



## MINUTES OF DISTRICT ENERGY CORPORATION BOARD

Minutes of the meeting of the District Energy Corporation (DEC), April 18, 2023, held at the Lincoln Electric System Operations Center, 9445 Rokeby Road, Lincoln, Nebraska. Notice of the meeting was published in the Lincoln Journal Star newspaper on April 11, 2023.

Board Members Present: Tammy Ward, Sean Flowerday, Kim Morrow, Rick Vest, Carl Eskridge arrived at approx. 12:15pm

Board Members Absent: None

Others Present: David Levy, Emily Koenig, Jason Fortik, Nick Wischhof, Larry Balm, Dianne Dobrusky, Kerin Peterson, Lisa Hale

Chair Sean Flowerday called the meeting to order at 12 p.m. and noted that a quorum was present. 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 asked for approval of the January 24, 2023 meeting minutes. Flowerday made the motion and Eskridge seconded. The vote to approve the minutes was:  
Aye: Ward, Flowerday, Morrow, Vest  
Nay: None  
Absent: Eskridge **Approval of Prior Minutes**

Nick Wischhof, LES Manager, Projects Engineering, presented.

### Management Report

Wischhof reviewed the planned and unplanned service interruptions for the period. Wischhof also gave an update on natural gas contracts and prices. Updates on plant projects included: State Boiler Plant roof upgrade and condensate surge tank work, County/City Plant hot water service line leak repairs for the K Street customer, and the West Haymarket Plant customer service lines valve replacement project.

- **Operations Update**

Wischof then reviewed these construction projects for 2023:

- County Adult Detention Facility: Geothermal Loop Cooler and Backup Circulating Water Pumps
- LES Operations Center: Geothermal Loop Heating System
- Nebraska State Penitentiary: Control Room Temperature Conditioning and On-Line Chiller Tube Cleaning System

## **Construction Projects Update**

An update on new customer Feasibility Studies was presented. He stated that the 9<sup>th</sup> & P developers have decided against connecting to DEC. WHM Block 5 is undetermined as to whether that area will seek connection. The WHM Hudl 2 expansion timeline has been extended to 2028, and there is ongoing discussion regarding the County/City K Street redevelopment and possible Telesis connection.

- **Feasibility Studies**

Emily Koenig, LES VP Financial Services and CFO and DEC CFO, presented.

## **Financial Report**

Both sales and revenue were slightly below budget, due primarily to warmer than average winter weather. Year to date expenses were 6% under budget, primarily due to higher interest income & lower energy and administrative costs. Debt Service Coverage was greater than budget due primarily to higher revenue and lower expenses. And early projections indicate reduced capital spending in 2023 due to project delays.

- **1st Quarter 2023**

Koenig then presented information on the audit report for 2022 – which was sent out near the beginning of April and indicated that it was a clean audit. Motion to accept the audit was made by Ward and seconded by Eskridge. The vote to approve the audit was:

Aye: Ward, Flowerday, Morrow, Vest, Eskridge

Nay: None

Absent: None

- **Audit Report & Motion to Accept**

Koenig gave an update on Tax-Exempt Financing Compliance. Koenig noted that in her review, per the Tax-Exempt Compliance Policy approved by the DEC board, all required compliance activities have been performed and no deficiencies have occurred. An annual update on the status of tax-exempt bond compliance is required by the policy.

- **Tax-Exempt Financing Compliance Update**

Koenig presented information detailing this resolution, which is in regards to a change for the JP Morgan line of credit to be benchmarked off SOFR rather than LIBOR, as LIBOR is sunsetting in June of this year. Vest made a motion for approval, it was seconded by Eskridge. The vote to approve was:

- **Resolution 23-01**

Aye: Ward, Flowerday, Morrow, Vest, Eskridge  
Nay: None  
Absent: None

David Levy presented information about proposed Nebraska legislation that may impact DEC. He presented information on the following bills: LB 164 (McKinney), LB 299 (Linehan), LB 637 (Albrecht), LB 650 (McDonnell). **Nebraska Legislative Update**

Jason Fortik introduced the topic of the upcoming IDEA conference attendance, and that there is interest from a greater number of board members and staff than budgeted for. Fortik read the motion to approve the budget exceedance for this year. Ward made the motion to approve and Eskridge seconded. The vote to approve was as follows: **IDEA Conference & Motion**  
Aye: Ward, Flowerday, Morrow, Vest, Eskridge  
Nay: None  
Absent: None

Chair Flowerday read the resolution to acknowledge and thank Tammy Ward for her service on the DEC Board from July 2019 to present. Motion to approve was made by Vest and seconded by Eskridge. The vote to approve was: **Resolution 23-02**  
Aye: Ward, Flowerday, Morrow, Vest, Eskridge  
Nay: None  
Absent: None

Chair Flowerday asked that an agenda item for the next meeting be added to discuss establishing a subcommittee to work on new customer connection issues. **Future Meetings**

Chair Flowerday asked for a motion to adjourn. Morrow made the motion and Eskridge seconded. moved for approval. The vote to adjourn was: **Adjournment**  
Aye: Ward, Flowerday, Morrow, Vest, Eskridge  
Nay: None  
Absent: None

There being no further business to come before the Board, Chair Flowerday declared the meeting adjourned at 1:00 p.m.

Sean Flowerday, Board Chair

By: *Dianne Dobrusky*  
Dianne Dobrusky, Assistant Secretary

