



**MINUTES OF DISTRICT ENERGY CORPORATION BOARD**  
**Meeting held January 28, 2025**

Minutes of the meeting of the District Energy Corporation (DEC) Board of Directors meeting held on January 28, 2025, at the Lincoln Electric System Kevin Wailes Operations Center, 9445 Rokeby Road, Lincoln, Nebraska. Notice of the meeting was published in the Lincoln Journal Star newspaper on January 21, 2025.

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

Board Members Absent: None

Others Present: Jason Fortik, Emily Koenig, Nick Wischhof, Larry Balm, Dianne Dobrusky, Keith Snyder, Denise Parrott, Nichi Richardson, Bryan Willnerd, Wade Leibbrandt, Kerin Peterson, Jim Dutton, David Levy

Chair Sean Flowerday called the meeting to order at 12pm. Chair 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 comment. Seeing none, the meeting moved to the next agenda item.

**Public Comment**

Chair Flowerday asked a motion to approve the October 24, 2024 meeting minutes. Carl Eskridge made the motion and Kim Morrow seconded. The vote to approve was:  
Aye: Flowerday, Eskridge, Morrow, Shobe, Schulte

**Approval of  
Minutes for 10/24/24**

Chair Flowerday called for a motion to ratify actions taken at the board meeting on October 24, 2024. This was done of the advice of counsel due to quorum issues at the October meeting. The items being ratified are:

**Motion to Ratify**

- A. 2025 Budget and Rates / Resolution 24-04
- B. Rate Stabilization Funds Moved / Resolution 24-05
- C. Reimburse Certain Capital Expenditures from Future Tax-Exempt Obligations / Resolution 24-06
- D. Ratify Forvis Mazar audit contract
- E. Black Hills Energy Agreement / Resolution 24-03

Bennie Shobe made the motion and Carl Eskridge seconded.  
The vote to approve was:  
Aye: Flowerday, Eskridge, Morrow, Shobe, Schulte

Jason Fortik stated that the board terms of three directors expired at the end of 2024. Bennie Shobe, Lincoln City Council, and Carl Eskridge, LES board, expressed interest in serving another two-year term, and were reappointed to terms expiring at the end of 2026. The seat previously held by Rick Vest, Lancaster County Commissioner also expired. Matt Schulte, Lancaster County Commissioner, was appointed to this seat for a term to expire at the end of 2026.

**Receipt of Board  
Appointment Notices**

David Levy, DEC General Counsel, conducted the election of officers for 2025. Bennie Shobe moved to nominate the full slate of current officers to continue for 2025. Those nominations are Sean Flowerday for Chair, Carl Eskridge for Vice Chair and Kim Morrow for Secretary. Matt Schulte seconded the motion. The vote to approve was:  
Aye: Flowerday, Eskridge, Morrow, Shobe, Schulte

**Election of Officers**

Nick Wischhof, LES Manager, Projects Engineering, presented.

**Management Report**

Wischhof reviewed the service interruptions for the 4<sup>th</sup> quarter of 2024. There were several planned outages at NSP for condensate leak repairs – those repairs were completed in November. CC’s planned outage was to cap distribution piping to 900 J St. and CADF had a planned outage to complete tie-ins for the new loop pumps.

**\*Operations Update**

Wischhof gave a recap on 2024 fuel costs and quantities and compared the data to the 2025 budget. He also outlined the natural gas supply strategy to secure resources in advance and the bidding process that is currently underway.

**\*Fuels Update**

An update on all current capital projects was presented. Two projects were highlighted: A) State deaerator tank replacement and B) CADF fluid cooler installation. The State DA tank is an emergent project, to be completed in summer 2025. Resolution 25-01 asks for approval of \$150k for this project. The CADF resolution is due to the mechanical installation bids coming back higher than expected. Resolution 25-02 asks for approval of an additional \$200k to the budget to complete this project.

**\*Capital Projects  
Update**

This report is compiled and presented annually to track DEC’s quality of service and reliability. Wischhof reviewed the process and the definition of planned vs. unplanned

**\*Annual Outage  
Report for 2024**

interruptions. The metrics show nearly 100% reliability for unplanned interruptions across DEC plants.

Chair Flowerday called for a motion to accept the Management Report. **Motion to Accept Management Report**  
Motion was made by Bennie Shobe and seconded by Matt Shulte. The vote to approve was:  
Aye: Flowerday, Eskridge, Morrow, Shobe, Schulte

Chair Flowerday called for a motion to approve Resolution 25-01. **Resolution 25-01**  
Motion was made by Carl Eskridge and seconded by Bennie Shobe. The vote to approve was:  
Aye: Flowerday, Eskridge, Morrow, Shobe, Schulte

Chair Flowerday called for a motion to approve Resolution 25-02. **Resolution 25-02**  
Motion was made by Bennie Shobe and seconded by Carl Eskridge. The vote to approve was:  
Aye: Flowerday, Eskridge, Morrow, Shobe, Schulte

Wade Leibbrandt, LES Manager – Budget and Financial Planning, **Financial Report**  
presented the DEC 2024 Preliminary Financial Report.

Leibbrandt noted that the 2024 Financial Report is preliminary. The final report will be presented in April. The current change in net position shows 10.6% above budget, due primarily to investment income. Sales and revenue totals closely followed budget, but there was a swing towards more cooling and less heating. Operating expenses were less than 1% off budget, and non-operating expenses were 11.6% below budget. Details regarding debt service coverage ratio, days of cash on hand, and capital projects were covered.

Bryan Willnerd, LES Manager – Treasury & Risk Management, **Semi-Annual Investment Report**  
presented the Semi-Annual Investment Report for the quarter ending 12/31/24.

Willnerd gave details for each of the accounts in DEC's approx. \$9.1M investment portfolio and the trending of the interest yields. Data shows that DEC accounts outperformed the benchmarks, and the portfolio allocations are all compliant with the DEC's investment policy - Policy 4.

Willnerd presented the updates to the investment policy being asked for via Resolution 25-03. The resolution makes changes in the requirements for investment bid providers, portfolio allocation limits, and clarifies some language and responsibilities. **Resolution 25-03**

Chair Flowerday called for a motion to approve Resolution 25-03, the revisions to the DEC Investment Policy. Motion was made by Kim Morrow and seconded by Carl Eskridge. The vote to approve was:

Aye: Flowerday, Eskridge, Morrow, Shobe, Schulte

Chair Flowerday called for a motion to accept the Financial and Investment Reports. Motion was made by Carl Eskridge and seconded by Matt Schulte. The vote to approve was:

Aye: Flowerday, Eskridge, Morrow, Shobe, Schulte

**Motion to Accept  
Financial and Investment  
Reports**

Emily Koenig, LES VP Financial Services and CFO, presented an update regarding DEC's Fitch bond ratings in relation to the NSP bonds and the Energy Service Agreement with the Nebraska Department of Corrections.

Jason Fortik presented details regarding how the Greenhouse Gas Strategy, Resolution 25-04 was developed. The board met in early 2024, and then formed a sub-committee (Fortik, Morrow, Eskridge, Levy) to review DEC emissions in-depth and develop the language for this proposal. In summary, the Resolution stipulates that, as equipment ages out and needs replaced, consideration will be made for choices that reduce emissions.

**Greenhouse Gas Strategy**

Chair Flowerday called for a motion to approve Resolution 25-04. Kim Morrow made the motion and Bennie Shobe seconded. The vote to approve was:

Aye: Flowerday, Eskridge, Morrow, Shobe, Schulte

**Resolution 25-04**

Jason Fortik presented information and details regarding DEC customers potential interest in purchasing Renewable Energy Credits (RECs). LES, as a customer of DEC, has expressed this interest and the CADF facility may also be interested, as it is a similar facility.

**Renewable Energy  
Credits**

David Levy presented information about the potential Bylaw change to provide that board terms continue until a successor is appointed. After discussion, it was decided that this is will not provide much benefit to DEC, and it will not be pursued.

**Potential Bylaw  
Change**

David Levy discussed proposed Nebraska legislation relevant to DEC. Levy summarized Legislative bills 163, 450, 596, and 611. After further discussion the board moved to send a letter of support for LB 450 due to the potential for increased funding options for connections to district energy.

**Legislative Update**

Chair Flowerday called for a motion to send a letter in support of Legislative Bill 450. Motion was made by Matt Schulte and seconded by Kim Morrow. The vote to approve was:

**Motion for Support of  
LB 450**

Aye: Flowerday, Eskridge, Morrow, Shobe, Schulte

Jason Fortik presented information about the annual IDEA conference to be held in Minneapolis, MN June 2-5, 2025 – and the potential for board and staff attendance. Several board members expressed interest. More information will be sent to all board members as IDEA makes the agenda and registration details available. **IDEA Annual Conference**

Chair Flowerday stated that the next meeting of the DEC board is scheduled for April 22, 2025. The possibility of holding the meeting at a downtown location was discussed, and staff agreed to explore available options and communicate those with the board. **Next Meeting**

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

There being no further business to come before the Board, Chairman Flowerday declared the meeting adjourned at 1:27 pm.

Sean Flowerday, Board Chair

By: *Dianne Dobrusky*  
Dianne Dobrusky, Assist. Secretary