motion. Voting AYE: Council members Smith, Hotovy, Kobus, Rogers, Vandenberg, and Kroesing. Voting NAY: None. The motion carried.

Council member Hotovy made a motion to approve Maintenance Agreement No. 27 between the Nebraska Department of Roads and the City of David City. Council member Kroesing seconded the motion. Voting AYE: Council members Rogers, Vandenberg, Smith, Kobus, Hotovy, and Kroesing. Voting NAY: None. The motion carried.



AGREEMENT

THIS AGREEMENT, made and entered into by and between David City hereinafter referred to as the "City"; and the State of Nebraska, Department of Roads, acting by and through its Director-State Engineer, hereinafter referred to as the "State" and this agreement is to have an effective date of January 1, 2017.

WITNESSETH:

WHEREAS, Nebraska Revised Statutes, relating to highways, set out the responsibilities of the State, counties and incorporated municipalities in the establishment of uniform standards of design, construction, operation and maintenance of said highways, and

WHEREAS, the State and the City wish to enter into an agreement relative to the maintenance of said highways, and

WHEREAS, Neb. Rev. Stat. § 39-1339, § 39-1344, § 39-1372, § 39-2105, § 60-6,120 and § 60-6,121, set out in detail the maintenance responsibilities of the State and the City; said responsibilities shall be incorporated herein by this reference. Therefore, the parties hereto understand that the maintenance responsibilities of the City and State under the above referenced laws are as set forth by Attachment "A" attached hereto.

NOW THEREFORE, in consideration of these facts the parties hereto agree as follows:

SECTION 1a: The State agrees to perform the maintenance on the above mentioned highways consisting of surface maintenance of those portions of municipal extensions of all rural highways within municipalities of the Metropolitan, Primary and First Class, the design of which exceeds the design of the rural highways leading into the municipality. The State shall maintain

the entire traveled portion, not including parking lanes thereon, of the municipal extension and the City shall reimburse the State as set out in Section 8a of this agreement for maintaining that portion of said municipal extension that has been designated by statute as the City's responsibility.

SECTION 1b: The State agrees to perform the maintenance on the above mentioned highways consisting of surface maintenance of those portions of municipal extensions of all rural highways within municipalities of the Second Class and Villages, the design of which exceeds the design of the rural highways leading into the municipality. The State shall maintain the entire traveled portion, including parking lanes thereon, of the municipal extension and the City shall reimburse the State as set out in Section 8a of this agreement for maintaining that portion of said municipal extension that has been designated by statute as the City's responsibility.

SECTION 1c. The City agrees to perform the maintenance on the above mentioned highways consisting of surface maintenance of those municipal extensions of all rural highways, and the State shall reimburse the City as set out in Section 8b of this agreement for the maintenance of that portion of said municipal extension that has been designated by statute as the State's responsibility. No allowance will be made for turning lanes or for lanes used on a part-time basis as parking lanes, or other auxiliary lanes within municipalities of the Metropolitan, Primary and First Class. No allowance will be made for turning lanes or other auxiliary lanes except parking lanes within municipalities of the Second Class and Villages.

SECTION 1d. Special provisions in which the State shall perform partial maintenance and the City shall perform partial maintenance on the same municipal extension(s) shall be set out by addendum, in detail in Attachment "B" attached hereto, referred to in Section 5 of this agreement. Said addendum to include specific responsibilities of the State and the City and dollar amounts allowed for performance of said work by the State and by the City.

SECTION 2. Maintenance that may be required by "Acts of God" is not covered by this agreement but shall be performed under special agreement in each specific case.

SECTION 3. Repair or reconstruction projects beyond the scope of normal surface maintenance, which are let to contract through the State's contract letting procedure, are considered to be beyond the scope of this Agreement. Normal surface maintenance shall include, but is not limited to the following maintenance activities: Crack Seal, Joint Seal, Fog Seal, Seal Coats, Spot patching, Pothole repair, Sweeping, Surface Milling, Concrete patching, miscellaneous full-depth concrete replacement, or Preventive maintenance. In order to facilitate repair or reconstruction of projects which are beyond the scope of normal surface maintenance, the City shall submit, on an annual basis, a long-range plan (5 years) for such projects to the State. In the event the State and/or the City should desire to do such work, the parties hereto may enter into a separate agreement for the appropriate cost sharing.

SECTION 4. It is further understood that normal surface maintenance and maintenance of appurtenances by the City shall include the identifying, locating, and marking with flags of all buried municipally owned and state owned utility facilities that occupy Nebraska Department of Roads right-of-way. The above mentioned utility facilities are those that service highways referenced in this agreement and properties adjacent to the above referenced highways and will be identified, located, and marked with flags upon the request of the State or the One Call Notification Center. Identification of buried utility facilities shall follow the provisions of the One Call Notification System Act, §76-2301 through § 76-2330. (NE Rev. Stat.)

SECTION 5. Only those municipal extensions of rural highways shown on the attached list marked as Attachment "C" attached hereto, and hereby made a part of this agreement shall be covered by this agreement; however, additions and deletions may be made to Attachment "C" by mutual written agreement of the parties hereto.

SECTION 6. The above mentioned highways shall be inspected periodically, at least quarterly, by the Department's District Engineer or the District Operations and Maintenance Manager, or their authorized representatives, and by the City's Director of Public Works or his authorized representative to review the adequacy of the maintenance work which has been performed.

SECTION 7. Materials used by the City in the performance work hereunder shall be selected by mutual agreement of the parties hereto.

SECTION 8a. If Section 1a or 1b of this agreement is incorporated herein, the City will pay to the State the sum of \$\frac{\state}{per Attachment}\$ per lane mile. The above cost figures shall include all labor, equipment, tools, materials and supplies used or furnished by the State in the performance of the work on the above mentioned highways. Fractional miles or fractional months, if any, will be used in computing the amount payable in this agreement.

SECTION 8b. If Section 1c of this agreement is incorporated herein, the State will pay the City the sum of \$\frac{per Attachment "B"}{per lane mile.}\$ per lane mile. The above cost figure price per lane mile shall include all labor, equipment, tools, materials and supplies used or furnished by the City in the performance of such work. Fractional miles or fractional months, if any, will be used in computing the amount payable in this agreement.

SECTION 8c. If Section 1d of this agreement is incorporated herein, the costs of partial maintenance by the State and by the City computed by fractional mile or fractional month and as set out in detail in Attachment "B", shall be offset to determine the amount, if any, to which one party or the other may be entitled after said offset.

SECTION 8d. Payment under this agreement will be made on an annual basis after December 31, as soon as possible after submission by the State to the City or the City to the State, as the case may be, of a Certificate approved by the District Engineer of the State, providing all work has been done during the period for which payment is made in full conformity with the agreement.

SECTION 9. Upon the failure of the City to perform any of the work named herein under the terms of this agreement, the Director or District Engineer of the State may, with concurrence of the City's Director of Public Works, do and perform such work or cause it to be done and performed and may retain from any monies then due to the City or thereafter becoming due, any such amount as is required for the completion of such work, provided, however, that this

paragraph shall not be construed to relinquish any rights of action which may accrue in behalf of either party as against the other for any breach of agreement.

SECTION 10. It is further understood that all persons working on such highways are employees of the State, City or of contracted third parties. All contracts and agreements made by the City with third parties for the performance of any work to be done under this agreement shall be subject to the terms of this agreement and shall comply with all State laws and requirements relating to construction and maintenance contracts.

SECTION 11. The City agrees to keep existing and new right-of-way free of encroachments, except those authorized by permit from the City and approved by the State and Federal Highway Administration (FHWA).

SECTION 12. The City agrees to abide by the provisions of the Nebraska Fair Employment Practices Act, as provided by Neb. Rev. Stat. § 48-1101 through § 48-1126.

SECTION 13. The parties do further agree, anything to the contrary herein notwithstanding, that the Director-State Engineer of the State of Nebraska, either in his individual or official capacity, shall not be responsible or liable in any manner to the City or to any other person or persons whatsoever for any claim, demand, action or causes of action of any kind or character arising out of or by reason of the execution of this agreement or the negligent performance and completion of the work and improvements provided for herein by the City or its agents or arising out of any contract let by the City for the performance of any of the work provided herein.

SECTION 14. The City indemnifies, saves and holds harmless the State and all of its departments, agents, and employees of and from any and all claims, demands, actions or causes of action of whatsoever nature or character arising out of or by reasons of the execution or performance of the work provided for herein by the City or its agents and further agrees to defend at its own sole cost and expense any action or proceeding commenced for the purposes of asserting any claim of whatsoever character arising hereunder as a result of work performed by the City or its agents.

SECTION 15. This agreement shall not be construed as a relinquishment by the State of any powers or control it may have over the herein before described highways.

SECTION 16. This agreement shall terminate December 31, 2017, except that it may be renewed for one year at a time and each January 1 thereafter for up to four additional years by written concurrence of both parties hereto. After five years, a new agreement must be executed. The lane mile payment provided in Section 8 hereof may be renegotiated to the satisfaction of both parties at any renewal date.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed by their proper officials thereunto duly authorized as of the dates below indicated.

EXE	CUTED by the City this	day of	, 20
ATTEST:		CITY OF David City	
City Clerk		Mayor	·
EXE	CUTED by the State this	day of	_, 20
	NEBRASKA ENT OF ROADS		
District Engi	neer		

NEBRASKA

Good Life. Great Journey.

DEPARTMENT OF ROADS

Attachment "A"

MAINTENANCE OPERATION AND RESPONSIBILITY Municipal extensions and connecting links (Streets Designated Part of the State Highway System excluding Freeways)

Maintenance Responsibility Neb. Rev. Stat. § 39-2105

Maintenance Operation Neb. Rev. Stat. § 39-1339	Metrop Cities (Omah		Primary Cities (Lincoln)	1 st Class Cities	2 nd Class Cities & Villages
Surface maintenance of the traveled way equivalent to the design of the rural highway leading into municipality.	Depart	ment	Department	Department	Department
Surface maintenance of the roadway exceeding the design of the rural highway leading into the municipality including shoulders and auxiliary lanes.	City		City	City	City
Surface maintenance on parking lanes.	City		City	City	Department
Maintenance of roadway appurtenances (including, but not limited to, sidewalks, storm sewers, guardrails, handrails, steps, curb or grate inlets, driveways, fire plugs, or retaining walls)	City		City	City	City or Village
Mowing of the right-of-way, right-of-way maintenance and snow removal.	City		City	City	City or Village
Bridges from abutment to abutment, except appurtenances.	Depar	tment	Department	Department	Department
Maintenance Operation Neb. Rev. Stat. § 39-1339	Metropolitan Cities (Omaha)	at. § 60-6, 120 & Primary Cities (Lincoln)	1 st Class Cities > 40,000	1 st Class Cities < 40,000	2 nd Class Cities
Pavement markings limited to lane lines, centerline, No passing lines, and edge lines on all connecting links except state maintained freeways	City	City	City	Department	Department
Miscellaneous pavement marking, including angle and parallel parking lanes, pedestrian crosswalks, school crossings, etc.	City	City	City	City	City
Maintenance and associated power					
costs of traffic signals and roadway lighting as referred to in original project agreement.					
costs of traffic signals and roadway lighting as referred to in original project	City	City	City	Department	Department

City Maintenance Agreement

NEBRASKA Attachment B City of: **David City** Good Life. Great Journey. Date: 10/1/16 **DEPARTMENT OF ROADS** Surface Maintenance From Attachment "C", it is determined that the State's

responsibility for surface maintenance within the City limits is 5.40 lane miles. Pursuant to Sections 1a, 8a, 8d of the Agreement and to Attachment "C" made part of this Agreement through reference, the State agrees to pay to the City the sum of \$1,160.00 per lane mile for performing the surface maintenance on those lanes listed on Attachment "C".

Amount due the City for surface maintenance:

5.40 lane miles x \$1,160.00 per lane mile = \$6,264.00.

		he City agrees to pay to the State e for performing snow removal on t "C".
	Amount due the State for snow	removal:
	lane miles x \$	per lane mile = \$
Other ((Explain)	

ATTACHMENT "C"
CITY OF DAVID CITY

STATE OF NEBRASKA DEPARTMENT OF ROADS

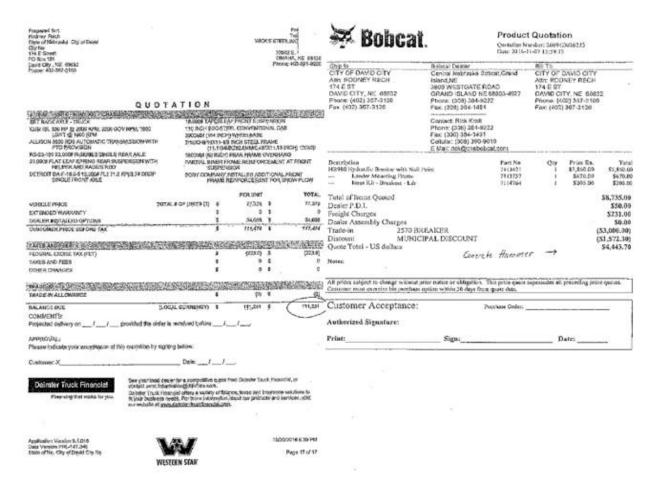
RESPONSIBILITY FOR SURFACE MAINTENANCE OF MUNICIPAL EXTENSIONS

NEBRASKA REVISED STATUTE 39-1339 AND NEBRASKA REVISED STATUE 39-2105

Description	Hwy No.	Beginning R.P.	End R.P.	Length (MI)	Driving Lanes Total	Lane Miles Total	State	City
South City Limits to Kansas Street	15	90.97	91.38	0.41	4	1.64	0.82	0.82
Kansas Street to Nebraska Street	15	91.38	91.61	0.23	4	0.92	0.46	0.46
Nebraska Street to UPRR	15	91.61	92.03	0.42	4	1.68	0.84	0.84
UPRR to O Street	15	92.03	92.68	0.65	4	2.6	1.3	1.3
Jct O street to North City Limit	15	92.68	93.63	0.99	2	1.98	1.98	ó
				0		0		
				0		0		
				0		0		
				0		0		
				0		0		
						0		
				0		0		
				0		0		
				0		0		
Total Lane Miles				2.7		8.82	5.4	3.42

As Craig Reinsch of Olsson Associates had not yet arrived from his meeting with the County Fair Board, Council member Hotovy made a motion to postpone consideration of the sewer participation service agreement and permit between Henningsen Foods and the City of David City until Craig arrived, and to advance to the next agenda item. Council member Rogers seconded the motion. Voting AYE: Council members Kroesing, Vandenberg, Rogers, Kobus, Smith, and Hotovy. Voting Nay: None. The motion carried.

Council member Kobus made a motion to authorize the purchase of a Western Star 4700SB Truck with a box and a Henke reversible plow (length 11', Height 36") for the Street & Electric Departments (\$111,251.00), and also a Hydraulic Concrete Breaker (\$4,443.70). Council member Rogers seconded the motion. Voting AYE: Council members Vandenberg, Kroesing, Smith, Hotovy, Rogers, and Kobus. Voting NAY: None. The motion carried.



Council member Hotovy made a motion to authorize the purchase of a Hiniker 7902 Poly Trip Edge 9' Straight Snow Plow from Midwest Service and Sales Co. in the amount of \$5,891.00 to attach to a pickup for the Water Department. Council member Kobus seconded the motion. Voting AYE: Council members Rogers, Kroesing, Vandenberg, Smith, Kobus, and Hotovy. Voting NAY: None. The motion carried.

MIDWEST SERVICE AND SALES CO.

Hiniker 7902 Poly Trip Edge 9' Straight Snow Plow \$5,891.00

Hiniker 9200 Poly Torsion Spring Trip 8 ½' Flare V-Plow \$6,200.60

MATT FRIEND TRUCK EQUIPMENT, INC.

\$6,060.00 Boss B3236 Super Duty 9' Straight Snow Plow

\$6,940.00 Boss MSC15005C 9'2" V-Plow

All quotes listed include sales tax

Council member Vandenberg authorized the purchase of a Verisight Pro 330' Push Camera \$11,875.00 from Nebraska Environmental Products for the wastewater department. Council member Kobus seconded the motion. Voting AYE: Council members Kroesing, Rogers, Hotovy, Smith, Kobus, and Vandenberg. Voting NAY: None. The motion carried.

NEBRASKA ENVIRONMENTAL PRODUCTS

QUOTE # 6160077 5360 ALVO ROAD

PO BOX 191

LINCOLN, NE 68514

ORDER:__ TEL: 402-435-0061

FAX: 402-435-0644

CITY OF DAVID CITY WASTEWATER SHIP TO: CITY OF DAVID CITY WASTEWATER

PO BOX 191

EACH

-3,363.00

DAVID CITY NE 68632

DAVID CITY NE 68632

TERMS: N30

Customer P.O.:

-1_00_*LF2200_L0GATOR---

Customer Phone: 402-367-3132

SALES REP.:OLIVERIUS, GREG

QUOTE DATE:

ORDER DATE:

EXTENDED PRICE

3,363.00

04/18/16

QTY. DESCRIPTION 1.00 *VERISIGHT PRO 330' PUSH CAM

11,875.00 11,875.00

THIS WAS QUOTED USING MINNESOTA STATE CONTRACT PRICING

AND IS EQUIPTED PER THE CONTRACT SPECIFICATIONS

ONE YEAR WARRANTY DELIVERY AND TRAINING INCLUDED

As an explanation of the next two agenda items, City Attorney Jim Egr stated: "The people paid off that mowing lien and also paid off the housing loan. On the housing loan, the City was listed as the Trustee and on the release of the mowing lien, technically when it's for a municipal corporation we need to have authorization for you and the City Clerk to authorize release of those particular liens, so from a title standpoint in case someone down the line asks was there authority given to sign that, and that's the only reason for doing that."

Council member Kroesing made a motion to authorize the release of the lien for mowing on the real estate described as: Lot Nine (9) and the West Half (W ½) of Lot Eight (8), all in Block One (1), Surety Investment Addition to David City, Butler County, Nebraska. Council member Rogers seconded the motion. Voting AYE: Council members Kobus, Hotovy, Smith, Vandenberg, Rogers, and Kroesing. Voting NAY: None. The motion carried.

TO: EGR, BIRKEL & WOLLMER, P.C. PO BOX 46 DAVID CITY, NE 68632

RELEASE OF LIEN

KNOW ALL MEN BY THESE PRESENTS, that the undersigned in consideration of full payment of the undersigned's claim, and other valuable consideration received, does hereby waive, relinquish, and release the Lien filed of record in Book 16 Page 01131 on August 11, 2016 in the Offices of the County Clerk of Butler County, Nebraska, which covers the following described real estate, to-wit:

Lot Nine (9) and the West Half (W1/2) of the Lot Eight (8), all in Block One (1), Surety Investment Company Addition to David City, Butler County, Nebraska.

Dated: Nov-ember 9, 2016.

CITY OF DAVID CITY, NEBRASKA, a Nebraska Municipal Corporation,

ATTEST BY:

Clerk of the City of David City, Nebraska



Council member Kroesing made a motion to authorize the Deed of Reconveyance stating that the David City Housing Loan has been paid in full on the premise located on the East 60 feet of the South ½ of Lot 4, and the East 60' of Lot 5, and the West ½ of vacated 11th Street (40' x 150'), Block 1, Miles Fifth Addition, David City, Butler County, Nebraska. Council member Rogers seconded the motion. Voting AYE: Council members Vandenberg, Smith, Hotovy, Kobus, Kroesing, and Rogers. Voting NAY: None. The motion carried.

TO: EGR, BIRKEL & WOLLMER, P.C. P.O. BOX 46 David City, Nebraska 68632

DEED OF RECONVEYANCE

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, all of the indebtedness secured by the Deed of Trust executed by BRIDGET M.

NOVAK n/k/a BRIDGET M. REED, as Borrower, to CITY OF DAVID CITY,
NEBRASKA/DAVID CITY HOUSING BOARD, Trustee for the benefit of The City of David City,
David City Housing Board, as Lender and the Beneficiary named therein, dated September 16th,
2009, and recorded in the Office of the County Clerk of Butler County, Nebraska, in Film Book 09
at Page 01494, has been fully paid and a written request to reconvey, reciting that all sums secured
by such Trust Deed have been fully paid, has been received from the said Beneficiary;

NOW THEREFORE, in consideration of such full payment and in accordance with the request of the Beneficiary named therein, the undersigned as Trustee does by these presents, grant, remise, release and reconvey to the person or persons entitled thereto all the interest and estate derived to said Trustee by or through said Trust Deed in the following described premises, but only as to such premises:

East 60 feet of South ½ of Lot 4 and East 60 feet of Lot 5 and West ½ of Vacated 11th Street (40'x150'), Block 1, Miles a/k/a Miles's Fifth, Addition, David City, Butler County, Nebraska.

TOGETHER with all buildings, fixtures, improvements and appurtenances belonging to such prunises.

DATED this 9th day of november , 2016.

STATE OF NEBRASKA

County of Butler

Trustee - CITY ON DAVID CITY, NEBRASKA/DAVID CITY HOUSING BOARD by ALAN ZAVODNY, MAYOR

ATTEST: (SAME) & ROVAR, CITY CLERK

The foregoing instrument was acknowledged before me on the 9th day of Navenbur 2016 by ALAN ZAVODNY, MAYOR OF THE CITY OF DAVID CITY, NEBRASKA ON BEHALF OF THE CITY OF DAVID CITY, NEBRASKA/DAVID CITY HOUSING BOARD and JOAN E. KOVAR, CITY CLERK.

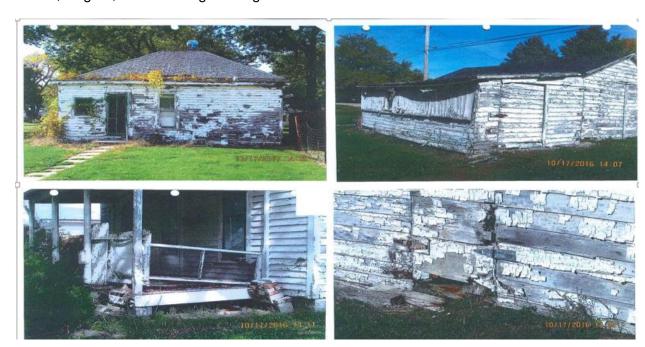
SOMENAL NOTION - Sheet of Rectumble Notary Public Notary Public

The property located at 314 No. 7th Street was discussed. The City Council noted the entire property, both the house and the garage, looks like it is in poor condition. City Attorney Egr stated that we could say: "Enclosed are the pictures. The house and garage have too many openings for animals and too many nuisances, dangerous attractions, and all of those need to be addressed and taken care of. You need to make the house habitable for human living, repair the porch, and the roof is in need of repair."

The Council noted the following:

- A hole in the corner of the roof
- Steps missing on the front porch
- Bricks laying by the front porch
- Rotten siding and a roof in poor condition
- Hole in the garage for animals
- Attractive nuisances
- Tarp or something on the chimney

Council member Kroesing made a motion to send a certified letter to the property owner Roy Remmers (deceased), c/o Mary Ann Ziethen, advising that the property is in disrepair and in violation of City Codes and they have 15 days to address these issues. Council member Rogers seconded the motion. Voting AYE: Council members Vandenberg, Smith, Hotovy, Kobus, Rogers, and Kroesing. Voting NAY: None. The motion carried.



The property located at 595 C Street was discussed. The City Council noted the entire back yard is full of farm equipment and miscellaneous items, including but not limited to:

- Tractors
- Flatbeds
- Miscellaneous farming equipment, etc.
- Mowers, etc.
- Attractive nuisances

Council member Rogers made a motion to send a certified letter to the property owner, Sharon Smith, advising her that the property is in violation of City Codes and she has 15 days to address these issues. Council member Smith seconded the motion. Voting AYE: Council members Kobus, Hotovy, Kroesing, Vandenberg, Smith, and Rogers. Voting NAY: None. The motion carried.



The property located at 219 No. 7^{th} Street was discussed. The City Council noted that the yard is scattered with miscellaneous items, including but not limited to:

- A piece of equipment blocking the sidewalk and impeding access to the front door,
- Bicycles, cages/pens, miscellaneous items, and other debris scattered on the front and back yards

Council member Hotovy made a motion to send a certified letter to the property owner, Charles Oborny, advising him that the property is in violation of City Codes and he has 15 days to address these issues. Council member Kroesing seconded the motion. Voting AYE: Council members Kobus, Smith, Vandenberg, Rogers, Kroesing, and Hotovy. Voting NAY: None. The motion carried.





The property located at 253 No. 7th Street was discussed. The City Street Department has had to mow the property since the pictures were taken. The City Council noted that this property is in desperate need of maintenance to the yard and the buildings. The City Council noted the following items, including but not limited to:

- An upholstered recliner setting on the front porch,
- Volunteer/ sapling trees growing up from the foundation and on various locations on the property,
- The roof appears to be in poor condition,
- It appears there may be a broken window on the back side of the house,
- Trash that has not been picked up and sacks of trash laying in the grass in the back yard,
- This property needs to be in inhabitable condition

Council member Hotovy made a motion to send a certified letter to the property owner, Phillip & Lori Mendoza, advising them that the property is in violation of City Codes and they have 15 days to address these issues. Council member Rogers seconded the motion. Voting AYE: Council members Smith, Vandenberg, Rogers, Kroesing, Hotovy, and Kobus. Voting NAY: None. The motion carried.



Street Supervisor Rodney Rech and City Clerk Kovar submitted an application for a Recycling Grant from the Nebraska State Recycling Association. They received a letter that stated the following: "The Nebraska State Recycling Association is pleased to inform you that your grant application for the Recycling Operations Reimbursement has been approved. Due to limited funds, the reimbursement amount will not exceed \$12,000 over the next eight months, through June 30, 2017. You are encouraged to submit all eligible bills each calendar quarter until your allotment has been spent." Eligible expenses can include, but are not limited to: fuel expense, transportation expense, personnel expense, contracting expense (for example, for a company that hauls a recycling trailer to the recycling center for the applicant), repairs to recycling equipment, such as a baler, forklift, pallet jack, scales, recycling trailer repairs, recycling equipment tire replacement or repairs, etc.

Council member Kroesing made a motion to accept the Nebraska State Recycling Grant in the amount of \$12,000. Council member Smith seconded the motion. Voting AYE: Council members Rogers, Vandenberg, Hotovy, Kobus, Smith, and Kroesing. Voting NAY: None. The motion carried.

Ryan Ruth of Agency One Insurance stated that the current renewal premiums for the City of David City employee's is showing a 28.71% rate increase which would amount to approximately a \$53,179.00 total annual increase. Ryan then provided the following information concerning different options available for group health insurance and discussion followed.

Proposel Type		MEDICAL SUMMARY		-
PYODONIE TYDE	PROPOSED	Effective: 1/1/2017 PROPOSED	PROPOSED	PROPOSED
Garrier	UNO	BCBSNE	UHC	BOBSNE
Mote	 HSA - Appregate 	HSA - Aggregate	HSA - Agcregate	HSA - Embedded
Plan Norse	HSA \$1,500 80% - AM-EP w/15	HSA \$1,800 90% - Option 105	HSA \$2,000 80% - AM-EQ-W/1S	HSA \$2,700 70% - Option 20
Option Type	Gold	Gold	Silver	Silver
Natwork:	In Network	In Network	In Network	In Notwork
Deductible - E.E.	\$1,500	\$1,500	\$2,000	\$2,700
Doductible - Family	\$3,000	\$3,000	\$4,000	70%
Coinsurance	80%	60%	96,250	\$4,600
Out of Pocket Max	\$0,260	\$2,000	\$12,500	\$9,000
Out of Pocket Max - Family	/2,500 \$600 Ded then 20%	Ded then 10%	Ded then 20%	Dod then 30%
Ptrysicier/Specialist Copay Copay Note	Digo tien sone	D00 010H 1-076	010 001 201	D00 E001 5010
Urgent Care Copay	Ded then 20%	Ded then 10%	Ded then 20%	Ded then 30%
Emergency Room Copey	Ded then 20%	Dod thon 10%	Ded then 20%	Ded then 30%
Major Diagnostic (MRIJCT,etc.)	Ded then 20%	Ded then 10%	Ded then 2014	Ded then 30%
Prescriptions(Rx)	Ded then \$10/\$36/\$80	Ded +10% for all	Ded then \$10/\$35/\$60	Ded +30% for all
Specialty Rx	Ded, then \$10/\$100/\$300	Ded +10% for all	Ded then \$19(\$100/\$300)	Ded. +30% for all
Rx Notes		Preferred Rx, SBC has addft into		Preferred Rtx, SBC has addfl in
Pediatric Dental	Yes	Yes	Yas	Yes
Provider Network	UHG	Bluefreferred	UHC	BluePreferred
Employee	4 \$404.96	4 \$627.05	4 \$474.65	4 \$508
Employee + Spouse	1 \$989.95	1 \$1,256.50	1 \$949.09	1 \$1,017.
Employee + Child(ren)	0 \$915.71	0 \$1,951,15	0 \$877.92	0 \$941.
	9 \$1,410,69	9 \$1,786.60	9 \$1,352.45	0 \$1,449
	\$15,668.04	\$19,596,10	\$15,019.30	\$16.090
Combined Monthly Total	\$15,668.04	\$19,596,10		
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Mayor Zavodny stated: "This doesn't seem to be in line with the trends that I've been seeing. Things have shifted where employees are now taking a much bigger part of the insurance piece, and it seems like this one's pretty heavily on our end."

Ryan Ruth stated: "I agree. This is very generous, I would say as a benefit, from what I'm seeing from other employers. I'm seeing a lot of high deductibles; \$6,300; \$13,000 for family. Whatever you decide we need to have the enrollments submitted by December 15th."

Council member Hotovy stated: "I'm looking at the increase of \$53,000 to stay with Blue Cross, per year. I know it's the top coverage and I understand the out of pocket is going to come out of the employee a little bit more, but if anybody's heard what individual insurance premiums are doing this year, it's not out of the ordinary that some of it is probably going to have to come out of the employee's pocket and that's all there is to it. With how this health care world has gone, I think the employee has been treated extremely, extremely, well in the past.

With how this health care is going I think there's going to have to be some concessions made on their part. Our employees are not the only ones in the world where their health insurance is going to cost more next year; it's pretty much everybody.

Mayor Zavodny stated: "Can you meet individually with the employees and try to figure out how they would be impacted by this and the comparison between the options? You can privately evaluate their personal situations and see which plan would have the least amount of catastrophic impact to them and still save the City something."

City Attorney Egr suggested, that rather than scheduling a special meeting to reconsider the health insurance options, the Council could recess this meeting until November 30th and make a decision at that time.

Council member Rogers made a motion to accept the quote of Harold K. Scholz Co. for PLC Upgrades at the Power Plant and the North Substation in the amount of \$89,500.00. Council member Smith seconded the motion. Voting AYE: Council members Kobus, Vandenberg, Hotovy, Kroesing, Rogers, and Smith. Voting NAY: None. The motion carried.

HAROLD K. SCHOLZ CO.

	O BOX 27667 THE RALSTON, NEER	ASKA 68127	
Phi 480-229-7600	small residits	echola.even	Fear 488-509-1821
	PROPOS	AL.	
	November 4	2016	
Tue Mr. Eric Betton David City Pore S00 N 11 st Street David City, NE			
From Rose Sobols			
Her Burist City, NE Pers	er Distribution Systam – Sc	CADA PLC Replac	COMPANY TO STREET
These you for this invited national to furnish, locally your SCADA PLC Region	ion to bid. We are pleased to and occumination the attached stream - Scope of Winds.	gots the required fell of material in	labor, programming and complete accordance with
Zini, Din	n, ner Sense of Work, Inch.	fire rubs, buy 575	700.60
Thank you for this opport your convenience. If you below and swam to se at y	infly to quote. If you have g with to proceed with accept our convenience.	meetings or communicate time of this proposal	to, please contact or at , please ecoplete the arm
Gredont Prins 389,000,	10.		
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- Bridge Charles	Herein Substitution PSE (SPINIC Compressingle Option)
1 2019-LESSER	Compactuage Controller with 15d8 memory, 2 littlement ports
1 5009-035	Compart I/O 16-channel signal module
1 9069-ORSE	Compact I/O 18-channel output module
1.3065-PE	Compact I/O Analog Input Medula
1 SOES STREE-SCROW	Compani I/O Teminal Stock
I. PUBLISH MASS	Proseft Camor Bettoop
1 805-336A-686-0C	Move Ethernet Switch with seven (7) 53-65 ports and one (1) multi-code filter port
	MS6 S25VIXC-to-24VXC conventor or similar
THE CONTRACTOR OF THE CONTRACT	Pewer Plant IN.C
1 5009-LFSUER	Compact age Controller with 1008 money, 2 Stherest parts
A DUST-ASSETS.	Companti oglo Ethertiet/P Adatper Module
9 5008-W16	Compact UD 35-chancel input republic
7 5009-DEIR	Contiguest I/O 16-channel output module
E 9009-QAB	Company VO Assing Gutsut Module
8 5000-IPB	Compani I/O Avaing Imput Module
# 5068-#19Q#-SCRPW	Compart (/O Terminal Block (5 pcs)
E STREETER	Paylos Lavel ding Ethernet Tay
L PUSED-EIP-METCP	Properti Carrier Getavary
L EDS-DOBA-ARM-SC	After Sthermer Switch with power (7) \$8.45 point and one (1) water-made filter year
	ethan .
1 1533-YWPURROWE	EID: Festery Talk View Studio for FactoryTalk View Enterprise
1 9503-YWPGBRINE	ESD - FestoryTalk Vice/Point 5 Chart System
WWW.RS.L/STRPFORHIAAD	Witte-Bild Alarm Paging Software
L WENNELLYT	WW-SEL FactoryTalk Allerin & Dynasty Server
	Additional Network Port for PC
75040-0	Chica EVENZI VPN Router
	Other Spripment
	Sharft 100 Power Meters with Etherlies
a.	125WDC-to-120VAC Inverter
	MANUSCAN-130VAC Inventor

SCADA PLC Replacement - Scope of Work

SEMERAL: This Some of Work will be used as a guideline to obtain preposals for the suggester and represented of the Power Flant/North Substation Supervisory Control and Data Acquitton (School) system.

SECTION 1 - POWER PLANT

1.01 PLC REPLACEMENT

- Remove Allon-Bradley PLC'S processor, power supply, communication module, I/O modules, and ruck. Disconnect and remove all relicing Aften-Bradley equipment industrial writing arms and rack.
- B. Install new Alton-Bradley Compectingle platform equipment in the focation left vacant by the removal of the existing PLC. All PLC I/O points shall be no terminated onto new PLC I/O transhate.
- C. Remove Allen-Brackey Flex I/O and communication adapter. Disconnect and remove
- Install new Allin-Bradley CompactLegis platform equipment in the location left vacant by the removed of the existing Flox I/O. All PLC I/O points shall be re-terminated onto new PIC I/O terminate.
- Remuse Allan-Bradley DN+ and Remote I/O communication Bnls. All communication between Power Plant computer, HMI terminal, PLC devices, and power meters shall be Ethamet. Furnish and Install Ethamet cabling as required.

1.02 ADDITIONAL EQUIPMENT

- A. Furnish and required lastall Ethernet switches, faser-optic converters, and exocutors orbiting and wiring. The existing fiber-optic cable between the Power Plant and the North Substation shall be re-used.
- Furnish and Isotall seven (7) additional power motors for the existing generators, the Water Plant feeder, and station power feeders. Provide schematics and wiking diagram showing connections to the meters.
- Furnish and Install an Inverter that will connect to the plant station battery and will
 provide uninterrupted 120VAC to all new and existing power meters. Furnish and
 install any additional wiring and interconnection conductors required.

D. The system shall be designed to allow for the FIETURE endition of CAT engine EMCP-life communication hiridges that will interface the CAT Data Link (COL) to Allem-bradiey Ethereci/P. It shall also include future capability to input mailog and discode inputs from the four [4] non-CAT generators.

1.03 SOFTWARE & PROGRAMMING

- A. Provide programming for the new PLC and operator terminals shut includes or exceeds all of the functionality of the calcular system. Include animated one-line showing ayutem status and detailed metering screens.
- R. The operators shall have the ability to occess the system and retrieve real time system states and data from their mobile degree.
- C. The software shall log metering data and automatically generator reports in .guif format that included daily, morthly, and annual peaks for all individual rosters and totalized facility, utility and generation values.
- Alarm any system abnormalties on the HMI. Provide screen indicating active alarms and alarm Nasony. The software shall generator coulds or texts that will be sent to the mabile devices of operators with a description of the alarms event.
- The existing Power Plant congular and HMI terminal shall be re-used. Furnish and configure all software to include the modifications and equipment, and to meet the added requirements outlined in this project.

SECTION 2 - NORTH SUBSTATION

2.01 PLC REPLACEMENT

- A. Remove Alien-Bradloy SLC-500 processor, power supply, communication models, I/O modules, and rank. Disconnect and remove oil existing Alien-Bradley equipment incideling within area.
- Install new Allen-Bradley Compacting is platform equipment in the location left vacant by the seasonal of the existing PLC. All PLC I/O points shall be re-terminated onto new FLC I/O teorinals.
- C. Restore Allen-Bredley DH+ and Remote I/O communication links. All communication between Power Flast computer, HMI terminal, HC devices, and power maters shall be #thornet. Furnish and install any Ethornet criting as required.

		devisations or exceptions to the Scope of Work.
		from the Scope of Work. If there are none, provide a document stating there are no
	D.	Provide a document which cleady states all clarifications, destations and exceptions
	·C-	Provide a delivery sthedule for preject completion.
	9	Provide separate prices in the proposel for the work at the Power Plant and the work at the North Substation.
	~	Provide a S.H of idaterials for the equipment and software that will be provided in the proposal.
STOT	DEPT	INCLUDED IN PROPOSAL
SECTION	Ser to The	SOF QSAL
	D-	Develop any new schematics and rubing diagrams required by the addition or modification of equipment.
	~	Modify existing drawings to conform to the field changes made in the performance of this project.
STORT	PROT	ECT DESYMBLES
SECTION	OM B - I	SECTECT BIOCUMENTATION
	9-	The software shalf log matering data and automatically generator reports in .pdf format that included daily and mentily peaks for all individual motors.
	•	Provide programming for the new PLC that includes or expeeds all of the functionality of the existing PLC system.
2.03	2OF1	WARE & PROCESSING NO
		additional widing and interconnection conductors required.
	90"	Furnish and install an inverter that will connect to the plant station buttery and will provide uninterrupted 1204AC to all new and existing power meters. Provide any
	-	Foreish and install Ethernet switches, fiber-aptic convertent, and associated cabling and withing.
3.62	900	ELIONY EGENWENT

Electric Plant Supervisor Eric Betzen presented the following quotes for awnings for the power plant:

Sack Lumber

2 Awnings for power plant: 1 – 8x10 and 1 – 6x5	(shingled roof on both)	\$5,715.15
2 Awnings for power plant: 1 – 8x10 and 1 – 6x5	(steel roof on both)	\$5,063.30

Impact Builders

2 Awnings for power plant:	Shingled	\$7,630.00
2 Awnings for power plant:	Metal	\$7,680.00

Council member Rogers questioned why awnings were needed. Electric Supervisor Eric Betzen stated: "The thought process was, since you invested in doors and windows, one of the three doors already has a cover over it (it's actually under an exhaust pipe which all concrete around it) and so we should cover the other two to protect them so they don't end up like the old ones were. If you want to protect your investment."

Electric Supervisor Eric Betzen stated: "I will just do you all a favor and withdraw my request."

Discussion followed concerning the "need" for the awnings. The request was considered but no action was taken at this time.

Craig Reinsch of Olsson Associates was present to discuss the Sewer Participation Service Agreement and Permit between the City and Henningsen Foods, Inc.

Council member Rogers made a motion to authorize Mayor Zavodny to sign the updated 5 year (commencing on October 1, 2016 and ending September 30, 2021) Sewer Participation Service Agreement and Permit between the City and Henningsen Foods, Inc. Council member Smith seconded the motion. Voting AYE: Council members Kobus, Hotovy, Kroesing, Vandenberg, Smith, and Rogers. Voting NAY: None. The motion carried.

SEWER PARTICIPATION SERVICE AGREEMENT AND PERMIT

This Agreement, made and entered into this 9th day of November, 2016, between the City of David City, a municipal corporation of the County of Butler and State of Nebraska, hereinafter referred to as City, and Henningsen Foods, Inc. a New York corporation, authorized to do business in the State of Nebraska, hereinafter referred to as Company.

RECITALS:

WHEREAS, the Company operates an egg-breaking processing and manufacturing plant within the geographical boundaries of the City with said processing plant being connected to the city sewerage collection and processing system; and

WHEREAS, the City recognizing and obligation to provide adequate sewage treatment facilities for its inhabitants, both domestic and industrial, built a new waste water treatment facility in 1997 / 1998 and continues to operate that treatment plant

WHEREAS, the City and the Company entered into an Agreement on March 13, 1997 wherein Company shared with the City in the cost of construction of such new waste water treatment facility, with Company agreeing to reimburse the City for 54% of that capital costs of the City's actual construction costs of said waste water treatment facility; and those capital cost payments will continue until December 2018, at which time the capital cost debt will be retired.

WHEREAS, City and Company are now desirous of entering into a new Agreement providing an equitable division of future costs based upon usage of said waste water treatment facility,

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties agree as follows:

TREATMENT FACILITY USAGE

1. The City shall accept, treat, process and dispose of waste and sewage origination at the Company's plant. Specifically, it shall be provided that the City's waste water treatment facility shall receive and the Company shall have the right to discharge no more than 150,000 gallons per day hydraulic flow with a BOD of 2,074 pounds per day, suspended solids of 700 pounds per day, and total Kjeldahl nitrogen of 290 pounds per day. The hydraulic flow and previous organic loads shall be based upon a five-day average (Monday – Friday work week). The discharge values presented herein will be revisited at the completion of the existing capital cost term, currently December 2018, at the City's or Company's request, and as outlined in Section 11.

Unless the context requires otherwise, the following terms shall be defined as follows:

- BOD shall mean the quality of oxygen utilized in the biochemical oxidation of organic matter under standard laboratory procedure in five (5) days at 20 degrees centigrade, expressed in milligrams per liter.
- Suspended Solids shall be defined as solids that either float in sewage or are in suspension in sewage that are removable by a laboratory filtration device.
- Total Kjeldahl Nitrogen shall be defined as the total organic and ammonia nitrogen (expressed in milligrams per liter) contained in sewage as determined by using standard laboratory procedures and the Kjeldahl method.
- 2. The City shall not be obligated to accept any waste water which exceeds Company's allocation as set forth above in Section 1 either as to quantity or content of waste water. Should Company exceed such allocations, and the City continue to accept such waste water, a surcharge shall be assessed in accordance with the formula set forth in Section 12A of this contract and in the event that such waste water shall cause the imposition of a fine or penalty for noncompliance with the National Pollutant Discharge Elimination Permit assessed by the Department of Environmental Quality or the Environmental Protection Agency, Company shall be subject to remedies in accordance with Section 16 of this contract.

- 3. Company shall not exceed the allocated quality and quantity set forth above in Section 1 and shall abide by this contract and all other laws and regulations applicable to the use of sanitary sewers and waste water treatment facility of the City and shall not introduce into the waste water treatment facility or its system any of those materials set forth in Section 2-2016 of the David City Municipal Code. For purposes of this Agreement, pH shall be based upon a twenty-four (24) hour composite sample and not exceed 10.5 or fall below 5.5 and shall not raise the pH of the treatment plant influent above 8.5. All sampling shall be conducted via current pH daily monitoring equipment and reported on a daily average, maximum, and minimum basis, per monitoring location.
- 4. Upon a determination by City that the waste water discharge by company without pretreatment will be harmful to the structure, process or operation of the waste water treatment facility or detrimental to the quality of effluent being discharged, City shall have all remedies available to it under Section 3-225 of the David City Municipal Code as the same is in existence now or may be hereinafter amended.

MONITORING FACILITIES

5. City shall require the Company at Company's expense, to construct and maintain a monitoring facility to allow inspection, sampling and flow measurement of the lateral sewer or internal drainage systems and shall also require sampling or metering equipment to be provided, installed, operated and maintained at the Company's expense. Authorized personnel of the City shall have access to such monitoring facilities at all times for inspection, sampling and sample collection. If such facilities are locked, special arrangements shall be made to allow access by City's personnel.

City shall also have the right to set up a monitoring device at such facility at City's expense.

ACCESS TO PROPERTY

6. Company shall allow authorized personnel of the City ready access at all reasonable times to monitoring facilities as set forth in Section 5 for the purpose of inspection or sampling or for the performance of their duties. City shall have the right to set up on Company's property such devices as are necessary to conduct sampling or metering operations at

- City's cost and risk. While performing such work, City's personnel shall observe all safety rules established by Company and applicable to its plant or facilities and such personnel shall not interfere with the normal operations of Company's plant.
- 7. All measurements, tests, and analysis of the characteristics of Company's waste shall be determined in accordance with the latest edition of "STANDARD METHODS FOR EXAMINATION OF WATER AND WASTE WATER" published by the American Public Health Association and American Water Works Association and shall be determined at the monitoring facilities or from samples taken at such monitoring facilities. Sampling shall be carried out by customarily accepted methods to reflect the effects of waste constituents upon the waste water treatment works and to determine the existence of a possible hazard to life, limb, property and proper operation of waste water treatment facility. All samples taken by the City will be divided and shared with Company if requested by Company and the results of said testing shall be made available by the City to Company upon request. Sampling shall be done a minimum of 5 consecutive days every month (30 day) period. These sampling costs shall be the responsibility of the Company. Nothing herein contained shall preclude Company collect their own samples and presenting their analysis to the City for consideration. Should Company collect their own samples, Company shall make available to the City one-half of such samples. If Company does present such analysis for City's consideration, City shall review such data in light of all samples collected and presented for analysis.
- 8. City's waste water treatment facility operator shall first resolve all questions relative to the results of sampling and testing. If Company does not accept the decision of the waste water treatment facility operator, it shall give written notice to the City by virtue of depositing the same with the City Clerk or mailing the same to the City Clerk by Certified Mail. At the written request of Company, any disputes as to the testing results shall be submitted to a mutually agreeable laboratory for further tests, which results shall be final for determinations regarding such samples. In the event of a test by such third party laboratory, then the cost of the same shall be borne by the party making such written request therefor. In the event Company fails to give written notice to its objection to the

City's tests or decision by the waste water facility operator within ten days after receipt of such test information or decision, said test information or decision shall become final.

COMPANY SEWER SYSTEM MAINTENANCE ASSESSMENT

9. The annual cost for sewer system maintenance shall be determined by the City or its representative and shall include all annual costs for labor, insurance, rodent control, repairs, supplies and freight, office suppliers, electricity, gasoline and oil, natural gas, mechanized sewer cleaning, sand and gravel, and a reasonable contingency fund for the sewer system including collection system and lift stations, but excluding any costs related to the waste water treatment facility. Before the 1st day of October, City shall present to Company a summary of such annual costs and Company's proportionate share thereof as determined below. Within thirty (30) days of receipt of such statement, Company shall have the right to appeal to the City Council the records and figures used in deriving the Company's proportionate share of such annual costs. Company shall have a period of 15 days from the date of receipt of such records to conduct its own audit of such costs. After consideration of the appeal by Company, City shall notify Company of its final decision. Should Company disagree with such final decision, Company may take such action as allowed by the statutes of the State of Nebraska.

The annual costs, as set forth above shall be separately identified in an annual budget adopted by City. Such annual cost for sewer system maintenance shall be prepared by the City and Company on a monthly basis in that Company shall be assessed a sum equal to 8.9 percent of all maintenance of sewer system components through which Company's waste water flows, while the balance of such costs shall remain the costs of the City. The assessment to Company shall be based upon the following formula:

Company's Share Sewer Maintenance = (Y/Z)X

X=Sewer Maintenance Budget

Y=Length of Sewer Used by Company

Z=Total Length of all of City Sewers

Such proportionate assessments to Company shall be determined by City in accordance with established costs incurred by the City to repair, service and collect waste water from Company and other commercial, industrial and residential users and should there be a significant shift in the costs attributed thereto, this allocation shall be reviewed with the Company and shall be subject to an adjustment by ordinance or resolution of the City Council. In the event of major repairs to the City sewer system or replacement of a major portion thereof, the City will determine the assessment costs for such repairs and levy the same on a use basis between commercial users, individual, residential users and Company.

COMPANY CUSTOMER CHARGE

- 10. In addition to the sewer system maintenance costs assessed to Company, the following formulas shall be utilized to determine the appropriate monthly billing to be paid to the City by Company for a normal usage of the City's waste water treatment facility in the treatment of Company's waste:
 - a. Proportionate Fixed Cost. Until adjusted as hereinafter provided, on a monthly basis, Company shall pay to City, a monthly charge equivalent to sixty-eight (68) percent of the annual estimated fixed operations, maintenance, repair, and capital costs of the waste water treatment facility divided by twelve for City fiscal year October 1 to September 30, annually, and then such percentage shall be annually adjusted for each subsequent twelve-month period that this contract is in forced based upon actual percentage usage during the preceding twelve-month period.
 - b. <u>Capital Improvement Costs.</u> In the event that it is deemed necessary to undertake capital improvements to the waste water treatment facility, City shall notify Company of its intention to conduct a facility study and shall ask Company for its input on such study. If, after such facility study, it is deemed necessary to undertake capital improvements with respect to the waste water treatment facility, such proportionate share of the bonded indebtedness and other fixed operation and maintenance and repair costs shall be determined based upon the then existing data in respect to flows

and contents of such flows attributed to the City and to Company necessitating the undertaking of such capital improvements. All such costs of capital improvements shall then be allocated between the City and Company in direct proportion to the relative utilization of such capital improvements. In establishing the relative proportionate shares for capital improvements, a committee composed of two representatives from Company and three representatives from the City, as appointed by the Mayor of the City, such representatives to include one member of the City staff or City council, the waste water treatment facility operator and a professional engineer employed by the City. The waste water treatment facility operator shall serve as chairman of said committee and shall only vote on matters in the event of a tie. Said committee shall make recommendations to the City Council, which shall by ordinance or resolution, duly adopt and determine the relative allocation of bonded indebtedness and other fixed operation, maintenance and repair costs attributable to any such capital improvement to the waste water treatment facility. At the time of adjustment occurring by reason of the completion of a capital improvement to the waste water facility, nothing shall prohibit an adjustment of the proportionate share of such items allocable solely to the capital improvement. Before adoption of such resolution or ordinance, Company shall be notified of the action desired to be taken by City and shall have 30 days from the date of such notification to ask the Council for review of its decision. Upon the adoption of a resolution or ordinance in respect to the allocation of the costs of any capital improvement, such allocation shall be applicable to the next full monthly billing cycle first occurring after the date of adjustment.

c. <u>Variable Costs.</u> On a monthly basis, Company shall also pay to City, a monthly charge for variable operations, maintenance and repair costs which shall take into account the relative usage by Company. Such variable operations, maintenance and repair costs shall be defined as all those costs attributable to the waste water treatment facility other than fixed costs. The formula to be utilized in determining the variable costs to be paid by Company shall be as follows, and shall be reviewed and adjusted annually:

- i. $C_u = W^*C_t V_u/V_t + X^*C_t B_u/B_t + Y^*C_t S_u/S_t + Z^*C_t T_u/T_t$
- ii. For purposes of the above formula, the variables shall be defined as follows:

W, X, Y, Z = Annually adjusted variable Volume, BOD, TSS, and TKN rate factors, respectively.

 C_t = Total portion of facility Variable Operation, Maintenance and Repair Costs per unit of time.

C_u = A user's charge of Variable Operation, Maintenance and Repair Costs per unit of time.

 B_t = Total BOD contribution from all users per unit of time.

 B_u = Total BOD contribution from a user per unit of time.

 S_t = Total suspended solids contribution from all users per unit of time.

 $S_u = Total$ suspended solids contribution from a user per unit of time.

 V_t = Total volume contribution from all users per unit of time.

 V_u = Volume contribution from a user per unit of time.

 T_t = Total TKN contribution from all users per unit of time.

 T_u = Total TKN contribution from a user per unit of time.

DETERMINATION OF ALLOCATIONS TO FIXED AND VARIABLE COSTS

11. Annually, a committee composed of representatives from Company and representatives from the City as appointed by the Mayor of the City, composed as in Section 10b, shall review all items on expense allocable to the operation of the waste water treatment facility for purposes of establishing what costs should be allocated to fixed operations, maintenance and repair costs and what costs should be allocated to variable cost in respect to the City's budgetary process. Prior to the adoption of the budget of the City,

the committee so established shall report to the City and make its recommendations with respect to the proper budgetary allocation or fixed operations, maintenance and repair costs and variable costs for the operation of the waste water treatment facility. Based upon the recommendation of the committee, the City, by proper ordinance or resolution duly adopted, shall then establish what portions of the budgetary costs attributable to the waste water treatment facility constitute fixed costs and what portion constitute variable costs.

SURCHARGES

- 12. In the event that Company's waste discharged shall exceed the allocation as assigned above, then Company shall also pay surcharges to the City for excessive strength waste based upon the following provisions:
 - a. <u>Volume, BOD, Suspended Solids, and TKN Surcharge.</u> On a five day basis, the average daily waste discharge of Company shall be calculated and in the event Company exceeds the allocated amount for volume, BOD, suspended solids, or TKN, a surcharge shall be calculated for the components that exceed the allocated amount. The surcharge shall be multiplied by the number of calendar days between routine sampling activities beginning on the first day of the five-day sampling period to the start of the next five-day sampling period to obtain the total surcharge. The portion of the total surcharge that occurs in each billing period shall be added to the billing to be paid by Company on a monthly basis. The daily surcharge shall be calculated in accordance with the following formula:
 - i. $SC = [R_p(P_t P_m) + R_c(S_i S_m) + R_t(T_t T_m) + R_v((V_t V_m)/1,000)]$
 - ii. For purposes of the above formula, the variables shall be defined as follows:

 P_m = BOD in allocated waste water defined as 2,074 pounds per day.

Pt = BOD in waste water in pounds per day.

 R_c = Suspended solids treatment cost per pound per day.

 $R_p = BOD$ treatment cost per pound per day.

 $R_t = TKN$ treatment cost per pound per day.

 R_v = Treatment cost of flow per 1,000 gallons.

 $T_i = TKN$ in waste water in pounds per day.

 T_m = TKN is allocated waste water defined as 290 pounds per day.

 $S_i = Suspended solids in waste water in pounds per day.$

 S_m = Suspended solids in allocated waste water defined as 700 pounds per day.

 V_t = Volume of waste water generated by user in gallons per day.

 V_m = Volume of waste water allocated to user defined as 150,000 gallons per day.

iii. For purpose of the above formula, R_c shall equal zero cents (\$0.00) per pound, R_p shall equal thirty-five cents (\$0.35) per pound, R_t shall equal seventy-nine cents (\$0.79) per pound, and R_v shall equal eighty-nine cents (\$0.89) per 1,000 gallons. The treatment cost for each surcharge component shall be reviewed on an annual basis and recalculated as required to incorporate the fixed and variable costs determined in accordance with Section 11.

INCIDENT CHARGES

13. In case of an incident occurring which requires the waste water treatment facility operator to be called to the facility at other than normal working hours, a \$500.00 incident charge shall be levied. For purposes of this Agreement, normal working hours are defined as 7:00 a.m. to 4:00 p.m., Monday through Friday. Within the first thirty (30) months of this contract, if any discrete sample within a twenty-four (24) hour period (7 a.m. to 7 a.m.) exceeds a concentration of 10,000 mg/L COD in any one discrete sample, an incident charge of \$250.00 shall be levied whether or not the operator was called out, unless proper notification is made to the City within one hour of occurrence. For the first thirty (30) months of this agreement, all funds received by the City for COD incident charges shall be set aside by the City to be expended for capital improvements as

contemplated by the parties pursuant to this agreement. On April 1, 2019, the COD incident charges shall increase to \$500, and there shall be no restriction on use of said incident charges by the City. In the case that pH is outside of the limits outlined in Paragraph 3, an incident charge of \$200.00 shall be levied for each location being outside of the acceptable range or for raising the influent pH, as applicable, on a daily basis. An exceedance at either discharge location from the Company shall be limited to one incident charge per day.

DELINQUENT ACCOUNTS

14. All sums due in accordance with this contract shall be paid to City on a monthly basis and shall be immediately due and payable upon the receipt by Company of a statement itemizing the sums so due. Unless payment shall have been received within thirty days from the date of receipt of billing, such unpaid sums shall be deemed delinquent and shall accrue interest at the rate of one percent per month from the delinquency date of said bill. In the event Company shall fail to pay all sums due in accordance with the provisions of this Agreement within three months of the receipt of a billing, City may discontinue supplying services to Company's property until such time as said bill shall be paid.

Should Company contest its bill, it shall have 15 days from the receipt thereof to contest the same by so notifying the City Clerk. Company shall have the right, during the 15 day period to request verification of said bill. After City has reviewed said bill and reached a final decision thereon, should Company disagree with said decision, it may appeal said decision as provided by the statutes of the laws of the State of Nebraska.

LIEN RIGHTS

15. City shall also have the right to declare any and all delinquent payments due to City in accordance with this Agreement a special assessment tax and certify the same to the Butler County Clerk and Treasurer's office to be included in the real estate taxes of the property to which such delinquent payment relates, to the extent permitted by law.

REMEDIES FOR VIOLATION OF DISCHARGE LIMITATIONS

- 16. Should the City determine that Company is violating the covenants of this Agreement, the following provision shall be applicable:
 - a. Upon determination that there is reasonable cause to believe that a provision of this Agreement is being violated at the premises of Company, the City Clerk, when so notified by the waste water treatment facility operator, shall notify Company in writing stating the nature of the violation and providing a reasonable time for correction to be made. Both parties, City and Company, shall use their best efforts to resolve the problem as contained in the notification by City Clerk. In the absence of unusual circumstances, fifteen days shall be considered a reasonable time. Company, upon receipt of the notice, shall report to the City Clerk within fifteen days, in writing, stating what action has been taken or is being taken to correct the condition constituting the violation. If Company does not correct the violation within such time limit, or with any extensions of time granted by the City Council of the City of David City, the City Clerk shall cause one or more of the following to occur:
 - Terminate services to premises of Company, after Company has failed to correct such problem after such 15 days' notice and any extension of time, and after the City Council has approved such termination. Such termination shall continue until Company has satisfactorily corrected the problem;
 - Cause the City to initiate court action to enforce compliance with this Agreement;
 - iii. Declare all sums owing for services immediately due and collectible; or
 - iv. Start court action for the levy of a fine for violation of this Agreement.
 - b. Election by the City Council to terminate services shall not release Company from its obligations to pay sums owing hereunder if termination was proper under the provisions of this Agreement and all delinquent payments hereunder shall draw interest at the rate of one percent per month or 12 percent per annum. Furthermore, should City properly terminate services under the terms of this contract, City shall not

- be liable for any damages that may result by virtue of such termination suffered by Company in the event of ceased production.
- c. Should Company be aggrieved by any notice sent by the City Clerk in accordance with this section, Company may obtain a hearing by the City Council of the City of David City, upon a written request being filed with the City Clerk. The written request must be filed within the City Clerk. The written request must be filed within the time for correcting any violations or within any extension of time granted by the City Clerk. Such written request will postpone the date that the work is required to be completed until after the hearing, provided, however, that the City Clerk will set the date for hearing on the request for hearing as early as possible. At such hearing, Company may present any facts or arguments which Company desires to present, may be presented by counsel and may present such expert testimony or technical evidence as is necessary to establish the contentions of Company. Such hearing may be recorded by a court reporter if requested by either party, at the expense of the requesting party. After hearing, the City Council may continue the original order in effect, modify the order or withdraw the order depending on the facts shown at the hearing.
- d. Should Company be aggrieved by any decision of the City Council under the provisions of this section, Company may appeal such decision to the proper court.

INDEMNITY

17. In the event that Company does discharge excessive amounts of pollutants in violation of the National Pollutant Discharge Elimination Permit or other regulations of the Environmental Protection Agency and Department of Environmental Quality, Company shall, by utilization of the waste water system of the City, be obligated to indemnify and hold the City harmless against from and any all loss, damages, claims, demands, actions, causes of action, penalties, judgments, costs and expenses of whatsoever nature which may result from injury to, or death of, persons or results in the City being in violation of state or federal regulation or regulatory agency requirements, when such violation,

injury, death, loss, destruction or damage arises in any way in connection with, or incident to, Company depositing amounts of waste water in excess of those permitted in the discharge permit into the City's sanitary sewers. It must be proved, on a case by case basis that Company's depositing excessive amounts of pollutants, on a daily basis, was in fact the cause of a violation, injury, death, loss, destruction or damage and that such excessive discharge was not due to a force of majeure, any fault of City or that of any third party.

INTERRUPTION OF SERVICE BY CASUALTY

18. City shall not be liable for failure to transport or treat waste water of Company if such failure arises from any cause of circumstances beyond the reasonable control of City, including federal or state court order to damage to or incapacity of the sewer system or the waste water treatment facility resulting from fire, flood or other casualty or natural disaster. In the event of any failure, breakdown or interruption of sewage treatment services contracted hereunder, City shall use its best efforts to promptly reactivate the operation of the waste water treatment facility and sewer system.

OWNERSHIP

19. Company shall not, for any purposes, be construed as having any ownership interest in the waste water treatment facility or its collection system.

RESERVATION OF CAPACITY

20. City by virtue of this Agreement, reserves for Company, for so long as Company pays its obligations under this Agreement, a capacity for treatment of 150,000 gallons per day of hydraulic flow containing BOD of 2,074 pounds per day, suspended solids of 700 pounds per day, and TKN of 290 pounds per day.

ASSIGNABILITY OF COMPANY'S INTEREST

21. Should Company cease business in David City, Nebraska, or greatly reduce its discharge into the City's waste water treatment facility, then, subject to prior approval of the governing board of the City, Company may assign or transfer such reserved capacity in the waste water treatment facility to another company or to City. Such right of assignment or transfer of such capacity by Company shall not be reasonably withheld by City.

CHANGE IN DISCHARGE STANDARDS

22. It is hereby agreed to and understood between City & Company that state and federal discharge standards relating to effluent being discharged from the waste water treatment facility may change in the future. Should such standards require a change in City waste water treatment facility, the parties hereto agree to evaluate their participation in the cost of such improvements required by state and federal agencies to be constructed by the City in order to meet then prevailing state and federal health standards.

TERMS OF AGREEMENT

23. This Agreement shall be for a term of five (5) years commencing on October 1, 2016, and ending <u>September 30, 2021</u>. Company may terminate this Agreement at any time upon three months written notice delivered to City in person or sent by certified mail, return receipt requested to the office of the City in David City, Nebraska.

EFFECTS OF TERMINATION

24. Should Company seek to terminate the Agreement, such termination shall in no way relieve Company of its obligation to pay for capital improvements undertaken on behalf of Company or original capital costs of said waste water treatment facility as set forth in this Agreement.

ENTIRE AGREEMENT

25. This Agreement embodies the entire agreement and understanding between the parties hereto. It supersedes all prior agreements, oral or written, and may be modified or amended only by an instrument in writing signed by the parties hereto.

GOVERNING LAW

26. This Agreement shall be construed and governed in accordance with the laws of the State of Nebraska.

IN WITNESS WHEREOF, the parties have sign.	ed this Agreement this day of	
CITY OF CONTROL OF CON	By: Alan Zavodny, Mayor	
Joan Kovar, City Clerk		
	HENNINGSEN FOODS, Inc., a Corporation,	
	authorized to do business in the State of	
	Nebraska By: Jesus Lopez, V.P. Egg Division HFI	
(Seal)	Jesus Lopez, V.I . Lgg Division III I	
Attest:	STATE OF)	
Mailyn Harrell	COUNTY OF)	

Secretary

The foregoing instrument was acknowledged before me on the 9% day	of
Mounter, 2016, by Jesus M. Lopez, V.P. Egg Divis	ion
Henningsen Foods, Inc., a New York Corporation authorized to do business in the State	of
GENERAL NOTARY - State of Nebraska ROSE ANN HAYES My Comm. Exp. July 2, 2018 Notary Public	
My Commission expires	
STATE OF NEBRASKA)	
)	
COUNTY OF BUTLER)	
The foregoing instrument was acknowledged before me on the 9th day November, 2016, by	of
Mayor of David City.	
Jami L. Comte	
Notary Public	
My Commission expires January 25, 2018	
GENERAL NOTARY - State of Nebraska TAMI L. COMTE My Comm. Exp. January 25, 2018	

City Council Proceedings November 9, 2016 Page #42

Sewer Supervisor Kevin Betzen reported that the Wastewater Plant and Henningsen Foods, both received a surprise visit from the Environmental Protection Agency (EPA) last Monday afternoon. They stayed for three days and basically went over paperwork encompassing the last 3 years of our samplings, data, effluent, discharges, DMR's, permits, etc.; basically everything to see what we are doing at the Wastewater Plant. They basically did the same thing at Henningsen Foods. We had exceeded our ammonia limits for our discharges so that put up a red flag for them to come and visit. We have met our maximum capacity at the plant. The plant can only handle 3400 pounds of BOD per day. We have grown with population and Henningsen Foods. Since the plant was designed in 1997 we can go back on paperwork and see it was overloaded right away at times, so this has been going on for guite some time. The DEQ has recently deemed Keyser Creek as a dry, intermediate creek. They basically gave us a timeline on what we have to do. We have to mechanically change the plant or submit a plan (December 2017) of what we are going to do to basically handle our loadings of the plant being overloaded organically and hydraulically at times. Kevin drafted a letter (following) to submit to the enforcing agency of the EPA who will review their information and then make their determination. We may not see their report for several months.

Discussion followed. Mayor Zavodny asked Craig Reinsch of Olsson Associates to put together what it will cost to run numbers and come up with a design, and then present that at the December council meeting.



P.O. Box 191 557 4th Street David City, NE 68632 Phone: (402) 367-3135 FAX: (402) 367-3126 Email: cityofdavidcity@alltel.net

November 7, 2016

Lyle Cowles U.S. Environmental Protection Agency ENSV/EFCB 300 Minn. Ave Kansas City, Kansas 66101-2907

Dear Mr. Cowles,

This letter is in response to your recent visit to the David City Waste Water Treatment Plant. Our records show that in the past several years, the treatment plant has had several non-compliance issues with the Nebraska Department of Environmental Quality. The Treatment Plant has experienced a change in hands from an operator standpoint on multiple occasions in the last several years. It was discovered that previous operators, particularly the latest who was let go by the city council 18 months ago, had been running the plant unsatisfactorily for some time.

Our plant consists of an influent lift station to pump waste to 2 Sequencing Batch Reactor (SBR) basins to be treated and decanted into a 5-lagoon system for storage, irrigation, and discharge. SBR's are very efficient treatment basins in which dissolved oxygen (d.o.) levels are absolutely crucial to proper treatment. The previous operator removed the d.o. probes for repair, but never reinstalled them. Instead they were set aside, exposed to the elements out in the sun, which quickly deteriorated them. In February 2015 new ones were ordered, but never removed from their packaging. Therefore, there was no way to continuously monitor the d.o. levels in the basins. For that reason, he was unaware that the oxygen he was providing with only one blower per basin, coupled with short aeration cycles was insufficient to break down the incoming organic loading. This, in turn, caused waste that was not fully treated to be decanted into the lagoon system. This waste raised the ammonia levels in the lagoons to well above the limits set forth in our permit that was issued by Nebraska Department of Environmental Quality. The council determined that this operator was not gaining any progress with the plant and he was let go in April 2015.

At this time I was asked to take over the Wastewater Treatment Plant. I agreed to take on the responsibility, but brought in an Aqua-Aerobics expert to provide on-site certified SBR systems training. At this training I, and the current water/wastewater department, were taught the basics of the plant, how all of the treatment processes worked, how to do quality control lab tests and make adjustments according to the results of those tests. Once training was complete it was time to take a look at the condition and functionality of the plant itself.



Mechanically, the plant needed a lot of attention. Most of the equipment had been neglected over the years with very little upkeep and sub-par maintenance. My first task was to repair all of the mechanical issues so everything functioned properly. In April 2015, as soon as it was realized that the d.o. probes were not in place, the new ones were located and installed. Once installed, they restored the plant's ability to run two blowers per basin on variable frequency drives (VFD's) to adequately supply the basins with the sufficient air to improve the efficiency of the microbiology in each basin.

The next discovery was that the actuators on the floating decanters were not functional and did not raise the bowl to close it during the mixed/aeration cycles. This caused the decanter to fill up with mixing solids which would be decanted to the lagoon system. To solve this issue, new actuators were purchased and the old ones were replaced so the decanters were fully operational.

Also, in the fall of 2015 the mixing turbine in the south basin, which mixes the solids with the incoming waste needed attention. This mixing is needed to bring the microbiology into contact with the new waste to begin the treatment process during the fill stage. We replaced the electrical wiring to assure that it was functioning as intended. The mixer in the North basin started malfunctioning in September 2016 so we immediately replaced the electrical wiring as well as had repairs on the motor itself.

The torque actuated waste valve for the south basin was not functioning automatically so that basin was unable to waste sludge. We had the waste valve rebuilt in the fall of 2015 and re-installed. In June 2016, that waste pump itself was not pumping efficiently so a new one was purchased and installed as well. This ensured that both basins were fully capable of wasting sludge to maintain our proper solids concentration and continue successful treatment of incoming waste.

In discussions with the Aqua-Aerobics expert who administered the on-site training in 2015, we learned that the rubber diffuser sleeves on the diffuser assemblies at the bottom of the basin were intended to be cleaned annually and replaced every 5-7 years. Aqua-Aerobics, who is the only supplier of sleeves for their diffuser assemblies, has no record of any orders from David City since the plant was built, nor were there any filed records in the plant office. Therefore it was determined that these sleeves were original to the plant. Shortly after this, \$18,000 worth of new sleeves, 600 in all, were ordered from Aqua-Aerobics. In October 2015 we started pulling diffusers one at a time and replacing the sleeves. Thousands of pounds of debris were removed from the diffuser racks in order to remove/replace the old sleeves. We finished the last diffuser in April 2016.

Due to the debris problem that was discovered when replacing the diffuser sleeves, a channel screen/auger was installed shortly after to remove, de-water and dispose of debris from the channel and keep it out of the SBR Basins. This in turn should help insure that the diffusers stay free and clear to provide sufficient oxygen to the basins.

The Supervisory Control and Data Acquisition (SCADA) system for the plant was outdated and incompatible with any updated software platforms. A new SCADA system was budgeted for and installed at our plant in August of 2016. This new system gives us the ability to monitor our system continually as well as pull up trending charts from any specified dates/times. This in turn allows us to keep a close eye

on the efficiency of the plant and determine loading patterns to help investigate possible causes of organic overloading. It also provides us with the ability to run the SCADA system remotely from mobile devices after hours if need be. Also, the previous system limited us to supplying air to the basins for a maximum of 50% of the total cycle time. The new system does not have those built-in limits so we can now extend our aeration periods for as long as necessary to fully treat the incoming waste. This theoretically may allow us increase the daily loading we are capable of treating.

Since the plant was constructed, there has only been one generator to run the lift station pumps and one to run the lights and computers in the office. If power was down for any extended period of time, the current generator is not big enough to run any of the equipment. Any waste pumped from the lift station would fill the basins and flow straight through to the lagoons without any prior treatment. This is obviously a potential problem if there happens to be a major storm that takes down distribution lines, transmission lines or substations in the area. Therefore a new 500 KW generator has been budgeted for and ordered. Installation of the generator and revamping of the electrical panels is planned to take place in early spring of 2017.

These are just some of the mechanical improvements we've made to the plant itself so that we are able to treat the wastewater in a manner that allows us to meet, or exceed, the effluent standards stated in our Authorization to Discharge Under the National Pollutant Discharge Elimination System (NPDES)

One other issue we've had to deal with in the last 6 months is our hydraulic overloading. During any normal season there have been very few issues with the amount of incoming flow. But, this spring of 2016 was an exceptionally wet season. The ground was completely saturated and we had several inches of rain in a very short amount of time on top of that. That's when we discovered how severe our infiltration problem was. Our incoming flow more than tripled within a matter of 48 hours. Our influent lift station quickly became overpowered and started flooding out of the channel. This backed up many homes on the lower portion of town filling their basements with several inches of wastewater. We had no choice but to divert the waste to Keyser Creek to relieve the lift station and homeowners basements. We immediately called Tim Lindeen of DEQ and alerted him of the situation as well as took samples of the waste to send in to the lab.

Once this subsided, we immediately started looking at other options in case of another such occurrence. A new digital flow meter was installed at the lift station that allows us to monitor our incoming flow online as well as call out an alarm once the incoming flow reaches a set flow rate. If this would happen to occur, we now have access to a 6" diesel powered pump that we can use with the ability to pipe it up to our lagoon system rather than discharge directly to Keyser Creek. Of course this is only a temporary plan until the root of the problem is fixed.

After this emergency discharge took place, we have also taken steps towards pinpointing the issue. With the help of the Nebraska Rural Water Association (NeRWA) and Olsson Associates of Lincoln, NE, we smoke tested the entire wastewater system to rule out any obvious storm water/roof drain problems. We then had Olsson Associates install flow meters in several manholes in town to determine where the bulk of the water was coming from. They were able to tell us that the highest flows were by far on the

north side of town, particularly the northeast trunks of the system. With that information, we hired Johnson Services out of Kearney, NE to come out in July 2016 to jet clean and camera the entire north half of our system. Those results were all sent back to Olsson Associates who determined where all the problems were, come up with a prioritized repair schedule and provide rough cost estimates to the city council in September 2016. We have budgeted for Johnson Services to come back to town in the Spring of 2017 to clean and camera the south side of town. Those findings will also be sent to Olsson Associates to revise our prioritized repair schedule as necessary. Once completed a sewer main repair/replacement plan will be submitted to the city council. We realize that it will take time to repair the entire list of issues, which is why as stated before, we have a back-up plan to divert any additional flows which are above and beyond the capacity of the lift station to a lagoon cell via portable pump and temporary piping which we have readily available.

We've also taken many steps towards quality control in the past year. Since we now have the plant up and running to its potential, and the hydraulic overloading issues being looked at, we have been able to focus more on pinpointing the root of the issues with *organic* overloading. We hired Aqua-Aerobics to come back out in August 2016 for a follow-up on-site training. After learning the basics during our first training session and having a year of experience under our belt, we were able to focus more on the biological portion of the plant...how and why these chemical reactions work the way they do and what impact they have on the treatment process. This is essential in process control and plant efficiency. We already had the know-how of the quality control tests for the plant itself so the next step was to move on to more heavy testing to gather more accurate and up-to-date data on what sort of loading the plant was actually receiving as well as where it may be originating from.

After running numerous tests at the plant influent, as well as monitoring with our new SCADA system, we can see that our loading is, on average, right around our design limit. Also, it is obvious that we are seeing the organic loading coming in spikes and valleys rather than a steady flow. Henningsen Foods Inc. is the only food processing industry in town, and hands down the biggest contributor of organic waste. We already have sample stations in place at their discharge points so that is where we started. They and the City have a discharge agreement that has been in place since the wastewater plant was built in 1997. This agreement states that any sample tested within a 24 hour period with a Chemical Oxygen Demand (COD) of 10,000 mg/L or higher would incur a \$250 surcharge. There is no record of previous operators ever enforcing these limits by surcharge or any other means. We learned that the only testing that had ever been done on Henningsen's waste was during the 5 day testing period every 2 months for general billing purposes. We believe that because of the fact that these rules in the agreement were never enforced, Henningsen was under the impression that their discharge was acceptable and there was no need to bother with pre-treating it. For this reason, we talked to management at Henningsen who agreed to pay for continual pH monitoring equipment as well as online access to visually show the trending.

We also purchased, on the city's budget, two sets of 24 bottle sample trays for each of the two discharge sample sites, and since late August 2016, run them continually throughout the week. This gives us virtually non-stop 1 hour composite samples for every hour they are producing at the plant.

These samples are brought back to the lab and tested every day to determine what hours their peak loadings are occurring as well as their high/low pH. These samples are also mixed together to gather 24 hour composite sample data. All of this data is entered into spreadsheets that use the COD concentration, coupled with the flow to calculate the loading from each site, the % of total loading at the plant influent that is coming from Henningsen itself, and the surcharges incurred for any overages. It also includes the time/date that each of these samples were taken. This data is passed on to the Henningsen process manager so he can correlate what processes were being done at the time of these samples that may cause these high loadings. This will help him determine what possible fixes there may be to even out the loading spikes and/or possibly even pre-treat their waste before discharging it to the city's collection system.

If you look at the few records we have from the past operators, it would seem that our plant has historically been right at the design organic loading capability. The NDEQ has imposed a deadline on us for submitting approved plans to upgrade our wastewater treatment plant to handle the increased loading capacity we are receiving. We currently have our engineers looking at possibilities to present to the council. In 2011, a covered anaerobic lagoon/equalization basin was already designed by them, but the plan was never followed through. This is one of the options that our engineer is looking at. This plan would take some minor tweaking with newer data, but the cost to deploy would be minimal. Other options are being looked at to be thorough, and those plans will be submitted to the council for approval once complete. This would ensure that we can meet our deadline with the NDEQ, but our hope is that in the coming months, before this plan is final, enforcing the limits on Henningsen will lower our loading rate to an acceptable level....and that coupled with the added air time, we will be well below our design capabilities. Even with the high loadings, we've continually seen our effluent from the SBR basins clear with ammonia levels of .2 mg/L or less, nitrate levels of less than 1.0 mg/L and no suspended solids.

We believe things are definitely heading in the right direction with progress being made every day. Provided we continue to move forward with aggressive lab testing and system monitoring, enforcing the agreement with Henningsen, chipping away at our infiltration problem and maintaining plant and system equipment we will only improve upon our own efficiency. I truly hope that these steps we've already taken since I've been given charge of this plant 18 months ago is proof of our dedication not only to meet and exceed the effluent standards imposed by our discharge permit through NDEQ, but also to our acknowledgement and concern for the environment and the impact that our operations may have on it if we do not continue to take the necessary steps to protect it.

Thank You,

Kevin Betzen

Water/Wastewater Supervisor

City of David City

1220 E Street

David City, NE 68632

Notice of Potential National Pollutant Discharge Elimination System (NPDES) PERMIT VIOLATIONS

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During the Clean Water Act § 308 compliance insp	pertion conducted on 10/31 - 11/3/16
the potential NPDES permit violations noted below	wwere found. Additional violations may be brought to
your attention following a complete review of the	inspection report and other available information.
POTENTIAL NPDE	S PERMIT VIOLATIONS
Failure to neet discharge &	2mits en 2014 and 2015.
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Council member Smith made a motion to cancel the Committee of the Whole meetings normally scheduled in November and December to allow everyone to enjoy the Holiday season. Council member Rogers seconded the motion. Voting AYE: Council members Kobus, Vandenberg, Hotovy, Rogers, Kroesing, and Smith. Voting NAY: None. The motion carried.

Council member Kroesing made a motion to recess the council meeting until Wednesday, November 30th at 6:30 p.m. so that the City's Health Insurance renewal can be discussed further. Council member Rogers seconded the motion. Voting AYE: Council members Hotovy, Vandenberg, Kobus, Smith, Rogers, and Kroesing. Voting NAY: None. The motion carried and Mayor Zavodny declared the meeting recessed at 9:40 p.m.

November 30, 2016

Mayor Zavodny called the meeting of the City Council of David City, Nebraska to order at 6:30 p.m. on Wednesday, November 30, 2016 in the Council Room of the City Office, 557 N 4th Street, David City, Nebraska, to continue the meeting of November 9th, 2016 which had been in recess.

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

Also present were: Ryan Ruth of Agency One Insurance, Dana Trowbridge, Power Plant Supervisor Eric Betzen, and Banner Press Editor Larry Peirce.

Mayor Zavodny declared the meeting officially back in session.

Ryan Ruth of Agency One Insurance provided the following analysis:

Proposal Type	PROPOSED	PROPOSED	PROPOSED
Carrier	BCBSNE	UHC	UHC
Note	HSA - Aggregate	HSA - Aggregate	HSA - Embedded
Plan Name	HSA \$1,500 90% - Option 105	HSA \$2,000 80% - AM-EQ w/1S	HSA \$2,700 80% - AM-EZ w/1S
Option Type	Gold	Silver	Silver
Network	In Network	In Network	In Network
Deductible - EE	\$1,500	\$2,000	\$2,700
Deductible - Family	\$3,000	\$4,000	\$5,400
Coinsurance	90%	80%	80%
Out of Pocket Max	\$2,000	\$6,250	\$4,400
Out of Pocket Max - Family	\$4,000	\$12,500	\$8,800
Physician/Specialist Copay Copay Note	Ded then 10%	Ded then 20%	Ded then 20%
Urgent Care Copay	Ded then 10%	Ded then 20%	Ded then 20%
Emergency Room Copay	Ded then 10%	Ded then 20%	Ded then 20%
Major Diagnostic (MRI,CT,etc.)	Ded then 10% Ded then 20%		Ded then 20%
Prescriptions(Rx)	Ded +10% for all	Ded then \$10/\$35/\$60	Ded then \$10/\$35/\$60
Specialty Rx	Ded +10% for all	Ded then \$10/\$100/\$300	Ded then \$10/\$100/\$300
Rx Notes	Preferred Rx, SBC has addt'l info		
Pediatric Dental	Yes	Yes	Yes
Provider Network	BluePreferred	UHC	UHC
Employee	4 \$627.65	4 \$474.55	4 \$470.66
Employee + Spouse	1 \$1,255.30	1 \$949.09	1 \$941.32
Employee + Child(ren)	0 \$1,161.15	0 \$877.92	0 \$870.72
Employee + Family	9 \$1,788.80	9 \$1,352.46	9 \$1,341.39

Combined Monthly Total \$19,865.10 \$15,019.39 \$14,896.45

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Council member Hotovy made a motion to accept the United Health Care – HSA – Embedded plan, as highlighted above with a single deductible of \$2,700; family deductible of \$5,400; and an out of pocket max of \$4,400 single and \$8,800 family; with the City paying 75% of the premium and the deductible, which will we be deposited into the employee's HSA account. Council member Smith seconded the motion. Voting AYE: Council members Kroesing, Rogers, Vandenberg, Smith, and Hotovy. Council member Kobus was absent. The motion carried.

During payment of claims at the November 9, 2016 council meeting, the invoice to the David City Ball Association for Preister Well & Backhoe, Inc. in the amount of \$9,921.41 was not allowed as the Council wanted an explanation of the expense. The following response was received:

November 21, 2016

Joan E. Kovar City of David City P.O. Box 191 557 4th Street David City, NE 68632

RE: Preister Well & Backhoe Inc. bill

Dear Joan,

We received your letter requesting an explanation of the Preister Well & Backhoe, Inc. bill the David City Ball Association sent to the City to be paid. The ball association drilled the well back in 1997. Since then, repairs have been made to fix the pump in the well. This spring the pump went out again, but this time the pump was beyond repair and needed to be replaced. As such, this bill is pulling out the old pump and motor and replacing it with a new one. This bill was something the ball association was not anticipating, but was needed to maintain the grass fields and be able to work the infields. Please call me at 367-3170 if there are any additional questions.

Sincerely,

Neil Kuhlman, Vice-President David City Ball Association

PO Box 319

David City, NE 68632

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The Council once again discussed the claim to the David City Ball Association for Preister Well & Backhoe, Inc. in the amount of \$9,921.41. Council member Smith made a motion to request that someone from the David City Ball Association attend the December Council Meeting to discuss this purchase. Council member Vandenberg seconded the motion. Voting AYE: Council members Hotovy, Kroesing, Rogers, Vandenberg, and Smith. Voting NAY: None. Council member Kobus was absent. The motion carried.

There being no further business to come before the Council, Council member Vandenberg made a motion to adjourn. Council member Rogers seconded the motion. Voting AYE: Council members Hotovy, Kroesing, Smith, Rogers, and Vandenberg. Voting NAY: None. Council member Kobus was absent. The motion carried and Mayor Zavodny declared the meeting adjourned at 6:40 p.m.



CERTIFICATION OF MINUTES November 9th / 30th, 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 November 9th / 30th, 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	