

## CITY COUNCIL PROCEEDINGS

January 22, 2020

The City Council of the City of David City, Nebraska, met in open public session at 7:00 p.m. in the meeting room of the City Office, 557 North 4<sup>th</sup> Street, David City, Nebraska. The Public had been advised of the meeting by publication of notice in The Banner Press on January 16<sup>th</sup>, 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 Kevin Hotovy, and Council members Pat Meysenburg, Dana Trowbridge, Thomas Kobus, Bruce Meysenburg, and John Vandenberg, City Administrator Clayton Keller, City Attorney James Egr, and City Clerk Joan Kovar.

Also present for the meeting were: Craig Reinsch of Olsson, Jason Lavicky, Kory Kuhlman, Sheriff Tom Dion, Ryan Ruth of First State Insurance, and Interim Water Supervisor Aaron Gustin.

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 asked those present to please silence their cell phones.

The minutes of the January 8<sup>th</sup>, 2020 meeting of the Mayor and City Council were approved upon a motion by Council member Trowbridge and seconded by Council member Kobus. Voting AYE: Council members Bruce Meysenburg, Pat Meysenburg, Vandenberg, Hotovy, Trowbridge, and Kobus. Voting NAY: None. The motion carried.

Craig Reinsch of Olsson stated: "A little history on the change order, I was last at the Council meeting on November 13<sup>th</sup> to talk about the change order and Tim Shaw of Eriksen Construction was here to help develop a plan, and we decided to have that submitted for the December meeting, due to some miscommunications that bombed a little bit due to the Holidays, but one of the things to point out is, in the statement that I gave to the Council in November 13<sup>th</sup> in the minutes, there is talk about our need to extend our services 3 to 4 months because Eriksen's services were being extended as well due to those things. The contract that we have with the City through Amendment 4 lists a construction completion date of October 15<sup>th</sup>, so we have taken our budget a little bit further than we originally anticipated. The way we normally do this is we have some administrative time and observation time for someone else watching there, and so the math is around \$7,500 per month, so \$2,500 for admin, \$5,000 per month for observation, we are estimating 3 – 4 months, so \$30,000 that is anticipated, or time and expense is basically \$7,500 x 4. So, what we don't use we won't bill for, like we always have. That is how the \$30,000 was determined."

Council member Kobus stated: "I don't agree with it; I don't see any contractor getting a 4 months extension on a bid."

Craig Reinsch stated: "With Change Order #3, Eriksen got an extension from November 18<sup>th</sup> to February 16<sup>th</sup>."

Mayor Zavodny stated: "I think our indigestion comes from, through no fault of our own, we're expending a lot more monies because they didn't get it done in time, and there were times when they were working fast, there were a lot of people out there working, and then times when nothing was happening, so what happens is the City gets stuck with the bill. They're going to get paid; you're going to get paid, but we get stuck with \$30,000 because it didn't get done in a timely manner."

Craig Reinsch stated: "Well remember, even though the Contractor didn't request it as such, the delay really came from Northern Natural Gas. So, if you are looking for "why did we have that delay?", it was from me submitting to them, them saying "Go ahead", and them coming back later and saying "Woah, wait a minute, what are you doing?" So that's part of the challenge."

Mayor Zavodny stated: "We did have that issue, and yes we gave that due weight, but there were also times where, where were they?"

Craig Reinsch stated: "Yes, and I agree as well, and they have.... February 16<sup>th</sup> is coming up, the contract does have provisions for liquidated damages should we go over those. Based on the update I got yesterday, we are hoping that we are going to be moving wastewater within a week."

Discussion followed.

Council member Hotovy made a motion to approve extending the Olsson construction phase service contract concerning the Wastewater Treatment Plant Project. Council member Kobus seconded the motion. Voting AYE: Council members Bruce Meysenburg, Kobus, Trowbridge, Pat Meysenburg, Vandenberg, and Hotovy. Voting NAY: None. The motion carried.

At 7:08 p.m. Mayor Zavodny opened the Public Hearing concerning the proposed Resolution of Necessity for construction and financing of sanitary sewer system improvements within Sanitary Sewer District No. 2020-1. Mayor Zavodny asked for any comments from the Council or the Public. Hearing no comments, Mayor Zavodny closed the Public Hearing at 7:09 p.m.

Council member Trowbridge introduced Resolution No. 2 - 2020 and moved for its passage and adoption. Council member Hotovy seconded the motion. Voting AYE: Council members Bruce Meysenburg, Vandenberg, Kobus, Pat Meysenburg, Hotovy, and Trowbridge. Voting NAY: None. The motion carried and Resolution No. 2 - 2020 was passed and approved as follows:

#### **RESOLUTION NO. 2-2020**

**A RESOLUTION DECLARING THE NECESSITY OF CONSTRUCTING ADDITIONS AND IMPROVEMENTS TO THE CITY'S SANITARY SEWER SYSTEM; CREATING SANITARY SEWER DISTRICT NO. 2020-1 OF THE CITY; MAKING REFERENCE TO AND APPROVING**

**PLANS AND SPECIFICATIONS; APPROVING THE ENGINEERS' ESTIMATE OF COSTS NOT TO EXCEED \$430,000; PROVIDING FOR THE ISSUANCE OF BONDS, WARRANTS AND NOTES, DETERMINING IMPROVEMENTS TO BE GENERAL PUBLIC IMPROVEMENTS NOT OF SPECIAL BENEFIT TO PROPERTY WITHIN SAID DISTRICT AND PROVIDING FOR THE EFFECTIVENESS OF THIS RESOLUTION**

**BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF DAVID CITY, NEBRASKA, as follows:**

Section 1. The Mayor and City Council hereby find and determine that it is necessary and advisable to construct additions and improvements to the City's Sanitary sewer system consisting of the following:

***Construct an 8" sanitary sewer line to enable the development of the project site as defined in the legal description contained in this Resolution.***

Section 2. For purposes of constructing said additions and improvements, there is hereby ordered created Sanitary Sewer District No. 2020-1, which shall include certain property within the City fully described as follows:

***A tract of land located in part of the Southwest Quarter (SW1/4) of Section Eighteen (18), Township Fifteen (15) North, Range Three (3), East of the 6th P.M., City of David City, Butler County, Nebraska, and more particularly described as follows:***

***Commencing at the Northwest Intersection of the West Right of Way Line of Industrial Drive and the North Right of Way line of S Street and the point of beginning; thence on an assumed bearing of S02°11'22"E, along said West Right of Way Line of Industrial Drive, a distance of 33.86 feet; thence S87°57'28"W a distance of 413.78 feet; thence N01°56'08"W a distance of 131.64 feet; thence S88°03'52"W a distance of 192.03 feet; thence N01°56'08"W a distance of 20.00 feet; thence N88°03'52"E a distance of 182.53 feet; thence N01°56'08"W a distance of 21.80 feet; thence S88°03'52"W a distance of 182.53 feet; thence N01°56'08"W a distance of 20.00 feet thence N88°03'52"E a distance of 227.53 feet; thence S01°56'08"E a distance of 148.36 feet; thence N87°57'28"E a distance of 463.20 feet; thence S01°59'20"E a distance of 11.14 feet to a point of the North right of way line of S Street; thence S87°57'28"W, along said North right of way line of S Street, a distance of 94.58 feet to the point of beginning. Said tract contains a calculated area of 33,838 square feet or 0.77 acres more or less.***

Section 3. Reference is hereby made to the plans and specifications (the "Plans") for said additions and improvements which have been prepared by Olsson Associates, Obrist & Company LLC and Horizontal Boring & Tunneling Co., engineers for the City, and which, together with the estimate of total cost for said additions and improvements have been filed with the City Clerk prior to the proposing of this resolution.

Section 4. The size, kind and location and terminal points of sanitary sewer pipe and other related improvements proposed to be constructed as a part of said additions and improvements are described as follows:

***The project consisted of installing approximately 910 l.f. of 8" pvc sanitary sewer pipe to serve the new Timpte Manufacturing office building, R&D building, and Branch Facility. The new 8" sanitary sewer pipe construction started at the existing manhole within the west right-of-way of Industrial Drive (east of the existing Timpte building). This new line continued north to a new manhole, then continued west to another new manhole, then proceeded north and terminated at a new manhole just southeast of the Timpte R&D building.***

Section 5. The engineer's estimate of total cost for the proposed Sanitary sewer system additions and improvements for said District is not to exceed \$430,000, which amount includes interest cost, cost of issuance and other expenses of the City.

Section 6. It is hereby found and determined that such improvements are of general benefit to the City and that no special assessments shall be levied against the property in the District. Temporary financing may be provided through the issuance of bond anticipation notes as provided by Section 10-137, R.R.S. Neb. 2007. Said additions and improvements shall be financed on a permanent basis by the issuance of the City's general obligation storm sewer bonds issued pursuant to Section 17-925, R.R.S. Neb. 2012.

Section 7. This resolution of necessity shall be in force and effect from and after its adoption as provided by law.

PASSED AND APPROVED this 22<sup>nd</sup> day of January, 2020.

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Mayor Alan Zavodny

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City Clerk Joan Kovar

[SEAL]

Council member Hotovy introduced Resolution No. 7 - 2020 and moved for its passage and adoption. Council member Bruce Meysenburg seconded the motion. Voting AYE: Council members Vandenberg, Kobus, Trowbridge, Pat Meysenburg, Bruce Meysenburg, and Hotovy. Voting NAY: None. The motion carried and Resolution No. 7 - 2020 was passed and approved as follows:

**RESOLUTION NO. 7 – 2020**

BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF DAVID CITY, NEBRASKA, AS FOLLOWS:

Section 1. The Mayor and City Council hereby find and determine that by Resolution No. 2-2020 (the "Resolution of Necessity") of the City duly adopted, it is necessary and appropriate to order that the improvements described in such resolution be constructed.

Section 2. Pursuant to Section 17-917, R.R.S. Neb. 2012, it is hereby ordered that the improvements authorized by the Resolution of Necessity be constructed and all actions of the Mayor and City Council relating to such improvements previously taken are hereby ratified and confirmed in all respects.

PASSED AND APPROVED this 22<sup>nd</sup> day of January, 2020.

By: \_\_\_\_\_  
Mayor Alan Zavodny

ATTEST:

\_\_\_\_\_  
City Clerk Joan Kovar

At 7:11 p.m. Mayor Zavodny opened the Public Hearing concerning the proposed Resolution of Necessity related to construction of additions and improvements to the City's storm water sewer system within Storm Water Sewer District No. 2020-2. Mayor Zavodny asked for any comments from the Council and/or public. Hearing none, Mayor Zavodny closed the Public Hearing at 7:11 p.m."

Council member Hotovy introduced Resolution No. 5 - 2020 and moved for its passage and adoption. Council member Kobus seconded the motion. Voting AYE: Council members Bruce Meysenburg, Pat Meysenburg, Vandenberg, Trowbridge, Kobus, and Hotovy. Voting NAY: None. The motion carried and Resolution No. 5 - 2020 was passed and approved as follows:

**RESOLUTION NO. 5-2020**

**A RESOLUTION DECLARING THE NECESSITY OF CONSTRUCTING ADDITIONS AND IMPROVEMENTS TO THE CITY'S STORM WATER SEWER SYSTEM; CREATING STORM WATER SEWER DISTRICT NO. 2020-2 OF THE CITY; MAKING REFERENCE TO AND APPROVING PLANS AND SPECIFICATIONS; APPROVING THE ENGINEERS' ESTIMATE OF**

**COSTS NOT TO EXCEED \$100,000; PROVIDING FOR THE ISSUANCE OF BONDS, WARRANTS AND NOTES, DETERMINING IMPROVEMENTS TO BE GENERAL PUBLIC IMPROVEMENTS NOT OF SPECIAL BENEFIT TO PROPERTY WITHIN SAID DISTRICT AND PROVIDING FOR THE EFFECTIVENESS OF THIS RESOLUTION**

**BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF DAVID CITY, NEBRASKA, as follows:**

Section 1. The Mayor and City Council hereby find and determine that it is necessary and advisable to construct additions and improvements to the City's Storm Water sewer system consisting of the following:

***Construct and re-route a 30" storm sewer system to enable the development of the project site as defined in the legal description contained in this Resolution.***

Section 2. For purposes of constructing said additions and improvements, there is hereby ordered created Storm Water Sewer District No. 2020-2, which shall include certain property within the City fully described as follows:

***A tract of land located in part of the Southwest Quarter (SW1/4) of Section Eighteen (18), Township Fifteen (15) North, Range Three (3), East of the 6th P.M., City of David City, Butler County, Nebraska, and more particularly described as follows:***

***Commencing at the Northwest Intersection of the West Right of Way Line of Industrial Drive and the North Right of Way line of S Street and the point of beginning; thence on an assumed bearing of S02°11'22"E, along said West Right of Way Line of Industrial drive, a distance of 33.86 feet; thence S87°57'28"W a distance of 413.78 feet; thence N01°56'08"W a distance of 131.64 feet; thence S88°03'52"W a distance of 192.03 feet; thence N01°56'08"W a distance of 20.00 feet; thence N88°03'52"E a distance of 182.53 feet; thence N01°56'08"W a distance of 21.80 feet; thence S88°03'52"W a distance of 182.53 feet; thence N01°56'08"W a distance of 20.00 feet thence N88°03'52"E a distance of 227.53 feet; thence S01°56'08"E a distance of 148.36 feet; thence N87°57'28"E a distance of 463.20 feet; thence S01°59'20"E a distance of 11.14 feet to a point of the North right of way line of S Street; thence S87°57'28"W, along said North right of way line of S Street, a distance of 94.58 feet to the point of beginning. Said tract contains a calculated area of 33,838 square feet or 0.77 acres more or less.***

Section 3. Reference is hereby made to the plans and specifications (the "Plans") for said additions and improvements which have been prepared by Olsson Associates, engineers for the City, and which, together with the estimate of total cost for said additions and improvements have been filed with the City Clerk prior to the proposing of this resolution.

Section 4. The size, kind and location and terminal points of storm water sewer pipe, surface drainage structures and storm water surface drainage ways and other related

improvements proposed to be constructed as a part of said additions and improvements are described as follows:

***The project consisted of removing 220 l.f. of 30" reinforced concrete pipe (rcp) to allow for the construction of the new Timpte Manufacturing office building. Approximately 387 l.f. of new 30" rcp was installed and re-routed around the new office building. This new pipe connected into the existing 30" at the upstream end of the removal limits and heads north to a curb inlet, and then proceeds west and discharges into the existing drainage ditch.***

Section 5. The engineer's estimate of total cost for the proposed Storm Water sewer system additions and improvements for said District is \$100,000, which amount includes interest cost, cost of issuance and other expenses of the City.

Section 6. It is hereby found and determined that such improvements are of general benefit to the City and that no special assessments shall be levied against the property in the District. Temporary financing may be provided through the issuance of bond anticipation notes as provided by Section 10-137, R.R.S. Neb. 2007. Said additions and improvements shall be financed on a permanent basis by the issuance of the City's general obligation storm sewer bonds issued pursuant to Section 17-925, R.R.S. Neb. 2012.

Section 7. This resolution of necessity shall be in force and effect from and after its adoption as provided by law.

PASSED AND APPROVED this 22<sup>nd</sup> day of January, 2020.

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Mayor Alan Zavodny

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City Clerk Joan Kovar

Council member Trowbridge introduced Resolution No. 8 - 2020 and moved for its passage and adoption. Council member Kobus seconded the motion. Voting AYE: Council members Pat Meysenburg, Vandenberg, Hotovy, Bruce Meysenburg, Kobus, and Trowbridge. Voting NAY: None. The motion carried and Resolution No. 8 - 2020 was passed and approved as follows:

RESOLUTION NO. 8 - 2020

BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF DAVID CITY, NEBRASKA, AS FOLLOWS:

Section 1. The Mayor and City Council hereby find and determine that by Resolution No. 5-2020 (the "Resolution of Necessity") of the City duly adopted, it is necessary and appropriate to order that the improvements described in such resolution be constructed.

Section 2. Pursuant to Section 17-917, R.R.S. Neb. 2012, it is hereby ordered that the improvements authorized by the Resolution of Necessity be constructed and all actions of the Mayor and City Council relating to such improvements previously taken are hereby ratified and confirmed in all respects.

PASSED AND APPROVED this 22<sup>nd</sup> day of January, 2020.

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Mayor Alan Zavodny

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City Clerk Joan Kovar

[SEAL]

Council member Hotovy introduced Ordinance No. 1333 authorizing the issuance of Bond Anticipation Notes, Series 2020, in the principal amount of not to exceed \$530,000.00. Mayor Zavodny read Ordinance No. 1333 by title. Council member Hotovy made a motion to suspend the statutory rule that requires an Ordinance be read on three separate days. Council member Kobus seconded the motion. Voting AYE: Council members Vandenberg, Pat Meysenburg, Bruce Meysenburg, Kobus, Trowbridge, and Hotovy. Voting NAY: None. The motion carried.

Council member Hotovy made a motion to pass and adopt Ordinance No. 1333 on the third and final reading. Council member Kobus seconded the motion. Voting AYE: Council members Pat Meysenburg, Vandenberg, Bruce Meysenburg, Kobus, Trowbridge, and Hotovy. Voting NAY: None. The motion carried and Ordinance No. 1333 was passed on 3<sup>rd</sup> and final reading as follows:

**ORDINANCE NO. 1333**

AN ORDINANCE AUTHORIZING THE ISSUANCE OF BOND ANTICIPATION NOTES, OF THE CITY OF DAVID CITY, NEBRASKA, IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED FIVE HUNDRED THIRTY THOUSAND

DOLLARS (\$530,000) TO PROVIDE INTERIM FINANCING TO PAY THE COSTS OF CONSTRUCTING ADDITIONS AND IMPROVEMENTS TO THE SEWER SYSTEM AND THE STORM WATER SEWER SYSTEM OF THE CITY PENDING THE ISSUANCE OF PERMANENT GENERAL OBLIGATION BONDS; PRESCRIBING THE FORM OF SAID NOTES; AGREEING TO ISSUE GENERAL OBLIGATION BONDS TO PAY THE NOTES AT MATURITY OR TO PAY THE NOTES FROM OTHER AVAILABLE FUNDS; AUTHORIZING THE DELIVERY OF THE NOTES TO THE PURCHASER; PROVIDING FOR THE DISPOSITION OF THE NOTE PROCEEDS AND ORDERING THE ORDINANCE PUBLISHED IN PAMPHLET FORM

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF DAVID CITY, NEBRASKA:

Section 1. The Mayor and Council of the City of David City, Nebraska (the "City"), hereby find and determine:

(a) That pursuant to two Resolutions of Necessity proposed on January 8, 2020 (the "Resolution of Necessity") and adopted by the Mayor and Council of this City following a public hearing on January 22, 2020, the construction of additions and improvements to the City's sanitary sewer system and storm water sewer system which include constructing an 8" sanitary sewer line and constructing and re-routing a 30" storm sewer system (the "Project"); and that such Project shall be of general benefit to all properties within the corporate limits of the City and that no district relating to special assessments for such Project is appropriate with respect thereto; and

(b) that the total cost of the project is not less than \$530,000;

(c) that the construction of the Project is expected to be completed by December 15, 2022;

(d) that it is necessary for the City to have funds available to meet its payment obligations under the terms of contracts for the cost of the Project;

(e) that to meet its obligations to provide interim financing therefor, it is necessary and advisable that the City now issue its notes in the principal amount of not to exceed \$530,000 pending permanent financing pursuant to Section 17-925, R.R.S. Neb. 2012, and other applicable Sections;

(f) that the City has authority under Section 10-137, R.R.S. Neb. 2012, to issue notes for the purpose of providing interim financing for the construction of said improvements, including a portion of the interest to accrue on such notes and the costs of issuance thereof, all as set out above;

(g) that the Mayor and Council find that said sewer improvements constitute a general public improvement in said City and that said notes shall be paid for, to the extent not paid by user fees, by taxes levied upon all the taxable property in the City; and

(h) that all conditions, acts and things required by law to exist or to be done precedent to the issuance of Bond Anticipation Notes, Series 2020, in the amount of not

to exceed \$530,000, to pay a portion of the costs of the aforesaid improvements, the costs of issuance of said notes and a portion of the interest to accrue on said notes, do exist and have been done as required by law.

Section 2. For the purpose of providing interim financing for the purposes as set out in Section 1 pending the issuance of permanent general obligation various purpose bonds by the City of David City, there shall be and there are hereby ordered issued notes of the City of David City, Nebraska, to be known as Bond Anticipation Notes, Series 2020 (the "Notes"), of the aggregate principal amount of not to exceed Five Hundred Thirty Thousand Dollars (\$530,000), with said notes to become due no later than December 15, 2022, provided, that the Notes shall mature and bear interest at such rates per annum as shall be determined in a written designation (the "Designation") signed by the Mayor or the City Administrator (each, an "Authorized Officer") on behalf of the City, which Designation may also determine or modify the principal amount or maturity date of the Notes, mandatory redemption provisions (if any) and pricing terms as set forth in Section 9 hereof, all within the following limitations:

(a) the true interest cost on the Notes shall not exceed 3.50%;

The Authorized Officers are hereby authorized to make such determinations on behalf of the City and to evidence the same by execution and delivery of the Designation and such determinations shall constitute the action of the Mayor and Council without further action of the Mayor and Council.

The Notes shall be issued in fully registered form in the denomination of \$5,000 or any integral multiple thereof. The date of original issue for the Notes shall be the date of delivery thereof. Interest on the Notes shall be payable semiannually on June 15 and December 15 of each year commencing June 15, 2020 (or otherwise provided in the Designation, each of said dates an "Interest Payment Date"), and the Notes shall bear such interest from the date of original issue or the most recent Interest Payment Date to which interest has been paid or provided for, whichever is later. The interest due on each Interest Payment Date shall be payable to the registered owners of record as of the close of business on the fifteenth day immediately preceding such Interest Payment Date (except as otherwise provided in the Designation, the "Record Date"), subject to the provisions of Section 5 hereof. The Notes shall be numbered from 1 upwards in the order of their issuance. The initial numbering and principal amounts for each of the Notes shall be designated by the City Treasurer as directed by the initial purchaser thereof. Payments of interest due on the Notes prior to maturity or early redemption shall be made by the Paying Agent and Registrar, as designated pursuant to Section 4 hereof, by mailing a check or draft in the amount due for such interest on each Interest Payment Date to the registered owner of each Note, as of the Record Date for such Interest Payment Date, to such owner's registered address as shown on the books of registration as required to be maintained in Section 4 hereof. Payments of principal due at maturity or at any date fixed for redemption prior to maturity, together with any unpaid interest accrued thereon, shall be made by said Paying Agent and Registrar to the registered owners upon presentation and surrender of the Notes to said Paying Agent and Registrar. In the event that notes of this issue are held in the nominee name of a national clearinghouse or depository, payment of principal or interest shall be made by wire transfer of funds in accordance with any applicable regulations governing "Depository Eligible Securities". The City and said Paying Agent and Registrar may treat the registered owner of any Note as the absolute owner of such Note for the purpose of making payments thereon and for all other purposes and neither the City nor the Paying Agent and Registrar shall be affected by any notice or knowledge to the contrary, whether such Note or any installment of interest due thereon shall

be overdue or not. All payments on account of interest or principal made to the registered owner of any Note in accordance with the terms of this ordinance shall be valid and effectual and shall be a discharge of the City and said Paying Agent and Registrar, in respect of the liability upon the Notes or claims for interest to the extent of the sum or sums so paid. If any note is not paid upon presentation of the note at maturity or any interest installment is not paid when due, the delinquent note or delinquent interest installment shall bear interest thereafter until paid at a rate equal to the rate assessed against delinquent taxes under Section 45-104.01 R.R.S. Nebraska, 2010, as now existing or as the same may be amended from time to time by the Nebraska Legislature.

Section 3. Unless as otherwise provided in the Designation, the City Treasurer is hereby designated as Paying Agent and Registrar for the Notes. Said Paying Agent and Registrar shall keep and maintain for the City books for the registration and transfer of the Notes at the City's administrative offices in David City, Nebraska. The names and registered addresses of the registered owner or owners of the Notes shall at all times be recorded in such books. Any Note may be transferred pursuant to its provisions at the office of the Paying Agent and Registrar upon surrender of such Note for cancellation, accompanied by a written instrument of transfer, in form satisfactory to such Paying Agent and Registrar, duly executed by the registered owner in person or by such owner's duly authorized agent, and thereupon the Paying Agent and Registrar will register such transfer upon said registration books and deliver to the transferee registered owner or owners (or send by registered mail to the transferee owner or owners at such owner's or owners' risk and expense), registered in the name of such transferee owner or owners, a new Note or Notes of the same interest rate, aggregate principal amount and maturity. To the extent of the denominations authorized for the Notes by this ordinance, one Note may be transferred for several such Notes of the same interest rate and maturity and for a like aggregate principal amount, and several such Notes may be transferred for one or several such Notes, respectively, of the same interest rate and maturity and for a like aggregate principal amount. In every case of transfer of a Note, the surrendered Note or Notes shall be cancelled and destroyed. All Notes issued upon transfer of the Notes so surrendered shall be valid obligations of the City evidencing the same obligations as the Notes surrendered and shall be entitled to all benefits and protection of this ordinance to the same extent as the Notes upon transfer of which they were delivered. The City and the Paying Agent and Registrar shall not be required to transfer Notes during any period from any Record Date until its immediately following interest payment. In the event that payments of interest due on the Notes on an interest payment date are not timely made, such interest shall cease to be payable to the registered owners as of the Record Date for such interest payment date and shall be payable to the registered owners of the Notes as of a special date of record for payment of such defaulted interest as shall be designated by the Paying Agent and Registrar whenever monies for the purpose of paying such defaulted interest become available.

Section 4. The Notes of this issue shall be subject to redemption, in whole or in part, prior to maturity at the option of the City at any time on or after the first anniversary of the date of original issue thereof (or such other date as provided in the Designation), at par plus accrued interest on the principal amount redeemed to the date fixed for redemption. The City may select the notes to be redeemed for such optional redemption in its sole discretion. Notes shall be redeemed only in the amount of \$5,000 or integral multiples thereof. Any note redeemed in part only shall be surrendered to the Paying Agent and Registrar in exchange for a new note evidencing the unredeemed principal thereof. Notice of redemption of any note called for redemption shall be given, at the direction of the Mayor and Council in the case of optional redemptions and without further direction in the case of mandatory redemptions, by the Paying Agent and Registrar by mail not less than thirty days prior to the date fixed for redemption, first class postage prepaid, sent to the registered owner of such note at said owner's registered

address. Such notice shall designate the note or notes to be redeemed by number and maturity, the date of original issue, the date fixed for redemption and state that such note or notes are to be presented for prepayment at the office of the Paying Agent and Registrar. In case of any note partially redeemed, such notice shall specify the portion of the principal amount of such note to be redeemed. No defect in the mailing of notice for any note shall affect the sufficiency of the proceedings of the Mayor and Council designating the notes called for redemption or the effectiveness of such call for notes for which notice by mail has been properly given and the Mayor and Council shall have the right to further direct notice of redemption for any such note for which defective notice has been given.

Section 5. If the date for payment of the principal of or interest on the Notes shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the City of David City, Nebraska are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to close, and payment on such day shall have the same force and effect as if made on the nominal date of payment.

Section 6. The notes shall be executed on behalf of the City by being signed by the Mayor and the City Clerk, both of which signatures may be facsimile signatures, and shall have the City seal impressed on each note. The City Clerk shall make and certify a transcript of proceedings had and done precedent to the issuance of said notes which shall be delivered to the purchaser of said notes. After being executed by the Mayor and City Clerk, said notes shall be delivered to the Treasurer of the City who shall be responsible therefor under his/her official note. Such Treasurer shall maintain a record of information with respect to said notes in accordance with the requirements of Section 10-140, R.R.S. Neb. 2012, as amended, and shall cause the same to be filed with the office of the Auditor of Public Accounts of the State of Nebraska. The Paying Agent and Registrar shall register each note in the name of its initial registered owner as designated by the initial purchaser. Each note shall be authenticated on behalf of the City by the Paying Agent and Registrar. The notes shall be issued initially as "book-entry only" notes using the services of The Depository Trust Company (the "Depository"), with one typewritten note per maturity being issued to the Depository. In such connection said officers of the City are authorized to execute and deliver a letter of representations and inducement (the "Letter of Representations") in the form required by the Depository, for and on behalf of the City, which shall thereafter govern matters with respect to registration, transfer, payment and redemption of the notes. Upon issuance of the notes as "book-entry-only" notes, the following provisions shall apply:

(a) The City and the Paying Agent and Registrar shall have no responsibility or obligation to any broker-dealer, bank or other financial institution for which the Depository holds notes as securities depository (each, a "Note Participant") or to any person who is an actual purchaser of a note from a Note Participant while the notes are in book-entry form (each a "Beneficial Owner") with respect to the following:

(i) the accuracy of the records of the Depository, any nominees of the Depository or any Note Participant with respect to any ownership interest in the notes;

(ii) the delivery to any Note Participant, any Beneficial Owner or any other person, other than the Depository, of any notice with respect to the notes, including any notice of redemption; or

(iii) the payment to any Note Participant, any Beneficial Owner or any other person, other than the Depository, of any amount with respect to the notes.

The Paying Agent and Registrar shall make payments with respect to the notes only to or upon the order of the Depository or its nominee, and all such payments shall be valid and effective fully to satisfy and discharge the obligations with respect to such notes to the extent of the sum or sums so paid. No person other than the Depository shall receive an authenticated Note, except as provided in (e) below.

(b) Upon receipt by the Paying Agent and Registrar of written notice from the Depository to the effect that the Depository is unable to or unwilling to discharge its responsibilities, the Paying Agent and Registrar shall issue, transfer and exchange notes requested by the Depository in appropriate amounts. Whenever the Depository requests the Paying Agent and Registrar to do so, the Paying Agent and Registrar will cooperate with the Depository in taking appropriate action after reasonable notice (i) to arrange, with the prior written consent of the City, for a substitute depository willing and able upon reasonable and customary terms to maintain custody of the notes or (ii) to make available notes registered in whatever name or names the Beneficial Owners transferring or exchanging such notes shall designate.

(c) If the City determines that it is desirable that certificates representing the notes be delivered to the ultimate Beneficial Owners of the notes and so notifies the Paying Agent and Registrar in writing, the Paying Agent and Registrar shall so notify the Depository, whereupon the Depository will notify the Note Participants of the availability through the Depository of note certificates representing the notes. In such event, the Paying Agent and Registrar shall issue, transfer and exchange note certificates representing the notes as requested by the Depository in appropriate amounts and in authorized denominations.

(d) Notwithstanding any other provision of this Ordinance to the contrary, so long as any note is registered in the name of the Depository or any nominee thereof, all payments with respect to such note and all notices with respect to such note shall be made and given, respectively, to the Depository as provided in the Letter of Representations.

(e) Registered ownership of the notes may be transferred on the books of registration maintained by the Paying Agent and Registrar, and the notes may be delivered in physical form to the following:

(i) any successor securities depository or its nominee; or

(ii) any person, upon (A) the resignation of the Depository from its functions as depository or (B) termination of the use of the Depository pursuant to this Section and the terms of the Paying Agent and Registrar's Agreement (if any).

(f) In the event of any partial redemption of a note unless and until such partially redeemed note has been replaced in accordance with the provisions of this Ordinance, the books and records of the Paying Agent and Registrar shall govern and establish the principal amount of such note as is then outstanding and all of the notes issued to the Depository or its nominee shall contain a legend to such effect.

If for any reason the Depository resigns and is not replaced or upon termination by the City of book-entry-only form, the City shall immediately provide a supply of note certificates for issuance upon subsequent transfers or in the event of partial redemption. In the event that such supply of certificates shall be insufficient to meet the requirements of the Paying Agent and Registrar for issuance of replacement note certificates upon transfer or partial redemption, the City agrees to order printed an additional supply of note certificates and to direct their execution by manual or facsimile signature of its then duly qualified and acting officers. In case any officer whose signature or facsimile thereof shall appear on any note shall cease to be such officer before the delivery of such note (including any note certificates delivered to the Paying Agent and Registrar for issuance upon transfer or partial redemption) such signature or such facsimile signature shall nevertheless be valid and sufficient for all purposes the same as if such officer or officers had remained in office until the delivery of such note. The notes shall not be valid and binding on the City until authenticated by the Paying Agent and Registrar. The notes shall be delivered to the Paying Agent and Registrar for registration and authentication.

Section 7. Said notes shall be in substantially the following form:

UNITED STATES OF AMERICA  
STATE OF NEBRASKA  
COUNTY OF BUTLER  
CITY OF DAVID CITY

BOND ANTICIPATION NOTES, SERIES 2020

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP No.</u>
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%

\_\_\_\_\_, 2020

Registered Owner: \_\_\_\_\_

Principal Amount: \_\_\_\_\_

KNOW ALL PERSONS BY THESE PRESENTS: That the City of David City, in the County of Butler, in the State of Nebraska (the "City"), hereby acknowledges itself to owe and for value received promises to pay to the registered owner specified above the principal amount specified above in lawful money of the United States of America on the maturity date specified above, with interest thereon from date of original issue specified above or most recent interest payment date to which interest has been paid or provided for, whichever is later, to maturity (or earlier redemption) at the rate per annum specified above. Said interest shall be payable semiannually on the \_\_\_\_\_ day of \_\_\_\_\_ and \_\_\_\_\_ in each year, starting \_\_\_\_\_, 2020. If this note is not paid upon presentation at maturity or any interest installment hereon is not paid when due, the note or interest installment shall bear interest thereafter until paid at a rate equal to the rate assessed against delinquent taxes under Section 45-104.01 R.R.S. Nebraska 2010, as now existing or as the same may be amended from time to time by the Nebraska Legislature.

The interest hereon due prior to maturity shall be paid on each interest payment date by the Treasurer of the City, in David City, Nebraska, as Paying Agent and Registrar for the City by wire transfer (but only in accordance with the limited terms of the authorizing ordinance), check or draft mailed to the registered owner hereof, as shown on the records of the Paying Agent and Registrar as of the close of business on the fifteenth day immediately preceding the interest payment date, at such owner's registered address as it appears on the books of registration of the City (the "Record Date"). The principal of this note and the interest due at maturity are payable on presentation and surrender to said Paying Agent and Registrar at the office of the Paying Agent and Registrar in David City, Nebraska. Any interest not so timely paid shall cease to be payable to the person entitled thereto as of the Record Date such interest was payable, and shall be payable to the person who is the registered owner of this note (or of one or more predecessor notes hereto) on such special record date for payment of such defaulted interest as shall be fixed by the Paying Agent and Registrar whenever monies for such purpose become available. For the prompt payment of this note, principal and interest as the same become due, the full faith, credit and resources of said City are hereby irrevocably pledged.

The City, however, reserves the right and option of paying notes of this issue, in whole or in part, at any time on or after the first anniversary of the date of original issue thereof, at the principal amount thereof plus accrued interest to the date fixed for redemption.

Notice of any such redemption shall be given by mail, sent to the registered owner of any note to be redeemed at said registered owner's address in the manner provided in the ordinance authorizing said notes. Individual notes may be redeemed in part but only in the amount of \$5,000 or integral multiples thereof. Any note redeemed in part only shall be surrendered to the Paying Agent and Registrar in exchange for a new note or notes evidencing the unredeemed principal thereof.

This note is one of an issue of fully registered notes of the total principal amount of \$\_\_\_\_\_, of like tenor herewith except as to denomination, date of maturity and rate of interest issued by said City for the purpose of paying the costs of constructing additions and improvements to the City's sanitary sewer system and storm water sewer system and costs of issuance, as more particularly described in the Ordinance, in full compliance with Sections 10-137 and 17-913 to 17-925, Reissue Revised Statutes of Nebraska, 2012, pending the issuance of permanent bonds. This note and the others of said issue have been duly authorized by an Ordinance duly passed and approved by the Mayor and Council of said City. The City agrees that the principal and interest of this note shall be payable from the proceeds of the issuance and sale of its general obligation bonds or other bonds, the issuance and sale of its bond anticipation notes, or from other monies of the City lawfully available for such purposes.

This note is transferable by the registered owner or such owner's attorney duly authorized in writing at the office of the Paying Agent and Registrar upon surrender and cancellation of this note, and thereupon a new note or notes of the same aggregate principal amount, interest rate and maturity will be issued to the transferee as provided in the ordinance authorizing said issue of notes, subject to the limitations therein prescribed. The City, its Paying Agent and Registrar and any other person may treat the person in whose name this note is registered as the absolute owner hereof for the purpose of receiving payment hereof and for all purposes and shall not be affected by any notice to the contrary, whether this note be overdue or not.

AS PROVIDED IN THE ORDINANCE REFERRED TO HEREIN, UNTIL THE TERMINATION OF THE SYSTEM OF BOOK-ENTRY-ONLY TRANSFERS THROUGH THE DEPOSITORY TRUST COMPANY, NEW YORK, NEW YORK (TOGETHER WITH ANY SUCCESSOR SECURITIES DEPOSITORY APPOINTED PURSUANT TO THE ORDINANCE, "DTC"), AND NOTWITHSTANDING ANY OTHER PROVISIONS OF THE ORDINANCE TO THE CONTRARY, A PORTION OF THE PRINCIPAL AMOUNT OF THIS NOTE MAY BE PAID OR REDEEMED WITHOUT SURRENDER HEREOF TO THE PAYING AGENT AND REGISTRAR. DTC OR A NOMINEE, TRANSFEREE OR ASSIGNEE OF DTC OF THIS NOTE MAY NOT RELY UPON THE PRINCIPAL AMOUNT INDICATED HEREON AS THE PRINCIPAL AMOUNT HEREOF OUTSTANDING AND UNPAID. THE PRINCIPAL AMOUNT HEREOF OUTSTANDING AND UNPAID SHALL FOR ALL PURPOSES BE THE AMOUNT DETERMINED IN THE MANNER PROVIDED IN THE ORDINANCE.

UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED OFFICER OF DTC (A) TO THE PAYING AGENT AND REGISTRAR FOR REGISTRATION OF TRANSFER OR EXCHANGE OR (B) TO THE PAYING AGENT AND REGISTRAR FOR PAYMENT OF PRINCIPAL, AND ANY NOTE ISSUED IN REPLACEMENT HEREOF OR SUBSTITUTION HEREFOR IS REGISTERED IN THE NAME OF DTC AND ANY PAYMENT IS MADE TO DTC OR ITS NOMINEE, ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL BECAUSE ONLY THE REGISTERED OWNER HEREOF, DTC OR ITS NOMINEE, HAS AN INTEREST HEREIN.

This note shall not be valid and binding on the City until authenticated by the Paying Agent and Registrar.

IT IS HEREBY CERTIFIED AND WARRANTED that all conditions, acts and things required by law to exist or to be done precedent to and in the issuance of this note did exist, did happen and were done and performed in regular and due form and time as required by law, and that the indebtedness of said City, including this note, does not exceed any limitations imposed by law.

IN WITNESS WHEREOF, the Mayor and Council of the City of David City, Nebraska, have caused this note to be executed on behalf of the City by being signed by the Mayor and Clerk of the City, both of which signatures may be facsimile signatures, and by causing the official seal of the City to be affixed hereto, all as of the date of original issue shown above.

CITY OF DAVID CITY, NEBRASKA

By \_\_\_\_\_ (Sample - Do not sign)  
Mayor

ATTEST:

\_\_\_\_\_  
(Sample - Do not sign)  
City Clerk

(S E A L)

CERTIFICATE OF AUTHENTICATION

This note is one of the notes authorized by an ordinance passed and approved by the Mayor and Council of the City of David City as described in said notes.



and Exchange Commission. The officers of the City or any one or more of them are hereby authorized to take any and all actions deemed by them necessary in connection with the issuance of the Notes.

Section 11. The City of David City, Nebraska, hereby covenants to the purchasers and holders of the notes hereby authorized that it will make no use of the proceeds of said bond issue, including monies held in any sinking fund for the payment of said notes, which would cause said notes to be arbitrage bonds within the meaning of Sections 103(b) and 148 of the Internal Revenue Code of 1986, as amended (the "Code") and further covenants to comply with said Sections 103 and 148 and all applicable regulations thereunder throughout the term of said bond issue. The City hereby covenants and agrees to take all actions necessary under the Code to maintain the tax-exempt status of interest payable on the notes with respect to taxpayers generally. The City hereby designates the notes as its "qualified tax-exempt obligations" pursuant to Section 265(b)(3)(B)(i)(III) of the Code and covenants and warrants that it does not anticipate issuing tax-exempt obligations in the calendar year in which the Bonds are issued in an amount in excess of \$10,000,000.

Section 12. In order to promote compliance with certain federal tax and securities laws relating to the notes (as well as other outstanding obligations) the policy and procedures attached hereto as Exhibit "A" (the "Post-Issuance Compliance Policy and Procedures") are hereby adopted and approved in all respects. To the extent that there is any inconsistency between the attached Post-Issuance Compliance Policy and Procedures and any similar policy or procedures previously adopted and approved, the Post-Issuance Compliance Policy and Procedures shall control.

Section 13. The City covenants and agrees that it will take all steps required to complete the improvements described in Section 1 hereof in a manner to allow it to issue and sell its general obligation bonds or other bonds. The City further covenants and agrees to issue and sell its general obligation bonds or other bonds in a sufficient amount and at such times as will enable it to take up and pay off the bond anticipation notes herein ordered issued, both principal and interest, at or prior to maturity, to the extent not paid from other sources. The City further covenants and agrees that it may issue revenue bonds to enable it to take up and pay off the bond anticipation notes herein ordered issued, both principal and interest, at or prior to maturity, if such officers of the City determine the issuance of such revenue bonds to be appropriate and/or necessary.

Section 14. This Ordinance shall be published in pamphlet form and take effect as provided by law.

PASSED AND APPROVED this 22<sup>nd</sup> day of January, 2020.

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Mayor Alan Zavodny

ATTEST:

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City Clerk Joan Kovar

Council member Hotovy introduced Resolution No. 9 - 2020 and moved for its passage and adoption. Council member Bruce Meysenburg seconded the motion. Voting AYE: Council members Kobus, Vandenberg, Pat Meysenburg, Trowbridge, Bruce Meysenburg, and Hotovy. Voting NAY: None. The motion carried and Resolution No. 9 - 2020 was passed and approved as follows:

**RESOLUTION NO. 9 – 2020**

BE IT RESOLVED AND ENACTED BY THE MAYOR AND COUNCIL OF THE CITY OF DAVID CITY, NEBRASKA, as follows:

Section 1. That the following notes, in accordance with their option provisions, are hereby authorized to be called for payment as provided in a Direction for Call (as defined below), after which date interest on the notes will cease:

Sanitary Sewer System Revenue Bond Anticipation Notes, Series 2018 (Taxable), dated November 26, 2018, in the outstanding principal amount of \$3,000,000, numbered as they are shown on the books and records of the Paying Agent and Registrar, maturing in the principal amount and bearing CUSIP numbers as follows:

<u>Principal Amount</u>	<u>Maturity Date</u>	<u>CUSIP</u>
\$3,000,000	July 15, 2020	238554 AA1

Said bonds are hereinafter referred to as the “Refunded Notes.”

Said Refunded Notes are subject to redemption at any time on or after January 15, 2020, at the principal amount thereof plus accrued interest to date fixed for redemption, and said interest is payable semiannually.

Section 2. These bonds are to be paid at the office of the City Treasurer in David City, Nebraska, as Paying Agent and Registrar.

Section 3. The Mayor or Clerk/Treasurer of the City (each, an “Authorized Officer”) are each individually hereby authorized at any time on or after the date of this resolution to direct the irrevocable call of the Refunded Notes on behalf of the City and such direction, when made in writing (the “Direction for Call”), shall constitute the action of the City without further action of the Mayor or Council of the City.

Section 4. A copy of this resolution shall be filed with the Paying Agent, together with an executed Direction for Call, which delivery of Direction for Call is necessary in order for the call of the Refunded Notes to be effective hereunder. The Paying Agent is hereby instructed to mail notice to each registered owner of the Refunded Notes not less than thirty days prior to the date fixed for redemption, all in accordance with the ordinance authorizing the issuance of the Refunded Notes, and to take all other actions deemed necessary in connection with the redemption of the Refunded Notes.

PASSED AND APPROVED this 22<sup>nd</sup> day of January, 2020.

ATTEST:

By: \_\_\_\_\_  
Mayor Alan Zavodny

\_\_\_\_\_  
City Clerk Joan Kovar  
(SEAL)

Council member Hotovy introduced Ordinance No. 1332 authorizing the issuance of Sanitary Sewer System Revenue Bond, Series 2020, of the City of David City, Nebraska, in the principal amount of Four Million Three Hundred Thirty-Nine Thousand Five Hundred Dollars (\$4,339,500). Mayor Zavodny read Ordinance No. 1332 by title. Council member Hotovy made a motion to suspend the statutory rule that requires an Ordinance be read on three separate days. Council member Trowbridge seconded the motion. Voting AYE: Council members Bruce Meysenburg, Vandenberg, Kobus, Pat Meysenburg, Trowbridge, and Hotovy. Voting NAY: None. The motion carried.

Council member Hotovy made a motion to pass and adopt Ordinance No. 1332 on the third and final reading. Council member Kobus seconded the motion. Voting AYE: Council members Bruce Meysenburg, Vandenberg, Pat Meysenburg, Trowbridge, Kobus, and Hotovy. Voting NAY: None. The motion carried and Ordinance No. 1332 was passed on 3<sup>rd</sup> and final reading as follows:

ORDINANCE NO. 1332

AN ORDINANCE AUTHORIZING THE ISSUANCE OF SANITARY SEWER SYSTEM REVENUE BOND (TAXABLE INTEREST), SERIES 2020, OF THE CITY OF DAVID CITY, NEBRASKA, IN THE PRINCIPAL AMOUNT OF FOUR MILLION THREE HUNDRED THIRTY-NINE THOUSAND FIVE HUNDRED DOLLARS (\$4,339,500), FOR THE PURPOSE OF CONSTRUCTING IMPROVEMENTS TO THE SANITARY SEWER SYSTEM OWNED AND OPERATED BY THE CITY INCLUDING REFUNDING INTERIM FINANCING INCURRED FOR SUCH PURPOSE; PLEDGING AND HYPOTHECATING THE REVENUE AND EARNINGS OF THE SANITARY SEWER SYSTEM OF SAID CITY FOR THE PAYMENT OF SAID BOND AND INTEREST THEREON; PROVIDING FOR THE COLLECTION, SEGREGATION AND APPLICATION OF THE REVENUE OF SAID SANITARY SEWER SYSTEM; ENTERING INTO A CONTRACT ON BEHALF OF THE CITY WITH THE HOLDERS OF SAID BOND; AND PROVIDING FOR PUBLICATION OF THE ORDINANCE IN PAMPHLET FORM.

BE IT ORDAINED BY THE MAYOR AND THE CITY COUNCIL OF THE CITY OF DAVID CITY, NEBRASKA:

Section 1. The Mayor and City Council of the City of David City, Nebraska (the "City"), hereby find and determine as follows:

- (a) The City owns and operates a sanitary sewer system (including any and all additions, improvements and extensions thereto hereafter constructed or acquired, the "Sewer System"), all of which are hereby determined to be a revenue producing facilities and undertakings under the provisions of Sections 18-1803 to 18-1805, R.R.S. Neb. 2012;
- (b) The City currently has outstanding its Sanitary Sewer System Revenue Bond Anticipation Notes, Series 2018 (Taxable), dated November 26, 2018, in the outstanding principal amount of \$3,000,000 (the "Notes"), for which the revenues of the Sewer System have been pledged, which were issued to acquire and construct additions, extensions and improvements, including equipment therefor, for the Sewer System (the "Project");
- (c) Other than the Notes, the City has no other indebtedness outstanding payable from revenues of the Sanitary Sewer System;
- (d) The Notes can be taken up and paid off, and have been authorized to be called for redemption pursuant to a resolution passed and approved contemporaneously with this ordinance by the Mayor and Council of the City (the "Call Resolution") and Direction for Call to be executed pursuant to the Call Resolution on such date as determined in the Call Resolution (the "Redemption Date");
- (e) The United States of America acting through the Rural Utilities Service or successor Agency, United States Department of Agriculture ("USDA/RUS") has set forth its willingness to provide both grant and loan assistance for the Project, including re-financing the Notes issued for such Project, as set forth in a letter of conditions, dated July 31, 2017;
- (f) All conditions, acts and things required by law to exist or to be done precedent to and in the issuance of the City's Sanitary Sewer System Revenue Bond (Taxable Interest), Series 2020, in the principal amount of \$4,339,500 (the "Bond") to evidence a loan from USDA/RUS do exist, have happened and been done and performed in regular and due time and form as provided by law and specifically Sections 18-1803 to 18-1805, R.R.S. Neb. 2012.

Section 2. In addition to the definitions provided in parentheses in Section 1 hereof and elsewhere in this ordinance, the following definitions of terms shall apply, unless the context shall clearly indicate otherwise:

The term "Deposit Securities" shall mean direct obligations of or obligations the principal and interest which are unconditionally guaranteed by the United States of America, including obligations issued in book-entry form.

The term "Revenues" shall mean any and all of the rentals, fees, charges, income, receipts and other monies derived from the ownership or operation of the Sewer System, including, without limitation, (a) any and all "accounts" (as such term is defined in the Uniform Commercial Code (the "Code"), whether or not the Code applies to the pledge provided for in this Ordinance) and (b) any and all investment income derived from amounts held in the Sewer System Fund or any account thereof (as defined and described in Section 9 hereof).

Section 3. To refund the Notes on the Redemption Date and to complete the Project, there shall be and there is hereby ordered issued one fully registered Bond of the City of David City, Nebraska, to be designated as a "Sanitary Sewer Revenue Bond (Taxable Interest), Series 2020" in the principal amount of \$4,339,500 to be dated on the date of the closing of the purchase thereof (the "Date of Delivery"); the unpaid principal balance of said Bond shall bear interest at the rate of not to exceed 2.00% per year from Date of Delivery thereof until paid, provided, however that if the USDA/RUS offers a rate of interest lower than 2.00% to the City, the Mayor of City Council is hereby authorized to agree to such lower rate on behalf of the City and any such lower rate of interest shall be binding upon the City as if set forth in this ordinance. The principal of and interest on the Bond shall be payable in equal annual installments of not to exceed \$158,653, with the first installment due one year from the Closing Date, and such payments shall continue to be due on each annual anniversary of the Closing Date for a term of 39 years thereafter until the outstanding principal balance on the Bond has been paid in full, provided, however that the Mayor is hereby authorized to agree to an annual installment lower than \$158,653, to the extent of and relating to amortization over the same period corresponding to any lower rate of interest agreed to on behalf of the City by the Mayor as set forth above, and any such lower annual installment amount shall be binding upon the City as if set forth in this ordinance. Notwithstanding the foregoing, the entire remaining principal balance, if not sooner paid, shall fall due on the 40th anniversary date of the closing of the issuance of the Bond and shall be in such amount as will pay in full the outstanding principal balance, plus all accrued but unpaid interest thereon. Each installment payment shall be applied first to accrued interest and then to principal. The City reserves the right and option of prepaying any or all of the unpaid principal balance at any time, without penalty or redemption premium. Notice of any such redemption shall be given by mail to the registered owner not less than ten days prior to the date fixed for redemption, provided that such requirement for notice may be waived by such registered owner. Such required notice shall automatically be altered to conform with any redemption notice procedure established by regulations of USDA/RUS, so long as the initial registered owner remains the registered owner for the Bond. The City shall cause books for registration and for transfer of the Bond, as provided in this ordinance, to be kept by the City Treasurer. The ownership of the Bond shall be registered as to principal and interest on such books kept by the City Treasurer, who shall make notation of such registration therein and on the Bond. The initial registered owner shall be the United States of America, acting through the Rural Utilities Service or successor Agency, United States Department of Agriculture, and on or before closing of the purchase of the Bond, said Bond shall be registered in such name. The transfer of the Bond may be registered only upon assignment duly executed by said initial registered owner or by its registered assigns or its legal representatives or attorneys in such form as shall be satisfactory to the City Treasurer, such registration to be made on such books and endorsed on the Bond by the City Treasurer. The principal of and interest on the Bond shall be payable only to or upon the order of the registered owner or such owner's legal representative, and neither the City nor the City Treasurer shall be affected by any notice to the contrary, but registration may be changed as herein provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon the Bond to the extent of the sum or sums so paid. No charge shall be made to the registered owner for the registration and transfer of the Bond. Payments of principal and interest on the Bond shall be made by the City Treasurer, as paying agent, to the registered owner of the Bond in such manner and to such address as the registered owner shall from time to time in writing direct said paying agent. Any and all payments made by the City Treasurer, as paying agent in accordance with the terms of this ordinance, to the registered owner, shall be sufficient to satisfy the obligation of the City on the Bond.

Section 4. The Bond shall be in substantially the following form:

UNITED STATES OF AMERICA  
STATE OF NEBRASKA  
COUNTY OF BUTLER  
CITY OF DAVID CITY

SANITARY SEWER REVENUE BOND (TAXABLE INTEREST), SERIES 2020

\$4,339,500

KNOW ALL PERSONS BY THESE PRESENTS: That the City of David City, in the County of Butler, in the State of Nebraska (the "City"), for value received, promises to pay, but only from the special fund hereinafter described, to the United States of America, acting through the Rural Utilities Service or successor Agency, United States Department of Agriculture, as initial registered owner hereof, or registered assigns, the sum of Four Million Three Hundred Thirty-Nine Thousand Five Hundred Dollars (\$4,339,500) in lawful money of the United States of America, with interest on the unpaid principal balance thereof from the date hereof until paid at 2.00% per year. The principal hereof and interest hereon shall be payable in equal annual installments of \$\_\_\_\_\_ due on \_\_\_\_\_, of each year, commencing on \_\_\_\_\_, and continuing for a term of 39 years until the outstanding principal balance thereof has been paid in full, provided that the entire remaining principal balance, together with all accrued interest thereon, if not sooner paid, shall fall due and payable on \_\_\_\_\_, 20\_\_\_\_. All such payments shall be applied first to accrued interest and then to principal. Interest and principal installment payments on this Bond shall be payable by the City Treasurer of the City of David City, Nebraska, as paying agent, for remittance by said paying agent to the registered owner of this Bond in accordance with written instructions on file with said paying agent.

The City, however, reserves the right and option of prepaying any or all of the unpaid principal balance hereof at any time without penalty or redemption premium. Refunds and extra payments as defined in the regulations of the United States Department of Agriculture, according to the source of the funds involved, shall, after payment of interest, be applied to the installments last to become due under this Bond and shall not affect the obligation of the City to pay remaining installments as scheduled herein.

This Bond in the principal amount of \$4,339,500 is issued by the City for the purpose of paying a portion of the costs of constructing and acquiring additions, extensions and improvements, and equipment therefor, to the existing Sewer System owned and operated by the City (including any and all additions and improvements thereto, hereafter constructed or acquired, the "Sewer System"), including paying interim financing incurred for such purposes, under the provisions of Sections 18-1803 to 18-1805, R.R.S. Neb. 2012. The issuance of this Bond has been authorized by an ordinance lawfully enacted and by proceedings duly had by the Mayor and City Council (the "Ordinance").

The "Revenues" of the Sewer System (as defined in the Ordinance) have been pledged and hypothecated for the payment of the Bond, both principal and interest, and this Bond is a lien only upon said revenues and earnings and not a general obligation of the City of David City.

The Ordinance sets forth the covenants and obligations of the City with respect to its Sewer System and the application of the revenues to be derived therefrom which revenues are under the terms of said Ordinance to be deposited into the "Sewer System Fund" and disbursed to pay costs of operation and maintenance, make payments of principal and interest on this Bond and make

other payments as specified in said Ordinance. Said Ordinance also designates the terms and conditions upon which additional bonds of lien equal to that of this Bond may be issued in the future.

It is hereby certified and warranted that all conditions acts and things required by law to exist or to be done precedent to and in the issuance of this Bond did happen and were done in regular and due form and time as provided by law.

The City hereby covenants and agrees with the registered owner of this Bond to keep and perform all covenants and agreements contained in the Ordinance. This Bond shall be registered as to both principal and interest and shall be transferable only in accordance with the provisions printed on this Bond and subject to the terms and conditions set out in the Ordinance.

The registered owner hereof may request that the indebtedness evidenced by this Bond be repaid prior to the maturity hereof subject to and in accordance with the terms of the Ordinance. Defeasance of this Bond shall be made in accordance with the terms of the Ordinance.

To the extent provided in the Ordinance, the provisions of this Bond or of the Ordinance, including any amendment or supplement thereto, may be modified or amended by the City only with the written consent of the registered owner hereof, and it shall not be necessary to note hereon any reference to such modification or amendment.

As and to the extent the terms of this Bond conflict with the terms of the Loan Resolution, as defined in the Ordinance, the terms of the Loan Resolution shall be controlling as and to the fullest extent allowed by law.

IN WITNESS WHEREOF, the Mayor and City Council of David City, Nebraska, have caused this Bond to be executed on behalf of the City by being signed by the Mayor and City Clerk and by causing the official seal of the City to be affixed hereto.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

CITY OF DAVID CITY, NEBRASKA

(SEAL)

By: \_\_\_\_\_ (do not sign)  
Mayor

ATTEST:

\_\_\_\_\_  
(do not sign)  
City Clerk

PROVISIONS FOR REGISTRATION

The ownership of this Bond shall be registered as to both principal and interest on the books and records of the City of David City, Nebraska, kept by the City Treasurer of said City, who shall make notation of such registration in the registration blank below, and the transfer of this Bond may thereafter be registered only upon an assignment duly executed by the registered owner or such owner's attorney or legal representative, in such form as shall be satisfactory to the City Treasurer, such registration of transfer to be made on such books and endorsed hereon by the City Treasurer. The principal and interest of this Bond shall be payable only to or upon the order of the registered owner or such owner's legal representative.

Date of Registration	Name of Registered Owner	Signature of City Treasurer
	United States of America, acting through the Rural Utilities Service, United States Department of Agriculture	

Section 5. The Bond shall be executed on behalf of the City with the signatures of the Mayor and City Clerk and by having affixed thereto the City seal. Upon execution and registration of said Bond, it shall be delivered to the City Treasurer, who is hereby authorized to register and deliver it to the United States of America, acting through the Rural Utilities Service or successor Agency, United States Department of Agriculture, as purchaser thereof, upon receipt of the principal amount of said Bond, and said Treasurer is hereby authorized to date said Bond as of the Date of Delivery and insert the appropriate date of final payment therein. The City Clerk, in connection with the issuance and sale of the Bond, is hereby authorized to prepare and certify such number of complete transcripts of the proceedings had and done precedent to the issuance of the Bond as shall be required by said purchaser and bond counsel.

Section 6. The principal amount received from the sale of the Bond shall be applied to the payment of the Notes, and the balance shall be deposited in a separate fund, to be designated as the "City of David City Sewer System Revenue Construction Fund," with some bank, in an amount which is insured by the Federal Deposit Insurance Corporation, and shall be used by the City solely for the purpose of paying the costs of the Project as described in Section 1 hereof. Any amounts from the proceeds of the Bond which are attributable to and required to pay capitalized interest on the Bond shall be paid into the "Sewer System Revenue Bond Payment Account," as hereinafter created. Any Bond proceeds remaining in said Construction Fund after completion of construction which are not required to pay the unpaid costs of construction shall be applied to the payment of principal of the Bond, as an extra payment, as defined by the regulations of Rural Utilities Service, United States Department of Agriculture.

Section 7. The City hereby pledges and hypothecates the Revenues for the payment of the Bond. The pledge and hypothecation for the Bond and any Additional Bonds provided for in this Ordinance is intended to and shall provide for a first and prior pledge for, lien upon and security interest in the Revenues superior to any pledge, lien or security interest made or given with respect to any other indebtedness of the City as to its Sewer System and is intended as a full exercise of the powers of the City provided for in Sections 18-1803 to 18-1805, R.R.S. Neb. 2012, as now or hereafter amended, with respect to the City's Sewer System.

Section 8. The City agrees that it shall maintain and collect rates and charges for all service furnished by the Sewer System adequate to produce Revenues sufficient at all times:

- (a) To provide moneys in the City's Sewer System Fund sufficient to pay interest on and principal of the Bond as the same falls due.
- (b) To pay all reasonable costs of operation and maintenance of the Sewer System and to pay for necessary repairs, replacements and extensions to the Sewer System.
- (c) To provide funds sufficient to provide for the required deposits to be made to those Accounts as are described in Section 9 of this Ordinance.

Section 9. The Revenues derived from the operation of the Sewer System shall be set aside as collected and deposited in a separate fund, which is hereby ordered, created and established and designated as the "Sewer System Fund". The City hereby agrees with the holder of the Bond to establish and maintain in the Sewer System Fund accounts as follows:

(1) SEWER SYSTEM REVENUE BOND PAYMENT ACCOUNT - There is hereby ordered created and established an account designated as the "Sewer System Revenue Bond Payment Account" into which the City shall deposit, out of the Sewer System Fund, the following amounts:

- (a) Commencing with the fifteenth day of the month following the Date of Delivery (the "Initial Deposit Date"), and continuing on the same day of each month thereafter, an amount which, when combined with additional equal monthly amounts to be deposited pursuant to this subparagraph prior to the next falling interest payment date, will be sufficient to provide funds to pay the installment of interest due with respect to the Bond; and
- (b) Commencing with the Initial Deposit Date, and continuing on the corresponding day of each month thereafter, an amount which, when combined with additional equal monthly amounts to be deposited pursuant to this subparagraph prior to the next principal maturity will be sufficient to provide funds to pay such maturing principal amount (or make such mandatory sinking fund redemption payment, if applicable) on such date.

The City Treasurer is hereby authorized and directed, without further authorization, to withdraw monies credited to the Sewer System Revenue Bond Payment Account, or if the monies in such Account are insufficient, then first from the Surplus Account and next thereafter from the Emergency Fund Reserve Account, an amount sufficient to pay, when due, the principal of and interest on the Bond or any Additional Bonds and to transfer the appropriate amounts due the owner or owners of the Bond (including any automatic bank account withdrawals required by USDA/RUS while being the registered owner). Upon the issuance of any Additional Bonds pursuant to this Ordinance, appropriate additional credits to the Sewer System Revenue Bond Payment Account shall be provided for sufficient to pay principal and interest on said Additional Bonds;

(2) OPERATION AND MAINTENANCE ACCOUNT - There is hereby ordered created and established an account designated as the "Operation and Maintenance Account" into which

the City shall deposit, out of the Sewer System Fund, such amounts as the City shall from time to time determine to be necessary to pay the reasonable and necessary expenses of operating and maintaining the Sewer System and the City may withdraw funds credited to the Operation and Maintenance Account as necessary from time to time to pay such expenses; and

(3) EMERGENCY FUND RESERVE ACCOUNT – There is hereby ordered created and established an account designated as the “Emergency Fund Reserve Account” into which there shall be deposited each year (on or before the anniversary of the issuance of the Bond in such year) the sum of \$15,865, with such sum to be so deposited annually until the Bond is no longer outstanding. Amounts may be withdrawn from such account (a) for maintenance and extensions to the Sewer System (including in case of any emergency), (b) for replacement of short-lived assets necessary or appropriate for the operation of the Sewer System and (c) to make payments on the Bond, if needed, as described in Section 9(1) above. Provided, however, that so long as USDA/RUS is the owner of the Bond, any withdrawals from such Emergency Fund Reserve Account must be approved in writing by USDA/RUS prior to any such withdrawal.

(4) ASSET MANAGEMENT RESERVE ACCOUNT - There is hereby ordered created and established an account designated as the “Asset Management Reserve Account” into which the City shall deposit the annual sum of \$20,000, and the City shall annually review the funding requirements of such Asset Management Reserve Account, and may adjust the annual contribution to account for inflation, until the Bond is no longer outstanding or so long as the USDA/RUS is the holder of the Bond. Amounts may be withdrawn from such account for replacement of short-lived assets. Amounts in the Asset Management Reserve Account are not directly or indirectly pledged to pay principal or interest on the Bond, and are not reasonably expected to be available to pay principal or interest on the issue even if the City encounters financial difficulties. Provided, however, that so long as USDA/RUS is the owner of the Bond, any withdrawals from such Asset Management Reserve Account must be approved in writing by USDA/RUS prior to any such withdrawal. So long as the Bond remains outstanding and unpaid, the City covenants and agrees that it will maintain said account as a separate bookkeeping account and will administer the same in accordance with the provisions contained in this ordinance.

(5) SURPLUS ACCOUNT - There is hereby ordered, created and established an account designated as the “Surplus Account.” Monies in the Sewer System Fund remaining after the credits required in the foregoing Subsections 9(1), 9(2), 9(3) and 9(4) shall be credited to the Surplus Account. Monies in the Surplus Account may be used to make up any deficiencies in any of the preceding Accounts, to provide for any additional reserves as may now or hereafter be required by USDA/RUS under any applicable regulations or contract terms, to retire the Bond or any portion thereof or any Additional Bonds prior to their maturity, to pay principal of and interest on any junior lien indebtedness incurred with respect to the Sewer System or to provide for improvements or replacements for the Sewer System. Monies credited to the Surplus Account may periodically be transferred to such other funds or accounts of the City as the Mayor and City Council may direct from time to time so long as there are no deficiencies in the credits required to be made to any of the Accounts described in Subsections 9(1), 9(2), 9(3) and 9(4) and so long as all applicable reserves are met which may be required by USDA/RUS under any applicable regulations or contract terms.

The provisions of this Section shall require the City to maintain a set of books and records in accordance with such accounting methods and procedures as are generally applicable to municipal utility enterprises, which books and records shall show credits to and expenditures from the several sub-accounts required by this Section. The City shall not be required to establish separate bank or investment accounts for said Accounts in this Section.

Moneys in any of the above-described Accounts may be invested in securities eligible for investment of other City funds. Income from or profit realized from any such investment shall be credited to the respective Account from which such investment is made until such Account contains the maximum amount required to be therein and thereafter such income or profit shall be transferred to the Sewer System Fund and treated as other revenues from the operation of the Sewer System.

Section 10. The term "Additional Bonds" as used in this Ordinance shall refer only to such bonds as are issued in accordance with the provisions of this Section 10. To provide funds for the purpose of extending, improving enlarging and equipping the Sewer System, the City may issue Additional Bonds payable from the revenues of the Sewer System, having equal priority to and being on a par with the Bond only upon compliance with the following conditions:

(a) Such Additional Bonds shall be issued only pursuant to an ordinance which shall provide for an increase in the monthly allocations to be made of monies in the Sewer System Fund to the appropriate accounts in amounts sufficient to pay when due the principal of and interest on the Bond and such Additional Bonds.

(b) The City shall have Net Revenues derived by it from the Sewer System for the fiscal year next preceding the issuance of such Additional Bonds which shall have been at least equal to 1.20 times the average annual debt service requirements of the Bond and of any Additional Bonds, then outstanding, and of the proposed Additional Bonds. For purpose of such determination "Net Revenues" shall mean the Revenues (excluding receipts from insurance or attributable to condemnation of the Sewer System or any part thereof) less ordinary expenses of operating and maintaining the Sewer System payable from the Operation and Maintenance Account. Operation and maintenance expenses for such purpose shall not include depreciation, amortization or interest on any bonds or other indebtedness. Also for such purposes "average annual debt service" shall be determined by adding all the principal and interest which will become due when computed to the absolute maturity on the Bond and any Additional Bonds then outstanding and together with the total principal and interest which will become due when computed to absolute maturity on the proposed Additional Bonds and dividing such total by the number of years remaining that the longest bond of any such issue of bonds has to run to maturity, including the proposed Additional Bonds.

Anything in this Section 10 to the contrary notwithstanding, no Additional Bonds shall be issued without the prior written consent of the USDA/RUS so long as the USDA/RUS is the holder of the Bond.

Section 11. The City reserves the right to issue bonds or notes which are inferior in lien to the Bond and any Additional Bonds, with the principal and interest of such bonds or notes to be payable from any unrestricted monies in the City's Surplus Account, as provided in Section 9 above. Anything in this Section 11 to the contrary notwithstanding, no bonds or notes which are inferior in lien to the Bond or any Additional Bonds shall be issued without the prior written consent of the USDA/RUS so long as the USDA/RUS is the holder of the Bond. Nothing herein shall prohibit

the City from issuing its general obligation indebtedness under Section 18-506 R.R.S. Neb. 2012, as amended, for improvements to its Sewer System as permitted by law.

Section 12. With the consent of the initial registered owner, evidenced by a writing signed by the State Director for the State of Nebraska of Rural Utilities Service, United States Department of Agriculture, or such director's successor or equivalent under the Statutes and Regulations of the United States of America then in force the City may issue Additional Bonds without compliance with the requirements of Sections 10 of this Ordinance and any such Additional Bonds issued with such consent shall have the rights and standing under the terms of this Ordinance as if such bonds had been issued after full compliance with Section 10.

Section 13. The City hereby finds and determines and certifies that it is unable to obtain sufficient credit, without purchase of the Bond by the initial registered owner as described herein, to finance its actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near its community for similar purposes and periods of time. The City hereby covenants and agrees with the initial registered owner hereof that, in consideration of advantages accruing to the City from said initial registered owner's purchase of the Bond, if at any time while the Bond is held by said initial registered owner, it shall appear to said initial registered owner that the City may be able to obtain credit from other sources at reasonable rates and terms for loans for similar purposes and periods of time, the City, within the limitations of its then existing legal powers, at the request of said initial registered owner, will make an effort in good faith to pay in full all principal remaining on the Bond then held by said initial registered owner, by issuing refunding bonds or otherwise.

Section 14. The Bond or the interest payments thereon shall be deemed to have been paid and discharged within the meaning of this Ordinance if there has been deposited with a commercial bank or trust company located in the State of Nebraska and having full trust powers, at or prior to the stated maturity or redemption date of said Bond, in trust for and irrevocably appropriated thereto, money and/or Defeasance Obligations (as hereinafter defined) which, together with the interest to be earned thereon, will be sufficient for the payment of the principal or redemption price of said Bond, and interest to accrue on such Bond to the stated maturity or redemption date, as the case may be; provided, however, that if the Bond shall be redeemed prior to the stated maturity thereof, (1) the City shall have elected to redeem such Bond, and (2) either notice of such redemption shall have been given, or the City shall have given irrevocable instructions to the City Treasurer to redeem such Bond in accordance with the terms of this Ordinance. Any money and Defeasance Obligations that at any time shall be deposited with a commercial bank or trust company by or on behalf of the City, for the purpose of paying and discharging the Bond or the interest payments thereon, shall be and are hereby assigned, transferred and set over to such bank or trust company in trust for the registered owner of the Bond, and such money and Defeasance Obligation shall be and are hereby irrevocably appropriated to the payment and discharge thereof. All moneys and Defeasance Obligations deposited with such bank or trust company shall be deemed to be deposited in accordance with and subject to all of the provisions contained in this Ordinance.

Notwithstanding any provision herein to the contrary, as long as the Bond is owned or insured by USDA/RUS, the City will not issue any additional revenue bonds or other obligations for the purpose of providing funds to refund the Bond unless either (i) such bond is paid, retired and cancelled concurrently with the issuance of such refunding revenue bond or bonds or other obligations or at the first interest and principal payment date for the Bond occurring after the issuance of the refunding revenue bond or bonds or other obligations, or (ii) written consent to the issuance of such refunding revenue bonds or other obligations is given by USDA/RUS.

Section 15. For purposes of this Ordinance, the phrase "Defeasance Obligations" shall mean any United States Government Obligations that are not subject to redemption in advance of their maturity dates.

Section 16. The City will maintain the Sewer System, including extensions and improvements, in good condition and operate the same in an efficient manner and at a reasonable cost. The City agrees with the registered owner from time to time of the Bond that the City will continue to own, free from all liens and encumbrances (other than as permitted under the terms of this Ordinance) and will adequately maintain and efficiently operate the Sewer System and the City will not incur or suffer to be created any lien or charges on or pledge of the revenues of the Sewer System which shall be superior to or on a parity with the lien, charge and pledge in favor of the Bond, except as provided for in Sections 10 and 12 of this Ordinance.

Section 17. So long as the Bond is outstanding, the City hereby covenants and agrees as follows:

(a) The City will maintain the Sewer System in good condition and will continuously operate the same in a reasonable and efficient manner, and the City will punctually perform all the duties with reference to said system required by the Constitution and statutes of the State of Nebraska, but this covenant shall not prevent the City from discontinuing the use and operation of all or any portion of the Sewer System so long as the revenues derived from the City's ownership of the properties constituting the Sewer System shall be sufficient to fulfill the City's obligations under this Ordinance.

(b) The City will not grant any franchise or right to any person, firm or corporation to own or operate any utility system in competition with the Sewer System or any part thereof.

(c) The City will maintain insurance on the property constituting the Sewer System (other than such portions of the Sewer System as are not normally insured against loss by casualty) in the amounts and against the risks customarily carried by similar utilities, but including fire and extended coverage insurance in an amount which would enable the City to repair, restore or replace the property damaged to the extent necessary to make the Sewer System operable in an efficient and proper manner to carry out the City's obligations under this Ordinance. The Mayor and City Council shall annually, within one month after the end of each fiscal year adopted by the City for the Sewer System examine the amount of insurance carried with respect to the Sewer System and shall evidence approval of such insurance by resolution. The proceeds of any such insurance received by the City shall be used to repair, replace or restore the property damaged or destroyed to the extent necessary to make the Sewer System operable in an efficient and proper manner, and any amount of insurance proceeds not so used shall be used to either (i) prepay the Bond or (ii) pay for additions, improvements and/or extensions to the Sewer System. In the event of any such insured casualty loss, the City may advance funds to make temporary repairs or provide for an advance on costs of the permanent repair, restoration or replacement from the Operation and Maintenance Account and any such advances shall be repaid from insurance proceeds received.

(d) The City will keep proper books, records and accounts separate from all other records and accounts in which complete and correct entries will be made of all transactions relating to the Sewer System. The City will have its operating and financial statements relating to the

Sewer System audited annually by a certified public accountant or firm of certified public accountants in accordance with Staff Instruction 1780-4 of the United State Department of Agriculture, Rural Utilities Service. The City will furnish to the registered owner (or owners) of the Bond, as soon as practicable after the end of each fiscal year of the Sewer System, a copy of the financial statements of the Sewer System and the report thereon of the certified public accountants.

(e) The City shall cause each person handling any of the monies in the Sewer System Fund to be bonded by an insurance company licensed to do business in Nebraska in an amount or amounts sufficient to cover at all times the maximum amount of money belonging to the Sewer System Fund in the possession or control of any such person. The amount of such bond or bonds shall be fixed by the Mayor and City Council and the costs thereof shall be paid as an operating and maintenance expense from the Operation and Maintenance Account.

Section 18. The terms and provisions of this Ordinance do and shall constitute a contract between the City and the registered owner or owners of the Bond and no changes, variations or alterations of any kind (except for changes necessary to cure any ambiguity, formal defect or omission) shall be made to this Ordinance without the written consent of said registered owner or owners. The registered owner or owners of the Bond may, either in law or in equity, by suit, action, mandamus or other proceeding, enforce or compel performance of any and all of the acts and duties required by this Ordinance, and any court of competent jurisdiction may, on application of any such owner, appoint a receiver to take charge of the Sewer System and operate the same and apply the earnings thereof in accordance with the provisions hereof.

Section 19. The Mayor and City Clerk of the City are hereby authorized to do all things and execute all such documents as may by them be deemed necessary and proper to complete the issuance and sale of the Bond as contemplated by this Ordinance.

Section 20. If any section, paragraph, clause or provision of this ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this Ordinance.

Section 21. References herein made to the "Loan Resolution" shall mean that certain loan resolution previously adopted, or adopted contemporaneously herewith, by the City as required by USDA/RUS with respect to the loan evidenced by the Bond. As and to the extent the terms of this ordinance conflict with the terms of the Loan Resolution, the terms of the Loan Resolution shall be controlling as and to the fullest extent allowed by law.

Section 22. This ordinance shall be published in pamphlet form and shall be in full force and effect from and after its passage and publication as provided by law.

PASSED AND APPROVED this 22<sup>nd</sup> day of January, 2020.

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Mayor Alan Zavodny

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City Clerk Joan Kovar

Council member Trowbridge made a motion to authorize City Clerk Kovar and Deputy Clerk Comte to attend the IIMC Annual Conference on May 17 – 20, 2020, in St. Louis, MO. Council member Kobus seconded the motion. Voting AYE: Council members Vandenberg, Pat Meysenburg, Bruce Meysenburg, Hotovy, Kobus, and Trowbridge. Voting NAY: None. The motion carried.

City Clerk Kovar thanked the Mayor and Council on behalf of Tami and herself.

Council member Hotovy made a motion to move Agenda Item #16 – Consideration of going into executive session to discuss the contract with Building Inspector Raymond S. Sueper, to the end of the meeting; right before adjournment. Council member Bruce Meysenburg seconded the motion. Voting AYE: Council members Vandenberg, Bruce Meysenburg, Pat Meysenburg, Kobus, Trowbridge, and Hotovy. Voting NAY: None. The motion carried.

Jason Lavicky, representing the Ball Association stated: “We were able to have a sit down with Clayton and we discussed the dollar amount that’s left on the financing, which is \$109,303.61; that is the total debt that the Ball Association owes on everything. We talked about Diamond Pro, mower needs that we have out there, the mower is the original from 1994, or 1997, the use of a side by side which is being donated right now by a former coach. Those equipment needs are something that we need to address as an association as well.”

Council member Kobus stated: “Mowers, that shouldn’t be a problem, we have 6 or 7 big mowers.”

Mayor Zavodny stated: “We talked about that the last time, that’s an easy piece.”

Jason Lavicky stated: “I think you can find a decent used side by side between \$7,000 to \$10,000; New one is going to be about \$13,000 to \$16,000. In my opinion there are some benefits for a side by side to be used out there, what we need it for at the Ball Association, but I think when it’s not all-season, and there’s Friday night football games or something else going down at the Park, I do think it could be dual purpose between the Ball Fields and the City Parks as well; I think it could be used at both places, I really think it can.”

Council member Bruce Meysenburg asked: “Has anybody talked to John Deere, Plains Equipment, or Benes Service, about just sponsoring it; giving them one and putting their name on the side for advertisement?”

Jason stated: “Yes, we’ve tried that a couple of times. The University of Nebraska can get away with asking for it, and getting it, but we tried a couple times and didn’t get anywhere. As far as tires, certainly Gators have pretty aggressive tires on them for the purpose of what they are used for, but obviously we would be looking for something that had turf tires on them or something.”

Council member Trowbridge asked: “Moving forward, you would do the financing of the ball program?”

Jason stated: “Yes, between registrations, banners, concession stands; there is a very solid plan in place to then operate that.”

Much discussion followed.

Mayor Zavodny stated: "What I'd like to see, if you're willing to do it, you guys (Jason Lavicky, Kory Kuhlman, and Administrator Clayton Keller), continue to meet and if you can have it laid out specifically: "you're doing this, you're asking us to do this", so we can actually see what you are expecting of us, and what we're expecting of you, and it's all there in black and white."

City Administrator Keller stated: "So currently, last week, we sat down and got a preliminary list of that kind of stuff, so here it is, it says: the City would buy the debt to own the fields, cover the liability insurance, cover utility costs, responsible for maintenance, and potentially the guys who mow and prep would become part-time summer help reimbursed by the Ball Association if we can figure that out, if that works. The Ball Association would be responsible for registration, banner sales, concessions, and be responsible for reimbursing us for those personnel hours."

Jason stated: "Jim Bathen mows, Kurt Navrkal and Craig Jahde helps prep the fields, Will Reiter is kind of our administrator that does the leagues and is out there supervising and everything else. We have a good staff, we think."

Council member Bruce Meysenburg stated that he would work with Jason Lavicky and check on Gators for the Ball Association.

Kurt Kuhlman stated: "Those people are willing to do the roles again next summer; they're all good for 2020."

Mayor Zavodny stated: "Keep moving forward on this, put a finer point on some of these items, and then we'll figure it out, we're about there."

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Interim Water Supervisor Aaron Gustin presented the following handouts concerning the Wastewater Treatment Plant:

**Grinder/Comminutor**- Original plans for the WW Treatment Plant included a comminutor as they are vital for the functionality of the plant. The Comminutor/Grinder was removed years ago and replaced with an auger- However, non-biological solids are still able to get passed and this causes significant damage to machinery and basins. I.E. Pumps, mixers, etc

**Replacement of Decanters**

- Removal, transportation, and disposal of the sludge from basins. (this cannot be disposed of in the current lagoons due to the lagoons having a limit of sludge allowance and the high amount of non-biological solids that are currently in basins.
- Removal of water from the basins
- Sewer pump that is capable of pumping out of the 25 foot ledge is needed
- 2" hose that will reach both basins
- Fall safety
- Crane rental
- Bolts/gaskets and other hardware for decanters
- A way to clean all of the residual buildup of all non-organic material from basins
- An aqua aerobics tech

**Grinder/Comminutor-** Original plans for the WW Treatment Plant included a comminutor as they are vital for the functionality of the plant. The Comminutor/Grinder was removed years ago and replaced with an auger- However, non-biological solids are still able to get passed and this causes significant damage to machinery and basins. I.E. Pumps, mixers, etc

#### **Replacement of Decanters**

- Removal, transportation, and disposal of the sludge from basins. (this cannot be disposed of in the current lagoons due to the lagoons having a limit of sludge allowance and the high amount of non-biological solids that are currently in basins.
- Removal of water from the basins
- Sewer pump that is capable of pumping out of the 25 foot ledge is needed
- 2" hose that will reach both basins
- Fall safety
- Crane rental
- Bolts/gaskets and other hardware for decanters
- A way to clean all of the residual buildup of all non-organic material from basins
- An aqua aerobics tech
- New WAS pump for each basin (normal maintenance calls for an annual inspection and for the pumps to be sent in and completely overhauled by a certified service shop every 3 years!!)

**Spare Parts-** It is important to have 1 spare replacement for each piece of machinery that is system critical in order to remain in compliance with DEE (previously known as DEQ) I.E. WAS pumps, Mixers for basins, decanter actuators, submersible pumps etc.

\*The following is an example of preventative maintenance necessary for each basin of the SBR basins and their equipment, **this is NOT a complete list of all SBR maintenance required.** There are also several other similar lists for preventative maintenance on the machinery in other locations at the Wastewater plant including: The Blower Building, The Control Building, The Shop, The Lift Station/Head works, The Outfall Building, The Lab, and The Grounds as well.

**SBR/Basins**

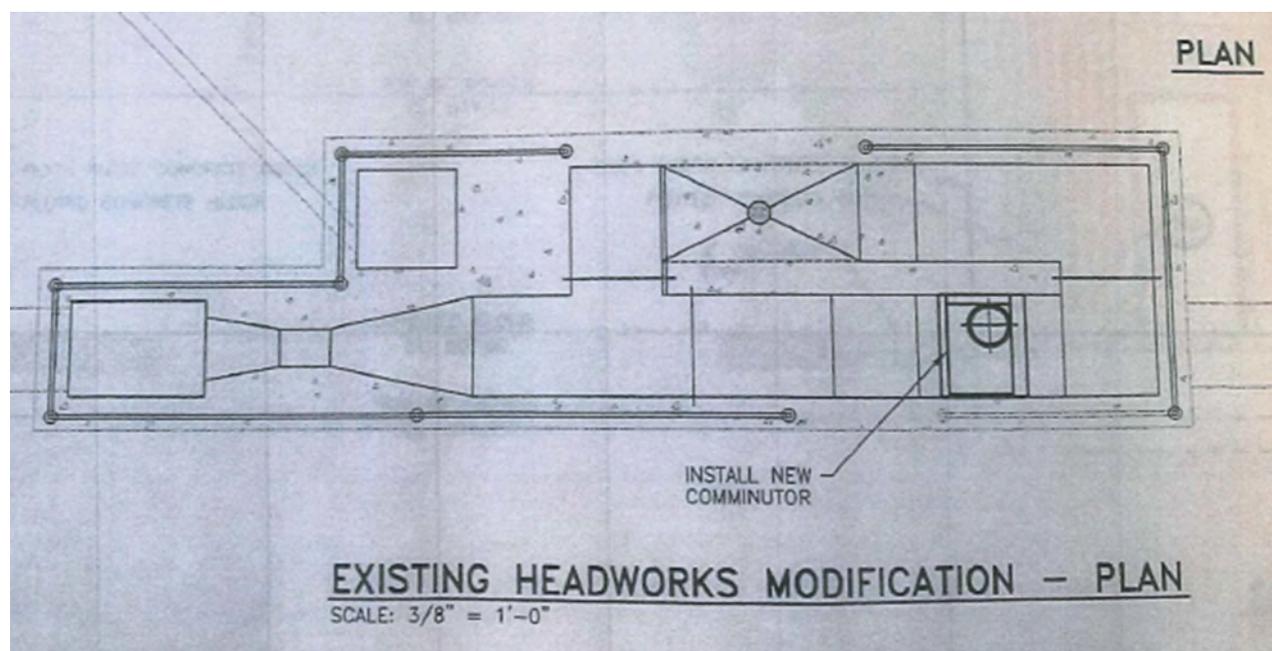
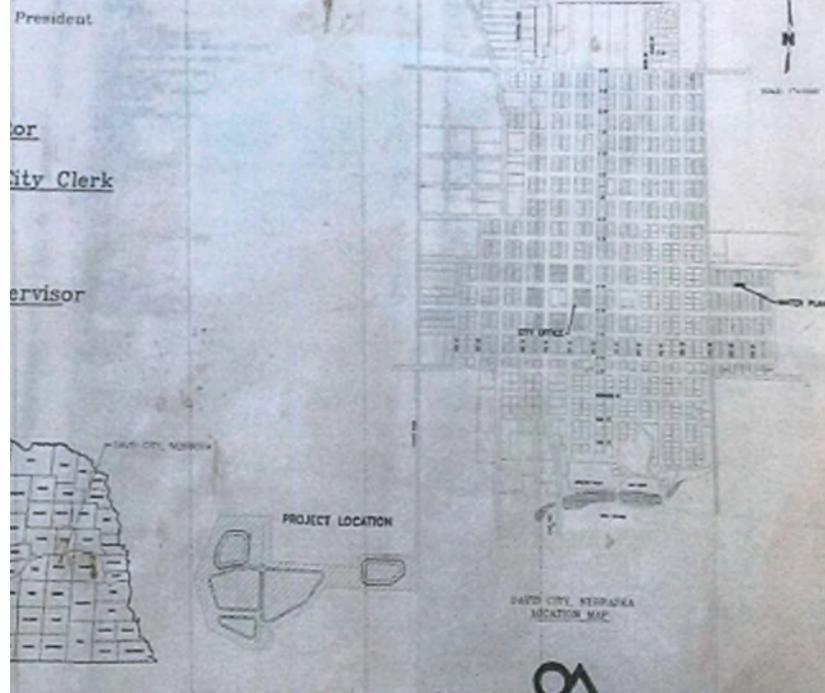
<b>Equipment</b>	<b>Type of maintenance</b>	<b>Frequency per O&amp;M Manuals</b>	<b>System Critical</b>
<b>DDM Mixers</b>	-Lube motor -Check moor lines -Check motor amperage -Lube all bearings	-Every 4 months -Monthly -Annually -Bi-annually	Yes
<b>Waste Sludge Pump (WAS pumps)</b>	-Inspect pump -Overhaul pump in service shop	-Annually -Every 3 years	Yes
<b>Magnetic Flow Meter</b>	-Performance Check/Calibration	-Annually	No
<b>Electric Actuators</b>	-Inspect Gear Case & Lube	-Every 18 months	Yes
<b>Diffuser Membranes</b>	-Inspect and Clean -Replace	-6 Months -5 Years	No
<b>Electric Valve Actuators</b>	-Inspect -Calibrate	-6 Months -6 Months	Yes
<b>Float Switches</b>	-Inspection	-Daily	Yes
<b>Limit Switches</b>	-Check & Secure alignment with trip device -Replacement	-Monthly -3 to 5 Years	No
<b>Decanter Actuator</b>	-Inspection -Replacement -Capacitor Replacement	-Monthly -3 to 5 Years -3 Years	Yes
<b>Decanter Spring</b>	-Check Tension	-6 Months	Yes

# WASTEWATER TREATMENT FACILITIES DAVID CITY, NEBRASKA

1997

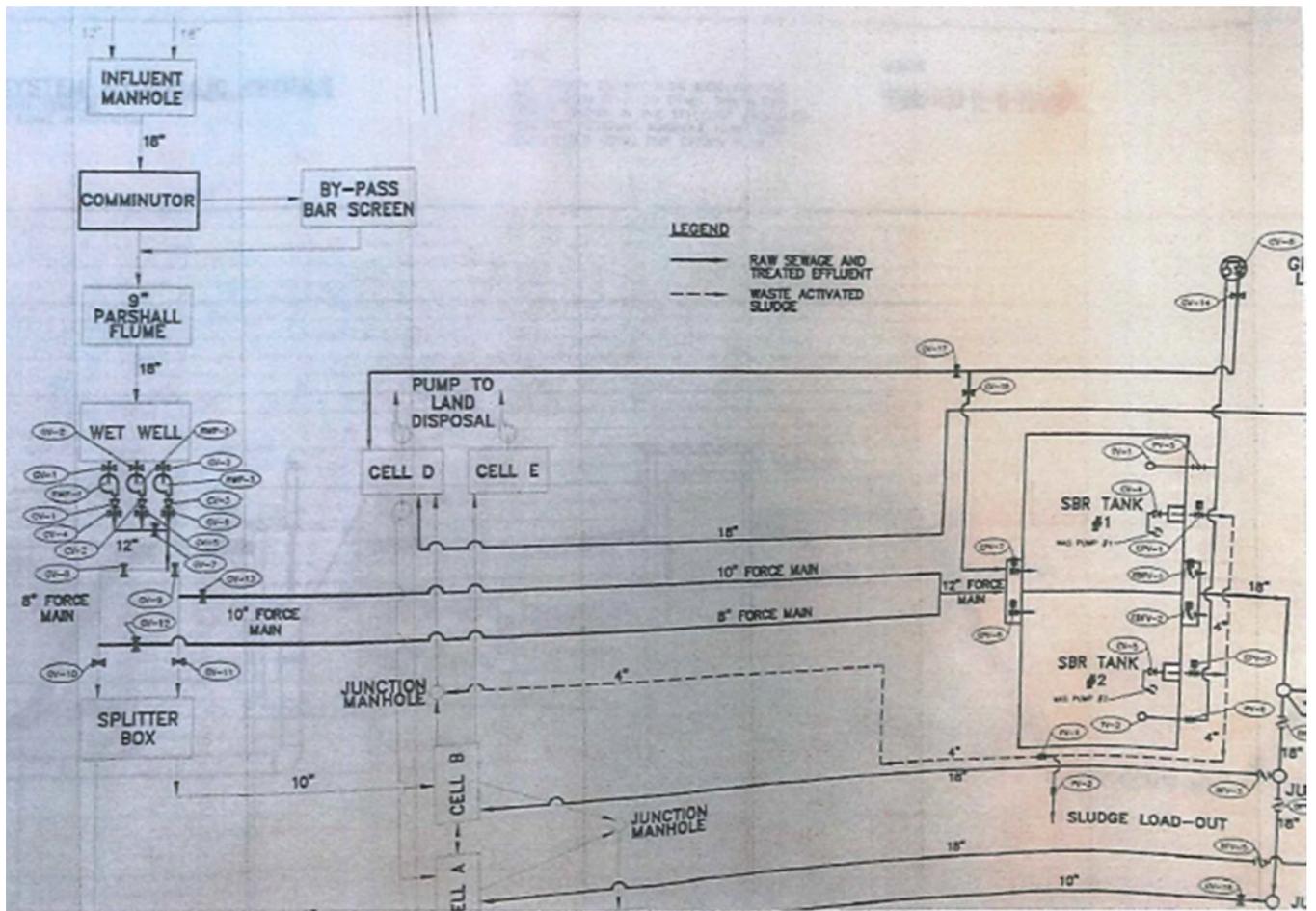
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39 M4	MECHANICAL DETAILS AND SCHEDULES
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40 E1	LIFT STATION - MECHANICAL/ELECTRICAL DEM
41 E2	ELECTRICAL SITE PLAN
42 E3	LIFT STATION - MECHANICAL/ELECTRICAL PLAN
43 E4	CONTROL BUILDING - ELECTRICAL FLOOR PLAN
44 E5	BLOWER BUILDING - ELECTRICAL FLOOR PLAN
45 E6	SEQUENCING BATCH REACTOR - ELECTRICAL
46 E7	ELECTRICAL ONE-LINE DIAGRAM
47 E8	ELECTRICAL DETAILS
48 E9	ELECTRICAL SCHEDULES AND DETAILS



**PLAN**

**EXISTING HEADWORKS MODIFICATION - PLAN**  
 SCALE: 3/8" = 1'-0"







I would go with the one that you know, instead of experimenting. You need something that works, with a company that you know backs things up. I don't have experience with the other one. It may work well, or it may not. Let me check to see if there are any nearby installations that you could call to get a better idea.

Thanks, Craig

**From:** [dcwatersup@windstream.net](mailto:dcwatersup@windstream.net) <[dcwatersup@windstream.net](mailto:dcwatersup@windstream.net)>  
**Sent:** Tuesday, January 21, 2020 7:46 AM  
**To:** Craig Reinsch <[creinsch@olsson.com](mailto:creinsch@olsson.com)>  
**Subject:** RE: David City - WW comminutor

Thank you. What do you think between the 2.

**From:** Craig Reinsch [<mailto:creinsch@olsson.com>]  
**Sent:** Monday, January 20, 2020 11:25 AM  
**To:** [dcwatersup@windstream.net](mailto:dcwatersup@windstream.net)  
**Subject:** FW: David City - WW comminutor

FYI, from EES for an alternate to consider. I did not go through these line by line, and am not familiar with their product, its durability, or if it truly compares to the JWC version. I do know that EES does not provide the same service or start-up options that Electric Pump does, so you'll need to include that with your consideration.

**From:** Craig Reinsch [<mailto:creinsch@olsson.com>]  
**Sent:** Tuesday, January 21, 2020 11:19 AM  
**To:** [dcwatersup@windstream.net](mailto:dcwatersup@windstream.net)  
**Subject:** FW: David City - WW comminutor

Here are the lists provided. I looked through the list and called Dean Kelch with Beatrice WPC. He said that the one that they installed in 2012 only lasted a few (or two) years, and then he replaced it with JWC. Dean did say that the JWC's were more expensive. Please feel free to call others on the list to see what they have to say about the Franklin Miller units.

JWC investigation

Nebraska

**Ainsworth-** Lisa reported the equipment gave minimal issues other than a very difficult startup phase. (Recent Purchase)

**Neleigh-** WWTP asst. Supervisor reported that over 20 years only basic maintenance was required and is happy with the product. (Longterm)

Iowa

**Liberty City-** David reported that it is used as a backup when primary screening is out. Annual maintenance only. No issues. (Recent Purchase)

**Greenfield-** Brad indicated that every 2 years the bottom blades will need to be replaced along with regular maintenance.

Interim Water Supervisor Aaron Gustin stated: "I just wanted to speak to you briefly in regards to the Wastewater Treatment Plant as it sits right now. Next Thursday I believe we have all necessary people on board, Jared with Olsson, Electric Pump, Eriksen Construction, I don't know if James is going to be showing up, but almost everybody was out there the other day but the level in the lagoon was not high enough for them to complete their test run of those pumps. We are currently filling that to the level that is required. Tomorrow morning, we will switch back over to the basins and they will be ready to go with the water level that is there. So hopefully, after next Thursday and a little bit of control tweaking from Jared, we will be operational in regards to that lagoon. One thing that I did want to make light of, it was good to; first going back to bringing John (Kobus) on, good for morale, good mentality, and that has trickled down to a few other individuals in the department. Our department will be getting smaller, everybody knows that, but right now the individuals that are here and committed, carry that mentality as well. So, and that is, maintain your equipment, do it right, and stay on schedule. Well, if you will look at your packet here, this is just an example of the stuff that Emmalyn out there had started to research and initiate just in terms of the basins, there are far more maintenance schedules because it's not just the basins out there. We were hard pressed to find maintenance logs, and there's so much maintenance for every piece of equipment, and if you look at Page #2, there are mixers, she went to the extent of the frequency, is it system critical? You can take a look at that if you have any questions in regard to those items. The records that we were able to find, we found from Electric Pump; they had records of when pumps were sent in; the last one was 2016, and what I'm referring to is the Waste Sludge Pumps. Every three years you are supposed to overhaul those pumps in the service shop; take them out, drain that basin, lift them up, set them out. One was done in 2016. Nothing was done before that, according to them, since 2011. So, maintenance of the basins, the blower building, the outfall, the headworks which we will get into here in a minute, hasn't been getting done in the frequency it should have been. I mean I've been here 3 years, I was part of that crew that didn't do the maintenance, so I will take some responsibility in regards to that, however, we want to go in a different direction, we want to go in the right direction. So, to facilitate a lot of this, make sure that we are in compliance, because if you look and it says "system critical", if one of those goes down I am supposed to inform DEE of our non-compliant situation, and I don't want to make that phone call, I would rather maintain the equipment that is there. We have those decanters out there, I was prohibited from getting them out on a boat, and that's just fine, I did appreciate that, I wasn't looking forward to that, but in order to do it right, all of the stuff for just the replacement of the decanters is going to require the items on Page #1. Removal and transportation of the sludge from the basins, we have no idea exactly what's in there, we'll get into that in a moment. Removal of the water from the basins; in the attempt to drain those basins, those waste pumps are supposed to be able to take care of this. However, once we got to the level of 13' they slowed down dramatically and we believe that that's due to the amount of non-biological solids that are in the bottom of those basins. There is a picture of one of the diffusers that we pulled out of the bottom, with 8,000 lbs. of load weight on a crane, to pull that up. Those solids are what is not being screened, what is not being filtered; a portion of them will get by, but it should not look like this, and we have to clean that by hand. It's everything that goes down the toilets and then some. You'll find paraphernalia, needles, all that kind of fun stuff; the risk of exposure is high when we do this. You get in a full body suit, put on a face mask, and you go to town with a pressure washer, and there are six in each of the basins."

Council member Trowbridge asked: "With the proper grinder apparatus that is functioning as it should, what would this look like; relatively clean?"

Interim Water Supervisor Aaron Gustin stated: "Less than that. I cannot speak to how clean, but with better filtration of the incoming, obviously you are going to have less solids that

make it out. A new filter screen is on its way. The grinder, there are plans from 1997 that say "install new Comminutor". (Existing Headworks Modification – picture in packet) There isn't one out there, it was taken out and never replaced. They put in a retro-fit auger in there, hoping to do the same thing, but if you are trying to filter rags, bed sheets, t-shirts, and this auger is trying to lift all that up, well all of those solids end up binding up that auger; if they're ground down.... A Comminutor is designed to do just that; it's designed to catch most of the non-biological solids, grind it up to a size that is manageable, and that auger that we do have in there, which first off was the wrong size when they bought it, then they had to cut it down, well since you had to retro-fit it stuff is going to get by. That was one issue. They did not install flaps to direct the flow into the center of the auger. Typically, these units, you will see them sold together, you will have a comminutor and an auger. My main focus for this portion is we are attempting to get on top of maintenance. Maintenance that was overlooked; in part by the operators, in part by the training that we received because I was not made aware of a lot of this, until she told me. She's been through a majority of the O&M's, she had the opportunity to speak with Clayton, he can speak too, that she's as detailed as she is, encompassing with each and every part of what's going on at the Wastewater Treatment Plant. But, seeing that the anaerobic lagoon is going to be operational, right now those solids are filling the bottom of that lagoon without proper filtration and removal of those non-biological solids. That's an expensive lagoon to just fill with trash, we need to be filtering that out. There are a lot of associated costs with this and so I'm reaching out to you guys for some advice in regards to moving forward with that. I do believe that our first step will be the next agenda item"

Mayor Zavodny asked: "This has been an ongoing point of frustration for me for the nine years I've sat in this chair. We just want it right; we've asked over and over. I'm actually happy that you are standing here telling us what the problem is, that's progress. We've had everybody else saying "everything is fine", we have to trust the information we are given, we don't know. You are going to be two guys down; that's got to be a priority. (Sabino Hernandez's last day is tomorrow, and effective June 1, Nathan Styskal will be transferring to the Park's Department.) Here's the problem: we are short on labor force; I don't know, but I am sure everything you have talked about so far is expensive, so what's it going to take to figure out "system critical", what we need first? If we're doing triage here, what do we need first, what's the cost, and we figure out the things that maybe we can get by without for a while, and kick that can a little further down the road."

Much discussion followed.

Interim Water Supervisor Gustin stated: "What we need is a good mindset on preventative maintenance."

Mayor Zavodny stated: "I would respectfully submit that we are missing the point here. The maintenance is a great thing and it is what we need to aspire to. The problem short term is, we have an incomplete plant. What do we need to buy, and get installed almost immediately, to get it to function as it's designed?"

Gustin stated: "A grinder, two waste pumps, and the replacement of those decanters."

Much discussion followed.

Mayor Zavodny asked: "By our next meeting, can we get firm prices on all the things we need, and the questions is how much can you install, or who are we going to have to hire to do it?"

Gustin stated: "Well, I've already reached out to Johnson Services, who did a great job for us here in town with the slip-lining, so I'm going to meet with them next Thursday or Friday to take a look at the situation so I can give you a firm number."

Mayor Zavodny stated: "Ok, get what it will cost for them to do it, because with a crew of 3 now, especially inexperienced people, that's not even a solution. Ok, comprehensive by the next meeting of what it takes to get our plant operational, and then focus on you have to get hiring done as soon as possible."

Gustin also presented two bids for the purchase of a grinder for the headwork station at the WWTP: Electric Pump in the amount of \$55,800.00 and Franklin Miller Inc. in the amount of \$41,858.00



## QUOTATION

4280 E 14th Street  
 Des Moines IA 50313-2604 USA

Telephone: (515) 265-2222 / FAX (515) 265-8079  
 Toll Free 1-800-383-PUMP

www.electricpump.com

QUOTE NUMBER: 0135378  
 QUOTE DATE: 12/19/2019  
 EXPIRE DATE: 1/19/2020

SALESPERSON: JIM D.GRAY  
 CUSTOMER NO: 3673132  
 QUOTED BY: MJU  
 MARQUITA

**QUOTED TO:**  
 CITY OF DAVID CITY  
 1220 "E" STREET  
 DAVID CITY, NE 68632

**JOB LOCATION:**  
 CITY OF DAVID CITY  
 1220 "E" STREET  
 DAVID CITY, NE 68632

CONFIRM TO:  
 CRAIG

**\*\*\* QUOTE ORDER - DO NOT PAY\*\*\***

CUSTOMER P.O.	SHIP VIA	F.O.B.	TERMS			
CRAIG	BESTWAY	ORIGIN	Net 30 Days			
ITEM NUMBER	UNIT	ORDERED	SHIPPED	BACK ORDER	PRICE	AMOUNT
REF: CHANNEL MONSTER						
CRAIG, PLEASE FIND BELOW OUR OFFER ON THE JWC CHANNEL MONSTER YOU SPOKE WITH JIM GRAY ABOUT						
MD2410-XDS2.0	EACH	1.00	0.00	0.00	55,800.00	55,800.00
JWC CHANNEL MONSTER SYSTEM SUITABLE FOR UP TO 3.7 MGD IN 24.00" W X 56.16" DEEP CHANNEL. GRINDER WITH 24" CUTTER STACK, 7 TOOTH CAM CUTTERS IN HARDENED ALLOY STEEL, 10" DIA. 304SS ROTATING DRUM WITH 1/2" DIA. PERFORATED HOLES, CARTRIDGE STYLE TUNGSTEN CARBIDE MECHANICAL SEALS WITH BUNA-N ELASTOMERS RATED FOR 90 PSI, GREEN EPOXY-COATED DUCTILE IRON HOUSINGS AND SIDERAILS, 2971 SPEED REDUCER AND 3 HP XPPC EXPLOSION PROOF 230/460 VOLT, 3 PHASE, 60 HZ ELECTRIC MOTOR. ONE(1) CMA1101 STYLE CHANNEL MOUNTED FRAME ASSEMBLY, FABRICATED IN 304SS. ONE (1) PC2200 MOTOR CONTROLLER IN A NEMA4X FRP ENCLOSURE ACCEPTING 230 VOLT, THREE PHASE, 60 HZ INPUT POWER, INCLUDES IEC STARTER WITH OVER-CURRENT PROTECTION, JAM-SENSING CURRENT TRANSFORMER AND MICRO-PLC						
FREIGHT, STARTUP ASSISTANCE AND TARRIFF SURCHARGE ARE INCLUDED.						



Franklin Miller Inc.  
 60 Ouster Parkway  
 Livingston, NJ 07039 USA  
 Tel: 973-535-6200  
 Fax: 973-535-6269  
 info@franklinmiller.com

**Quote No: 46908**

January 16, 2020

Page 1 of 2  
 ZZ2590

**Olsson Associates Engineers**  
 1111 Lincoln Mall 68508  
 Lincoln, NE 68508 USA  
 Phone: 402-474-6311

**Your Local Representative:**  
 Engineered Equipment Solutions  
 Attn: Brittany Travers  
 Tel: 641-483-2904  
 email: brittany@e-equipmentsolutions.ca

**Salesperson:**  
 Nicholas Iaria, Regional Sales Manager  
 nilaria@franklinmiller.com

are pleased to quote on the following Taskmaster TM14032:  
 ect: David City

Quantity	Description	Price	Totals
1	<b>EA TASKMASTER® GRINDER, Model TM14032 as follows:</b> - Nom. 14" x 32" Cutting Chamber - Ductile Iron Housing - Cutter Cartridges: 7Tooth Cam Cutters, 4140 H.T. - TITAN Cutters - 4140 H.T. High Flow - 2" Hexagonal Shafting, 4140 H.T. - Mechanical Seals: T/C vs. T/C, Nitrile - Seal Cartridges: Hardened Stainless Steel Glands - Painted 2 Coats Heavy Epoxy Coating - Osha Blue		
1	<b>EA 5HP SUBMERSIBLE DRIVE INCLUDING:</b> - 5HP 230/460V, 60 HZ (IP68) Explosion-Proof Submersible Motor - Gear Reducer - Cycloidal, Quill Type - 60 Ft. Cable Length		
1	<b>EA Automatic Reversing Controller, Model S25060</b> - Nema 4X FRP Enclosure - PLC logic control, IEC starters - LED Indicators - for long life - Current Sensing Auto-Reversing Program		
1	<b>EA CHANNEL FRAME</b> - Model CF-3000 - Provides slide-in cradle for easy grinder installation. - One piece fabricated frame mounted to Side Walls - 304 Stainless Steel		

\$41,858  
 Freight included

Prices are Valid Until Saturday, February 15, 2020

Mayor Zavodny stated: "Find me the parts and the people we need to make this work, and let's make it work. Check on your budget authority; see what we have to do and how much budget authority you have to do it with. What's our gap? That's what I want to know. How much are we short from what we've budgeted to do all these kinds of things? This becomes priority one it's an emergency. Next meeting, get everything you can ready for us ready, and we move."

Ryan Ruth of First State was present to explain the increase in the Blue Cross Blue Shield health insurance premiums.

Council member Trowbridge stated: "There is a page in my agenda packet, that is designated as #20 in the upper right corner. I would like this page to become part of the record of the meeting that we are having this evening, and it remain in the City records, because there is a great story being told on this page."

Ryan stated: "Tami contacted me last Wednesday about a discrepancy in the billing from Blue Cross Blue Shield, so I inquired as to the reason and there was an error in the numbers that I presented in November and December. Here is how we arrived at that error. I work with a general agency in Omaha that provides us all of the health insurance quotes, so we go to one place and then they give us quotes from every different company possible. In July, we had a request from an employee with the City, to update their address. Inadvertently, the General Agency updated the address for the entire City, which that address was in Abie, so Abie zip code. We got that corrected and got it all switched back, but what the General Agency didn't do in their system, was update their system back to a David City zip code. So, I trusted the information I was given when I got the rates for November and December, which were being based off of Abie's zip code. So now, when we submitted the information to Blue Cross and they processed it, and they have the right zip code in there, it ends up being an increase with the correct zip code. So that's what happened, that's how we arrived at it; didn't realize that they were working off of wrong information until we noticed the increase on the actual billing. This is still the best priced plan with the benefits, so the recommendation wouldn't have changed. So, that's what happened and that's where we are at I guess."

Blue Cross Blue Shield:	<u>Previously Presented</u>	<u>Actual</u>	<u>Increase</u>
Aaron Gustin	491.15	516.34	25.19
Chris Kroesing	944.62	993.06	48.44
Lori Matchett	1,902.33	1,999.91	97.58
Mick Shipley	847.02	890.46	43.44
Shelly Minert	1,010.87	1,062.72	51.85
Nathan Blomenberg	1,364.76	1,434.75	69.99
Nathan Styskal	415.78	437.10	21.32
Tami Comte	2,182.02	2,293.94	111.92
Bill Buntgen	1,473.46	1,549.03	75.57
Emmalyn Gaudio Gustin	753.79	792.45	38.66
Patrick Ayers	469.33	493.40	24.07
Sabino Hernandez	<u>2,195.92</u>	<u>2,308.53</u>	<u>112.61</u>
	\$14,051.05	\$14,771.69	\$720.64

Blue Cross Blue Shield 2020

EMPLOYEE	BLUE CROSS		EMPLOYEE DIFFERENCE	NEW PLAN	INCREASED	
	20% PYRL	PLAN			PLAN	DIFFERENCE
C Keller	103.95	109.28	5.33	415.78	437.10	21.32
T Cornile	545.51	573.49	27.99	2,182.02	2,293.94	111.92
L Matchett	475.58	499.98	24.40	1,902.33	1,999.91	97.58
	<u>1,021.04</u>	<u>1,182.75</u>	<u>161.69</u>	<u>4,500.13</u>	<u>4,730.95</u>	<u>230.82</u>
C Kroesing	236.15	248.27	12.12	944.62	993.06	48.44
	<u>236.15</u>	<u>248.27</u>	<u>12.12</u>	<u>944.62</u>	<u>993.06</u>	<u>48.44</u>
B. Buntgen	368.37	387.26	18.90	1,473.46	1,549.03	75.57
	<u>368.37</u>	<u>387.26</u>	<u>18.90</u>	<u>1,473.46</u>	<u>1,549.03</u>	<u>75.57</u>
	<u>1,625.62</u>	<u>1,818.28</u>	<u>192.66</u>	<u>\$8,918.21</u>	<u>7,273.04</u>	<u>354.63</u>
M Minert	282.72	285.68	12.96	1,010.87	1,062.72	51.85
M Shipley	211.76	222.62	10.87	847.02	890.48	43.44
N Blumenberg	341.19	358.69	17.50	1,354.76	1,434.75	80.00
P Ayers	117.34	243.70	124.36	469.08	686.78	497.45
	<u>955.67</u>	<u>1,310.69</u>	<u>263.02</u>	<u>3,691.98</u>	<u>4,354.71</u>	<u>662.73</u>
	0.00			0.00		
A Gusin	122.79	129.09	6.30	491.15	516.34	25.19
N Styskal	103.95	109.28	5.34	415.78	437.10	21.32
	<u>226.74</u>	<u>238.37</u>	<u>11.63</u>	<u>906.93</u>	<u>953.44</u>	<u>46.51</u>
S Hernandez	548.68	573.90	24.92	2,195.92	2,295.60	99.68
E Gaudio	189.45	195.45	6.00	753.79	785.78	31.99
	<u>737.43</u>	<u>779.35</u>	<u>32.92</u>	<u>2,949.71</u>	<u>3,081.38</u>	<u>131.67</u>
Utilities:	1,768.84	3,027.41	327.57	7,648.62	8,389.53	840.91
adjustment	3,395.46	3,915.69	520.23	14,466.83	15,662.57	1,195.74

Went from single to family

Age Banding Report - CITY OF DAVID CI 1/1/2020

*City Increased*

**MEDICAL**

**BCBSNE - HSA \$4,500 100% - SH20NB - PROPOSED**

Line	Name	Item	Cvg	Age	Sp.	Age	Gender	EE	SP	CH1	CH2	CH3+	AC	Total
1	Aaron Gueth	1	EE	37	M			\$516.34						\$516.34
2	Christopher Kroening	2	SP	35	31	M		\$509.87	\$483.39					\$993.26
3	Lori Matchett	3	FM	35	40	F		\$509.87	\$533.03	\$319.07	\$519.07	\$319.07		\$1,999.91
4	Michael Shipley	4	EE	54	M			\$590.48						\$590.48
5	Michelle Minert	5	EE	58	F			\$1,092.72						\$1,092.72
6	Nathan Blumenberg	6	FM	33	43	M		\$459.66	\$965.88	\$899.11				\$1,434.75
7	Nathan Szejbal	7	EE	27	M			\$437.10						\$437.10
8	Tami Comte	8	SP	55	63	F		\$1,092.72	\$1,231.22					\$2,323.94
9	William Buntigan	9	CH	60	M			\$1,191.66					\$417.08	\$1,548.03
10	Emmalyn Gaudio	10	CH	30	F			\$479.38		\$319.07				\$792.45
11	Patrick Ayers	11	EE	32	M			\$493.40						\$493.40
12	Sabino Hernandez	12	FM	57	66	M		\$1,016.42	\$973.04	\$319.07	\$319.07			\$2,308.53
<b>Totals:</b>								\$8,693.49	\$3,786.66	\$1,326.32	\$319.07	\$319.07	\$417.08	\$14,774.69

*25, 19  
48, 44  
91, 58  
47, 44  
51, 85  
69, 99  
21, 32  
11, 92  
75, 57  
38, 66  
24, 67  
12, 61  
72, 64*

**BCBSNE - HSA \$6,900 100% - BHA20NB - PROPOSED**

Line	Name	Item	Cvg	Age	Sp.	Age	Gender	EE	SP	CH1	CH2	CH3+	AC	Total
1	Aaron Gueth	1	EE	37	M			\$448.90						\$448.90
2	Christopher Kroening	2	SP	35	31	M		\$443.10	\$420.26					\$863.36
3	Lori Matchett	3	FM	35	40	F		\$443.10	\$463.41	\$277.39	\$277.39	\$277.39		\$1,738.68
4	Michael Shipley	4	EE	54	M			\$774.16						\$774.16
5	Michelle Minert	5	EE	58	F			\$922.91						\$922.91
6	Nathan Blumenberg	6	FM	33	43	M		\$454.40	\$402.05	\$320.90				\$1,247.35
7	Nathan Szejbal	7	EE	27	M			\$390.01						\$390.01
8	Tami Comte	8	SP	55	63	F		\$923.91	\$1,070.40					\$1,994.31
9	William Buntigan	9	CH	60	M			\$854.10					\$392.60	\$1,246.70
10	Emmalyn Gaudio	10	CH	30	F			\$471.55		\$277.39				\$688.94
11	Patrick Ayers	11	EE	32	M			\$428.96						\$428.96
12	Sabino Hernandez	12	FM	57	66	M		\$983.86	\$845.96	\$277.39	\$277.39			\$2,007.00
<b>Totals:</b>								\$7,479.76	\$3,292.07	\$1,650.07	\$277.39	\$277.39	\$392.60	\$12,842.28

**UHC - HSA \$4,000 100% - BLSI w/ 649 - PROPOSED**

Line	Name	Item	Cvg	Age	Sp.	Age	Gender	EE	SP	CH1	CH2	CH3+	AC	Total
1	Aaron Gueth	1	EE	37	M			\$548.17						\$548.17
2	Christopher Kroening	2	SP	35	31	M		\$541.09	\$610.19					\$1,054.28
3	Lori Matchett	3	FM	35	40	F		\$541.09	\$566.99	\$336.73	\$336.73	\$336.73		\$2,122.47
4	Michael Shipley	4	EE	54	M			\$946.36						\$946.36
5	Michelle Minert	5	EE	58	F			\$1,128.23						\$1,128.23
6	Nathan Blumenberg	6	FM	33	43	M		\$500.46	\$600.87	\$391.87				\$1,593.20
7	Nathan Szejbal	7	EE	27	M			\$464.04						\$464.04
8	Tami Comte	8	SP	55	63	F		\$1,128.23	\$1,307.12				\$442.79	\$1,644.52
9	William Buntigan	9	CH	60	M			\$1,201.79						\$1,201.79
10	Emmalyn Gaudio	10	CH	30	F			\$502.57		\$336.73				\$841.30
11	Patrick Ayers	11	EE	32	M			\$523.82						\$523.82
12	Sabino Hernandez	12	FM	57	66	M		\$1,078.08	\$1,093.03	\$336.73	\$336.73			\$3,498.84
<b>Totals:</b>								\$9,133.87	\$4,020.10	\$1,408.06	\$336.73	\$336.73	\$442.79	\$15,682.28

Council member Trowbridge stated that the health insurance is large benefit for the employees. Ryan Ruth agreed stating: "I know you've asked me this in the past, and your guys' benefits are very good compared to what I see from other employers, but then I hear Aaron say he needs to hire two additional employees, so I don't know what the happy medium is there."

Council member Trowbridge stated: "I would rather pay our employees in money. I would rather give the employee full health coverage and assess them a cost for their children and their wife (spouse) if they exist."

Ryran Ruth stated: "And that is very typical or standard."

Mayor Zavodny stated: "It's a more fair system; I bring that up all the time. The benefit should be for the employee, it shouldn't be depending on what your life situation is, is the benefit you get. I've had issues with that for a very long time."

Council member Trowbridge stated: "But my suggestion Alan is, if we change that benefit ever, that we take the resulting savings and we move it into salaries."

Mayor Zavodny stated: "That makes so much more sense. Ok, here's the deal, that notwithstanding, we're on the hook for this dollar amount more than we even thought we were."

Ryan Ruth stated: "Correct. It was an error, I apologize for it, I didn't realize that had happened. That is the correct rate, it's not that they jumped rates or anything."

Mayor Zavodny stated: "We are discussing something that we're not going to change whatsoever, but what I want to do, what I think is a worthwhile discussion is saying, we need to look at our benefits, and I've said it before, and equalize how we treat employees, and take care of the employee on insurance, I think the H.R.A. is still a good way to go because they don't lose anything, but we could see some savings, but the fact that we are giving more of a benefit to a family than we are to a single employee, I don't think is a fair thing to do to employees. So, we need to look at that and if we can save that much money, we increase our pay scale. I think we redistribute how we are doing our benefits."

Mayor Zavodny instructed Ryan Ruth to begin looking at every available option for the employees concerning health insurance. Ryan is to visit with the employees to find out what they actually want. Discuss this early in the process so there is still plenty of time to evaluate options; don't wait until November when everything is rush, rush.

Council member Hotovy made a motion to go into Executive Session to discuss / negotiate the contract concerning Building Inspector Raymond S. Sueper. Council member Bruce Meysenburg seconded the motion. Voting AYE: Council members Kobus, Pat Meysenburg, Vandenberg, Bruce Meysenburg, Trowbridge, and Hotovy. Voting NAY: None. The motion carried.

Mayor Zavodny stated that the City Council was going into executive session to discuss the contract concerning Building Inspector Raymond S. Sueper.

The City Council, Mayor Zavodny, City Attorney Jim Egr, City Administrator Clayton Keller, and City Clerk Joan Kovar went into executive session at 8:33 p.m.

City Attorney Egr advised the Mayor and Council that a motion and second was not needed to come out of executive session. Therefore, Mayor Zavodny declared the City Council out of executive session at 8:50 p.m.

There being no further business to come before the Council, Council member Hotovy made a motion to adjourn. Council member Kobus seconded the motion. Voting AYE: Council members Pat Meysenburg, Trowbridge, Bruce Meysenburg, Vandenberg, Hotovy, and Kobus. Voting NAY: None. The motion carried and Mayor Zavodny declared the meeting adjourned at 8:51 p.m.



CERTIFICATION OF MINUTES  
January 22, 2020

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 January 22<sup>nd</sup>, 2020; 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.

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Joan Kovar, City Clerk