

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

The undersigned members of the governing body of the City of David City, Nebraska, hereby acknowledge receipt of advance notice of a regular meeting of said body and the agenda for such meeting to be held at 7:00 o'clock p.m. on the **14th day of January, 2015**, in the meeting room of the City Office, 557 N 4th Street, David City, Nebraska.

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

Dated this 7th day of January, 2015.

AGENDA AS FOLLOWS:

- | | |
|--|--|
| 1. Roll Call; | <hr/> Mayor Alan Zavodny |
| 2. Pledge of Allegiance; | |
| 3. Inform the Public about the location of the Open Meetings Act and the Citizens Participation Rules; | <hr/> Council President Gary L. Kroesing |
| 4. Minutes of the December 10 th , 17 th , and 29 th , 2014, meetings of the Mayor and City Council; | <hr/> Council member Michael E. Rogers |
| 5. Consideration of Claims; | |
| 6. Committee and Officer Reports; | |
| 7. Update by Craig Reinsch of Olsson Associates on the water main project; | <hr/> Council member Thomas J. Kobus |
| 8. Consideration of a Delivery Service Agreement between Nebraska Public Power District and the City that NPPD agrees to provide service to the City for delivery of its allocation from WAPA (bringing the transmission delivery of our Western Area Power Administration (WAPA) power into compliance with the Southwest Power Pool's (SPP) Tariff); | <hr/> Council member Kevin N. Hotovy |
| 9. Consideration of the Assignment of Specific Rights, Duties, and Obligations of the City's Firm Electric Service Contract No. 14-UGPR-5003 (Assignment) to Nebraska Public Power District; | <hr/> Council member Gary D. Smith |
| 10. Presentation by Benefit Management / Agency One Insurance and Consideration of the Health Insurance Coverage for City employees; | <hr/> City Clerk Joan E. Kovar |

11. Consideration of extending a 3 year warranty with Sargent Drilling for the VFD's on Well #12 and Well #14 - \$3,341.00 each;
12. Consideration of authorizing approximately \$400 to process (copies, envelopes, labels, postage) and mail "David City Recreation Surveys";
13. Consideration of authorizing Bone Creek Museum of Agrarian Art to utilize utility poles for displaying approximately 4 – 6 banners along 6th Street from March 2015 thru September 2015;
14. Consideration of a sewer line at the Airport;
15. Consideration of designating a secure site for towed vehicles after a snow storm;
16. Consideration of authorizing approximately \$47,603.00 to Sargent Drilling for Well #10 pump repair, Well #10 rehabilitation, and Well #10 VFD installation;
17. Consideration of scheduling a special council meeting for Monday, January 26, 2015 at 6:30 p.m. for a Public Hearing on a proposed redevelopment plan for purposes of the Community Development Law;
18. Adjourn.

CITY COUNCIL PROCEEDINGS

January 14, 2015

The City Council of the City of David City, Nebraska, met in open public session in the meeting room of the City Office, 557 N 4th Street, David City, Nebraska. The Public had been advised of the meeting by publication of notice in The Banner Press on January 8th, 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 members Thomas Kobus, Gary Smith, Kevin Hotovy, and Mike Rogers. Also present were City Attorney Jim Egr, and Interim City Administrator/City Clerk Joan Kovar. Council members Gary Kroesing and John Vandenberg were absent.

Also present for the meeting were: Craig Reinsch of Olsson Associates, Dan Duren of Benefit Management, Ryan Ruth of Agency One Insurance, Electric Plant Supervisor Eric Betzen, Park/Auditorium Supervisor Bill Buntgen, Water Employee Kevin Betzen, Janis Cameron, David City Boy Scout Masters Steven Reiter, Cliff Kovar, Myron Dietrich, and Boy Scouts of America -Troop 268, Dana Trowbridge, Jared Storm of Hershey Flying Service, Deputy Sheriff Marla Schnell, and Banner Press Editor Larry Peirce,

The meeting opened with the Pledge of Allegiance.

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

The minutes of the December 10th, 17th, and 29th, 2014 meetings of the Mayor and City Council were approved upon a motion by Council member Smith and seconded by Council member Kobus. Voting AYE: Council members Hotovy, Kobus, and Smith. Voting NAY: None. Council members Kroesing, Rogers, and Vandenberg were absent. Mayor Zavodny was allowed to vote pursuant to Nebraska State Statutes §17-110 & §17-614 which went into effect on September 6, 2013, and he voted AYE. The motion carried.

Mayor Zavodny asked for consideration of claims. Council member Smith made a motion to authorize the payment of claims and Council member Hotovy seconded the motion. Voting AYE: Council members Smith, Kobus, and Hotovy. Voting NAY: None. Council members Kroesing, Rogers, and Vandenberg were absent. Mayor Zavodny was allowed to vote pursuant to Nebraska State Statute §17-110 & §17-614 which went into effect on September 6, 2013, and he voted AYE. The motion carried.

Council member Mike Rogers arrived at 7:03 p.m.

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

Craig Reinsch of Olsson Associates gave an update on the water main project. Olsson Associates was asked to provide a scope and fee to design a 6" water main extension along west "E" Street and an 8" water main replacement on "I" Street from 5th to 8th, and on 7th Street from "I" to "J" Streets for the City. Probably half of this will be done by boring as they will be going under essentially two full blocks of concrete. They have provisions for ductile iron but primarily they will be using PVC. The west "E" Street water main extension will provide water service to the new tri-plex built on the Northwest corner of Oak & "E" Streets. Olsson's were authorized to begin in September and they met with the City and coordinated the project design. The project was then submitted to the Nebraska Department of Health and Human Service (NDHHS) for review. Program Manager Chin Chew documented that the NDHHS reviewed the documents and they were approved. A construction permit No. W2014-165 was issued for the Water Main Improvements MA No. 014-2473 which is valid for two years from the date of issuance – December 17, 2014. The current project cost estimate is \$290,000 and Olsson's will provide an updated cost at the day of the bid opening for comparison of the bids received. The project will be advertised on January 22nd and 29th with a bid opening scheduled for February 5, 2015 at 1:30 p.m. at the City Office. The bids will be reviewed and presented for approval and award at the regularly scheduled February 11, 2015 Council meeting. Construction will follow with the contract completion dates of August 14, 2015 for substantial completion and September 18, 2015 for final completion.

In 1996 FERC, the Federal Agency that oversees the nation's utility industry passed a set of regulations or "orders". FERC regulates the price, terms, and conditions of power and transmission services sold in interstate commerce by entities subject to its jurisdiction. These regulations were developed to bring lower cost power to electric consumers, provide continued reliability, and offer open and fair electric transmission services. Under FERC Order No. 888, public utilities under FERC jurisdiction must offer open and comparable access to their transmission systems. FERC does not have jurisdiction over WAPA however they chose to follow FERC's rules. A joint Customer/WAPA/NPPD meeting was held on November 5, 2014. This is a process of bringing the transmission delivery of our Western Area Power Administration (WAPA) power into compliance with the Southwest Power Pool's Tariff. There are several agreements that need to be executed in order to make the recommended changes.

Council member Smith made a motion to authorize Mayor Zavodny to execute the Delivery Service Agreement between NPPD and the City. Council member Kobus seconded the motion. Voting AYE: Council members Rogers, Hotovy, Kobus, and Smith. Voting NAY: None. Council members Kroesing and Vandenberg were absent. The motion carried.

DELIVERY SERVICE AGREEMENT

between

NEBRASKA PUBLIC POWER DISTRICT

and

CITY OF DAVID CITY, NEBRASKA

This Delivery Service Agreement ("Agreement") is dated and entered into the ____ day of _____, 2015, by and between the Nebraska Public Power District ("NPPD"), a public corporation and political subdivision of the State of Nebraska, and the City of David City, Nebraska, a municipal corporation and political subdivision of the State of Nebraska, with offices located at David City, Nebraska ("City"). NPPD and City, may also be referred to individually as "Party" or collectively as "Parties."

RECITALS

WHEREAS, the City has entered into a Contract for Firm Electric Service with the Western Area Power Administration (Western) and said Contract provides to the City a portion of its power supply through a power and energy allocation from Western, and the City requires services from NPPD for the delivery of said allocation from Western to the City's electrical system; and

WHEREAS, City receives the remainder of its power supply from NPPD under a Wholesale Power Contract dated January 1, 2002; and

WHEREAS, the City desires to enter into this Delivery Service Agreement which sets forth certain terms and conditions pertaining to services to be provided by NPPD for delivery of the City's Allocation from Western; and

WHEREAS, for purposes of assisting NPPD in making arrangements for delivery of City's allocation from Western, NPPD and City have entered into an Assignment of Allocation (Assignment) and such Assignment has been approved of by Western;

NOW, THEREFORE, in consideration of the mutual promises and covenants of the Parties set forth herein, the Parties agree as follows:

ARTICLE I
TERM AND EFFECTIVE DATE

1. This Agreement is effective _____ 1, 2015, and shall continue in its effectiveness so long as all of the following conditions are satisfied:
 - 1.1. City continues to receive a power and energy allocation from Western.

- 1.2. City is receiving all its power and energy requirements less the allocation from Western, from NPPD.
- 1.3. The Assignment Agreement between NPPD and City, and as approved by Western, remains in effect.

2. This Agreement may be terminated by either Party at any time with cause in the event either Party fails to comply with any term or condition of this Agreement, upon written notice to the other Party; provided, the Party receiving such termination notice with cause shall have thirty (30) days from the date of the notice to come into compliance with the applicable term or condition of this Agreement, in which case this Agreement shall continue in full force and effect.

3. Termination of this Agreement shall not relieve the Parties of any obligations and liabilities which arise from Delivery Service arrangements entered into prior to receipt of such termination notice. Nothing will require NPPD to continue to provide Delivery Service to City in the event payment for Delivery Service is not received by NPPD under the Wholesale Power Contract in accordance with Article IV and V of this Agreement.

4. The City and NPPD have entered into, and Western has approved, an agreement for the assignment of the City's Firm Power Contract dated _____, (Assignment Agreement), and in the event of termination of this Agreement, the City shall provide written notice of termination of the Assignment Agreement. A copy of the Assignment Agreement is attached hereto for reference as Exhibit A.

ARTICLE II REQUEST FOR DELIVERY SERVICES

1. By entering into this Agreement, City requests that NPPD make arrangements for the delivery of its allocation from Western, and NPPD agrees to make such arrangements pursuant to the terms of this Agreement and the Assignment Agreement, and NPPD further agrees to provide service to the City for delivery of its allocation from Western under the applicable terms of the General Firm Power Service Rate Schedule, or its successor, as amended and in effect from time to time.

ARTICLE III ASSIGNMENT AGREEMENT

1. In accordance with the Assignment Agreement, City has granted to NPPD the right to receive the power and energy associated with the City's preference power allocation, and such receipt shall occur at the points of interconnection between the transmission systems of NPPD and Western.

2. NPPD intends to use, and agrees to arrange, SPP Network Integration Transmission Service (NITS) for delivery to the City of power and energy received by NPPD under this Agreement. For purposes of arrangement of NITS by NPPD, (i) NPPD

will designate the entire load requirements of the City as NPPD Network Load, (ii) NPPD will designate the City's preference power allocation as an NPPD Designated Network Resource (DNR), and (iii) NPPD will utilize NITS service to deliver said preference power allocation to the City.

3. Such rights were granted to NPPD notwithstanding that the City contracts directly with Western for said preference power allocation, and such rights granted to NPPD do not amend or modify Contract No. 90-BAO-526 between City and Western for said allocation.

4. City agrees that NPPD is not financially responsible for any amounts owed to Western by City under Contract No. 90-BAO-526.

ARTICLE IV SERVICE, SCHEDULING AND COMPENSATION

1. It is understood that NPPD, pursuant to the terms of this Agreement and pursuant to the Wholesale Power Contract, shall have the obligation to provide for the delivery of the City's full requirements for its power supply, including power and energy from Western and power and energy from NPPD.

2. For purposes of Delivery Service provided under this Agreement, an Exhibit B shall be created and maintained for mutual acceptance by NPPD and City for each Delivery Point. Exhibit B will define, among other things, the Delivery Point, applicable transmission and ancillary services provided or arranged by NPPD, point of measurement multiplier, and a one-line service diagram. The services and the rates and charges for transmission service as contained in the GFPS Rate Schedule, or its successor, shall apply to delivery service provided under this Agreement. The Parties agree to promptly communicate any changes in multipliers, loss factors and other delivery point changes and execute a revised Exhibit B as soon as practicable.

3. NPPD agrees to provide or, where applicable, arrange for the provision of, transmission, subtransmission and ancillary services, necessary to deliver all the power and energy that the City purchases from Western as identified in Exhibit B, from the inlet of the transmission system to the Delivery Point(s).

4. Initially upon execution of this Agreement and as necessary thereafter, the City shall provide to NPPD information regarding the amount of the allocation received from Western. Such allocation amounts shall be documented in Exhibit B and maintained for mutual acceptance by the City and NPPD.

ARTICLE V BILLING AND PAYMENT

1. For any delivery service provided to City under this Agreement, NPPD will bill City in accordance with the Wholesale Power Contract.

**ARTICLE VI
GENERAL**

1. The City shall not assign, sell, convey or otherwise transfer this Agreement or any of its rights or obligations thereunder, without prior express written consent of NPPD.
2. This Agreement is entered into under and shall be governed and construed by the laws of the State of Nebraska, and any legal action on or arising out of this Agreement shall be commenced and maintained only in courts in the State of Nebraska.
3. Any modification, supplement or amendment of the provisions of this Agreement shall not be valid and effective unless contained in a writing signed by the Parties.

**ARTICLE VII
NOTICES, CORRESPONDENCE, BILLING AND PAYMENTS**

1. Any notices, billings, payments and other communications related to this Agreement shall be given in writing and sent by mail, postage prepaid, and national express delivery service or by electronic communication. A Party may change its address or the person to which notices, billings or payments are to be sent by providing written notice of such change to the other Party.

City of David City:

NOTICES/CORRESPONDENCE

City of David City
Joan Kovar
557 4th Street
P.O. Box 191
David City, NE 68632-0191

BILLINGS

City of David City
Joan Kovar
557 4th Street
P.O. Box 191
David City, NE 68632-0191

NPPD:

NOTICES/CORRESPONDENCE

Nebraska Public Power District
Contracts Manager
P.O. Box 499
Columbus, NE 68602-0499

PAYMENTS

Nebraska Public Power District
Accounting Department
P.O. Box 499
Columbus, NE 68602-0499

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed the day and year first above written.

City of David City, Nebraska

By: _____

Title: _____

Date: _____

Nebraska Public Power District

By: _____

Title: Vice-President, Customer Services

Date: _____

Exhibit A

Assignment Agreement

EXHIBIT B

1. Transmission Customer: City of David City
2. Point of Receipt (R): NPPD/Western Interface
3. Point of Delivery (P): 34.5 kV Bus of NPPD's 115/34.5 kV David City Substation
4. Point(s) of Measurement (M___ or G___)
 - a. Tie-Line Meter - M1 Location Low Side of BPPD's 34.5/13.8 kV Sub 59-61
M2 Location Low Side of BPPD's 34.5/13.8 kV Sub 59-62
G Location 2.4 kV Generation

5. Application of GFPS Rate Schedule Network Service Provisions:

- a. Transmission Line Charge: Yes No
- b. Transmission Substation Charge: Yes No
- c. Ancillary Service Charges
 - (1) Regulation / Frequency Response Yes No
 - (2) Reactive Power/Voltage Control Service Yes No
 - (3) Spinning Reserve Service Yes No
 - (4) Supplemental Reserve Service Yes No

Applicable Subtransmission Charges, per Subtransmission Rate Schedule

- d. Sub-Transmission Line Charge: Yes No
- e. Sub-Transmission Sub. Charge: Yes No

f. KW and KWH Multipliers to adjust Point(s) of Measurement for GFPS Rate Application:

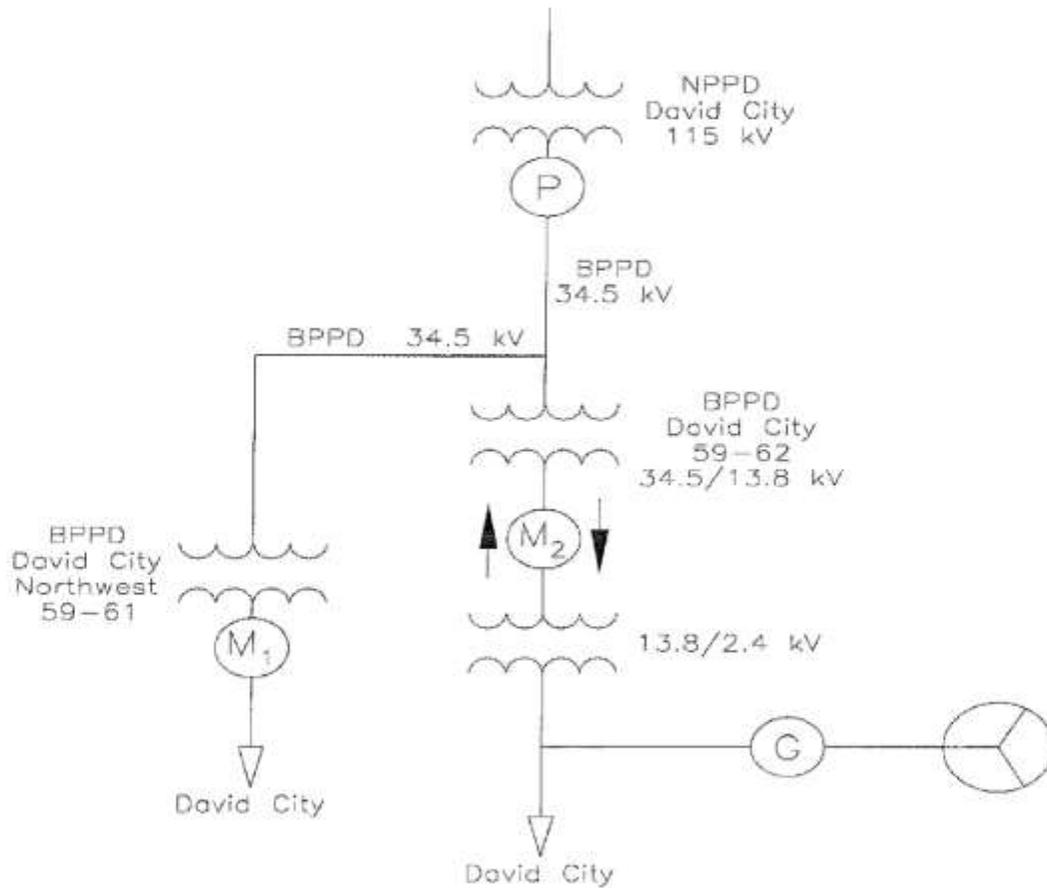
<u>Point Of Measurement</u> (M___ or G___)	<u>*KW Multiplier</u>	<u>*KWH Multiplier</u>
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* Multipliers (loss factors): Per the current City of David City Wholesale Billing Exhibit

M1	_____	_____
M2 In	_____	_____
M2 Out	_____	_____
G	_____	_____

6. Remarks: Summer Season Peak Delivery = 1258 KW
Winter Season Peak Delivery = 1256 KW
(In accordance with Exhibit B of Contract # 90-BAO-526)

7. One Line Diagram:



Dated: _____ Supersedes Exhibit: _____ Dated: _____

NPPD: _____ Dated: _____

CUSTOMER: _____ Dated: _____

Council member Smith made a motion to authorize Mayor Zavodny to execute the "Assignment of Specific Rights, Duties, and Obligation" of the City of David City, Nebraska's Firm Electric Service Contract No. 14-UGPR-5003 (Assignment) to Nebraska Public Power District (NPPD). Council member Kobus seconded the motion. Voting AYE: Council members Hotovy, Rogers, Kobus, and Smith. Voting NAY: None. Council members Kroesing and Vandenberg were absent. The motion carried.

Contract No. 14-UGPR-5003
City of David City, Nebraska
Nebraska Public Power District

UNITED STATES
DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION

Pick-Sloan Missouri Basin Program—Eastern Division

ASSIGNMENT OF SPECIFIC REIGHTS, DUTIES, AND OBLIGATION
OF THE CITY OF DAVID CITY, NEBRASKA'S
FIRM ELECTRIC SERVICE CONTRACT
TO NEBRASKA PUBLIC POWER DISTRICT

UNITED STATES
DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION

Pick-Sloan Missouri Basin Program--Eastern Division

ASSIGNMENT OF SPECIFIC RIGHTS, DUTIES, AND OBLIGATIONS
OF THE CITY OF DAVID CITY, NEBRASKA'S
FIRM ELECTRIC SERVICE CONTRACT
TO NEBRASKA PUBLIC POWER DISTRICT

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Certificate

UNITED STATES
DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION

Pick-Sloan Missouri Basin Program--Eastern Division

ASSIGNMENT OF SPECIFIC RIGHTS, DUTIES, AND OBLIGATIONS

OF THE CITY OF DAVID CITY, NEBRASKA'S

FIRM ELECTRIC SERVICE CONTRACT

TO NEBRASKA PUBLIC POWER DISTRICT

1. PREAMBLE: This Assignment is made this ____ day of _____, 20____, pursuant to the Acts of Congress approved June 17, 1902 (32 Stat. 388), December 22, 1944 (58 Stat. 887), August 4, 1977 (91 Stat. 565), and Acts amendatory or supplementary to the foregoing Acts between the UNITED STATES OF AMERICA, acting by and through the Administrator and Chief Executive Officer, Western Area Power Administration, Department of Energy, hereinafter called Western, represented by the officer executing this Contract No. 14-UGPR-5003 (Assignment), hereinafter called the Contracting Officer, and the CITY OF DAVID CITY, NEBRASKA, a municipal corporation, duly organized under and by virtue of the laws of the State of Nebraska, hereinafter called DAVID CITY, and NEBRASKA PUBLIC POWER DISTRICT, a public corporation and political subdivision of the State of Nebraska, hereinafter called NPPD; their successors and assigns, each sometimes hereinafter individually called Party, and all sometimes hereinafter collectively called the Parties.

2. EXPLANATORY RECITALS:

2.1 David City is a qualifying preference entity within the established marketing area for the Pick-Sloan Missouri Basin Program--Eastern Division (P-SMBP--ED) and receives an allocation of firm power from the P-SMBP--ED.

2.2 David City entered into Firm Electric Service Contract No. 90-BAO-526, dated December 12, 1990, as amended or superseded (FES Contract), with Western, which, among other things, provides for the delivery of Federal electric power and energy from Western.

2.3 NPPD is a qualifying preference entity within the established P-SMBP--ED Marketing Area.

2.4 On April 1, 2009, NPPD joined the Southwest Power Pool (SPP).

2.5 NPPD, as a Transmission Owning Member of SPP and Network Integrated Service Customer under the SPP Tariff, requires certain contractual rights to receive David City's Federal power and energy at the NPPD interconnection(s) to Western for delivery of that Federal power and energy to David City.

2.6 Western received a written request dated November 12, 2014, from David City and NPPD, requesting an assignment of specific rights, duties, and obligations under David City's FES Contract to NPPD.

2.7 Therefore, the Parties chose to enter into this Assignment to accommodate David City's and NPPD's request to assign specific rights, duties, and obligations under David City's FES Contract to NPPD.

2.8 This Assignment is only for specific rights, duties, and obligations for NPPD responsibilities in SPP with regards to David City's Federal power allocation. David City shall retain the Federal Power allocation as indicated in David City's FES Contract.

3. AGREEMENT: The Parties agree to the terms and conditions set forth herein.

4. DAVID CITY'S ASSIGNMENT TO NPPD:

4.1 NPPD shall have the right, duty, and obligation, on behalf of David City, to the following:

4.1.1 schedule David City's Federal power and energy in accordance with the FES Contract;

4.1.2 receive delivery of and title to David City's Federal power and energy at the points of interconnection as defined in David City's FES Contract,

4.1.3 deliver all of the Federal power and energy under Subsection 4.1.2 above to David City's point(s) of delivery as designated in David City's FES Contract in accordance with the SPP Tariff, and

4.1.4 designate David City's Federal power and energy as a designated network resource to meet NPPD's network load requirements under the SPP Tariff.

4.2 NPPD shall, upon execution of this Assignment of specific rights, duties, and obligations, and entering into a delivery service agreement with David City or revision of NPPD's transmission service agreement with David City (as applicable), cease the provision of, and billing for, T-2 point-to-point transmission service for David City's Federal power and energy, provided for under Contract No. 93-BAO-667, Exhibit F.

4.3 No additional rights, duties, or obligations of the FES Contract are assigned to NPPD under this Assignment. With respect to the rights, duties, and obligations assigned to NPPD under this Assignment, NPPD is subject to, and bound by, the terms and conditions of David City's FES Contract as if it were a signatory to that FES

Contract. In the event this Assignment differs from the requirements of the FES Contract, specific terms set forth in the FES Contract shall prevail. A copy of the FES Contract is attached as Exhibit A.

5. TERMINATION OF ASSIGNMENT: David City or NPPD may terminate this Assignment upon ninety days written notice to the Parties. In the event NPPD fails to comply with the terms and conditions of the FES Contract applicable to the rights, duties, and obligations assigned to it, Western may terminate this Assignment upon ninety days written notice to the Parties. In the event the FES Contract is terminated or expired, Western shall concurrently terminate this Assignment. Should NPPD cease to arrange SPP Transmission Service for the delivery of David City's Federal power and energy, this assignment shall be null and void.

6. TERM OF ASSIGNMENT: This Assignment, under the FES Contract, shall be effective on the later of, March 1, 2015, or on the first day of the first full billing period after approval by Western. This Assignment shall remain in effect until expiration or termination of the FES Contract, unless otherwise terminated as provided for in Section 5 above. Upon expiration or termination of this Assignment, all rights, duties, and obligations assigned to NPPD shall return to David City.

IN WITNESS WHEREOF, the Parties have caused this Assignment to be executed the day and year written above.

(SEAL)



Attest:

By: Jean E. Kovar
Title: City Clerk

CITY OF DAVID CITY, NEBRASKA
By: [Signature]
Title: Mayor

Address: P.O. Box 191
David City, NE 68632-0191

(SEAL)

NEBRASKA PUBLIC POWER DISTRICT
By: _____
Title: Vice President and Chief
Operating Officer
Address: 1414 15th Street
Columbus, NE 68601

The above Assignment of specific rights, duties, and obligations under the FES Contract is approved.

Date: _____

Senior Vice President and
Upper Great Plains Regional Manager

For Administrator and Chief Executive Officer
Western Area Power Administration

CERTIFICATE

I, _____, certify that I am the _____ of
(First and Last Name of Certifier) (Job Title of Certifier)

Nebraska Public Power District, the public corporation and political subdivision of the

State of Nebraska, named as NPPD herein; that _____, who
(Name of Signatory of Contract)

signed the above contract on behalf of such NPPD, was then its _____;
(Job Title of Signatory of Contract)

that such contract was duly signed for and on behalf of NPPD by authority of its

governing body and is within the scope of its corporate powers.

Signature

(SEAL)

SAMPLE

CERTIFICATE

I, _____, certify that I am the _____
of Nebraska Public Power District, the public corporation and political subdivision of the
State of Nebraska, named as NPPD herein; that _____, who signed
the above contract on behalf of such NPPD, was then its _____; that
such contract was duly signed for on behalf of NPPD by authority of its governing body
and is within the scope of its corporate powers.

Signature

(SEAL)

Dan Duren of Benefit Management and Ryan Ruth of Agency One Insurance were present to discuss the CoOpportunity Health Insurance and possible liquidation. They stated the sooner the City Employees move to a different health insurance the better off they will be.

(Following this meeting the City did receive the following notice: "The Iowa Insurance Commissioner has determined that efforts to rehabilitate CoOpportunity Health have been unsuccessful, and he plans to ask the court to place the company into liquidation. This means the company is going out-of-business and our CoOpportunity health group insurance coverage will end soon. Under the applicable guaranty association laws, there is a \$500,000 per member limit on eligible medical and pharmacy claims; this \$500,000 limit does not include member cost share. Any medical and pharmacy claims that exceed the \$500,000 limit may be submitted to CoOpportunity Health, but there may not be sufficient assets to pay all amounts over \$500,000, so individuals could be billed for those amounts.")

Dan and Ryan presented the following options:



City of David City		5/1/14 Renewal					Embedded		Embedded			
Effective Date 2/1/2015	Current CoOp HSA Gold	BCBS Blue/White 11	Coventry Silver Security 4	Coventry Silver Security 4	Coventry Gold/Insure 2	UHC DIX 5/1/14	UHC MT 5/1/14	Assured 5/1/14	BCBS 2014 HSA Bronze	BCBS 2014 HSA Silver	BCBS 188 HSA Gold	
Deductible (Single)	500/3000	500/4000	800/12000	2500/5000	1500/3000	3000/6000	2000/3000	2000/6000	4000/10000	2000/4000	1500/3000	
Deductible (Family)	2000/6000	4000/8000	18000/24000	5000/10000	3000/6000	4000/10000	2000/3000	4000/10000	10000/20000	4000/8000	3000/6000	
Co-Insurance	80/50	100/60	80/50	80/50	80/50	80/50	80/50	80/50	80/50	80/50	80/50	
Out of Pocket (Single) (max)	500/3000	0/3000	450/1500	1200/3000	300/600	425/1500	1600/3000	400/1350	675/900	2400/4000	500/1500	
Out of Pocket (Family) (max)	1000/6000	0/6000	900/1800	2000/6000	600/1200	850/1500	1600/3000	850/1350	675/900	2400/4000	500/1500	
MAX OUT OF POCKET (Single)	2000/6000	3000/8000	1400/12000	4000/8000	2500/5000	1500/3000	3000/6000	800/1350	675/900	4500/8000	1000/3000	
MAX OUT OF POCKET (Family)	4000/12000	4000/16000	12000/24000	8000/16000	4000/8000	13000/20000	4000/10000	4000/13500	4000/8000	4000/8000	2000/6000	
Office Visit Co-Pay	Ded & Coins	Deductible	Deductible	Ded & Coins								
Specialist Co-Pay	Ded & Coins	Deductible	Deductible	Ded & Coins								
Drug Card	5/45/75 after ded paid 100%	Deductible	5/45/75 after ded paid 100%									
Preventive Care	paid 100%	paid 100%	paid 100%	paid 100%	paid 100%	paid 100%	paid 100%	paid 100%	paid 100%	paid 100%	paid 100%	
Total Monthly	14	\$10,095.81	\$16,458.60	\$10,487.91	\$14,678.69	\$17,838.33	\$12,294.41	\$12,481.35	\$14,663.39	\$10,435.46	\$11,376.51	\$18,079.11
Employee Only	3											
Employee + Spouse	2											
Employee + Dependents	1											
Family	8											
Savings from Current			\$6,200.69	\$1,980.82	-\$1,179.95	\$4,362.19	\$4,677.27	\$2,006.21	\$6,223.20	\$362.61	-\$1,400.81	
Savings Annualized			\$74,408.26	\$23,769.84	-\$14,159.40	\$51,346.28	\$48,527.24	\$24,074.32	\$74,626.40	\$4,394.12	-\$17,040.19	
		46.13%	-37.22%	-11.89%	7.39%	-36.10%	24.46%	-12.04%	37.50%	-2.79%	5.53%	

Deductible (Single)	2500/5000
Deductible (Family)	5000/10000
Co-Insurance	80/50
Out of Pocket (Single)	1500/3000
Out of Pocket (Family)	3000/6000
Max Out of Pocket (Single)	4000/8000
Max Out of Pocket (Family)	8000/16000
Office Visit Co-Pay	Ded & Coins
Specialist Co-Pay	Ded & Coins
Drug Card	5/45/75 after ded
Preventive Care	paid 100%
TOTAL MONTHLY:	\$14,678.58

Council member Rogers made a motion to select Coventry Silver Security 4 for the Health Insurance Coverage for the City Employees, hopefully effective February 1, 2015. Council member Smith seconded the motion. Voting AYE: Council members Kobus, Hotovy, Smith, and Rogers. Voting NAY: None. Council members Kroesing and Vandenberg were absent. The motion carried.

Water Employee Kevin Betzen stated that the warranty on Well #12 expires on February 9, 2015 and Well #14 will be expiring soon also. A replacement VFD for this is approximately \$26,750.00 with no programming or installation. Kevin presented a bill for a three year contract as follows:

Sargent Drilling
Industrial Engineering
Complete Municipal and Industrial
Pumps and Well Service

846 South 13th Street
PO Box 367
Geneva, NE 68361-0367

Phone: (402) 759-3902
1-888-496-3902

150 Hp, 480 volt, 3 year DrivePro-Tection contract \$3,341.00

Water DrivePro-Tection Service Contract

On-site coverage is available for drives with expired warranties at any time until 10 years from date of manufacture.

Drive must be in working order to qualify. In addition to the standard terms, accidental damage to the product is covered, including the following:

- *Momentary line or load anomalies such as lightning strikes.
- *Accidental collision after installation
- Temporary exposure to moisture or corrosives

Danfoss excludes coverage for failures due to product vandalism, misapplication, shipping or installation damage, chronic destructive site conditions or site catastrophes such as floods, fires, hurricanes, and tornados.

A diagnostic trip is NOT covered. Parts, labor & Mileage are covered after the diagnostic trip is.

Note: A replacement VFD for this sight is approximately \$26,750.00 with no programming or installation.

Thank You
Keith Broman
Technician

Council member Hotovy made a motion to extend a 3 year warranty with Sargent Drilling for the VFD's on both Well #12 and Well #14 in the amount of \$3,341.00 each. Council member Kobus seconded the motion. Voting AYE: Council members Smith, Rogers, Kobus, and Hotovy. Voting NAY: None. Council members Kroesing and Vandenberg were absent. The motion carried.

Mayor Zavodny stated the next agenda item was consideration of authorizing approximately \$400 to process (copies, envelopes, labels, postage) and mail "David City Recreation Surveys" and questioned how this came about.

Park Superintendent Bill Buntgen stated: "This came up when we were getting information from the Game & Parks about writing grants. When we were writing the Land & Water Grant for the Ball Fields they recommended that we do a recreational survey and the Park Board came up with this survey and the estimated costs of doing this which would come out of the Sales Tax Funds."

Mayor Zavodny stated: "I will tell you when you go to the grocery store or when you go around town, when these types of items come up, it's either the best idea we've ever had or the dumbest single idea they've ever heard, so you're going to get both extremes on the merits of this. Do you believe we will gather enough useful information that will help us? I'm getting to a point, maybe it's just because of where I'm at, at this point in life, maybe a little more cynical. Everybody when they talk about how you're going to fund something they say "Let's get a grant". Well when's the last time we've had something useful that we've really just nailed a grant on. We've applied for a bunch, we haven't received them. They're far from a sure thing. Are you willing to roll the dice on this and spend \$400 to try to help us in the grant process?"

Council member Smith made a motion to authorize approximately \$400 of Sales Tax Funds to process and mail "David City Recreation Surveys". Council member Kobus seconded the motion. Voting AYE: Council members Hotovy, Kobus, and Smith. Voting NAY: Council member Rogers. Council members Kroesing and Vandenberg were absent. Mayor Zavodny was allowed to vote and he voted AYE. The motion carried.

Council member Hotovy made a motion to authorize Bone Creek Museum of Agrarian Art to utilize Utility Poles for displaying approximately 4 – 6 banners from March 2015 thru September 2015; Ballad of the Farm; Then, Now, Tomorrow. Council member Smith seconded the motion. Voting AYE: Council members Kobus, Rogers, Smith, and Hotovy. Voting NAY: None. Council members Kroesing and Vandenberg were absent. The motion carried.

Mayor Zavodny stated: "As we've been talking over time, and as it is currently, we have septic fields at the Airport. There has been some abundant testing on the percolation and it really won't work. The water level's very high; the system just won't work. So, as I have been kind of hinting to you at previous meetings, it's looking like this is something we might have to do and I'm going to just say right off we need to figure out how to do this but I'm not a fan of lift stations. We have nice pictures of what happens when they get goofed up, although you probably won't be flushing diapers. With the number of employees Storm Aviation is looking at, 8–10 maybe to start, but if they start building airplanes and doing that kind of thing, you're looking at 50 – 100, you clearly can't handle that with a septic system. So that is as much as I am going to share."

Jared Storm, owner of Storm Flying Service, stated: "We signed a contract with Chief Buildings yesterday. We are going to start in April, they are anticipating spring, to start building out there and being done by August. And then we will look at obviously moving Hershey Flying Services back here which will take some time. As far as the sewer and septic goes, we did tests, the ground water table out there is five feet below the surface. We can't do a septic system out there very well. I don't know where we are going to have a leech field or anything with where we are putting the building at. The other option was an above ground septic system that you would have to pump out on a frequent basis, and like Alan said, if we ever get to the point where we go from 10 to 20 to 50 employees, we need to be tied into the sewer system. Across the street to the South of Bryan Forney's, 3380 MN Rd., is where the building is to be situated. It's going to be a 22,000 sq. ft. building, so a sizable sized building. We've been working on this for three years at least. So it's a done deal as far as what we're going to do. We are actually looking for employees now, to go out to Hershey and try to fill some positions that we can bring back here. The Chamber talked about maybe having a job fair in February.

We're already looking for welders, sheet metal people, to go out there and actually come back with the company. So if you know of anybody in here who is interested in welding and/or sheet metal, that would be willing to go out there from this area and train for nine months/ten months and come back that would be great because not all of our employees are going to move back here. So we're having to find people that can do that."

Skip Trowbridge asked: "Do we have an estimate, or an idea, or a far-fetched guess as to what this might cost? How much are we willing to spend? \$250,000; \$300,000?"

Mayor Zavodny stated: "The water line was going to be about \$115,000 but then we changed the location of the building. Sewer...this is a pretty new development as far as having to do this. What it would cost to run sewer, and depending on if we need to bore or anything....I think until it is engineered and we get a price and then there is a vote of this body; I don't know what that answer is. It's going to be up to these guys. For development, what number is what? There is a significant financial investment."

Kevin Betzen stated: "That whole Airport right now is lacking water. There is a 2" line trying to feed everything out there and for fire protection alone I think it's a good idea."

Council member Smith made a motion to engage an engineering firm to design a sewer line / main for the Airport. Council member Rogers seconded the motion. Voting AYE: Council members Kobus, Hotovy, Rogers, and Smith. Voting NAY: None. Council members Kroesing and Vandenberg were absent. The motion carried.

Mayor Zavodny stated: "Consideration of designating a secure site for towed vehicles. We have struggled with this as a Community for quite some time. We do have a current situation that is less than desirable. Tim Beaver of Kobza Motors called me in December saying we have less than an ideal situation when they have to tow vehicle from the downtown area. We have no secure place to go with them. You get people who claim they have stuff missing from inside their towed vehicle or from the box of their truck, all of these claims, and in the past they've come and just gotten in their vehicles and driven away and so we haven't collected for the towing. As a City we are at a point where we either need a secure fenced in area or even more ideally some sort of a rental of some garage space. We've got to come up with a better solution. I don't think we can solve this tonight but what I want you to start thinking about is how are we going to deal with this problem. We need a better option." The council members are supposed to give this some consideration and some different scenarios.

Water employee Kevin Betzen presented estimates for Well #10 Pump Repairs. The \$47,603.00 will cover the rehab, repair, and VFD but there will be additional costs for electrical boxes and wiring.

Council member Hotovy made a motion to approve the expenditure of up to \$60,000 for Well #10 pump repair, rehabilitation, VFD installation, signals to the SCADA System, and having an electrician hook up the 3 phase power. Council member Kobus seconded the motion. Voting AYE: Council members Rogers, Kobus, Smith, and Hotovy. Voting NAY: None. Council members Kroesing and Vandenberg were absent. The motion carried.

Council member Smith made a motion to schedule a Special Council Meeting for Monday, January 26, 2015, at 6:30 p.m. for a Public Hearing on a proposed redevelopment plan for purposes of the Community Development Law. Council member Rogers seconded the motion. Voting AYE: Council members Kobus, Hotovy, Rogers, and Smith. Voting NAY: None. Council members Kroesing and Vandenberg were absent. The motion carried.

There being no further business to come before the Council, Council member Smith made a motion to adjourn. Council member Rogers seconded the motion. Voting AYE: Council members Hotovy, Kobus, Rogers, and Smith. Voting NAY: None. Council members Kroesing and Vandenberg were absent. The motion carried and Mayor Zavodny declared the meeting adjourned at 8:18 p.m.



CERTIFICATION OF MINUTES
January 14, 2015

I, Joan E. Kovar, duly qualified and acting City Clerk for the City of David City, Nebraska, do hereby certify with regard to all proceedings of January 14th, 2015; 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 E. Kovar, City Clerk