



Board Packet for the
January 27th, 2026
District Energy Corporation
Board Meeting

TAB I



**NOTICE OF QUARTERLY MEETING AND AGENDA
DISTRICT ENERGY CORPORATION
BOARD OF DIRECTORS
January 27, 2026 @ 12:00 pm**

*Meeting held at County-City Building, 555 S. 10th Str., Lincoln NE
in the City Council Chambers room*

Notice of meeting was published in the Lincoln Journal Star newspaper on January 20, 2026.

- I. CALL TO ORDER, OPEN MEETING ADVISEMENT, ROLL CALL – Chair Sean Flowerday**
- II. SAFETY BRIEFING – Jason Fortik**
- III. PUBLIC COMMENT**
- IV. APPROVAL OF PRIOR MEETING MINUTES * – Sean Flowerday** **Motion**
- V. RECEIPT OF BOARD APPOINTMENT NOTICES – Jason Fortik**
- VI. ELECTION OF OFFICERS FOR 2026 – David Levy**
 - A. Chair* **Motion**
 - B. Vice Chair* **Motion**
 - C. Secretary* **Motion**
- VII. MANAGEMENT REPORT – Aaron Evans**
 - A. Operations & Fuels Update
 - B. Construction Projects Update
 - C. Annual Customer Outage Metric Data
 - D. Annual Greenhouse Gas Emissions Report
 - E. Potential New Customer Connections Update
 - F. Motion to Accept Management Report* **Motion**
- VIII. FINANCIAL REPORTS – Wade Leibbrandt**
 - A. Current Financial Report
 - B. Semi-Annual Investment Report
 - C. Motion to Accept Financial Report and Investment Report* **Motion**
 - D. Resolution Approval for WHM Budget Adjustment* **Resolution 26-01**
 - E. Resolution Approval for CADF Budget Adjustment* **Resolution 26-02**
- IX. MISCELLANEOUS BUSINESS**
 - A. New Business
 - B. Discussion of Proposed Nebraska Legislation - **David Levy**
 - C. Discussion of attendance at the International District Energy Association's annual conference, June 23-26, 2026, in Ottawa, Canada – **Jason Fortik**
- X. EXECUTIVE SESSION – if necessary**
- XI. FUTURE MEETING DATES AND LOCATION DISCUSSION**

April 21, 2026 @ LES // July 21, 2026 @ CC // October 20, 2026 @ CC // January 26, 2027 @ LES
- XII. ADJOURNMENT**

*Denotes Action Item

TAB II



MINUTES OF DISTRICT ENERGY CORPORATION BOARD

Meeting held October 21, 2025

Minutes of the meeting of the District Energy Corporation (DEC) Board of Directors meeting held on October 21, 2025, at the Chambers Room in the County City Building, 555 S. 10th Street, Lincoln, Nebraska. Notice of the meeting was published in the Lincoln Journal Star newspaper on October 14, 2025.

Board Members Present: Sean Flowerday, Kim Morrow, Carl Eskridge, Bennie Shobe, Matt Schulte

Board Members Absent: None

Others Present: David Levy, Jason Fortik, Nick Wischhof, Aaron Evans, Larry Balm, Dianne Dobrusky, Keith Snyder, Denise Parrott, Wade Leibbrandt, Bryan Willnerd, Jim Dutton, Darcie Brink

Chair Sean Flowerday called the meeting to order at 12:07pm. Flowerday stated that DEC conducts its meetings in compliance with the Nebraska Open Meetings Act and that a copy of the act is posted at the back of the room.

Call to Order

Jason Fortik, LES Vice President of Power Supply and DEC Administrator, presented the Safety Briefing.

Safety Briefing

Chair Flowerday welcomed public comments. Seeing none the meeting proceeded to the next agenda item.

Public Comment

Chair Flowerday asked a motion to approve the July 22nd 2025 meeting minutes. Vice Chair Eskridge made the motion and Director Schulte seconded. The vote to approve was:

Approval of Minutes for 7/22/25

Aye: Flowerday, Morrow, Eskridge, Shobe, Schulte

Aaron Evans, Manager – District Energy, presented the management report. The operations update included that there were no service interruptions for the quarter, the summer interruption period for County-City plant is over, and steam service is beginning at the State Boiler plant this week.

Management Report

The fuel cost update shows that costs are trending below budget, which is expected to continue into the final quarter of 2025. Evans provided details about capital projects for 2025. Those projects are: 1) Safety and security improvements at all plants 2) CADF geothermal loop cooler 3) WHM electric boilers 4) State DA vessel replacement. The projects for 2026 are: 1) Miscellaneous upgrades at each plant 2) DEC vehicles 3) State fuel oil filter skid 4) CADF multistack upgrades.

Evans then gave more detailed information about the CADF fluid cooler project, and some leaks that were found. There are ongoing discussions with counsel, as well as the vendor and manufacturer. More information should be available by the next meeting. Next Evans outlined the discussions that are ongoing regarding potential new customers. Those include: 1) Library and Project O Street, 2) Convention Center, 3) Downtown Property Owners, 4) Nebraska Wesleyan, 5) Lincoln Public Schools. Regarding Lincoln Public Schools and the idea of DEC owned battery storage, David Levy (DEC counsel) weighed in since that is something outside of the scope of what DEC has been involved in to-date.

Chair Flowerday called for a motion to accept the Management Report. Motion was made by Vice Chair Eskridge and seconded by Director Schulte. The vote to approve was:

Aye: Flowerday, Morrow, Eskridge, Shobe, Schulte

**Motion to Accept
Management Report**

Wade Leibbrandt, LES Finance Director and DEC CFO, presented the Financial Report for the 3rd Quarter of 2025. Leibbrandt provided data showing change in net position (70.8% above budget), YTD Revenue (1.1% above budget), YTD heating Sales (4.7% above budget), and YTD cooling sales (15.2% above budget). YTD expenses continue to be well under budget (-5.8%). Leibbrandt also provided details about an arbitrage expense for the bonds that may be due to the IRS next year. Financial metric data shows the debt service coverage is a very healthy 1.25x, and cash on hand was boosted by a check from the IRS for a direct pay benefit filed under the Inflation Reduction Act for the County City thermal ice expansion project. The amount of the check was roughly \$357k which will largely go towards paying down the line of credit on that project. Leibbrandt also gave an update on the financial metrics for the 2025 capital projects.

Financial Report

Chair Flowerday called for a motion to accept the Financial Report. Motion was made by Vice Chair Eskridge and seconded by Director Schulte. The vote to approve was:

Aye: Flowerday, Morrow, Eskridge, Shobe, Schulte

**Motion to Accept
Financial Report**

Wade Leibbrandt gave details regarding Resolution 25-05 to move Operating funds to the Rate Stabilization fund. The total moved will be \$81,093 with the breakdown of: \$39,925 to WHM, \$17,444 to LOC, and \$23,724 to NSP.

**Resolution 25-05 Funds
moved from Operating
to Rate Stabilization**

Chair Flowerday called for a motion to approve Resolution 25-05. Motion was made by Vice Chair Eskridge and seconded by Secretary Morrow. The vote to approve was:

Aye: Flowerday, Morrow, Eskridge, Shobe, Schulte

Wade Leibbrandt gave details regarding Resolution 25-06 to move \$100,000 to the Operating Fund from the Rate Stabilization Fund to cover a portion of the total cost for the State deaerator replacement project.

Resolution 25-06 Funds moved from Rate Stabilization to Operating

Chair Flowerday called for a motion to approve Resolution 25-06. Motion was made by Director Schulte and seconded by Vice Chair Eskridge. The vote to approve was:
Aye: Flowerday, Morrow, Eskridge, Shobe, Schulte

Wade Leibbrandt presented the 2026 Annual Budget Report. The highlights of the budget report are as follows:

2026 Budget Report Resolution 25-07

- Operating Budget: The proposed 2026 Operating Budget (excluding depreciation and other income/expense) is \$7.2 million, which is an increase of \$0.3 million from the 2025 budget. This is driven primarily by increases in payroll expenses, insurance requirements, natural gas, and electric costs.
- Capital Budget: The proposed 2026 Capital Budget is \$0.9 million, which is an increase of \$0.1 million from 2025. The major components of the 2026 budget include the purchase of DEC vehicles, the fuel oil filter skid at the SBP, the multistack upgrade at the CADF, and several other small-to-medium sized projects.
- Financial Metrics: The proposed 2026 Budget meets DEC's liquidity target of 60-90 days of operating reserves, or approximately \$2.8 million. Additionally, the Debt Service Coverage minimum target of 1.10x-1.20x coverage is achieved. DEC is projected to meet all financial targets during the 5-year forecast.
- Rate Changes: The 2026 Budget includes estimated bill increases of 1%-5% for all customers. The increases are related to the expense increases. Each customer is within +/- 5 % of the cost of service.
- Financing: The 2026 Budget does include one assumed short-term borrowing of \$340K to supplement available cash at the CADF following some large capital investments in the preceding two years. CADF's cash will be continuously monitored and DEC will borrow only if necessary.

Chair Flowerday called for a motion to approve Resolution 25-07. Motion was made by Secretary Morrow and seconded by Vice Chair Eskridge. The vote to approve was:
Aye: Flowerday, Morrow, Eskridge, Shobe, Schulte

Wade Leibbrandt presented Resolution 25-08, This resolution is the Declaration of official intent of DEC under the IRS code of 1986, as amended, to reimburse certain capital expenditures from the proceeds of future tax-exempt obligations.

Resolution 25-08

Chair Flowerday called for a motion to approve Resolution 25-08.
Motion was made by Vice Chair Eskridge and seconded by
Secretary Morrow. The vote to approve was:
Aye: Flowerday, Morrow, Eskridge, Shobe, Schulte

Bryan Willnerd, LES Manager – Treasury & Risk Management
presented a report related to the timeline and process
for the renewal of DEC’s insurance policies, which will
take effect on January 1, 2026. The current forecast indicates an
approximate 6.6% overall premium increase. The DEC Board
will receive final renewal information on or about November 15,
2025 to review and address any concerns or questions by
December 15, 2025.

**Annual Insurance
Coverage Review**

Jason Fortik discussed the two board terms that expire at the end of
this year. Those are Sean Flowerday and Kim Morrow, both
of whom have expressed interest in serving another term.
Letters have been sent to Mayor Baird and to Dave Derbin
regarding those appointments.

**Board Terms Expiring
12/31/2026**

The next regular meeting of the DEC board will be on January 27th,
2026 in the Chambers Room at the County-City building.

Next meeting

Chair Flowerday called for a motion to adjourn. Motion was made by
Vice Chair Eskridge and seconded by Secretary Morrow. The
vote to approve was:
Aye: Flowerday, Morrow, Eskridge, Shobe, Schulte

Adjournment

The board was adjourned at approximately 1:09 pm.

Sean Flowerday, Board Chair

By: *Dianne Dobrusky*
Dianne Dobrusky, Assistant Secretary

TAB III

Dianne Dobrusky

From: David A. Derbin <DDerbin@lancaster.ne.gov>
Sent: Thursday, October 30, 2025 4:44 PM
To: Dianne Dobrusky
Cc: Emeka Anyanwu; Aaron Evans; David_Levy; Sean Flowerday
Subject: [EXTERNAL] RE: DEC Board Appointment Request

Follow Up Flag: Follow up
Flag Status: Flagged

EXTERNAL EMAIL - This email was sent by a person from outside of LES.
Check the Following: ✓ Name ✓ Subject ✓ Links ✓ Attachments ✓ Grammar ✓ Tone
Do you know: (DDerbin@lancaster.ne.gov)?

Hi Dianne,

I am writing to confirm that the County Board has reappointed Commissioner Flowerday to the DEC Board.

Thanks!



David A. Derbin | Chief Administrative Officer

Lancaster County
555 S. 10th Street, Room 110 | Lincoln, NE 68508
Direct: (402) 441-6865 | Main: (402) 441-7447
dderbin@lancaster.ne.gov | www.lancaster.ne.gov



From: David A. Derbin
Sent: Friday, October 17, 2025 11:03 AM
To: Dianne Dobrusky <ddobrusky@les.com>
Cc: Emeka Anyanwu <eanyanwu@les.com>; Aaron Evans <aevans@les.com>; David_Levy <dlevy@bairdholm.com>; Sean H. Flowerday <SFlowerday@lancaster.ne.gov>
Subject: RE: DEC Board Appointment Request

Hi Dianne,

Thanks for reaching out! I will present the request to the County Board and follow up with an appointment.

Have a great weekend!

Dianne Dobrusky

From: Amanda R. Callaway <ACallaway@lincoln.ne.gov>
Sent: Tuesday, November 25, 2025 9:35 AM
To: Dianne Dobrusky
Cc: Riley M. Slezak
Subject: [EXTERNAL] RE: DEC Board Appointment Request

EXTERNAL EMAIL - This email was sent by a person from outside of LES.
Check the Following: ✓ Name ✓ Subject ✓ Links ✓ Attachments ✓ Grammar ✓ Tone
Do you know: (ACallaway@lincoln.ne.gov)?

Hello Diane!

Kim Morrow is being reappointed to the DEC and will be on second reading 12/15 at city council. She will be there for that and for the LES appointments.

Let me know if you have any other questions. Thanks!



Amanda Callaway

Administrative Assistant to the Mayor
City of Lincoln
Office of the Mayor

Office: 402-441-7984
Mobile: 531-350-8284

555 S 10th St, Ste 301
Lincoln, NE 68508
lincoln.ne.gov/Mayor

From: Riley M. Slezak <RSlezak@lincoln.ne.gov>
Sent: Monday, November 24, 2025 3:57 PM
To: Dianne Dobrusky <ddobrusky@les.com>; Mairead Rew <MRew@lincoln.ne.gov>
Cc: Amanda R. Callaway <ACallaway@lincoln.ne.gov>
Subject: Re: DEC Board Appointment Request

Hi Dianne,

Looping in Amanda Callaway in our office who is now the point person on boards and commissions for us.

Thanks,



Riley Slezak

Senior Advisor to the Mayor
City of Lincoln

**THE MINUTES OF THE CITY COUNCIL MEETING HELD
MONDAY, DECEMBER 15, 2025 AT 5:30 P.M.**

The Meeting was called to order at 5:30 p.m. Present: Council Chair Carlson; Council Members: Beckius, Bowers, Shobe, Washington, Weber; ABSENT: Duden; City Clerk: Soulinnee Phan.

Council Chair Carlson announced that a copy of the Open Meetings Law is posted at the back of the Chamber by the northwest door. He asked all present to stand and recite the Pledge of Allegiance and observe a moment of silent meditation.

READING OF THE MINUTES

SHOBE Having been appointed to read the minutes of the City Council Proceedings of December 15, 2025 reported having done so, found same correct.

Seconded by Washington & carried by the following vote: AYES: Beckius, Bowers, Carlson, Shobe, Washington, Weber; NAYS: None; ABSENT: Duden.

PUBLIC HEARING

COUNCIL ACTION

REPORTS OF CITY OFFICERS

APPOINTING DONNA GARDEN TO THE LINCOLN ELECTRIC SYSTEM ADMINISTRATIVE BOARD FOR A TERM SET TO EXPIRE DECEMBER 31, 2028 – CLERK read the following resolution, introduced by Tom Duden. Tom Beckius moved its adoption:

A-95488 BE IT RESOLVED by the City Council of the City of Lincoln, Nebraska:

That the appointment of Donna Garden to the Lincoln Electric System Administrative Board, for a term expiring December 31, 2028, is hereby approved.

Introduced by Tom Duden

Seconded by Shobe & carried by the following vote: AYES: Beckius, Bowers, Carlson, Shobe, Washington, Weber; NAYS: None; ABSENT: Duden.

REAPPOINTING ERIC SCHAFFER AND KATE BOLZ TO THE LINCOLN ELECTRIC SYSTEM ADMINISTRATIVE BOARD FOR TERMS SET TO EXPIRE DECEMBER 31, 2028 – CLERK read the following resolution, introduced by Tom Duden. Tom Beckius moved its adoption:

A-95489 BE IT RESOLVED by the City Council of the City of Lincoln, Nebraska:

That the reappointment of Eric Schaffer and Kate Bolz to the Lincoln Electric System Administrative Board, for terms expiring December 31, 2028, are hereby approved.

Introduced by Tom Duden

Seconded by Shobe & carried by the following vote: AYES: Beckius, Bowers, Carlson, Shobe, Washington, Weber; NAYS: None; ABSENT: Duden.

REAPPOINTING KIM MORROW TO THE DISTRICT ENERGY CORPORATION FOR A TERM SET TO EXPIRE DECEMBER 31, 2027 – CLERK read the following resolution, introduced by Tom Duden. Tom Beckius moved its adoption:

A-95490 BE IT RESOLVED by the City Council of the City of Lincoln, Nebraska:

That the reappointment of Kim Morrow to the District Energy Corporation for a term expiring December 31, 2027, is hereby approved.

Introduced by Tom Duden

Seconded by Shobe & carried by the following vote: AYES: Beckius, Bowers, Carlson, Shobe, Washington, Weber; NAYS: None; ABSENT: Duden.

REAPPOINTING GAIL PERRY AND KATHY CAMPBELL TO THE CHARTER REVISION COMMISSION FOR TERMS SET TO EXPIRE JULY 15, 2029 – CLERK read the following resolution, introduced by Tom Duden. Sandra Washington moved its adoption:

A-95491 BE IT RESOLVED by the City Council of the City of Lincoln, Nebraska:

That the reappointments of Gail Perry and Kathy Campbell to the Charter Revision Commission, for terms expiring July 15, 2029, are hereby approved.

Introduced by Tom Duden

Seconded by Beckius & carried by the following vote: AYES: Beckius, Bowers, Carlson, Shobe, Washington, Weber; NAYS: None; ABSENT: Duden.

REAPPOINTING INGRID KIRST TO THE KENO/HUMAN SERVICES BOARD FOR A TERM SET TO EXPIRE DECEMBER 31, 2028 – CLERK read the following resolution, introduced by Tom Duden. Sandra Washington moved its adoption:

A-95492 BE IT RESOLVED by the City Council of the City of Lincoln, Nebraska:

TAB IV



Management Report

Aaron Evans, PE
Manager, District Energy

Vision

"Striving for Energy Excellence"

Mission

"Provide low-cost, reliable and efficient thermal energy services to enhance and enable economic development of the Lincoln community"

Board of Directors Meeting
January 27, 2026



DEC
ENERGY

Operations and Fuels Update: January 2026



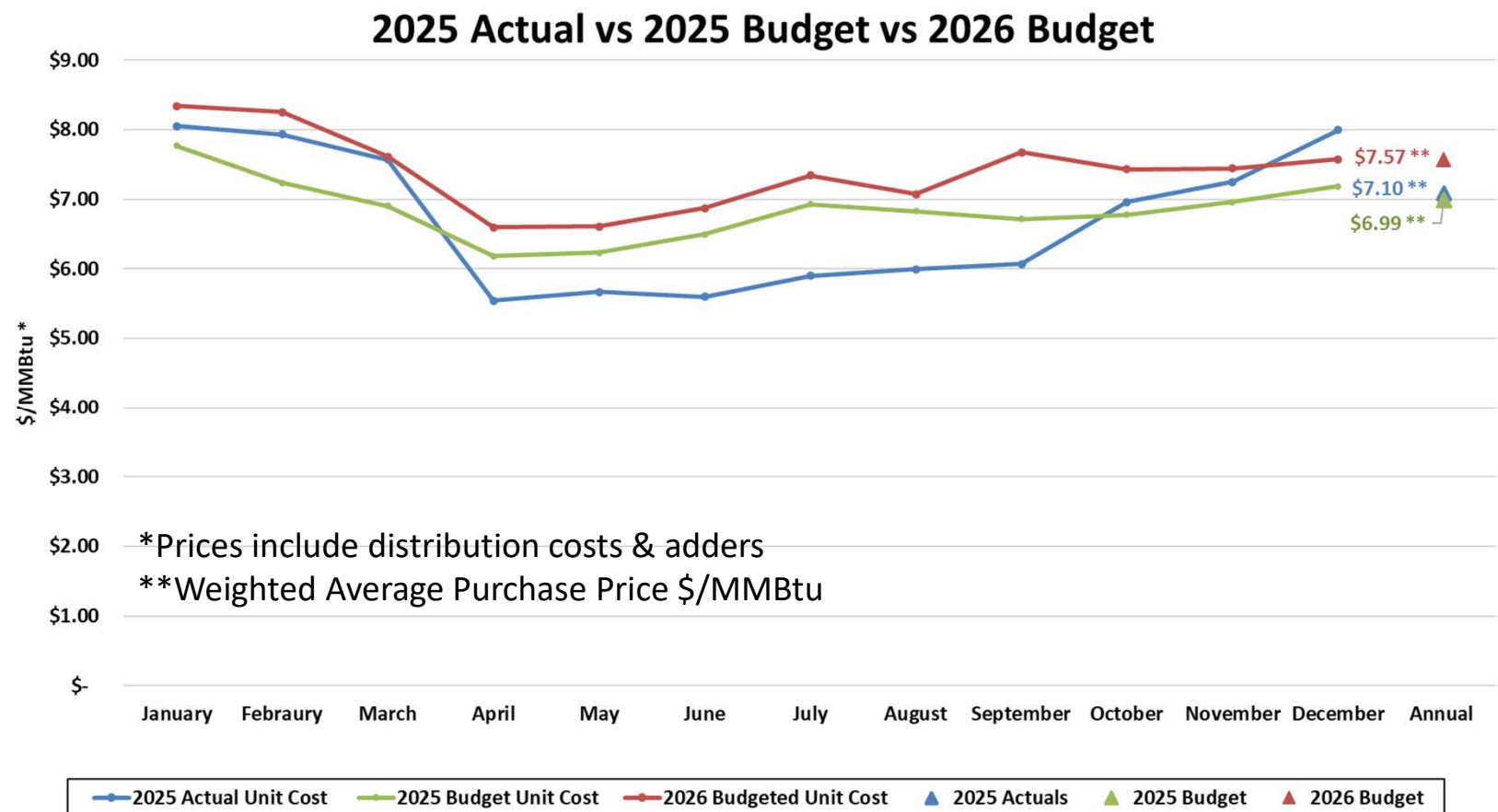
Operations Update & Service Interruptions

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- ❑ 11/8 and 11/10 County/City Chilled Water interruptions due to cold weather
 - ❑ Average temperature each day was ~30°F.
 - ❑ Atypical to provide November cooling.
- ❑ 2x Planned outages at NSP for customer steam/condensate leak repairs
 - ❑ Continue to operate 75 psi due to customer pressure reducing valve issues
 - ❑ Both customer condensate pumps available after last outage



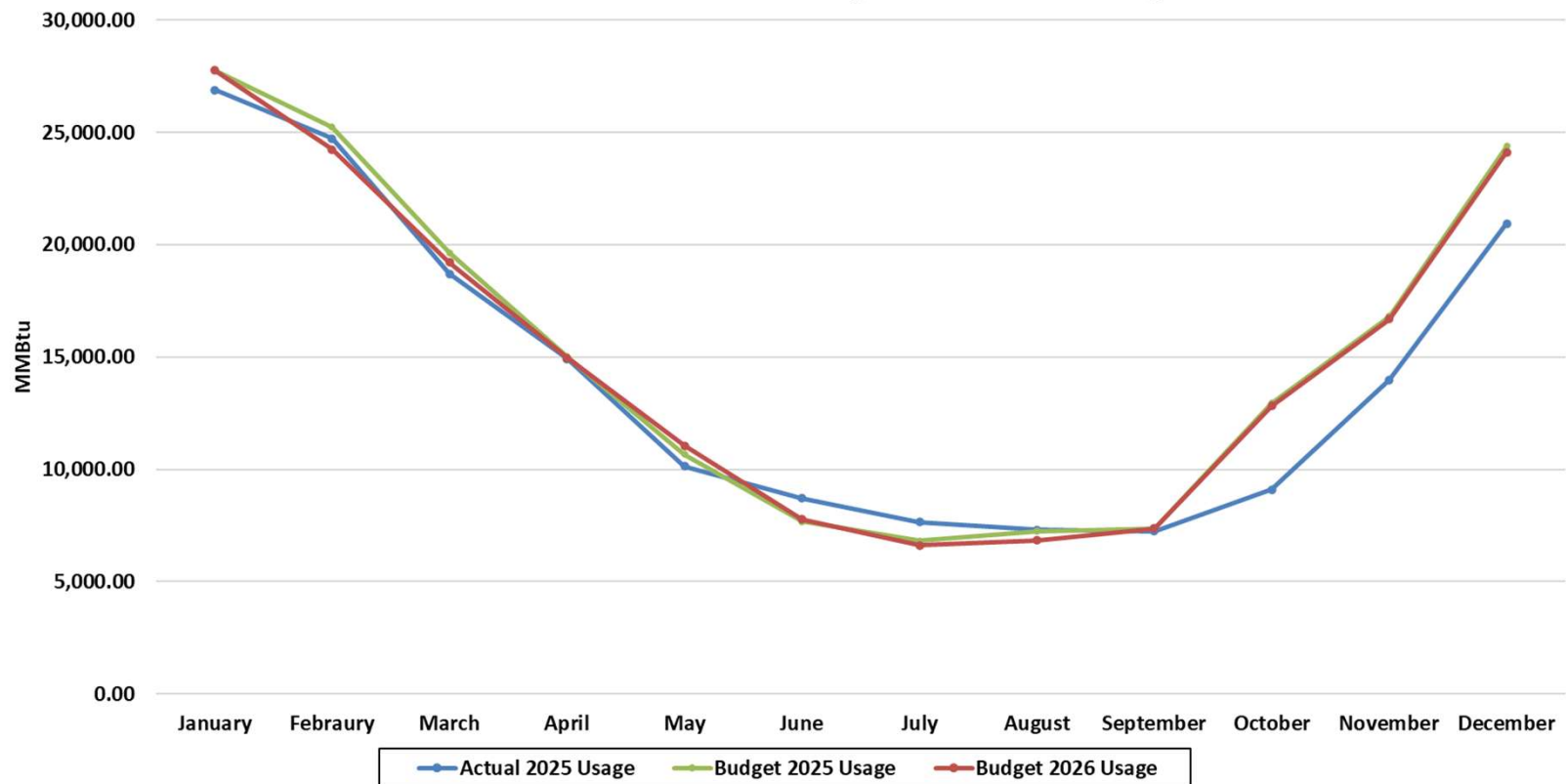
Fuel Unit Costs





Fuel Quantities

2025 Actual vs 2025 Budget vs 2026 Budget





2025 Fuel Costs

	Q1	Q2	Q3	Q4	2025
Total Consumption	70,310	33,753	22,180	43,999	170,242
Total Cost (\$)	\$ 554,377	\$ 188,838	\$ 132,795	\$332,078	\$ 1,208,089
Average Unit Cost (\$/mmBTU)	7.88	5.59	5.99	7.55	7.10



DEC
ENERGY

Project Updates



Capital Projects Update

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Project	Description	Budget *	Status
<u>All</u> Central Safety & Security Improvements	This project will install electric card access on the switchgear/electrical generator control rooms to prevent unauthorized access. This project will also upgrade the exterior & emergency lighting to better illuminate the facilities for improved safety and security.	\$141k	Project completed. Future work on Miscellaneous Upgrades project.
<u>CADF</u> Geothermal Loop Cooler	This project will install an air to fluid cooling system to address the geothermal loop temperature increases that affect efficiency of the heat pumps. The system would be operated during the colder winter months to maximize system performance.	\$797k	Manufacturer providing full repair and warranty on repaired parts; \$30k additional funding required for project completion for cooler reinstallation.
<u>WHM</u> Electric Boilers	This project will install two additional (960kW each) electric boilers to provide full back up in the event there is a loss of natural gas service.	\$826k	Installation in progress. Requesting \$30k of additional funding to address unanticipated site conditions.
<u>All</u> DEC Vehicles	This project will procure one new vehicle and transfer ownership of three LES fleet vehicles to DEC for exclusive DEC use, enhancing productivity.	\$125k	Vehicle purchase and title transfer in progress; rebrand pending.

* Budget column shows total project authorization. Capital spend occasionally shifts from year-to-year.



2026 Capital Projects

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Project	Description	Budget *	Status
<u>All</u> Miscellaneous Upgrades	This project replaces the central safety & security project, and will separately fund miscellaneous safety, security, and efficiency improvements at each facility. Examples of improvements include replacement of obsolete fire detection and suppression systems, replacement of uninterruptible power supply (UPS) systems at end of life, and cabinet cooling to improve longevity of electronic components.	CC: \$50k SBP: \$30k CADF: \$111k WHM: \$30k LOC: \$50k NSP: \$50k	Procurement in progress for fire alarm upgrades and UPS replacements. Scoping cabinet cooling.
<u>SBP</u> Fuel Oil Filter Skid	This project will install a fuel oil filter skid to remove moisture and particulates from the underground storage tank, improving longevity of oil storage and enhancing boiler and generator reliability.	\$250k	Bid open, due early February.
<u>CADF</u> Multistack Upgrades	This project will upgrade the reversing valves on the Multistack geothermal heat pumps to improve system reliability. It will also upgrade the obsolete controllers to enhance support.	\$229.5k	Vendor quotes for mechanical installation were higher than previously estimated. Getting additional quotes.

* Budget column shows total project authorization. Capital spend occasionally shifts from year-to-year.



WHM Electric Boilers

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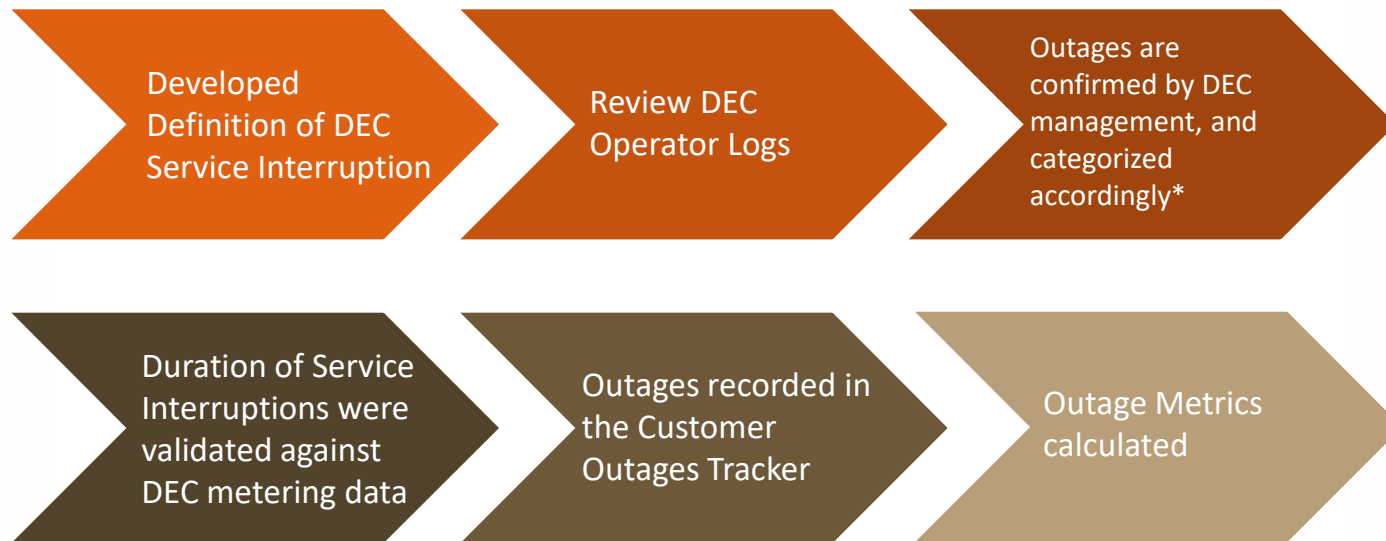
Annual Customer Outage Metric Report: 2025

What is the purpose of the
Outage Metric report?

**To track DEC quality of
service and reliability**



Process



*Categorization distinguished outages as planned and unplanned. If the outage was deemed as unplanned, it was then determined if it qualified as a service interruption.



Service Interruption Definition

What is considered a service interruption?

- ❑ An **unplanned event** where **supply conditions** at customer buildings have **deviated** from the temperature, pressure, or flowrate needed (setpoint) for a period of time **greater than 120 minutes**, or at which time the **customer calls** regarding a **meaningful deviation**

What is **NOT** considered a service interruption?

An event that has been **planned in advance** where both parties have **agreed to deviations** in supply temperature, pressure, and flowrate that deviate from standard conditions

- ❑ An event that is **planned in advance** with customer knowledge where the customer will not be receiving thermal energy services



Metric Formulas

International District Energy Association (IDEA) uses the following metric for the **thermal industry**:

❑ *Total Customer Reliability (%)*

= [1 – (Customer minutes of unplanned and interrupted service / (total annual customer minutes))] x 100

[illegible]



DEC
ENERGY

Annual Greenhouse Gas Emissions Report



Greenhouse Gas Strategy

DEC Resolution 25-04

Adopted January 2025

1. The DEC shall encourage customer connections to district energy systems so customers can obtain the reliability, efficiency and greenhouse gas reduction benefits inherent to these systems. These benefits include, but are not limited to:
 - a. More efficient use of resources through larger and shared equipment and systems versus independent systems for every building or portions of a building, campus or area.
 - b. The ability to have greater effects from changing to emissions reducing technology because such changes would apply to multiple buildings, an entire campus or area.
 - c. Economic advantages from sharing resources, which then allow greater investments in emissions reducing technologies.
5. At its first meeting in each calendar year, the DEC shall report to the Board on its progress on this Resolution and changes in greenhouse gas emissions, including, but not limited to, reporting by plant and technology.
 - a. Such reporting shall utilize MtCO₂e designations or a similar metric.
 - b. DEC shall focus primarily on managing Scope 1 emissions.
 - c. The baseline year for data collection and analysis shall be 2022.



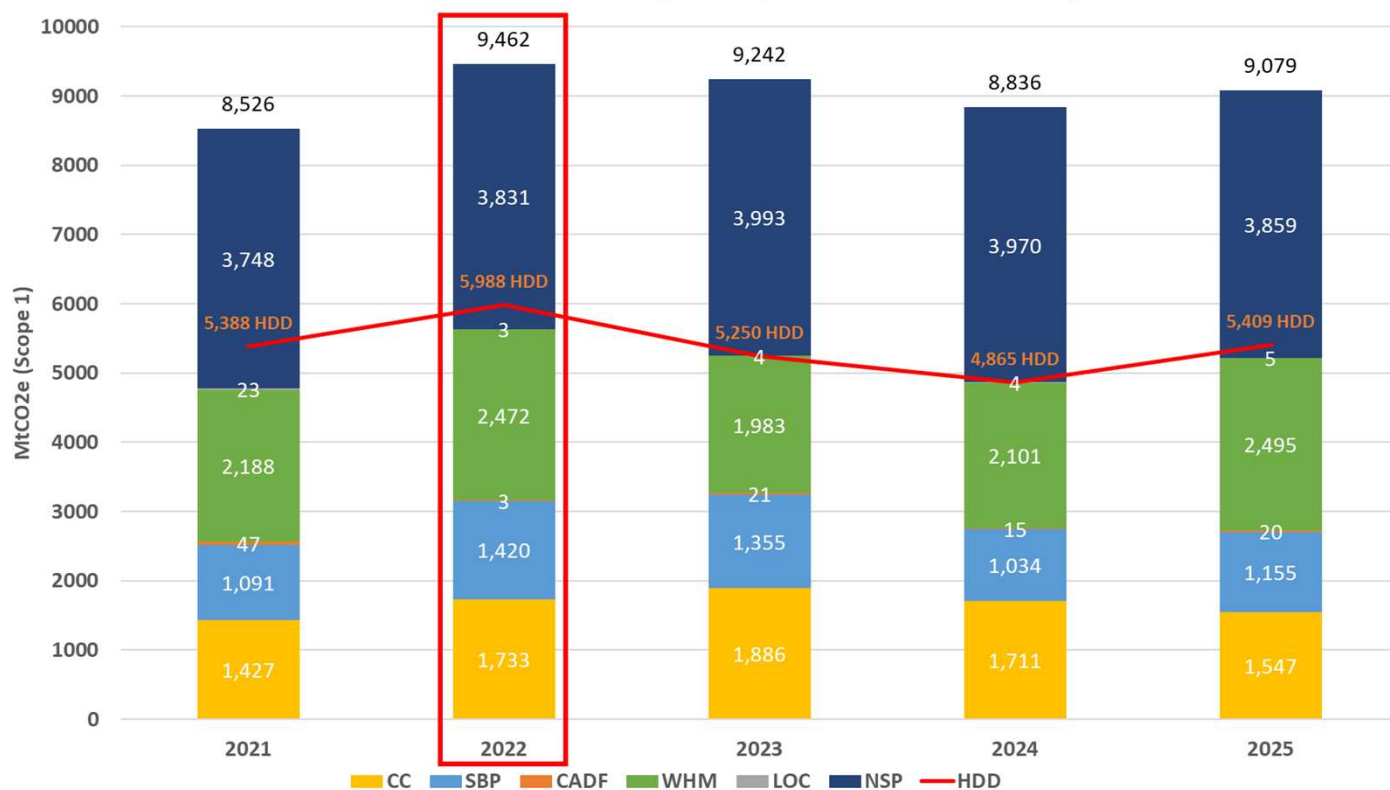
- ❑ *Scope 1 Emissions*
 - ❑ *Direct greenhouse (GHG) emissions controlled by the DEC*
 - ❑ *Emissions from Natural Gas and Fuel Oil*
 - ❑ *Vehicle fuel excluded since refueling is completed by LES*
- ❑ *Scope 2 Emissions*
 - ❑ *Emissions from purchased electricity*
- ❑ *2022 used as baseline*
 - ❑ *Winter Storm Uri occurred in 2021*
 - ❑ *No additional customer growth since 2022*
 - ❑ *February 2023 was abnormally warm*



5-Year SCOPE 1 MTCO₂e Emissions

20

DEC Scope 1 Emissions by Plant (Natural Gas & Fuel Oil)

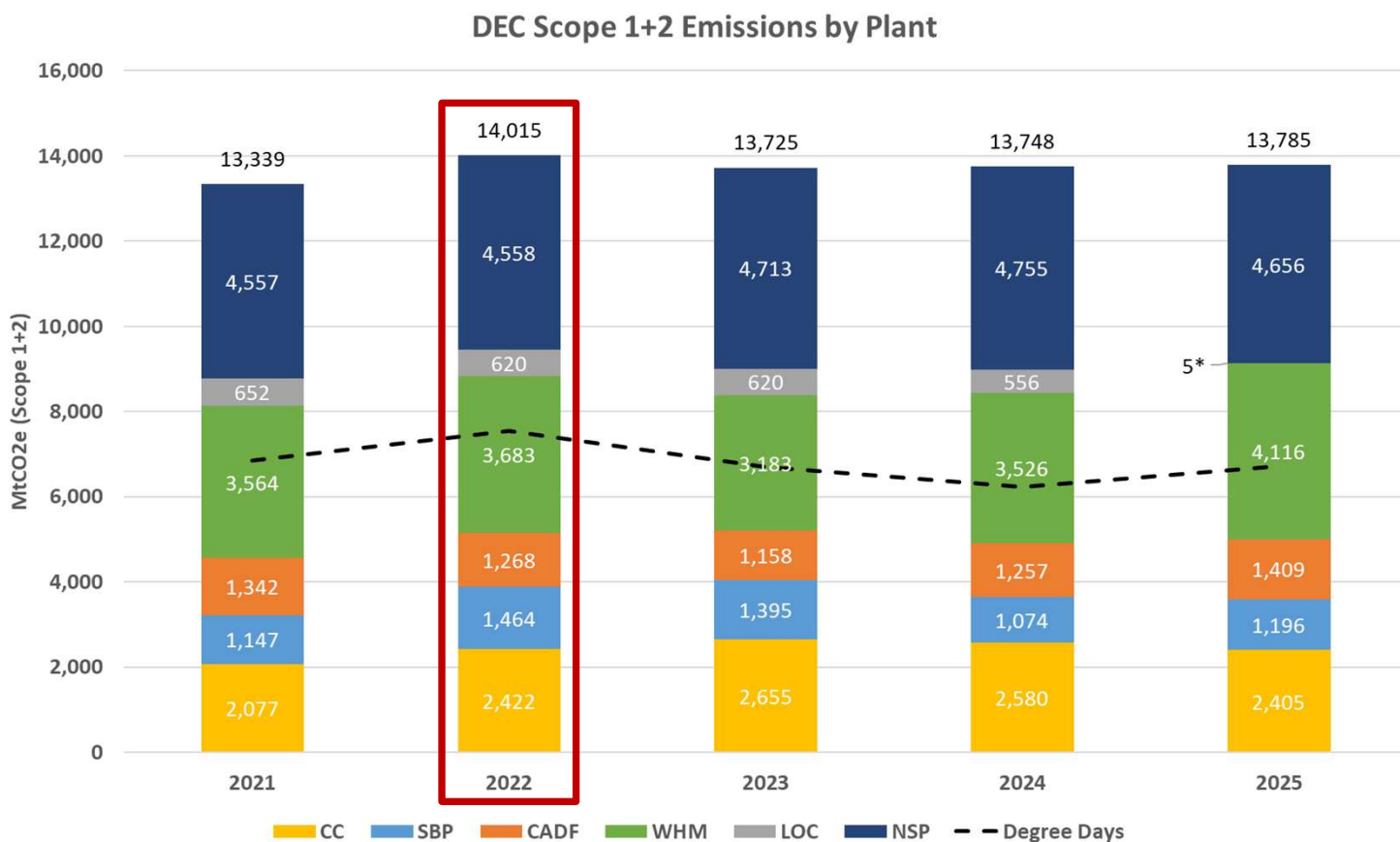


Data	YoY Change (%)	Vs Baseline (2022)
Heating Degree Days (HDD)	+11.2%	-9.7%
Scope 1 Emissions	+2.8%	-4.0%



5-Year SCOPE 1+2 MTCO₂e Emissions

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Data	YoY Change (%)	Vs Baseline (2022)
Heating Deg Days	+11.2%	-9.7%
Cooling Deg Days	-4.1%	-15.5%
Scope 1 Emissions	+2.8%	-4.0%
Scope 2 Emissions	-4.2%*	+3.4%*
Total Emissions	+0.3%*	-1.6%*

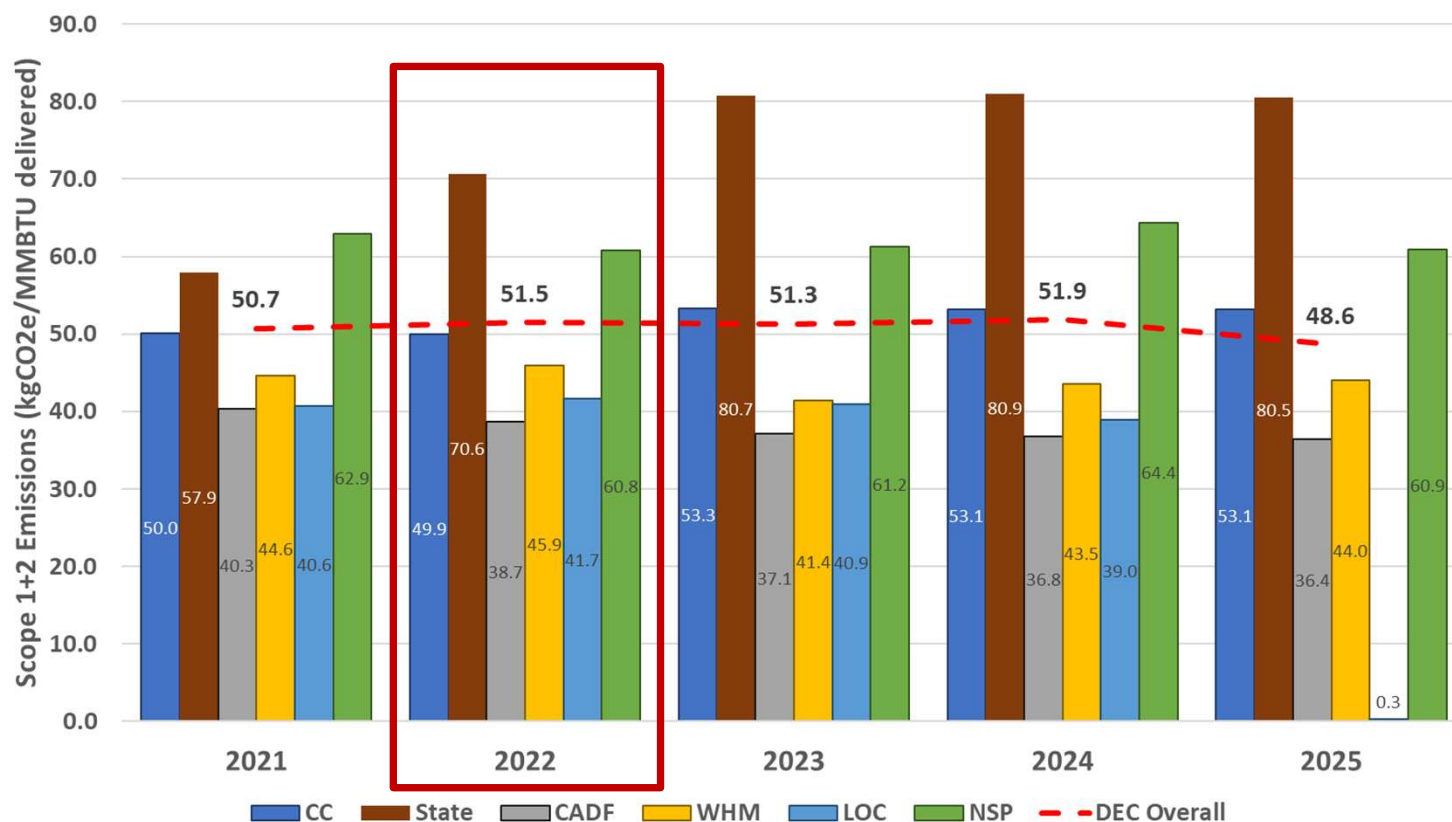
*REC purchases offset 594 MTCO₂e of scope 2 emissions



5-Year SCOPE 1+2 Unit Emissions

22

DEC 5-Year Unit Emissions by Plant (Scope 1+2)



Data (DEC Overall)	YoY Change (%)	Vs Baseline (2022)
MMBTU Delivered	+7.0%	+4.3%
Total Emissions	+0.3%	-1.6%
kgCO ₂ e/MMBTU	-6.3%	-5.7%



DEC
ENERGY

Potential New Customer
Connections / Discussions

DEC New Customer Discussions

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- Convention Center
- South Haymarket



Comments/Questions

*Seek motion to accept the management report

TAB V



DEC 2025 Year-End Preliminary Financial Report

*DEC Administrative Board
January 27th, 2026*

*Wade Leibbrandt
LES Director, Finance; DEC CFO*



DEC 2025 Year-End Close & Audit Process

Date

January 27th	<i>Review Preliminary Financials with Administrative Board</i>
February 16 th - 27 th	Forvis On-Site Audit
February 20 th	Draft of Annual Report to Forvis for Review
April 14 th	Annual Report to Administrative Board for Review
April 21 st	Administrative Board to Approve Annual Report

- Dates are approximate and subject to change slightly as audit progresses.
- Additional year-end adjustments will be booked between today and when the financials are presented for approval on April 14th.



2025 Financial Summary

- Change in Net Position is 49.6%, above budget due to lower than anticipated operating expenses.
- \$144K of the O&M variance is due to delays in creation and implementation of Electrical Maintenance Plans. We should see these costs in 2026.
- YTD Investment Income is \$468K, or 83.1%, above budget.

\$ in Thousands	2025 Actual	2025 Budget	\$ Var	% Var
Operating Revenue	\$13,081	\$13,020	\$61	+0.5%
Energy	\$2,703	\$2,669	\$34	+1.3%
O&M	\$1,421	\$1,785	(\$364)	-20.4%
A&G	\$2,263	\$2,410	(\$147)	-6.1%
Depreciation	\$3,636	\$3,686	(\$50)	-1.4%
Total Operating Expenses	\$10,023	\$10,550	(\$527)	-5.0%
Non-Operating Expenses (Income)	\$996	\$1,092	(\$96)	-8.7%
Change in Net Position	\$2,062	\$1,378	\$684	+49.6%

Green variance represents a positive impact to the overall Change in Net Position.
Red variance represents a negative impact to the overall Change in Net Position.



2025 Revenue

About 83% of DEC's revenue collected through fixed demand charges.

\$ in Thousands

Actual Revenue	Budget Revenue	\$ Var	% Var
\$13,081	\$13,020	\$61	+0.5%

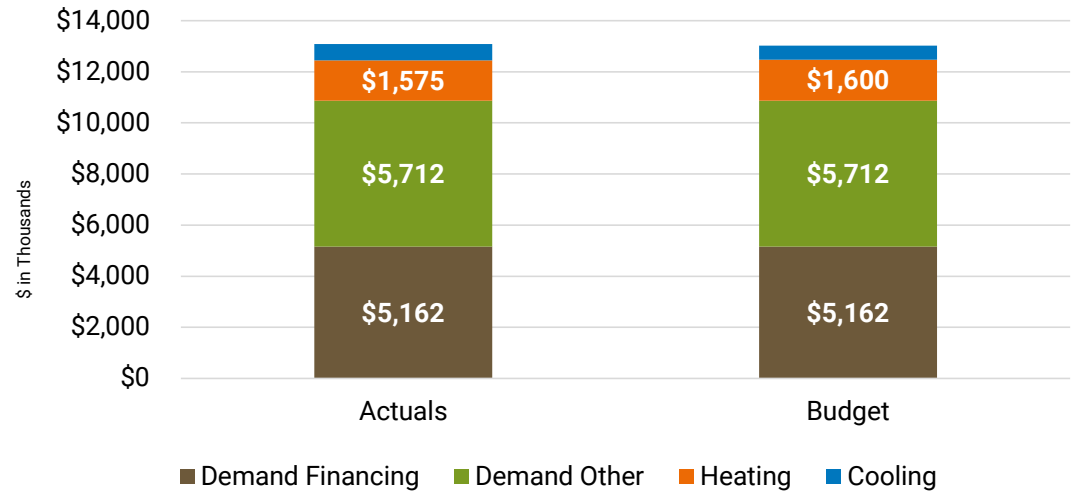
2025 Sales

2025 weather was warmer than normal. Heating degree days were 7.6% below average and cooling degree days were 3.4% above average.

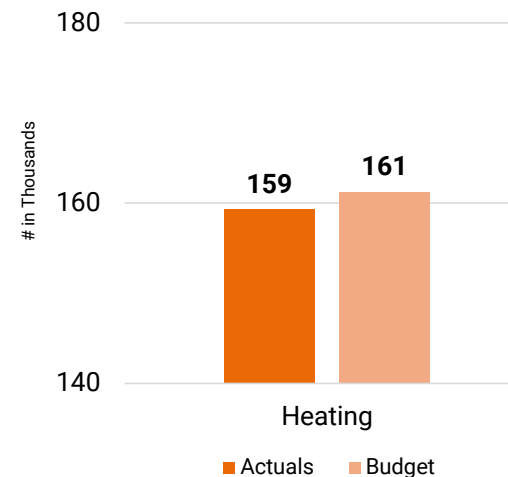
# in Thousands	Actual MMBtu	Budget MMBtu	Var	% Var
Heating	159	161	-2	-1.2%
Cooling	125	106	+19	+17.5%



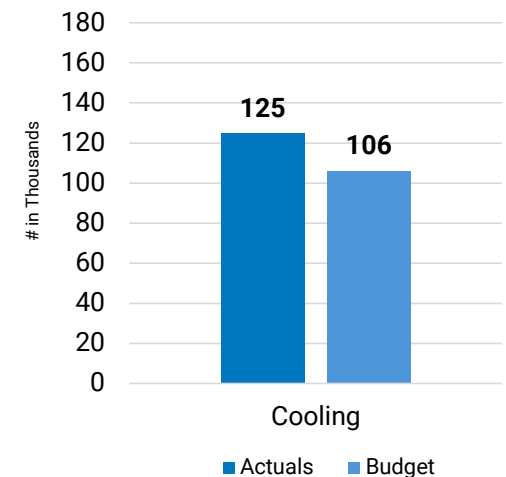
2025 Actual Revenue by Category



Heating MMBtu Sales



Cooling MMBtu Sales



2025 Expenses

Expenses were 5.4% below budget due to:

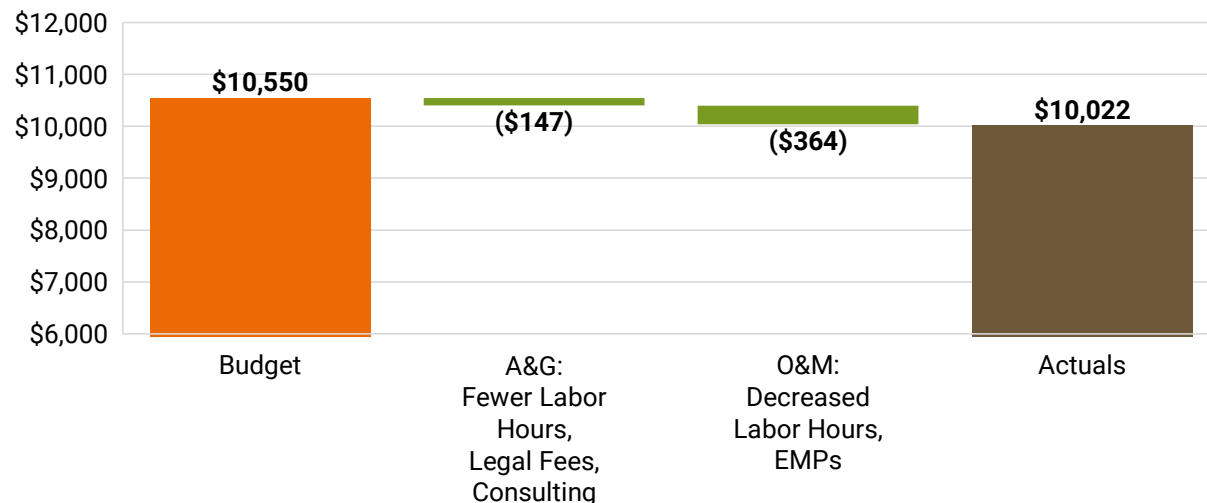
- Investment income about 83% higher than budget
- Fewer labor hours and lower than planned year-to-date outside legal and consulting.
- Lower annual service fees, lower than planned maintenance expenses, and delayed implementation of Electrical Maintenance Plans (EMP).

\$ in Thousands	Actual Expenses	Budget Expenses	Var	% Var
Operating	\$10,022	\$10,550	(\$528)	-5.0%
Non-Operating	\$996	\$1,092	(\$96)	-8.7%
Total	\$11,018	\$11,642	(\$624)	-5.4%



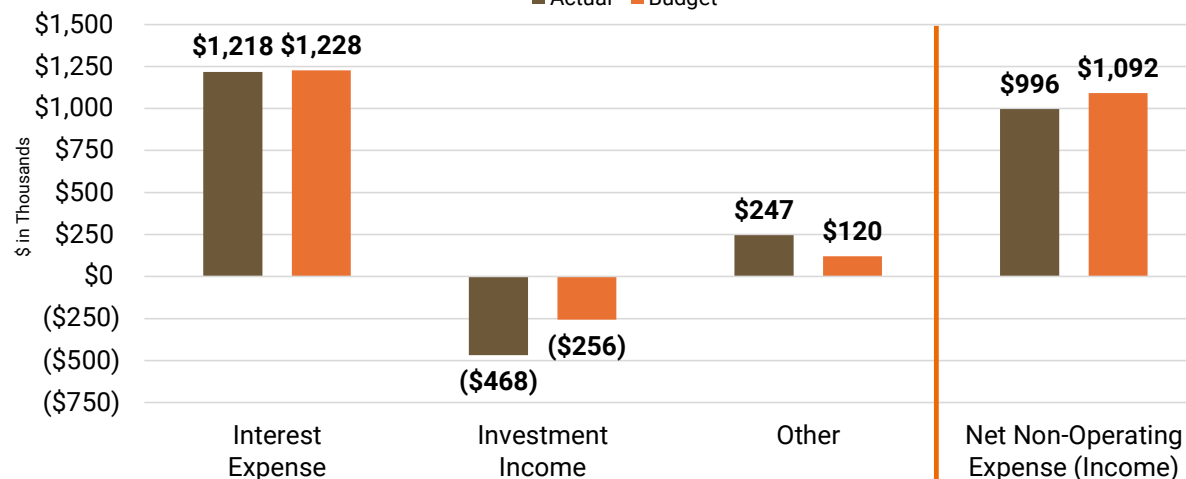
Operating Expense Variance

\$ in Thousands



Non-Operating Expenses

Actual Budget

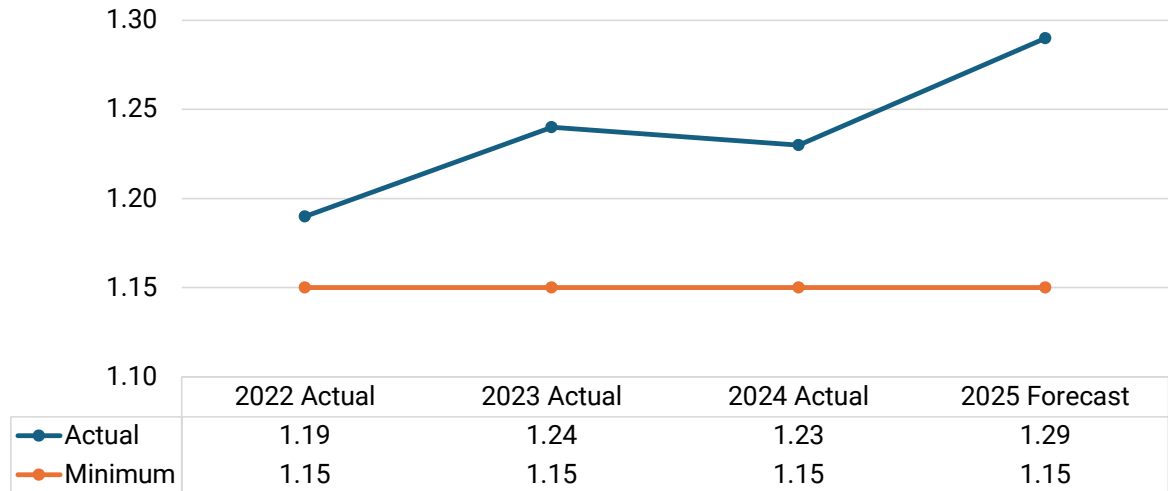


2025 Financial Metrics

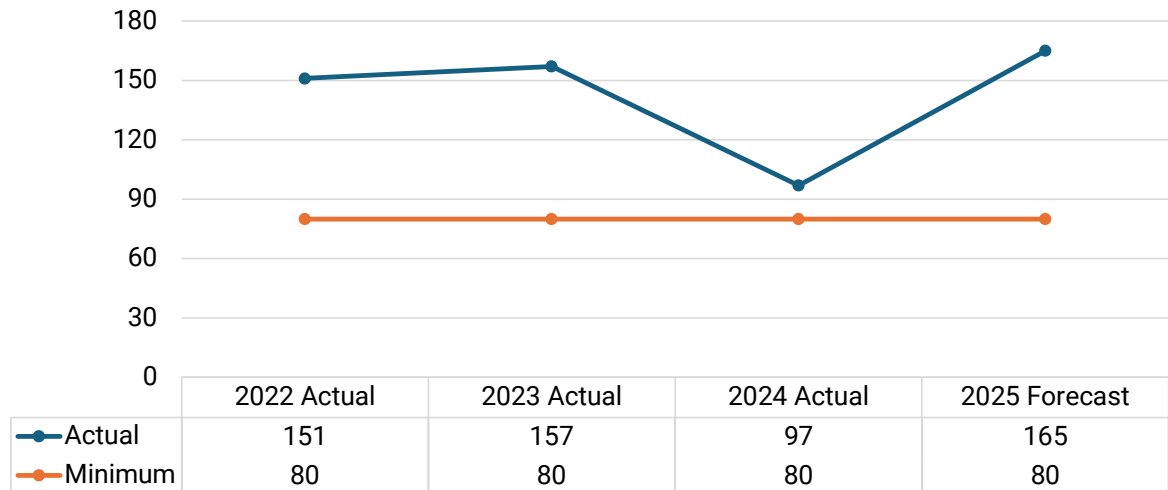
- DEC met the minimum targets for Debt Service Coverage and Days Cash on Hand.
- Consolidated metrics are reported externally; however, Debt Service Coverage and Days Cash on Hand are monitored by facility.
- DEC has \$900K outstanding on the JP Morgan revolving credit facility as of December 31, 2025.



Debt Service Coverage Ratio



Days of Cash on Hand



2025 Capital

- DEC has spent \$1.9M on active projects.
- Unused funds are carried forward from year-to-year as long as a project is active.

Active Projects \$ in Thousands	Approval Year	Life to Date (LTD) as of 12/31/2025*	Current Budget**	Remaining (\$)
DEC Central Cyber Security System	2024	\$0	\$66	\$66
DEC Physical Security and Safety	2024	\$113	\$141	\$28
State DA Vessel Replacement	2025	\$160	\$150	-\$10
CADF Loop Field Fluid Cooler	2024	\$787	\$797	\$10
CADF Backup Circuit Pumps for Each Loop	2024	\$349	\$366	\$17
WHM Boiler Addition	2024	\$470	\$826	\$356
Total		\$1,879	\$2,346	\$467

*Life-to-Date includes spending on projects that took place prior to 2025.

**Current Budget reflects additional funds for active projects that were approved in the 2025 budget cycle.



TAB VI



Financial Report

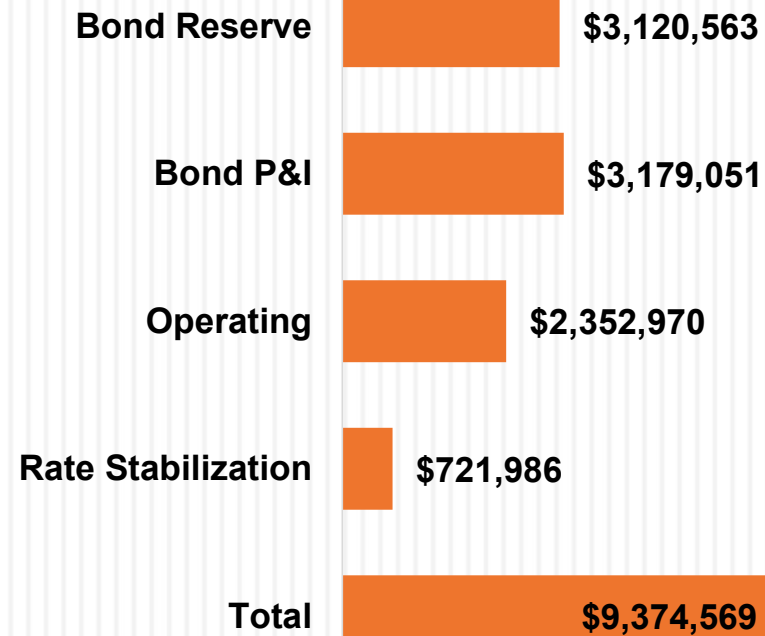
Semi-Annual Investment Report Fourth Quarter Ending December 31, 2025

presented by Wade Leibbrandt
January 27, 2025



LES manages DEC's \$9.4m investment portfolio

2





Short-term yields fall during 2025

3

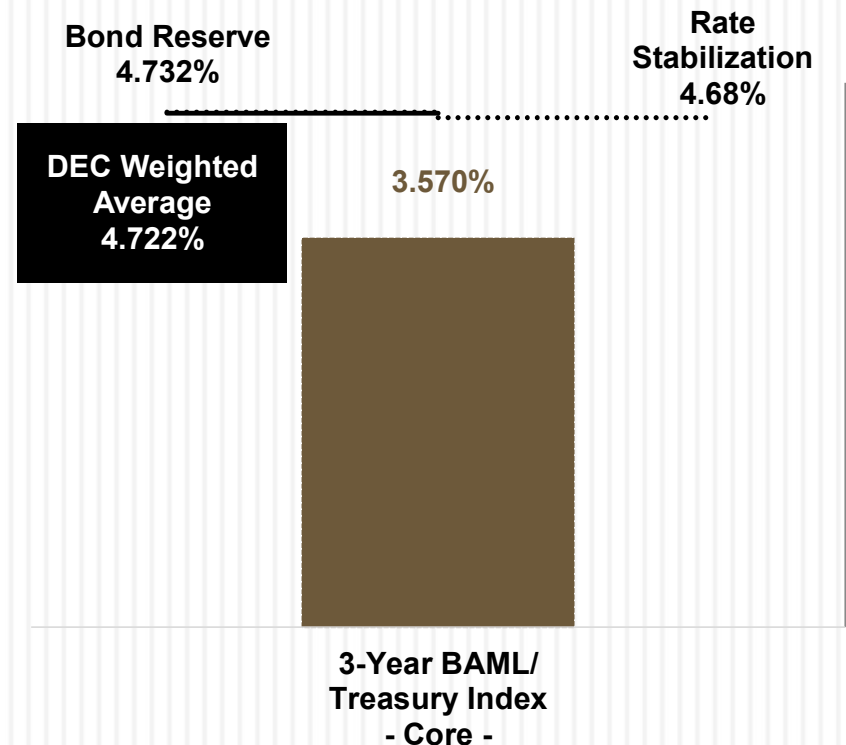
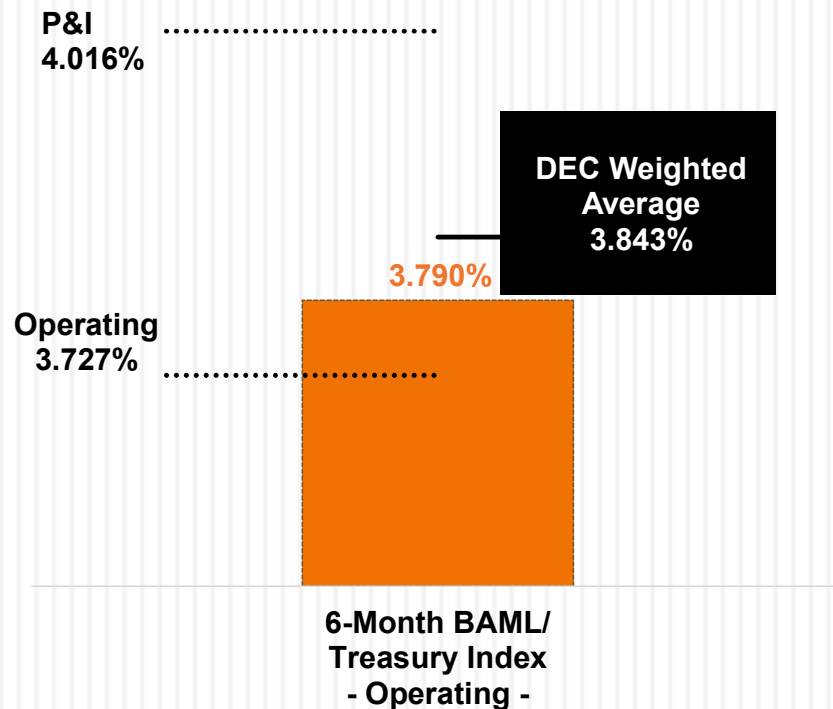
Date	6-Month BAML/Federal Reserve Treasury Index	1-Year BAML/Federal Reserve Treasury Index	0-3 Year BAML/Federal Reserve Treasury Index
12/31/2024	4.268	4.151	4.268
3/31/2025	4.227	4.036	4.024
6/30/2025	4.290	3.960	3.680
9/30/2025	3.830	3.680	3.610
12/31/2025	3.590	3.480	3.550

- Short and long-term yields declined from the end of Q2 2025.
- 1-Year and 0-3 Year index rates trail the 6-Month index, and an inverted yield environment continues into 2026.
- DEC will monitor market rates to appropriately maximize investment yields.



DEC fund performance mixed versus benchmark yields

4





Portfolio allocations are compliant with Policy 4

5



Investment Objectives

- **Safety** – primary objective; specific list of investment options
- **Liquidity** – invests funds to meet specific obligations
- **Return on Investment** – maximize yield while meeting other objectives



Portfolio Allocation Limits

- Agencies – 47.4%
- Treasuries – 6.76%
- Money Market Funds – 44.77%
- Corporate Bonds – 1.1%



Receive three bids for each investment request

- DEC has active relationships with four investment brokers including First National Bank of Omaha/Northland, Wells Fargo, Moreton Capital, and RBC Capital

TAB VII

**DISTRICT ENERGY
CORPORATION RESOLUTION NO.
26-01**

**A RESOLUTION ADOPTING AN AMENDMENT TO THE 2026 DEC
CAPITAL BUDGET TO AUTHORIZE AN INCREASE IN FUNDING FOR
THE WHM ELECTRIC BOILER ADDITION**

RECITALS:

I.

The District Energy Corporation ("DEC") Board of Directors previously accepted and approved Resolution 24-04 for the 2025 DEC Capital Budget on October 24, 2024. This budget included \$826,200 for the West Haymarket (WHM) Electric Boiler Addition.

II.

Due to unforeseen site conditions that resulted in additional construction scope not included in the original bid, completion of the project was delayed to 2026 and an increase of \$30,000 to the project budget is required.

III.

Because amounts budgeted for projects in the Capital Budget shall carry over from fiscal year to fiscal year until project close-out, the DEC Administrator is recommending that the Board approve this amendment to the 2025 DEC Capital Budget to provide sufficient funding to proceed with completing this project.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE
DISTRICT ENERGY CORPORATION:

To approve this amendment to the 2025 DEC Capital Budget, a copy of which is attached hereto, to increase the funding for the WHM Electric Boiler Addition by \$30,000, for a total project cost of \$856,200.

PASSED AND APPROVED on this 27th day of January 2026.

ATTEST:

Secretary _____

Board Chair _____

TAB VIII

**DISTRICT ENERGY CORPORATION
RESOLUTION NO. 26-02**

**A RESOLUTION ADOPTING AN AMENDMENT TO THE 2026 DEC
CAPITAL BUDGET TO AUTHORIZE AN INCREASE IN FUNDING FOR
THE CADF LOOP FIELD FLUID COOLER INSTALLATION**

RECITALS:

I.

The District Energy Corporation ("DEC") Board of Directors previously accepted and approved Resolution 24-04 for the 2025 DEC Capital Budget on October 24, 2024. This budget included \$797,210 for the County Adult Detention Facility (CADF) Loop Field Fluid Cooler project.

II.

The DEC Administrator has determined an increase in this project budget is required to support repairs to the fluid cooler equipment. The repairs are necessary to fix equipment defects discovered during initial installation. DEC, the supplier and the transport company reached a settlement resolving potential claims regarding the defective equipment. The supplier and the transport company are covering most of the costs related to the repairs.

III.

Because amounts budgeted for projects in the Capital Budget shall carry over from fiscal year to fiscal year until project close-out, the DEC Administrator is recommending that the Board approve this amendment to the 2025 DEC Capital Budget to provide sufficient funding to proceed with completing this project.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE
DISTRICT ENERGY CORPORATION:

To approve this amendment to the 2025 DEC Capital Budget, a copy of which is attached hereto, which will increase the funding for the CADF Loop Field Fluid Cooler by \$30,000, for a total project cost of \$827,210.

PASSED AND APPROVED on this 27th day of January 2026.

ATTEST:

Secretary _____

Board Chair _____

TAB IX

MEMORANDUM

ATTORNEY CLIENT COMMUNICATION

TO: District Energy Corporation Board of Directors

FROM: David C. Levy

DATE: January 27, 2026

RE: **Summaries of Nebraska Legislative Bills of Interest
2026 Legislative Session**

The Second Regular Session of the 109th Nebraska Legislature convened on January 8, 2025. The period to introduce new legislation for this session has closed. As of today, 46 legislative days remain in the session.

You asked us to prepare summaries of Nebraska legislative bills ("LB") of interest to District Energy Corporation ("DEC"). Those summaries are below.

2026 Bills

Legislative Bill 898

LB 898 (Lonowski) would amend the Open Meetings Act to allow all the meetings of a public body that is advisory or a committee to be held virtually. The Legislature referred the bill to the Government Committee. The bill would also remove the limits on the type of public body that may conduct meetings virtually overall. Half of those meetings could occur virtually. The committee has not yet scheduled it for hearing.

Legislative Bill 1134

LB 1134 (Kauth) would adopt the 2009 International Residential Code instead of the currently-adopted 2018 International Residential Code. It would limit requirements for state buildings to the 2009 Energy Code. The bill would allow counties, cities and villages to adopt more stringent codes than the state has adopted, but before doing so, the county, city or village must provide notice and "independent third-party evidence verifying that the update or change is necessary to protect the public from eminently dangerous situations or otherwise required by state or federal law." The bill would prohibit any adoption of more stringent codes until 2031. The Legislature referred the bill to the Government Committee. The committee has not yet scheduled it for hearing.

Legislative Bill 1145

LB 1145 (Lonowski) would amend the Open Meetings Act to allow a public body to provide notice of its meeting by essentially any method it formally elects and reflects in its minutes. It would also require a public body to publish a meeting schedule at least twice each year. LB 1145 provides that an action taken at an improperly noticed meeting remains valid. The Legislature referred the bill to the Government Committee. The committee has not yet scheduled it for hearing.

2025 Carryover Bills

Legislative Bill 163

Senator Spivey introduced LB 163. This bill proposes to create the Office of Climate Action. From the bill: "There is created within the Department of Environment and Energy the Office of Climate Action. The office shall work with interested stakeholders in climate action, political subdivisions, and organizations supporting climate action across this state to enhance education and skills, provide technical support, and expand access to resources to support climate action. The office shall serve as a point of contact to assist with policies and programs dealing with climate action."

The Legislature referred LB 163 to the Natural Resources Committee. The Committee held a hearing on the bill on January 30, 2025. The bill remains in committee.

Legislative Bill 450

Senator Fredrickson introduced LB 450. This bill proposes to expand the use of Property-Assessed Clean Energy financing in a way that could help a building owner pay for connection to district energy. The Legislature referred the bill to the Natural Resources Committee. Portions of this bill passed as part of LB 288.

Legislative Bill 596

LB 596 would allow digital publication of legal notices. From the bill, official notices could be "published on a website or . . . a digital news publication for the certain number of days or certain number of weeks required, if a digital news publication does not have a print publication." The Legislature referred LB 596 to the Government, Military and Veterans Affairs Committee. The bill remains in committee.

Legislative Bill 611

LB 611 would adopt the 2021 International Building Code as the State Building Code. Nebraska currently uses the 2018 International Building Code. The Urban Affairs Committee introduced this bill. The bill remains in committee.

TAB X



Conference Overview



You Oughta Be in Ottawa!

Join us for our 117th IDEA Annual Conference Rogers Centre Ottawa Convention Center June 23-26, 2026

We are excited to bring the IDEA2026 Annual Conference & Trade Show to Ottawa, Canada, June 23-26 for **three days of education, innovation and opportunities to connect.**

We're excited to convene an international audience in Canada's federal capital—not only to celebrate the remarkable progress driving district energy at home, but also to bring in global perspectives as we gather leaders from around the world to shape the industry's future.

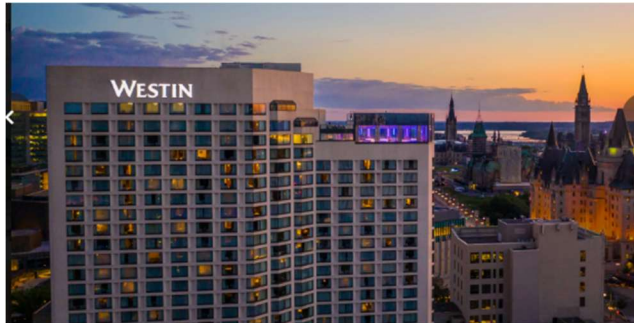
The conference will take place at Rogers Centre Ottawa Convention Center in downtown Ottawa, Ontario. Not only is it a fantastic place for us to meet, it's also an **exemplary example of a building benefitting of being connected to district energy**, alongside buildings like the Parliament Building, National Arts Centre, hospitals, universities, and downtown office towers.

At IDEA2026, We're Bringing the Global District Energy Community Together

The theme for IDEA2026—**Connecting Networks**—is especially fitting for the times. It reflects not only the very essence of district energy—interconnected systems delivering value to the communities they serve—but also the power of the people behind the scenes, building relationships to create a more sustainable future.

These connected and dedicated individuals are where the real energy comes from—the engineers, operators, policymakers, innovators, and community leaders—who connect, collaborate, and bring these networks to life. We'll honor the industry and their contributions throughout the conference.

Join us as we showcase how technical networks are helping cities and campuses decarbonize, strengthen resilience, and serve their communities. And just as importantly, we'll create the space for human networks to grow—where new partnerships are formed, bold ideas are exchanged, and collective action takes shape.



Westin Ottawa

The IDEA group room rate for a single/double room at the Westin Ottawa is \$309+ CAD. Includes complimentary in-room high-speed internet.

The cut-off date for reserving rooms in the room block is 5:00 p.m. local time at Hotel on Monday, May 25, 2026.



Fairmont Château Laurier

The IDEA group room rate for a single/double room at the Fairmont Château Laurier is \$349+ CAD.

The cut-off date for reserving rooms in the Room Block is 5:00 p.m. local time at Hotel on Monday, May 25, 2026. Includes complimentary premium guestroom internet access for Accor Live Limitless (ALL) Members (Complimentary to enroll at <https://become-a->

MONDAY, JUNE 22

12:00pm - 2:00pm	IDEA Executive Committee Meeting
1:00pm - 5:00pm	IDEA Board Meeting and Luncheon
3:00pm - 5:00pm	Conference Registration Open

TUESDAY, JUNE 23

6:00am - 2:00pm	IDEA Annual Golf Tournament
7:00am - 7:00pm	Conference Registration
7:00am - 8:00am	Breakfast for Workshop Participants
7:00am - 7:30am	Workshop Speaker and Moderator Orientation Meeting
8:00am - 4:00pm	Workshop
8:00am - 4:00pm	Exhibit Setup
1:00pm - 3:30pm	District Energy 101 Symposium with YPG
4:00pm - 5:15pm	Forums
5:15pm - 6:30pm	Exhibit Hall Ribbon Cutting & Business Partners Opening Reception

WEDNESDAY, JUNE 24

7:00am - 6:30pm	Conference Registration
7:00am - 7:50am	Breakfast with IDEA Business Partner Exhibitors
7:00am - 7:30am	Speaker and Moderator Orientation Meeting
8:00am - 5:25pm	Conference Technical Program
5:30pm - 6:45pm	Cocktail Reception with IDEA Business Partner Exhibitors Young Professionals Group (YPG) Meetup

THURSDAY, JUNE 25

7:00am - 5:00pm	Conference Registration
7:00am - 7:50am	Breakfast with IDEA Business Partner Exhibitors
7:00am - 7:45am	Speaker and Moderator Orientation Meeting
8:00am - 5:00pm	Conference Technical Program Continues
2:15pm - 6:00pm	Exhibit Breakdown

FRIDAY, JUNE 26

7:30am - 9:00am	Breakfast and Technical Tour Presentations
9:00am - 1:00pm	Technical Tours

DEC TRAVEL POLICY HIGHLIGHTS:

- Must have DEC Administrator's approval
- Events with an anticipated cost over \$3500 must have Board approval

DEC's travel and training budget for 2026: \$15,000

Registration is not yet open, so cost to register is unknown - but should be open soon.

Last year the conference registration was approx. \$1500, added workshops were \$350, and tours \$75.

How travel is arranged:

- Dianne will make the conference registrations
- You will be connected with an LES travel coordinator who will arrange flights and hotel accommodations

You will be reimbursed for any out-of-pocket expenditures incurred.