



**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. 10<sup>th</sup> 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