



DEC
ENERGY

Board Packet for the
January 28, 2025
District Energy Corporation
Board Meeting

TAB I



**NOTICE OF QUARTERLY MEETING AND AGENDA
DISTRICT ENERGY CORPORATION
BOARD OF DIRECTORS**

*Lincoln Electric System, Kevin Wailes Operations Center
9445 Rokeby Road. Lincoln, NE // January 28, 2025 @ 12:00 pm*

Notice of meeting was published in the Lincoln Journal Star newspaper on January 21, 2025.

- 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 AND REPORTS * – Sean Flowerday** **Motion**
 - A. October 24, 2024 Minutes
 - B. October 24, 2024 Management Report
 - C. October 24, 2024 Financial Report
- V. RATIFICATION OF PRIOR ACTIONS * - Sean Flowerday** **Motion**
 - 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
- VI. RECEIPT OF BOARD APPOINTMENT NOTICES – Jason Fortik**
- VII. ELECTION OF OFFICERS FOR 2025 – David Levy**
 - A. Chair* **Motion**
 - B. Vice Chair* **Motion**
 - C. Secretary* **Motion**
- VIII. MANAGEMENT REPORT – Nick Wischhof**
 - A. Fuels & Operations Update
 - B. Update of Construction Projects
 - C. Annual Customer Outage Metric Update
 - D. Potential New Customer Connections Update
 - E. Motion to Accept Management Report* **Motion**
 - F. Project Approval – State deaerator replacement* **Resolution 25-01**
 - G. Project Approval – CADF fluid cooler installation* **Resolution 25-02**
- IX. FINANCIAL REPORT**
 - A. Current Financial Statement – **Wade Leibbrandt**
 - B. Semi-annual Investment Report – **Bryan Willnerd**
 - C. Acceptance of Investment Policy Revisions* – **Bryan Willnerd** **Resolution 25-03**
 - D. Motion to Accept Financial Statement and Investment Report* **Motion**
- X. MISCELLANEOUS BUSINESS**
 - A. Greenhouse Gas Strategy* - **Jason Fortik** **Resolution 25-04**
 - B. Discussion of DEC customers interest in purchasing RECs – **Jason Fortik**
 - C. Discuss potential Bylaw change to provide that board terms continue until a successor is appointed – **David Levy**

- D. Discussion of proposed Nebraska legislation – **David Levy**
- E. Discussion of attendance at the International District Energy Association’s annual conference, June 2-5, 2025, in Minneapolis, MN – **Jason Fortik**

XI. FUTURE MEETING DATES AND DISCUSSION

April 22, 2025 // July 22, 2025 // October 21, 2025 // January 27, 2026

XII. ADJOURNMENT

*Denotes Action Item

TAB II



MINUTES OF DISTRICT ENERGY CORPORATION BOARD

Minutes of the meeting of the District Energy Corporation (DEC) Board of Directors meeting held on October 24, 2024, 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 October 17, 2024.

Board Members Present: Sean Flowerday, Carl Eskridge
Rick Vest joined via speaker phone from approx. 1:15-1:30pm

Board Members Absent: Kim Morrow, Bennie Shobe

Others Present: Jason Fortik, Emily Koenig, Nick Wischhof, Larry Balm, Dianne Dobrusky, Keith Snyder, Denise Parrott, Nichi Richardson, Bryan Willnerd, Wade Leibbrandt, Ben Hostetler, Curt Donalson, Doug Bantam, Kerin Peterson

Chair Sean Flowerday called the meeting to order at 1:15pm. 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. To meet the quorum requirements, Chair Flowerday and Vice Chair Eskridge were in the room, and Director Vest was on speaker phone.

Call to Order

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

Safety Briefing

Chair Flowerday asked a motion to approve the July 16, 2024 meeting minutes. Chair Flowerday made the motion and Director Eskridge seconded. The vote to approve was:
Aye: Flowerday, Eskridge, Vest

Approval of Minutes for 7/16/24

Chair Flowerday called for a motion to approve adjusting the agenda to address the items needing action first, as Director Vest was only available (via phone) for a limited time. Vice Chair Eskridge made the motion and Director Vest seconded. The vote to approve was:
Aye: Flowerday, Eskridge, Vest

Motion to Adjust Agenda

Wade Leibbrandt, LES Manger Budget and Financial Planning, presented information and details regarding the DEC 2025 Budget and

2025 Budget and Rates

Rates pertaining to Resolution 24-04 (original agenda item VI. C.). The 2025 operating budget is a 7.9% increase over 2024. Leibbrandt reviewed the main drivers for the increase, as well as the capital budget items. Graphs and details for the Demand-Other and Demand-Financing rates for each plant were presented. The proposed heating and cooling rates both meet the cost-of-service targets. Leibbrandt also reviewed the Rate Stabilization Fund balance and Debt Service metrics. Altogether, the 2025 total proposed budget is a 2% decrease compared to 2024. The details for each plant were broken out to show their individual comparison of 2024 vs. 2025.

Chair Flowerday called for a motion to approve Resolution 24-04. Vice Chair Eskridge made the motion and Director Vest seconded. The vote to approve was:
Aye: Flowerday, Eskridge, Vest

Resolution 24-04

Wade Leibbrandt presented information and details regarding authorization needed to withdraw funds from the Rate Stabilization Fund, for NSP only, not to exceed \$117,525.00, pertaining to Resolution 24-05. (Original agenda item VI. D.)

Rate Stabilization Funds Moved

Chair Flowerday called for a motion to approve Resolution 24-05. Vice Chair Eskridge made the motion and Director Vest seconded. The vote to approve was:
Aye: Flowerday, Eskridge, Vest

Resolution 24-05

Wade Leibbrandt presented information and details regarding the intent to reimburse certain capital expenditures from future tax-exempt obligations pertaining to Resolution 24-06. (Original agenda item VI. E.)

Reimburse Capital Expenditures

Chair Flowerday called for a motion to approve Resolution 24-05. Vice Chair Eskridge made the motion and Director Vest seconded. The vote to approve was:
Aye: Flowerday, Eskridge, Vest

Resolution 24-06

Emily Koenig, LES VP Financial Services and CFO, and DEC CFO, presented information and details regarding the ratification of the Financial Statement Audit Contract with Forvis Mazars for audit years 2024-2026. (Original agenda item VI. G.)

Forvis Mazars Audit Contract

Chair Flowerday called for a motion to ratify the contract. Vice Chair Eskridge made the motion and Director Vest seconded. The vote to approve was:
Aye: Flowerday, Eskridge, Vest

Ratify Forvis Contract

Nick Wischhof, LES Manager, Projects Engineering, presented information and details regarding the approval needed for Revised

Black Hills Energy Agreement

Exhibit B, Quantity, Term, and Rates that is attached to the Nebraska Transportation Services Base Agreement between DEC and Black Hills Energy, pertaining to Resolution 24-03 (original agenda Item V. E.). This is a three-year extension to the existing agreement.

Chair Flowerday called for a motion to ratify the contract. Vice Chair Eskridge made the motion and Director Vest seconded. The vote to approve was:
Aye: Flowerday, Eskridge, Vest

Resolution 24-03

Director Rick Vest (attending via speaker phone) left the meeting at approx. 1:30pm.

Chair Flowerday welcomed public comment and introduced Curt Donaldson. Donaldson shared comments on the efficacy of solar installations (original agenda Item III.).

Public Comment

Nick Wischhof presented the 3rd Quarter Management Report (original agenda item V.). Wischhof reviewed the service interruptions occurring during the 3rd quarter and planned outages for the 4th quarter. Fuel usage and costs, compared to budget, were reviewed. Wischhof provided details for capital projects in process - reviewing budgets, project status, and cash flow. Possible DEC expansion with the new Lincoln convention center was discussed.

Management Report

Wade Leibbrandt present the 3rd Quarter Financial Report (original agenda item VI.). Leibbrandt noted that energy sales were slightly above budget due to increased cooling loads for the period. Revenues have closely matched budget for YTD, and expenses were 2% below budget due primarily to higher investment income. Debt service coverage was higher than budget due to lower operating expenses and higher interest income.

Financial Report

Bryan Willnerd, LES Manager, Treasury and Risk Management, presented the annual insurance coverage review (original agenda item VI. F.). Willnerd detailed the timeline for the insurance renewal and each step in the process, especially highlighting the steps needed between now and year-end. Industry trends in different coverage categories were reviewed. It is estimated that the year-over-year premiums may increase 7.4%. resulting in the preliminary estimated renewal premiums being 3.5% over budget.

Insurance Coverage Review

Jason Fortik presented information regarding the DEC LOC Plant LES REC Rider Program Participation (original agenda item VII. B.). LES, (as a customer of DEC). will be asking LES (as the management contractor for DEC), to sign up for the program and purchase RECs to offset electricity consumption. The dollar amount is minimal, at less than \$100 per year.

REC Rider Program

Jason Fortik discussed the board terms ending 12/31/24 and the steps taken to refill or reappoint members (original agenda item VII. C.). Three board members have terms expiring at year-end. Both Director Shobe and Vice Chair Eskridge have expressed an interest in being reappointed, and we are in the process of getting those official confirmations. Direct Vest will let us know in mid-November and will then take the appropriate steps.

**Board Terms Expiring
12/31/24**

Jason Fortik discussed the progress and next steps toward filling the DE Manager position (original agenda item VII. D.). This position has been budgeted for going forward, and the job posting has recently closed. The applications are being reviewed and candidate interviews are being scheduled shortly.

DEC Manager Position

These items, from the original agenda, will be moved to the next meeting, in January 2025:

**Agenda Items Moved to
Next Meeting**

- V. D. Approval of Management Report
- VI. B. Approval of Financial Report
- VII. A. Greenhouse Gas Strategy and Resolution 24-07

The next meeting dates, in 2025, were reviewed. Vice Chair Eskridge brought forward that the location of the meetings should be a discussion item at a future meeting, with the possibility of utilizing the downtown board room.

Future Meeting Dates

There being no further business to come before the board, the meeting was adjourned, at approximately 2:00 pm.

Adjournment

Sean Flowerday, Board Chair

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

TAB III



DEC
ENERGY

DEC ENERGY

Management Report

Nick Wischhof, P.E., Manager, Projects Engineering

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”



DEC
ENERGY

Fuels and Operations Update: October 2024



Operations Update & Service Interruptions

3

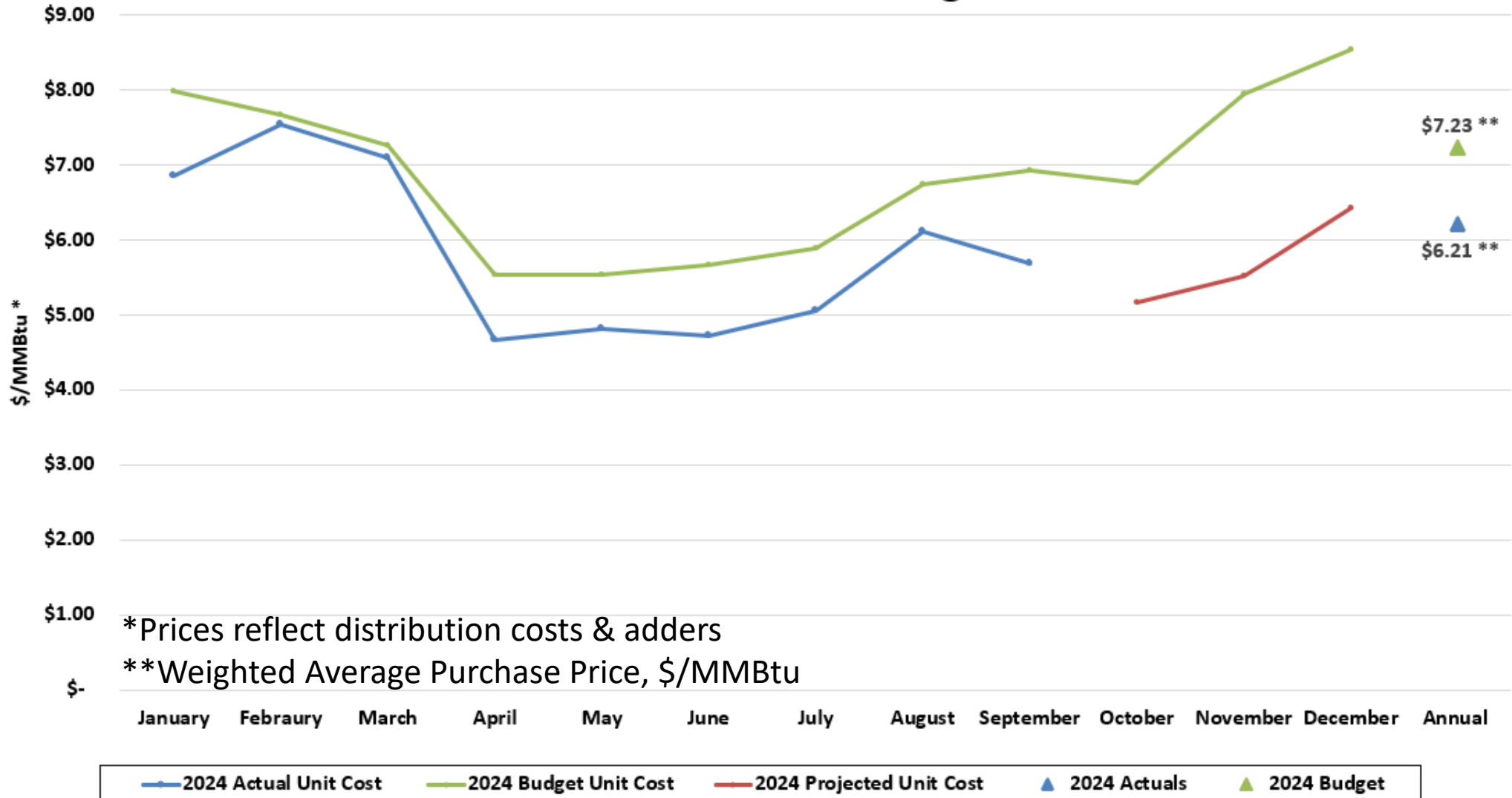
- ❑ Planned outages to the Penitentiary (NSP) for customer steam/condensate leak repairs
 - ❑ Currently operating at 60 psi (typically 100 psi) due to failed customer pressure regulating valves (PRVs) (~3-day outage)
 - ❑ Continue to operate on full makeup.....
 - ❖ Water usage is impacting DEC budget/cost of service
- ❑ Hot water outage (~4 hrs) to the CADF to complete the tie-ins for the new hot water pump. Additional outage this fall to complete.
- ❑ Planned outage this fall to cap the distribution piping going to the 900J structure



Fuel Unit Costs

4

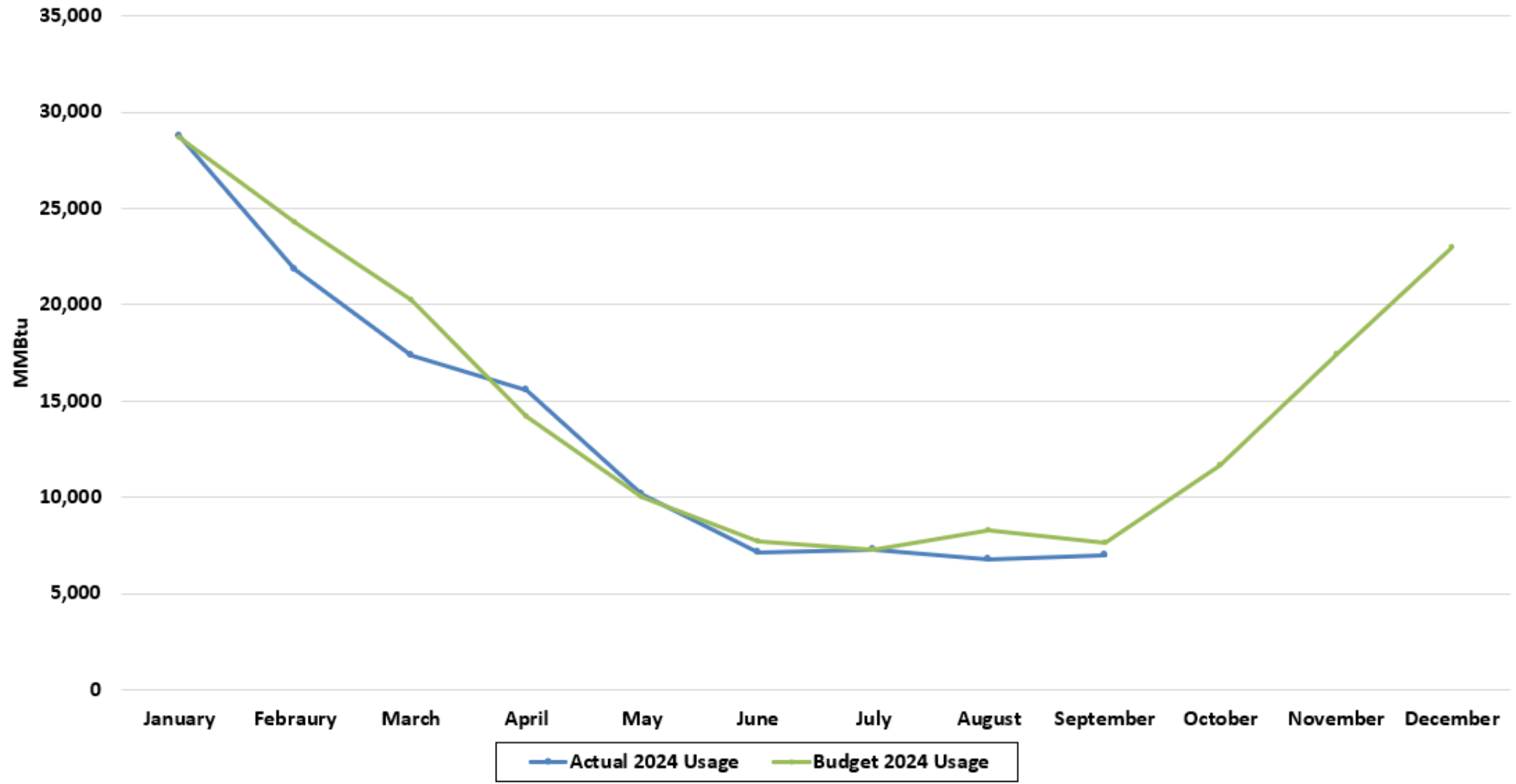
2024 Actual vs 2024 Budget





Fuel Quantities

2024 Actual vs 2024 Budget





2024 Fuel Costs

6

	Q1	Q2	Q3	Q 4	2024
Total Consumption (mmBTU)	67,870	32,769	21,085	-	121,724
Total Cost (\$)	\$ 483,866	\$ 154,549	\$ 117,925	\$ -	\$ 756,340
Average Unit Cost (\$/mmBTU)	7.13	4.72	5.59		6.21



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Project Updates



Capital Projects Update

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Project	Description	Budget *	Status
<u>All</u> Central Cyber Security System	Continued joint project with LES for real time monitoring of plant control systems and network integrity. Installing a new data diode to further enhance network isolation.	\$53k	On hold to apply for grant funding (IIJA) to procure an additional data diode.
<u>CADF</u> Geothermal Loop Cooler	This project will install an air to fluid cooling system to address the geothermal loop temperature increases that effect efficiency of the heat pumps. The system would be operated during the colder winter months to maximize system performance.	\$510k	Fluid cooler has been delivered. Mechanical installation is out for bid for install in 2024/2025.
<u>CADF</u> Backup Circ. Water Pumps	This project will install redundant circulating water pumps for the geothermal system's three water loops: wellfield, hot and cold water. This will improve plant reliability and resiliency.	\$254k	Mechanical installation is nearly complete. Final tie-ins will occur this fall. Electrical installation is in progress.
<u>LOC</u> Geothermal Loop Heating System	This project is for the design and installation of a system to increase the loop temperature at the LOC. The LES facility is heavily heating dominated, and this results in the temperature of the geothermal system going down. Low geothermal loop temperatures reduce the efficiency of the heat pumps during cold weather.	\$204k	Installation is complete. Completing final stages of commissioning. Will be utilized this winter as needed.

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



CADF – Fluid Cooler

9





LOC & CADF - Project Photos

10





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.	\$110k	Installing refrigerant detectors at the LOC and CADF.
<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.	\$510k	Finalizing installation design for install in 2025. Boilers have been delivered.
<u>CADF</u> Multistack Upgrades	This project will upgrade the reversing valves on the Multistack geothermal heat pumps to improve system reliability. This project will also upgrade the obsolete controllers on the Multistacks.	\$229.5k	Deferred to 2025/2026.

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



WHM – Electric Boilers

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Capital Projects Life-to-Date vs. Budget

(in Thousands)

Project	Approval Year	Life to Date (LTD) as of 9/30/24	Budget	Remaining (\$)
DEC Central Cyber Security System	2024	\$ -	\$ 53	\$ 53
DEC Physical Security and Safety	2024	\$ 72	\$ 110	\$ 38
C/C Water Service Upgrade	2024	\$ 27	\$ 51	\$ 24
CADF Loop Field Fluid Cooler	2024	\$ 72	\$ 510	\$ 438
CADF Backup Circuit Pumps for Each Loop	2024	\$ 129	\$ 254	\$ 125
CADF Multistack Upgrade	2024	\$ -	\$ 230	\$ 230
WHM Boiler Addition	2024	\$ 444	\$ 510	\$ 66
WHM On-line Condenser Cleaning System	2024	\$ -	\$ 160	\$ 160
LOC Loop Field Resistance Heater	2024	\$ 56	\$ 204	\$ 148
WHM Hudl Service Extension	2024	\$ -	\$ 122	\$ 122
State DA Controls & Surge	Carryover	\$ 268	\$ 272	\$ 4
NSP Hydronic Cooler	Carryover	\$ 45	\$ 51	\$ 6
Total		\$ 1,113	\$ 2,527	\$ 1,414



2024 Capital Cash Flow Forecast vs. Budget

(in Thousands)

14

Project	Approval Year	2024 Forecast	2024 Budget	Remaining (\$)
DEC Central Cyber Security System	2024	\$ -	\$ 18	\$ (18)
DEC Physical Security and Safety	2024	\$ 57	\$ 80	\$ (23)
C/C Water Service Upgrade	2024	\$ 4		
CADF Loop Field Fluid Cooler	2024	\$ 318	\$ 460	\$ (142)
CADF Backup Circuit Pumps for Each Loop	2024	\$ 278	\$ 104	\$ 174
CADF Multistack Upgrade	2024	\$ 7	\$ 230	\$ (223)
WHM Boiler Addition	2024	\$ 381	\$ 448	\$ (67)
WHM On-line Condenser Cleaning System	2024	\$ -	\$ 80	\$ (80)
LOC Loop Field Resistance Heater	2024	\$ 69	\$ 179	\$ (110)
WHM Hudl Service Extension	2024	\$ -	\$ -	\$ -
WHM Proposed Block 4	Carryover	\$ (5)	\$ -	\$ (5)
State DA Controls & Surge	Carryover	\$ 14	\$ -	\$ 14
NSP Hydronic Cooler	Carryover	\$ 38	\$ -	\$ 38
Total		\$ 1,161	\$ 1,599	\$ (442)





DEC
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Potential New Customer
Connections / Discussions



DEC Expansion

16

- Convention Center
 - Anticipating site location by end of 2024
 - Reached out to the project team for more involvement/discussion



DEC
ENERGY

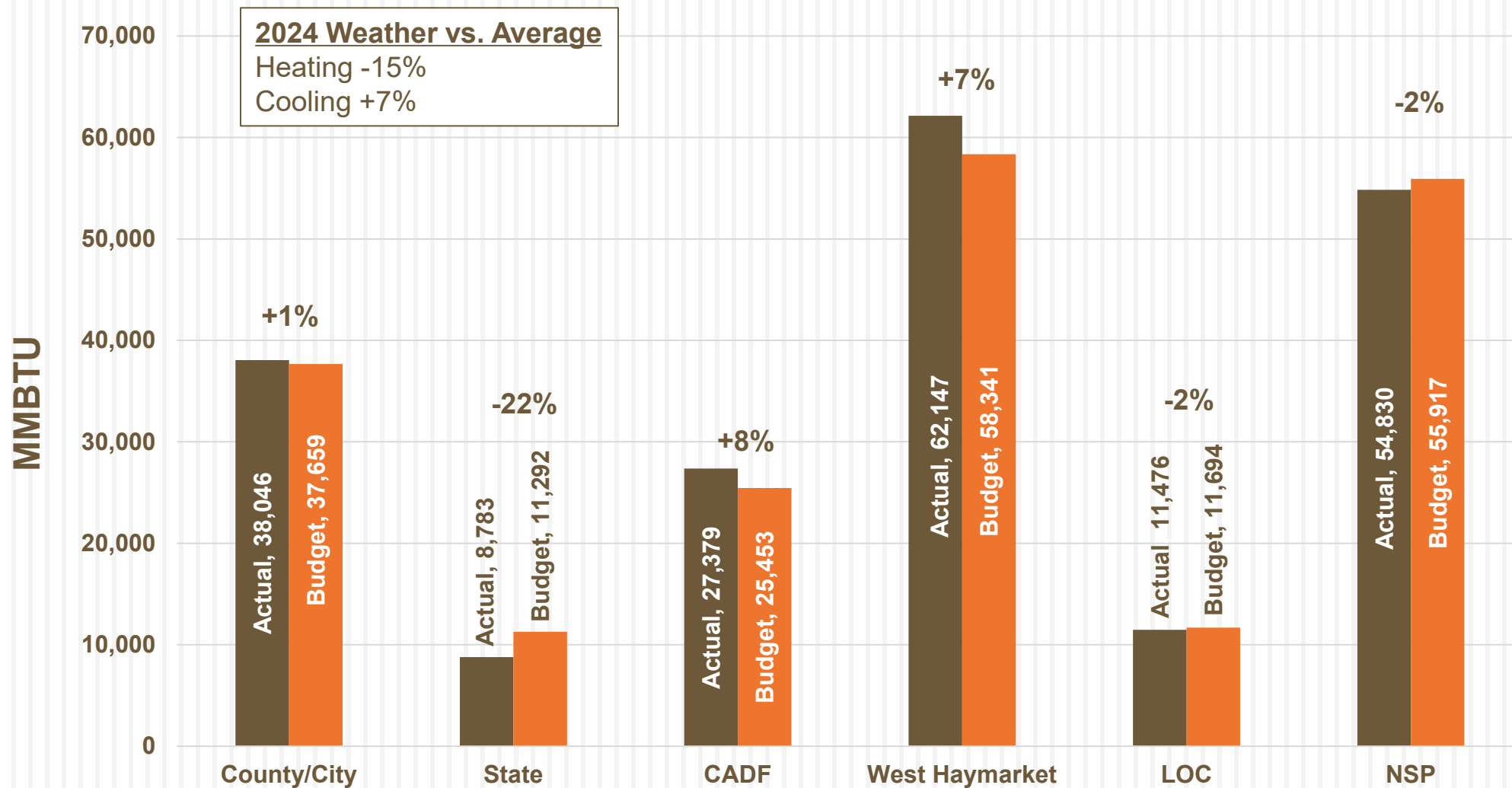
Comments/Questions

*Seek a motion to accept the management report.

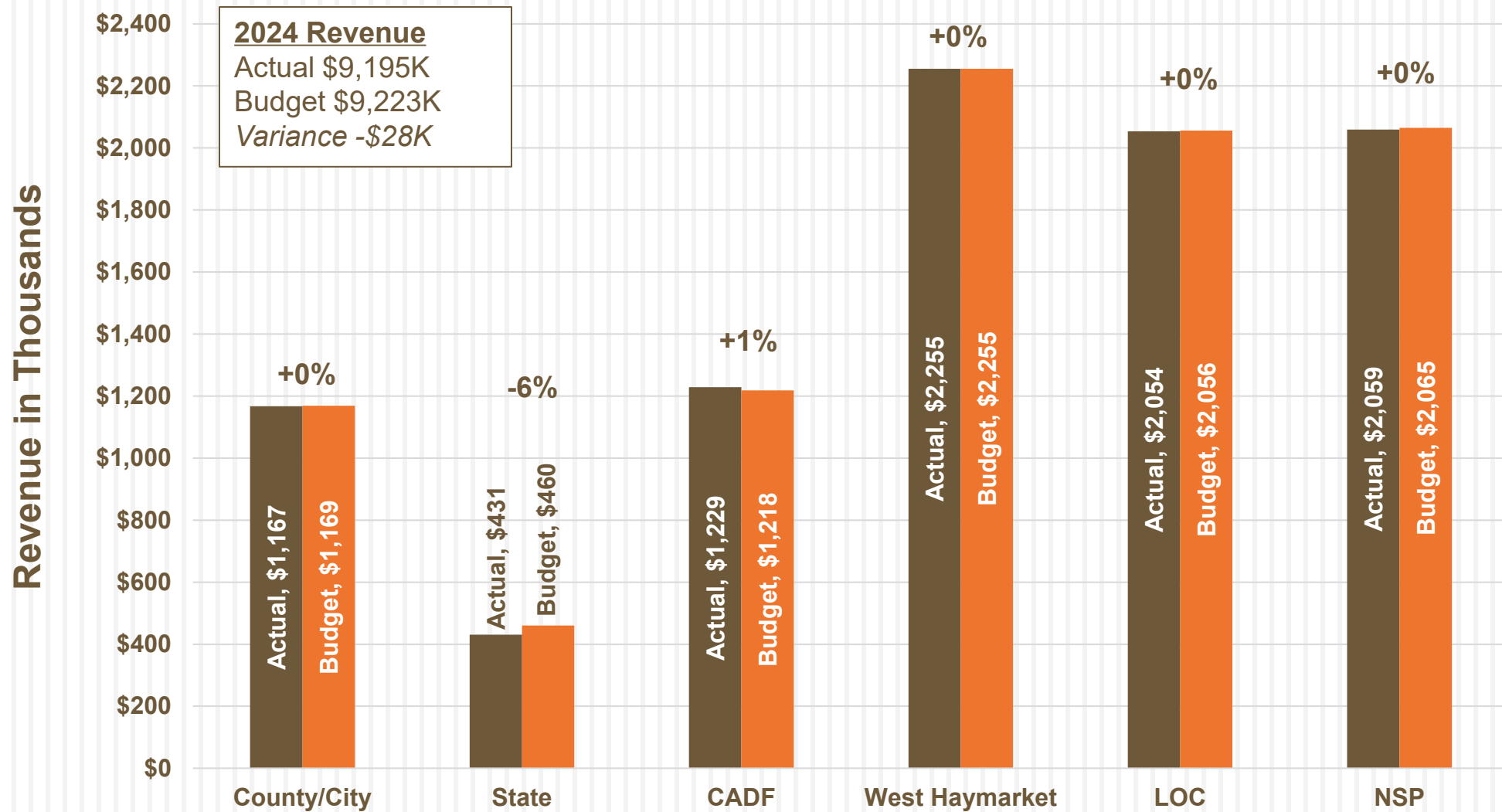
*Revised agreement with Black Hills Energy Resolution 24-03

TAB IV

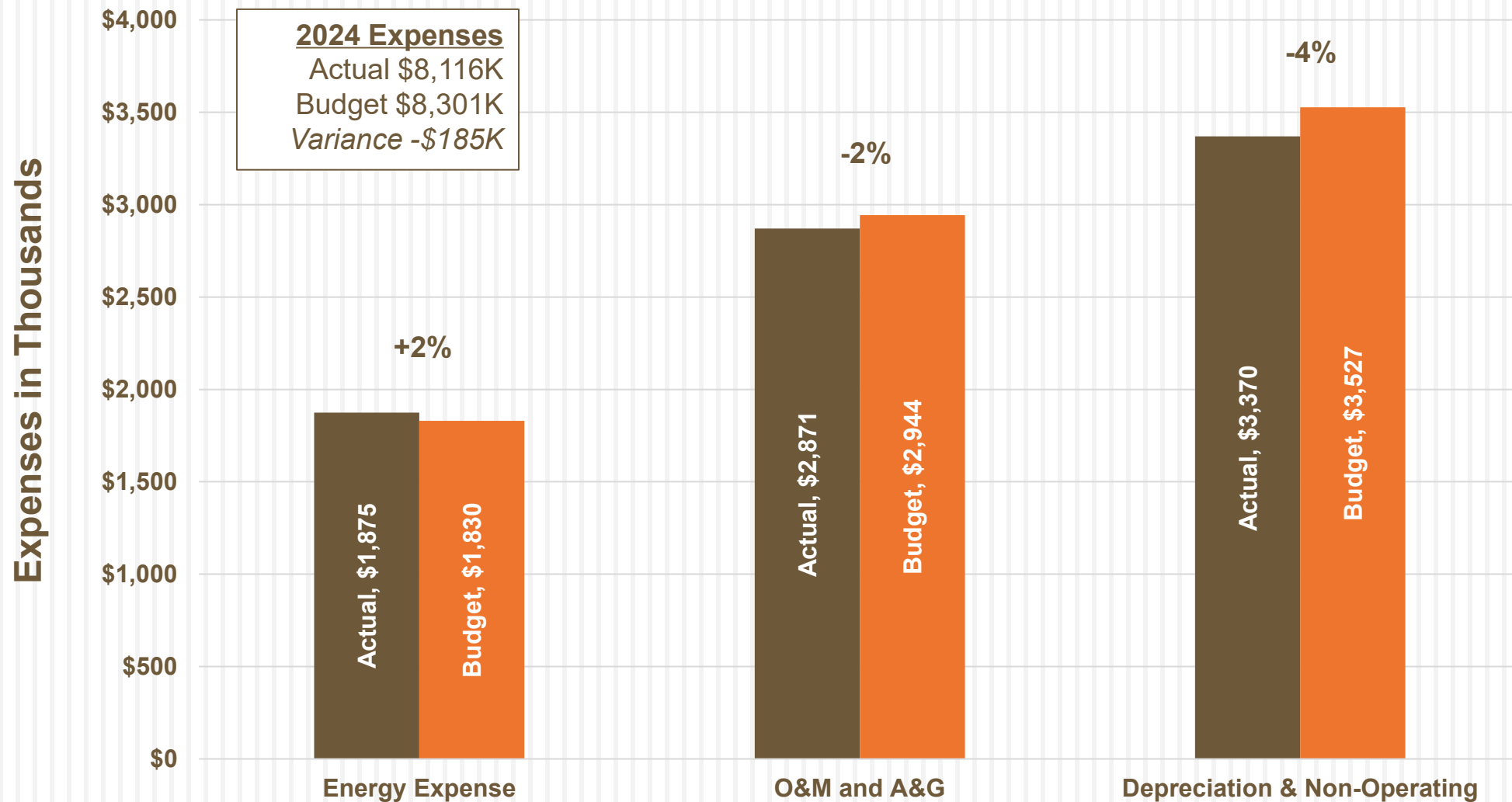
Energy sales were 1% above budget primarily due to increased cooling loads



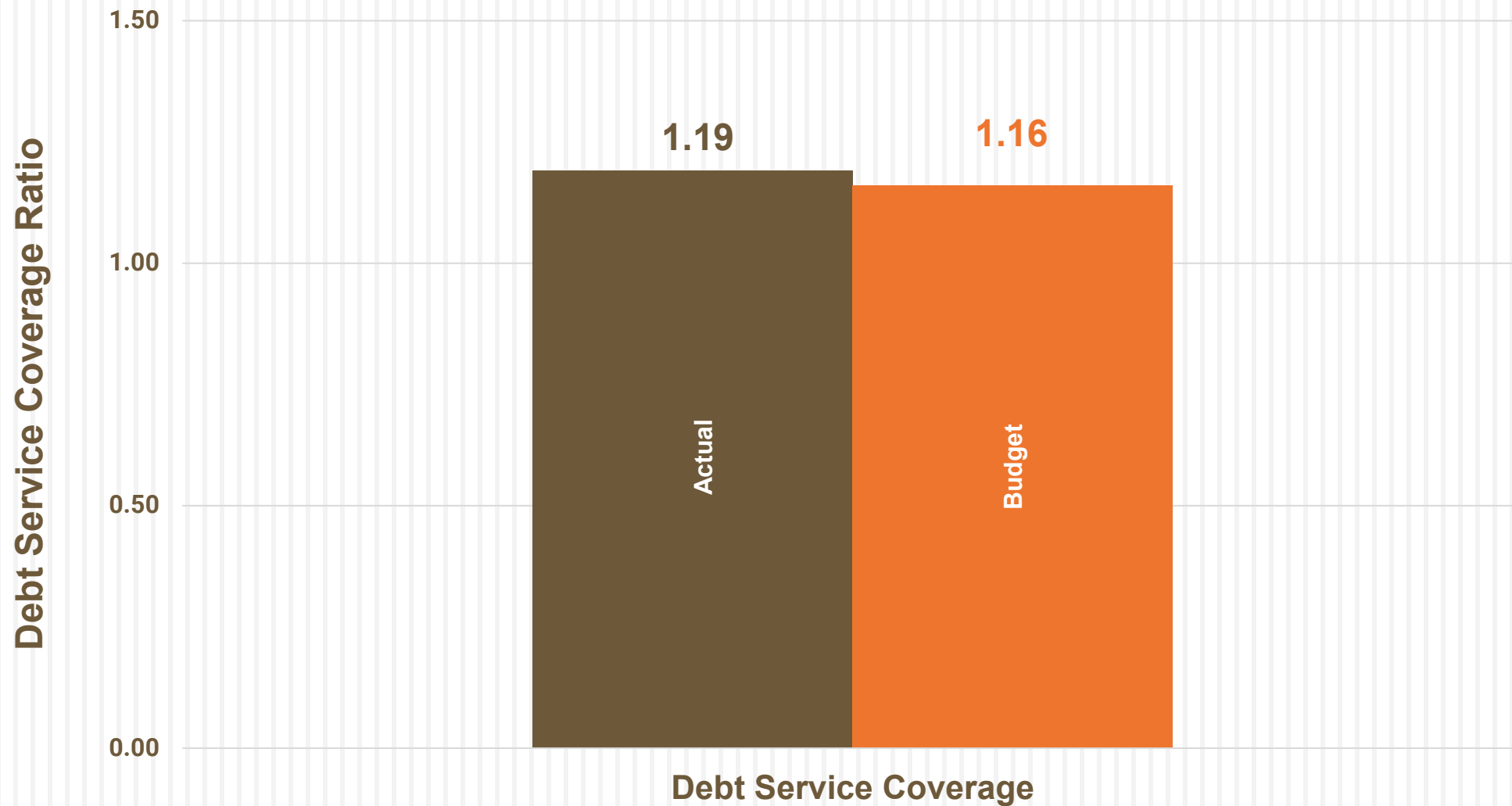
Revenues essentially matched the budget through the first three quarters of 2024



Expenses were 2% below budget due primarily to higher investment income



Debt Service Coverage was higher than budget due to lower operating expenses and higher interest income



TAB V

DISTRICT ENERGY CORPORATION
RESOLUTION NO. 24-04

A RESOLUTION ADOPTING THE 2025 DEC OPERATING AND CAPITAL BUDGET AND A REVISED SCHEDULE OF RATES AND CHARGES FOR DEC CUSTOMERS.

RECITALS:

I.

Pursuant to the “Amended and Restated Management Agreement,” the DEC Administrator has developed and presented to the DEC Board of Directors, for its review and approval, a proposed annual budget for the operation of DEC and a revised Schedule of Rates and Charges to be charged to DEC customers to support the same.

II.

The Board of Directors has reviewed such proposed annual budget and revised Schedule of Rates and Charges and now proposes to adopt the same through passage of this Resolution.

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

That the 2025 Operating and Capital Budget, a copy of which is attached hereto, marked as Exhibit 1 and made a part hereof by reference is hereby adopted as the annual budget for DEC for the 2025 fiscal year.

BE IT FURTHER RESOLVED that the revised Schedule of Rates and Charges to be charged to the customers of DEC pursuant to their respective Thermal Service Agreements or Energy Service Agreements, a copy of which is attached hereto, marked as Exhibit 2 and made a part hereof by reference, is hereby adopted. Such rates and charges shall be effective January 1, 2025.

BE IT STILL FURTHER RESOLVED that:

1. Unencumbered balances of amounts budgeted in the Operating Budget shall lapse at the end of the fiscal year.

2. Amounts budgeted for capital projects in the Capital Budget shall, without further action, carry over from fiscal year to fiscal year until project close-out, at which time the appropriation for the closed-out project shall lapse. The Board of Directors may, by resolution, transfer at any time the unencumbered balances of such capital budgets to other capital budgets.

3. If a capital project is anticipated to extend over more than one fiscal year, and if a total project budget has been identified in the Capital Budget for that capital project, then the DEC administrator is authorized, as necessary and prudent, to enter into multi-year contracts exceeding the annual budgeted amount for such capital project, so long as the total contract sum for the multi-year contract does not exceed the total project amount as designated in the then current Capital Budget.

4. For purposes of this Resolution, balances shall be deemed "encumbered" when a legally binding contract has been entered into that commits the DEC to payment of the amounts stated in the contract, regardless of whether the actual payment is made in the current fiscal year or a future fiscal year.

PASSED AND ADOPTED this 24th day of October, 2024.

ATTEST:


Secretary/Treasurer

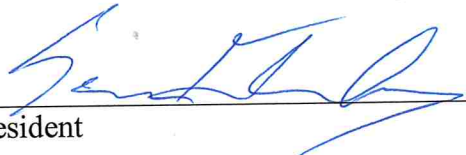

President

Exhibit 1



DEC
ENERGY

District Energy Corporation

2025 Annual Budget Report



9445 Rokeby Road
Lincoln, NE 68526
(402) 473-3373

Board of Directors

President

Sean Flowerday

Vice President

Carl Eskridge

Secretary/Treasurer

Kim Morrow

Rick Vest
Bennie Shobe

Assistant Secretary

Dianne Dobrusky

October 15, 2024

DEC Board of Directors:

The staff at Lincoln Electric System has developed the enclosed 2025 Budget and Rates proposal for your consideration and recommends this submittal for your approval at the October 24, 2024 board meeting. The total proposed 2025 Budget is \$12.5 million, or \$0.2 million less than the 2024 Budget.

Operating Budget

The proposed 2025 Operating Budget (excluding depreciation and other income/expense) is \$6.9 million, which is an increase of \$0.5 million from the 2024 Budget. This is driven primarily by increases in payroll, insurance requirements, the LES Management Fee, and external consulting.

Capital Budget

The proposed 2025 Capital Budget is \$0.8 million, which is a decrease of \$0.8 million from the 2024 Capital Budget. The major components of the 2025 Capital Budget include electric backup boilers at the West Haymarket, a geothermal loop cooler and backup circuit pumps at the County Adult Detention Facility, and numerous other small-to-medium sized projects.

Financial Metrics

The proposed 2025 Budget meets DEC's liquidity target of 60-90 days of operating reserves, or approximately \$2.7 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 2025 Budget includes estimated bill increases of 2%-8% for all customers except the West Haymarket which has no increase. The increases are related to the aforementioned expense increases. Each customer is within +/- 5 percent of the cost of service.

Financings

The 2025 Budget does not include any additional long or short-term financings.

As you review this material, please feel free to contact me with questions or comments.

Sincerely,

Emily N. Koenig
Chief Financial Officer



DISTRICT ENERGY CORPORATION
2025 BUDGET
DETAILED OPERATING AND CAPITAL BUDGET INFORMATION
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Budget Summary



DEC
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”*

Proposed 2025 Budget & Rates

Board of Directors Meeting
October 24th, 2024

Wade Leibbrandt
Manager, Budgeting & Financial Planning

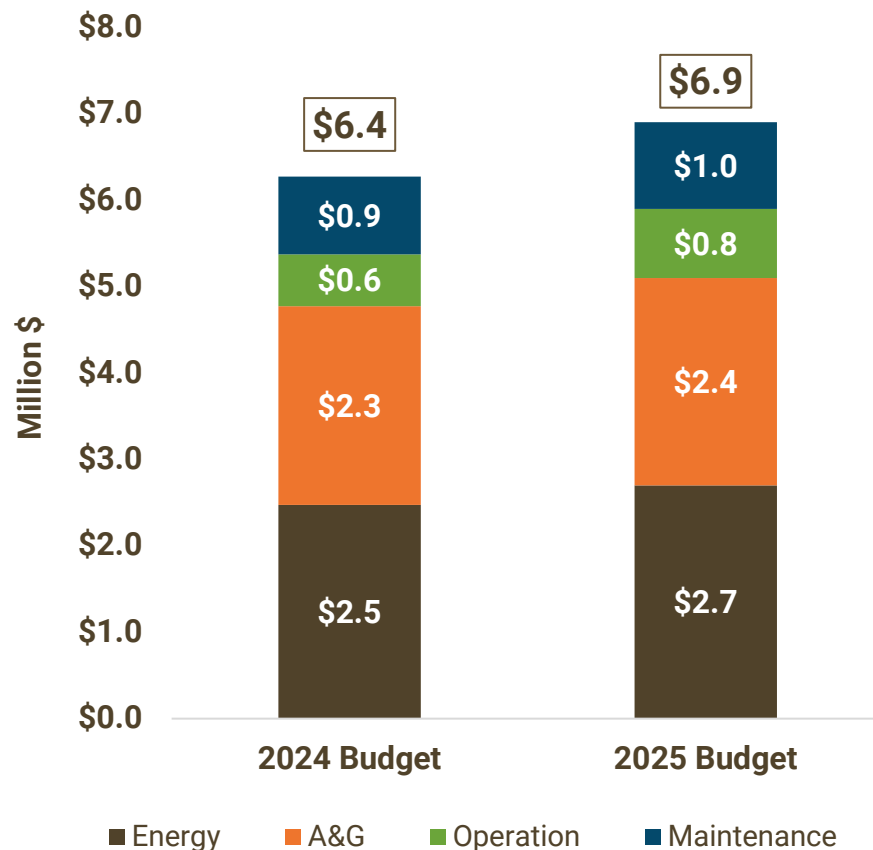
2025 Proposed Operating Budget is slightly higher than the 2024 Budget

2

Main drivers of 2025 Budget increase:

- Payroll & Benefits
- LES Management Fee
- Electric Energy
- Electrical Maintenance Programs
- External Consulting

Operating Expense

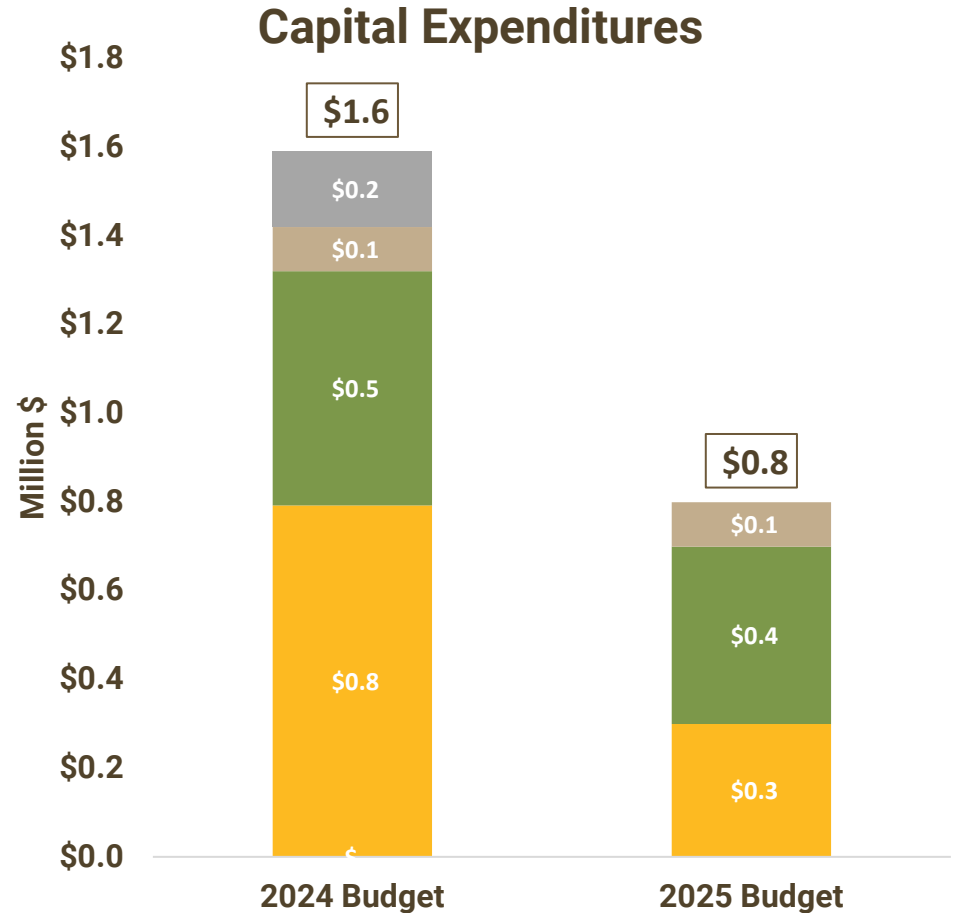


2025 Proposed Capital Expenditures

3

Projects in the Proposed 2025 Capital Expenditures include:

- WHM Boiler Addition: \$392K
- CADF Loop Field Fluid Cooler: \$225K
- DEC General Central Cyber and Physical Security projects: \$119K
- CADF Backup Circ. Pumps for each Loop: \$82K



- County/City (C/C)
- County Adult Detention Facility (CADF)
- DEC General
- LOC
- State
- West Haymarket (WHM)
- NSP



Demand-Other rates meet cost-of-service targets

4

Demand-Other Rates collect fixed costs

2025 Cost of Service

100%

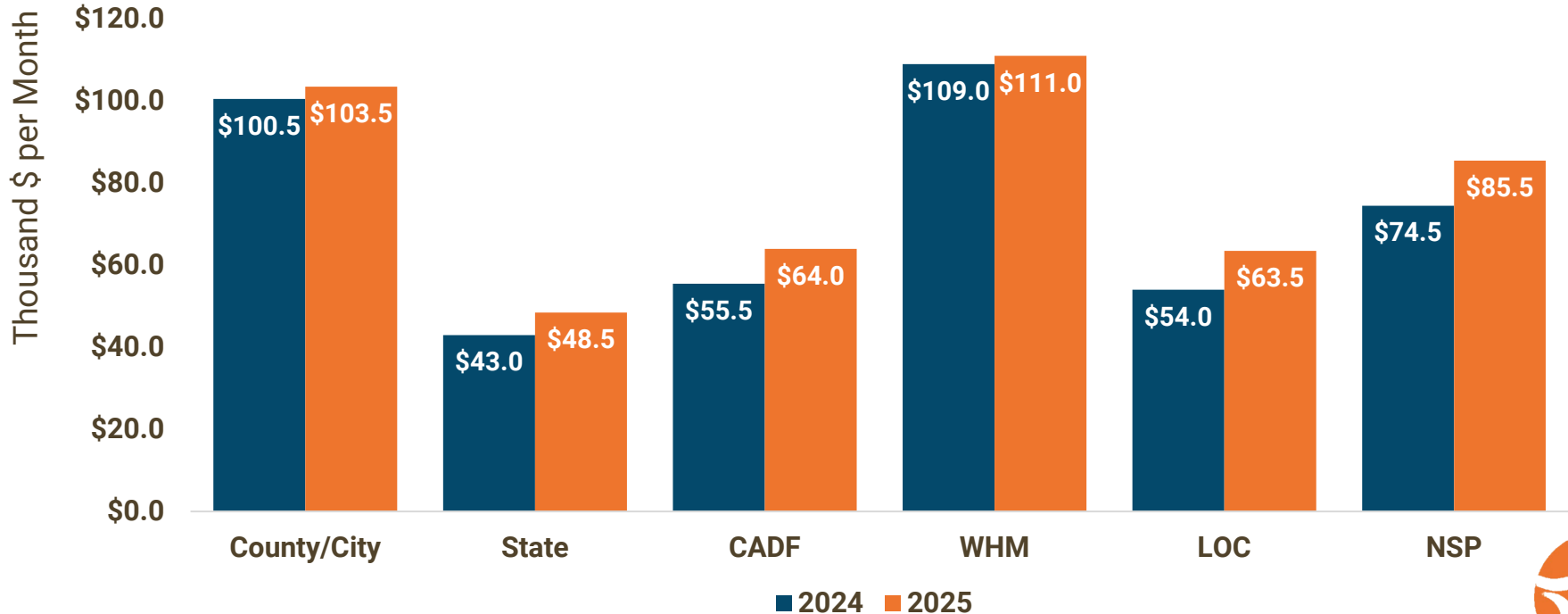
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101%

100%



Due to rounding, numbers presented throughout this document may not add up precisely to totals provided.
2025 DEC Operating Budget

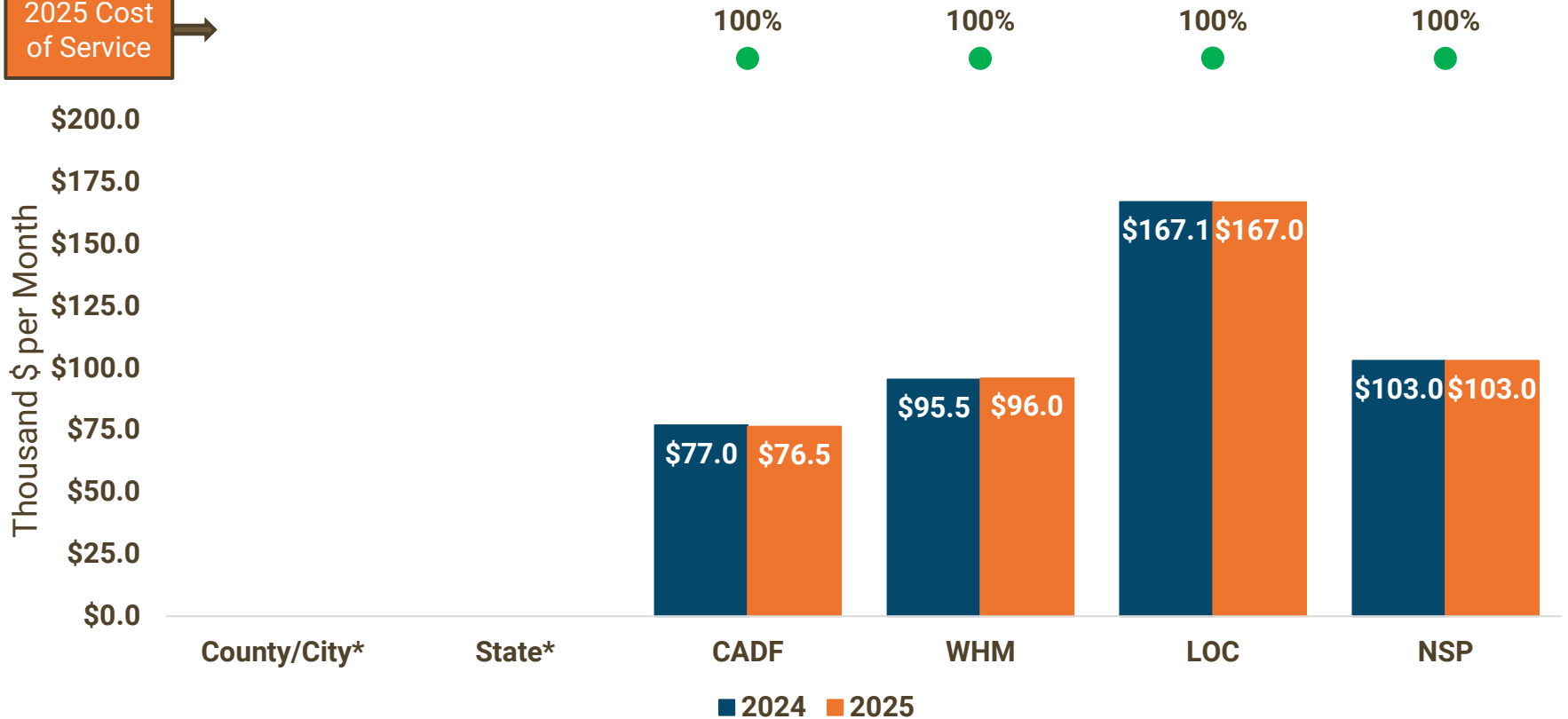


Demand-Financing rates similar to 2024 Budget

5

Demand-Financing collects plant debt costs

2025 Cost of Service



- * County/City Demand-Other Rate includes recovery of plant financing costs
- * State paid off all outstanding bonds in June of 2024.



Proposed Heating rates meet cost of service targets

6

Heating Rates collect variable costs for heating service

2025 Cost of Service

100%

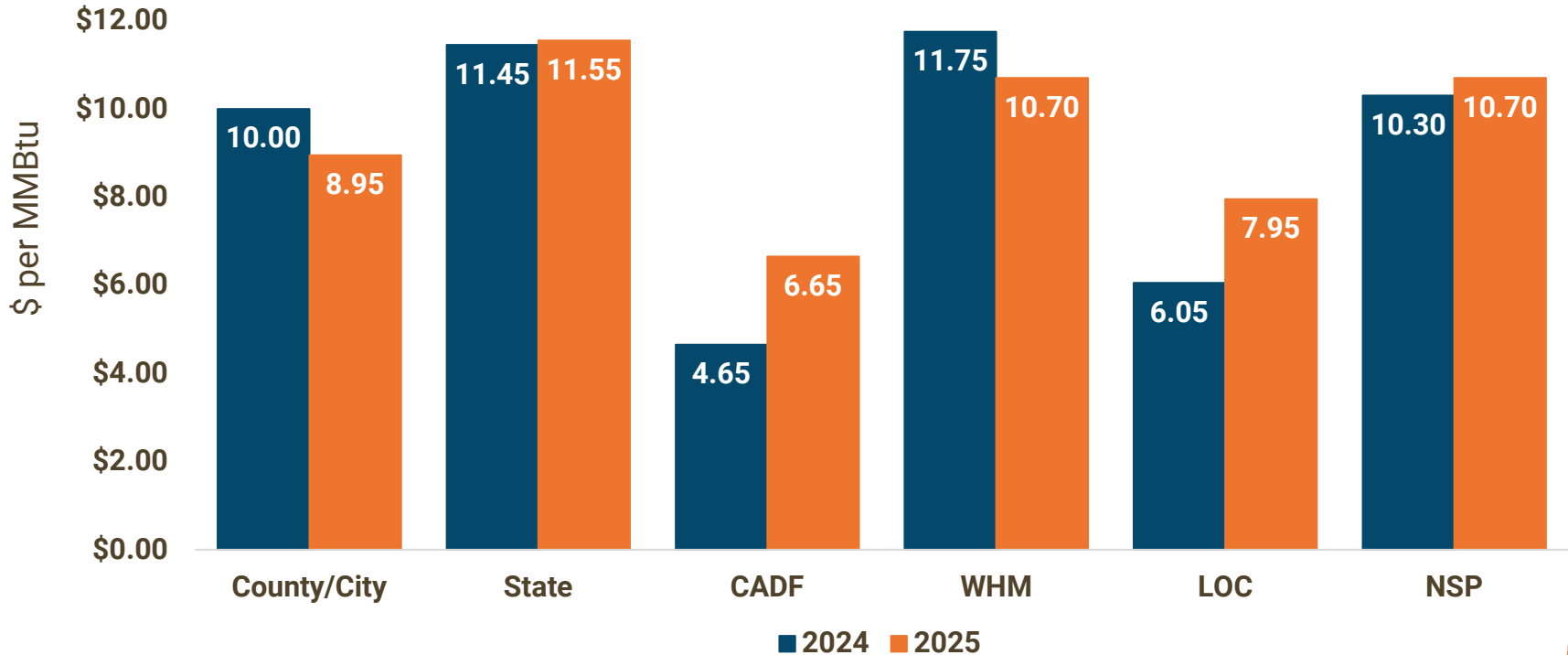
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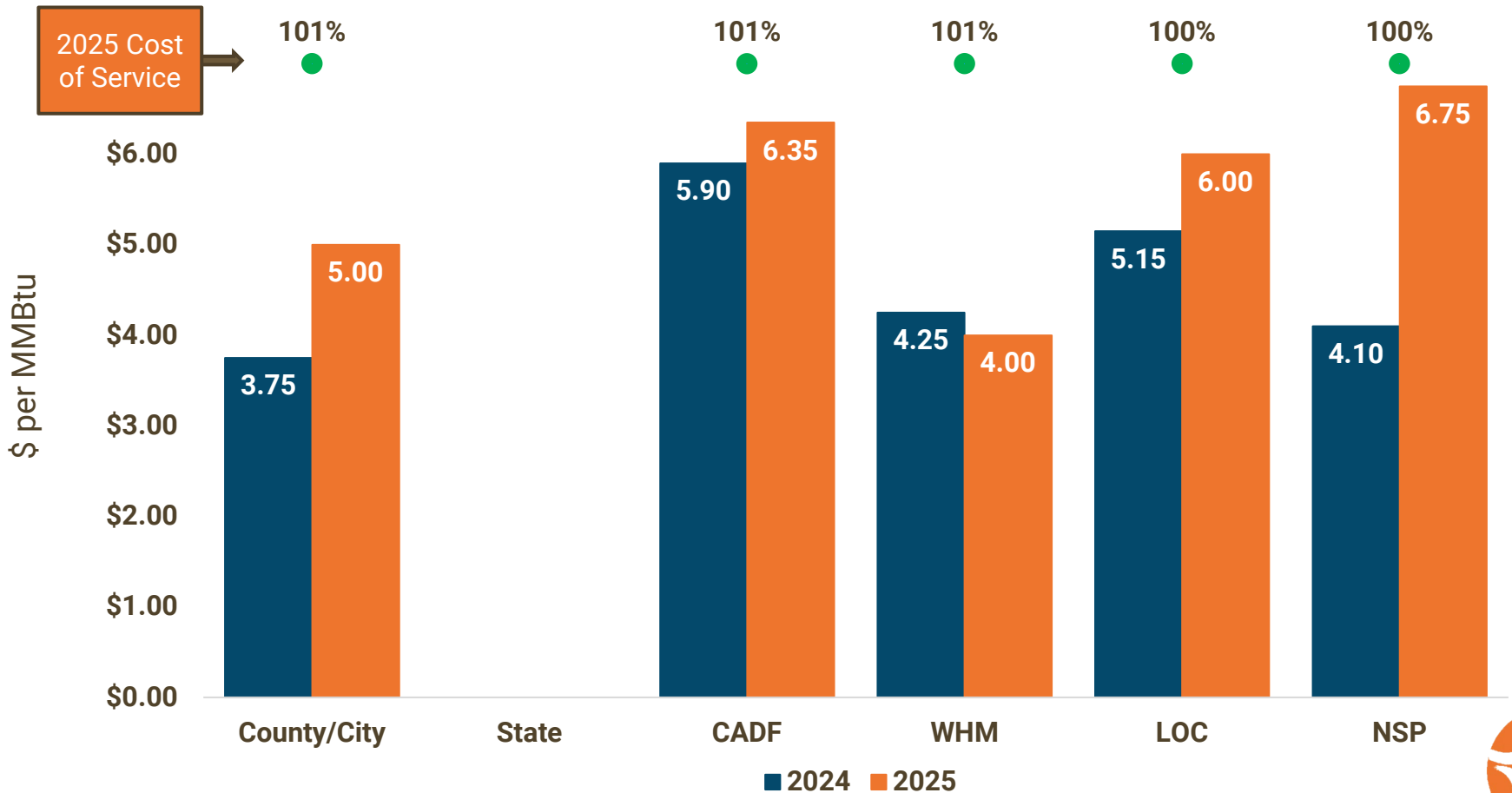
100%



Proposed Cooling rates meet cost of service targets

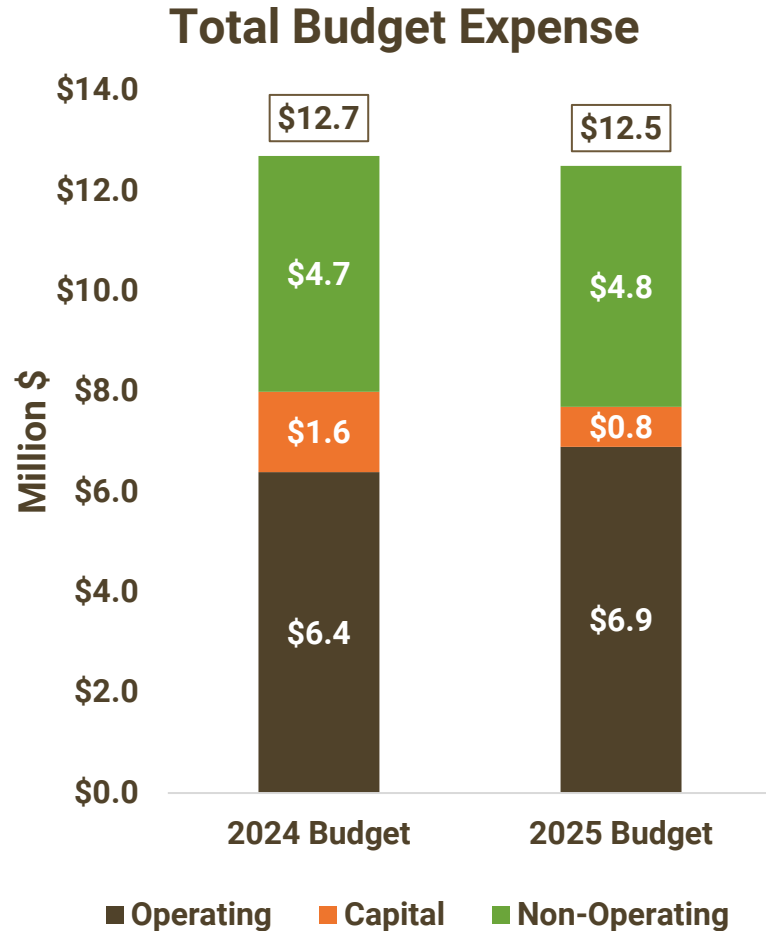
7

Cooling Rates collect variable costs for cooling service



2025 Total Proposed Budget decreased \$0.2M, or 2%, compared to the 2024 Budget

- 2025 Total Budget variances compared to 2024:
- Operating Expenses (+\$0.5M)
 - Increased operating expenses drive rate increases
 - Capital Projects (-\$0.8M)
 - Interest Income (+\$0.1M)



Financial Metrics are met for the 2025 Proposed Budget

1.18X
Debt Service Coverage Ratio
Target 1.10X - 1.20X

124 Days
Cash on Hand
Target 60 – 90 days*

2025 Long-Term Financing

The Proposed 2025 Budget has no long-term financing.

2025 Short-Term Financing

The Proposed 2025 Budget includes no new short-term borrowings. Current borrowings include \$1.2M on the JP Morgan line of credit for the County/City Ice Thermal project.

Rate Stabilization Fund (RSF)

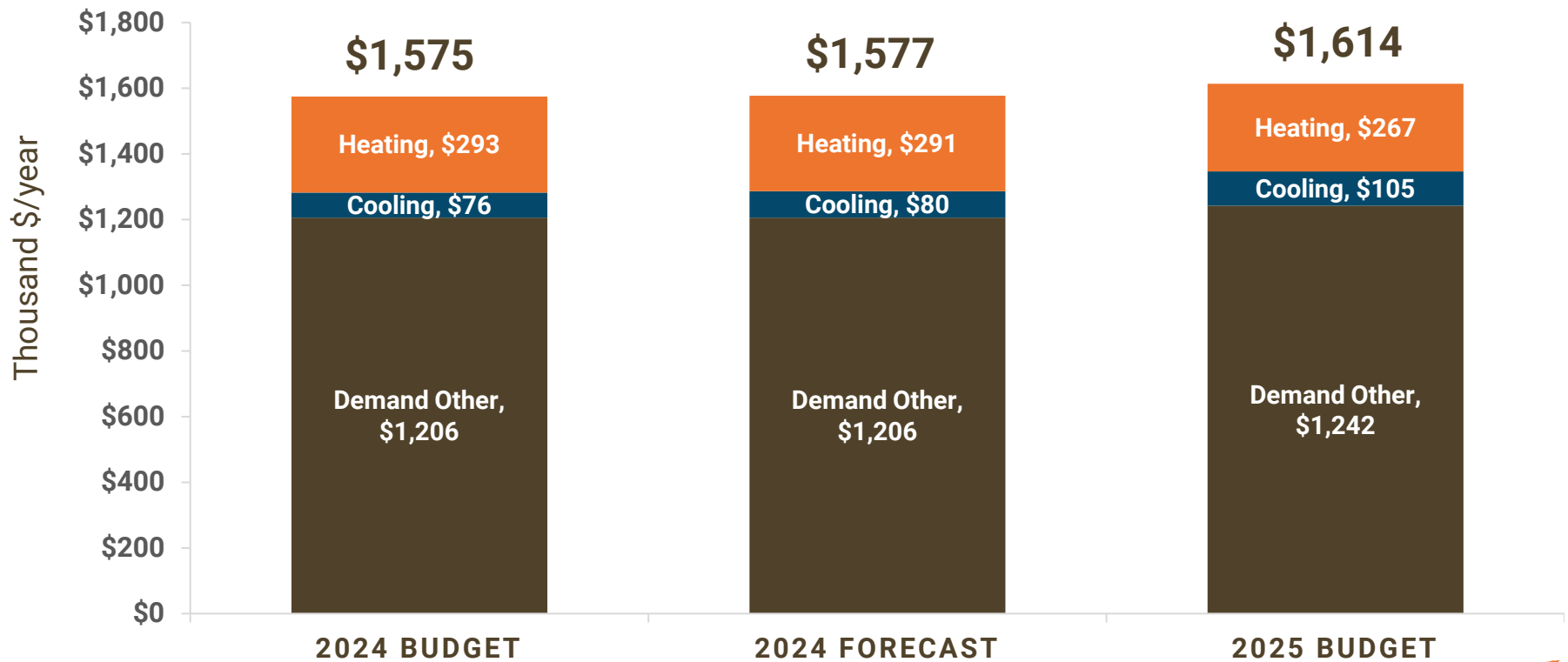
RSF balances are considered fully funded when the balance reaches 25% of Energy expenses for each plant. RSFs will be fully funded for each plant by the end of 2027.

* Generally, a minimum target of 80 days is maintained on a plant-by-plant basis



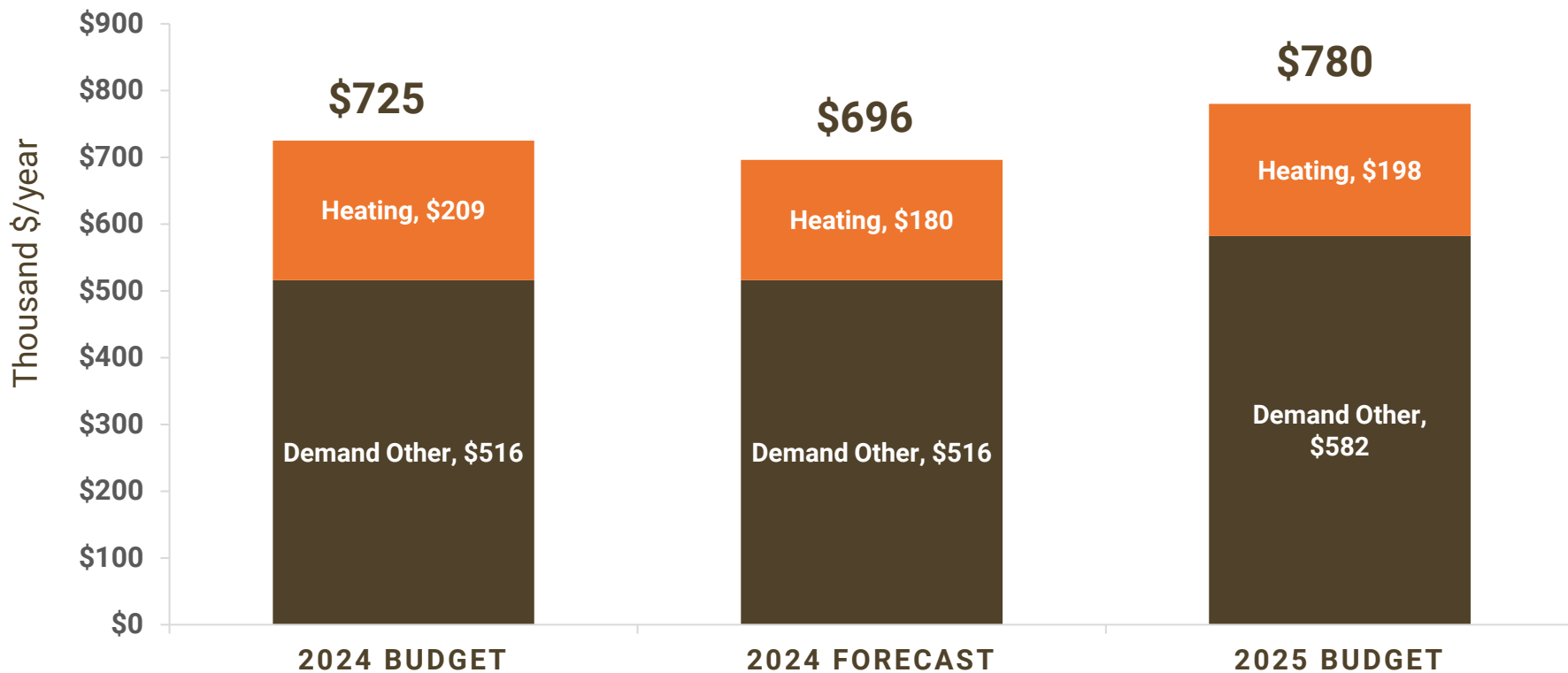
County/City estimated annual bill increase ~2% compared to 2024 Budget

11



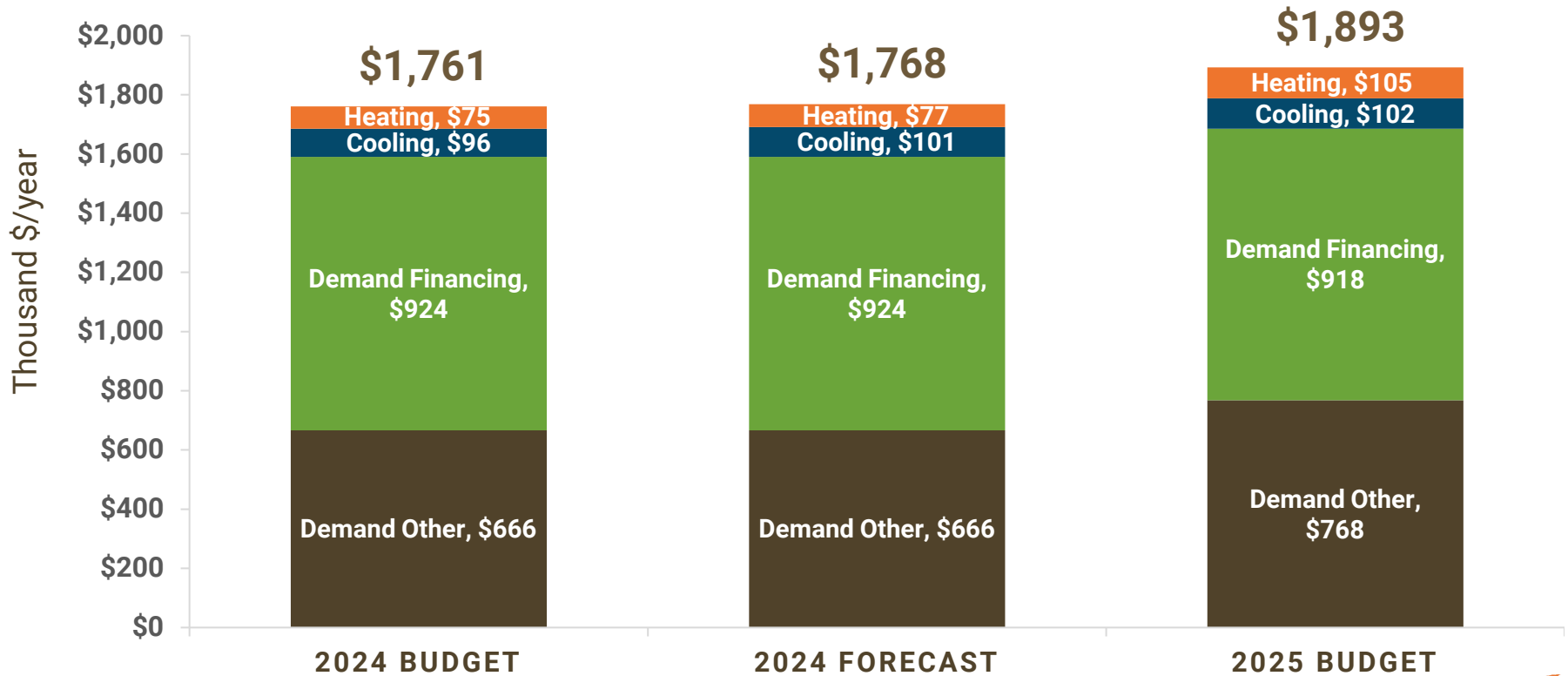
State Boiler Plant estimated annual bill increase ~8% compared to 2024 Budget

12



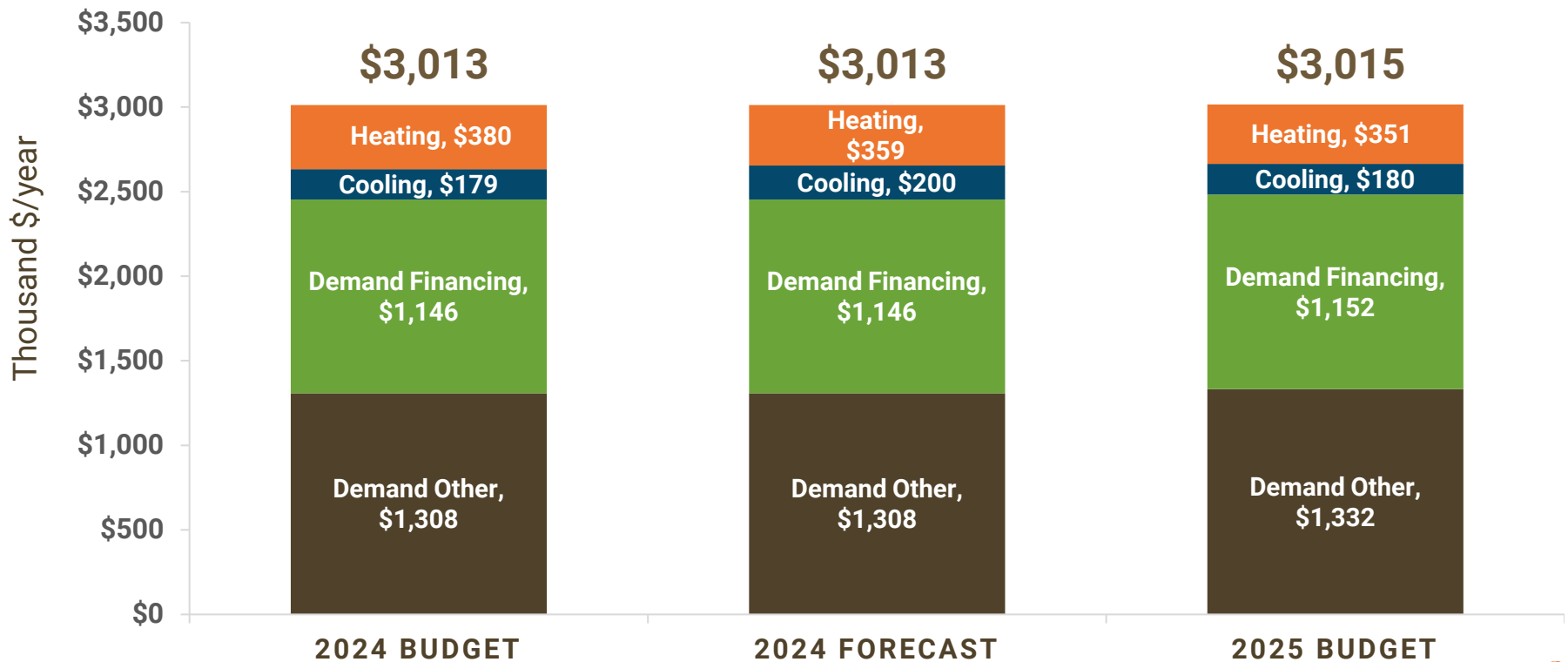
County Adult Detention Facility estimated annual bill increase ~7% compared to 2024 Budget

13



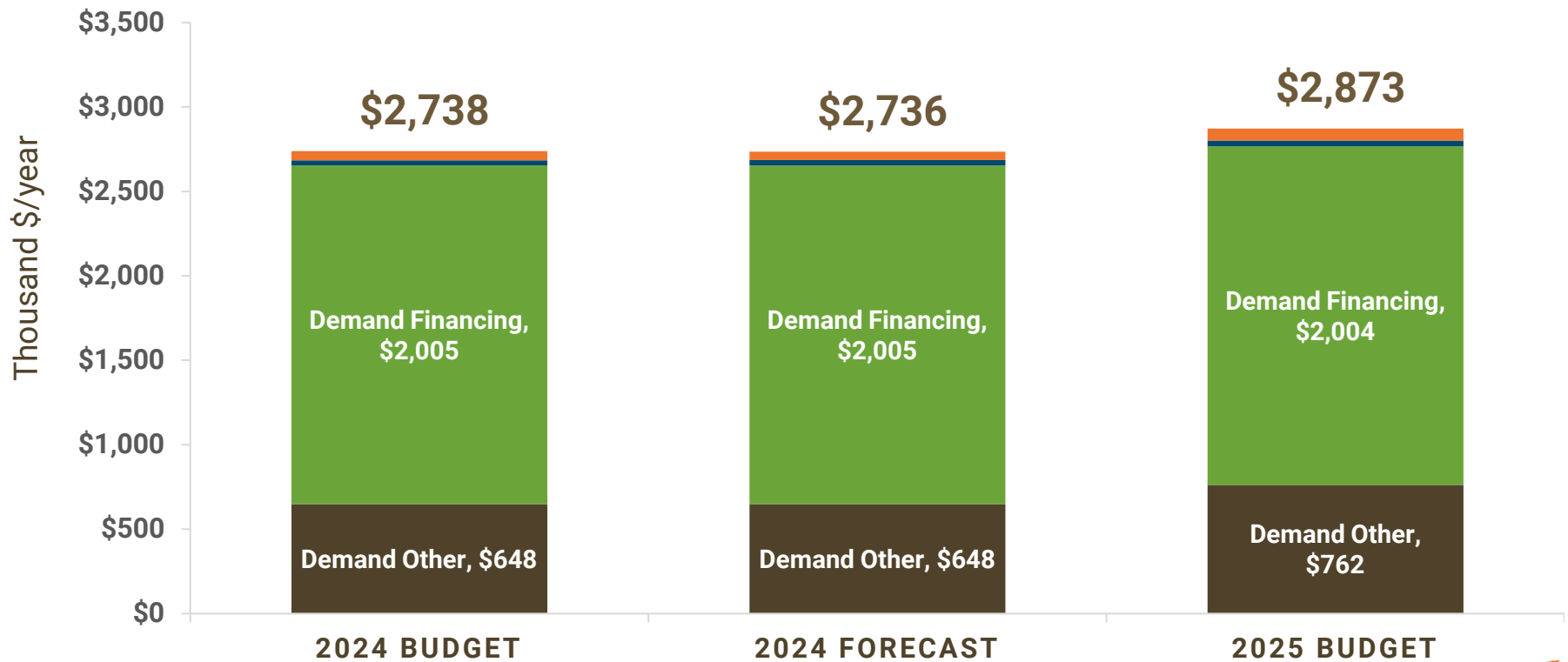
West Haymarket estimated annual remains the same compared to 2024 Budget

14



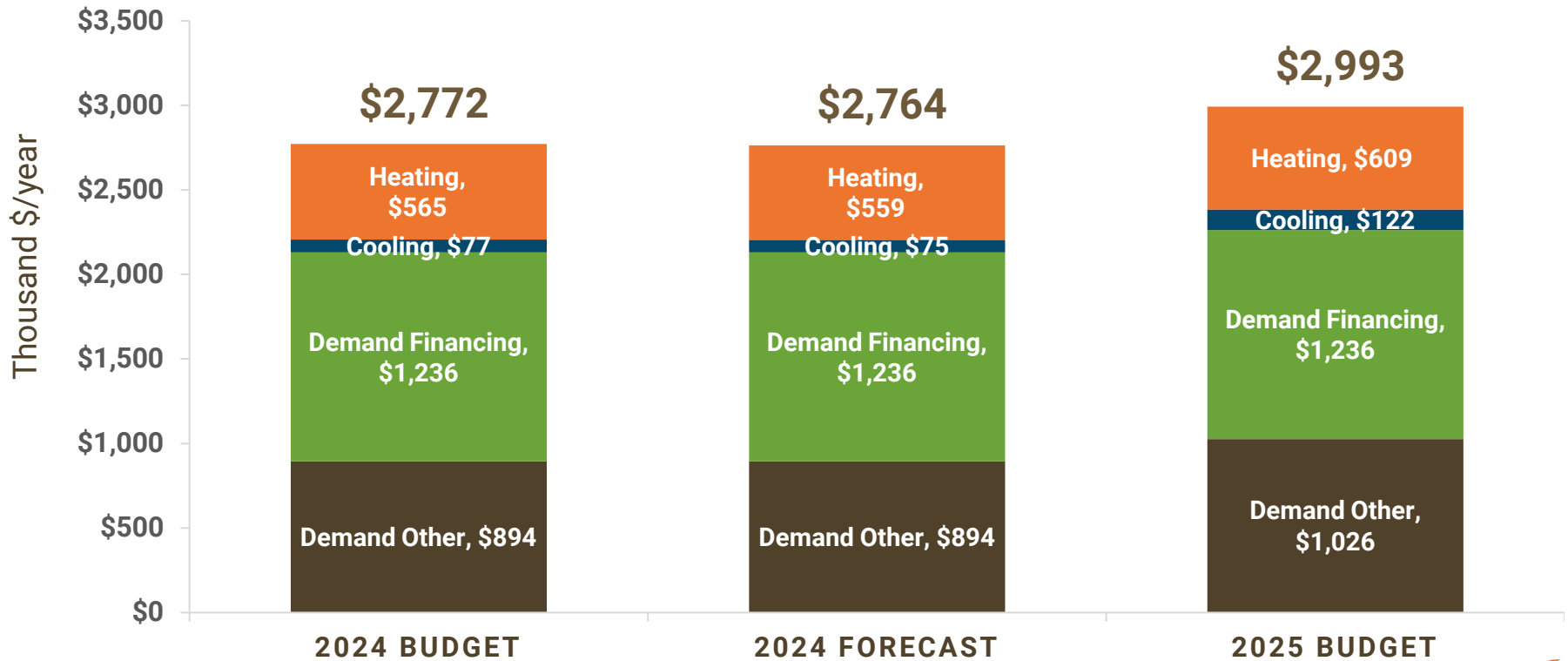
LES Operations Center estimated annual bill increase ~5% compared to 2024 Budget

15



Nebraska State Penitentiary estimated annual bill increase ~8% compared to 2024 Budget

16





2025 Budget Comparative Revenue & Expense Statement

	2023 Actual	2024 Budget	2024 Forecast	2025 Budget	25 vs. 24 Budget (\$)	25 vs. 24 Budget (%)	25 vs. 24 Forecast (\$)	25 vs. 24 Forecast (%)
Operating Revenue								
Heating	\$ 1,513,260	\$ 1,575,356	\$ 1,515,668	\$ 1,600,011	\$ 24,655	1.6%	\$ 84,343	5.6%
Cooling	462,083	459,208	488,187	545,534	86,326	18.8%	57,347	11.7%
Demand Other	5,280,000	5,238,000	5,238,000	5,772,000	534,000	10.2%	534,000	10.2%
Demand Financing	5,250,070	5,106,974	5,106,974	5,162,034	55,060	1.1%	55,060	1.1%
Total Revenue	\$ 12,505,413	\$ 12,379,538	\$ 12,348,829	\$ 13,079,579	700,041	5.7%	\$ 730,750	5.9%
Operating Expenses								
Energy	\$ 2,403,126	\$ 2,498,991	\$ 2,492,342	\$ 2,668,936	\$ 169,945	6.8%	\$ 176,594	7.1%
Operation	656,589	601,496	736,456	833,077	231,581	38.5%	96,621	13.1%
Maintenance	1,108,520	944,197	1,140,389	952,183	7,986	0.8%	(188,206)	-16.5%
Admin. & General	1,934,091	2,317,724	2,172,643	2,409,785	92,061	4.0%	237,142	10.9%
Depreciation	3,542,450	3,629,705	3,638,274	3,686,016	56,311	1.6%	47,742	1.3%
Total Operating Expenses	\$ 9,644,776	\$ 9,992,113	\$ 10,180,104	\$ 10,549,997	\$ 557,884	5.6%	\$ 369,893	3.6%
Operating Income	\$ 2,860,637	\$ 2,387,425	\$ 2,168,725	\$ 2,529,582	\$ 142,157	6.0%	\$ 360,857	16.6%
Non-Operating Expenses (Revenue)								
Interest Expense	\$ 1,326,718	\$ 1,274,523	\$ 1,275,339	\$ 1,227,589	\$ (46,934)	-3.7%	\$ (47,750)	-3.7%
Investment Income	(473,368)	(356,919)	(403,153)	(255,827)	101,092	-28.3%	147,326	-36.5%
AFUDC	-	-	-	-	-	-	-	-
Interest Rate Subsidy - BAB	-	-	-	-	-	-	-	-
Net Costs Recoverable	141,108	130,239	134,420	120,144	(10,095)	-7.8%	(14,276)	-10.6%
Total Non-Operating Expenses (Revenue)	\$ 994,458	\$ 1,047,843	\$ 1,006,606	\$ 1,091,906	\$ 44,063	4.2%	\$ 85,300	8.5%
Change in Net Position	\$ 1,866,179	\$ 1,339,582	\$ 1,162,119	\$ 1,437,676	\$ 98,094	7.3%	\$ 275,557	23.7%



2025 Budget Debt Service Coverage Statement

	2024 Budget	2024 Forecast	2025 Budget	25 vs. 24 Budget (\$)	25 vs. 24 Budget (%)	25 vs. 24 Forecast (\$)	25 vs. 24 Forecast (%)
Operating Revenues	\$ 12,379,538	\$ 12,348,829	\$ 13,079,579	\$ 700,041	5.7%	\$ 730,750	5.9%
Operating Expenses (a)	6,362,408	6,541,830	6,863,981	501,573	7.9%	322,151	4.9%
Subtotal	6,017,130	5,806,999	6,215,598	198,468	3.3%	408,599	7.0%
Investment Income	356,919	278,885	236,543	(120,376)	-33.7%	(42,342)	-15.2%
Principal Portion of Capital Lease Payments	191,360	191,360	137,335	(54,025)	-28.2%	(54,025)	-28.2%
Transfer to Rate Stabilization Fund	(58,000)	(4,000)	(86,335)	(28,335)	48.9%	(82,335)	2058.4%
Funds Available for Debt Service	\$ 6,507,409	\$ 6,273,244	\$ 6,503,141	\$ (4,268)	-0.1%	\$ 229,897	3.7%
Bond Interest	2,161,538	2,161,538	2,020,512	(141,026)	-6.5%	(141,026)	-6.5%
Bond Principal	3,417,500	3,417,500	3,507,500	90,000	2.6%	90,000	2.6%
Debt Service	\$ 5,579,038	\$ 5,579,038	\$ 5,528,012	\$ (51,026)	-0.9%	\$ (51,026)	-0.9%
Debt Service Coverage Ratio	1.17	1.12	1.18				

(a) Excludes Depreciation

(b) Excludes Rate Stabilization Fund interest



2025 Budget Budget Assumptions

	<u>2024 Budget</u>	<u>2025 Budget</u>	<u>25 vs. 24 Variance (%)</u>
Energy Rate Increases/Decreases			
Electric (LES system-wide average %)	5.0%	3.3%	
Natural Gas (per/mmBtu)	\$ 7.00	\$ 6.89	-1.6%
Estimated Interest Earning Rates			
Weighted Average of Money Market and Fixed Rate	3.850%	2.100%	

Annual Energy Production Estimates (mmBtu)	2025 Budget			25 vs. 24
	<u>Heating</u>	<u>Cooling</u>	<u>Total</u>	<u>Variance (%)</u>
County/City	29,783	20,913	50,696	2.3%
State	17,173	-	17,173	-5.9%
County Adult Detention Facility	15,731	16,063	31,794	-1.9%
West Haymarket	32,845	45,088	77,933	4.7%
LES Operations Center	8,864	6,023	14,887	0.1%
NE State Penitentiary	56,877	18,145	75,022	1.8%
Total	161,273	106,232	267,505	1.6%



2025 Natural Gas Budget Budget Assumptions

DEC Gas Budget	2024	2025	Variance	Variance (%)
Units (mmBtu)				
County/City	37,687	36,913	(774)	-2.05%
State	25,671	25,910	239	0.93%
West Haymarket	46,940	44,021	(2,919)	-6.22%
NE State Penitentiary	70,020	74,925	4,905	7.01%
Total	180,318	181,769	1,451	0.80%

Average Total Unit Cost (from Kinect)	\$	7.00	\$	6.89	\$	(0.11)		-1.57%
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Total Natural Gas Budget	\$	1,327,998	\$	1,281,082	\$	(46,916)		-3.53%
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2025 Electric Budget Budget Assumptions

DEC Electrical Energy (kWh) Budget	2024	2025	Variance	Variance (%)
Units				
County/City	1,541,644	2,001,000	459,356	29.8%
State	88,117	96,811	8,694	9.9%
County Adult Detention Facility	2,927,465	2,823,466	(103,999)	-3.6%
West Haymarket	2,655,380	3,148,743	493,363	18.6%
LES Operations Center	1,424,330	1,435,910	11,580	0.8%
NE State Penitentiary	1,691,162	1,773,834	82,672	4.9%
Total	10,328,098	11,279,765	951,667	9.2%

Total DEC Electrical Energy Budget	2024	2025	Variance	Variance (%)
County/City	\$ 131,859	\$ 165,294	\$ 33,435	25.4%
State	\$ 7,021	\$ 8,125	\$ 1,104	15.7%
County Adult Detention Facility	\$ 172,674	\$ 195,590	\$ 22,916	13.3%
West Haymarket	\$ 341,348	\$ 373,984	\$ 32,636	9.6%
LES Operations Center	\$ 87,302	\$ 102,453	\$ 15,151	17.4%
NE State Penitentiary	\$ 169,111	\$ 176,469	\$ 7,358	4.4%
Total	\$ 909,315	\$ 1,021,915	\$ 112,600	12.4%

*Budget based on estimated kWh energy usage, customer charges, facilities charges and demand charges.

Rates

EXHIBIT A

**DISTRICT ENERGY CORPORATION
THERMAL SERVICE - RATE SCHEDULE
EFFECTIVE DATE: January 1, 2025**

APPLICABLE: The County Adult Detention Facility (Customer) will be placed on this rate upon the effective date.

CHARACTER OF SERVICE: The character of thermal service shall be as defined in ARTICLE 3 of the Thermal Service Agreement.

MONTHLY BILL: Demand Charge (Facilities Financing) + Demand Charge (Other) + Commodity Charge for Chilled Water + Commodity Charge for Hot Water + All Surcharges (if applicable); based on the rate in effect.

BILLING PERIOD: Under normal conditions, BILLING PERIODS typically range from 27 to 35 days. BILLS are rendered on the basis of the scheduled meter reading dates or a date agreeable with the DEC for final readings.

RATE:

COUNTY ADULT DETENTION FACILITY THERMAL SERVICE	Rate
Demand Charge (Facilities Financing) \$/Billing Period	\$76,500
Demand Charge (Other) \$/Billing Period	\$64,000
Commodity Charge for Chilled Water \$/MMBTU for all MMBTU's delivered through the chilled water system per Billing Period	\$6.35
Commodity Charge for Hot Water \$/per MMBTU for all MMBTU's delivered through the hot water system per Billing Period	\$6.65

Upon request, the DEC will provide recorded energy consumption readings for the purpose of allocating Demand and Energy charges.

MINIMUM BILL: Demand Charge (Facilities Financing) + Demand Charge (Other)

TERMS AND CONDITIONS:

Thermal Services will be furnished subject to the DEC's Thermal Service Agreement.

TERMS OF PAYMENT - BILLS are due and payable upon receipt and delinquent if not paid within 23 days of date of billing.

EXHIBIT A

**DISTRICT ENERGY CORPORATION
THERMAL SERVICE - RATE SCHEDULE
EFFECTIVE DATE: January 1, 2025**

APPLICABLE: The County/City (Customer) will be placed on this rate upon the effective date.

CHARACTER OF SERVICE: The character of thermal service shall be as defined in ARTICLE 3 of the Thermal Service Agreement.

MONTHLY BILL: Demand Charge + Commodity Charge for Chilled Water + Commodity Charge for Hot Water + All Surcharges (if applicable); based on the rate in effect.

BILLING PERIOD: Under normal conditions, BILLING PERIODS typically range from 27 to 35 days. BILLS are rendered on the basis of the scheduled meter reading dates or a date agreeable with the DEC for final readings.

RATE:

COUNTY/CITY THERMAL SERVICE	Rate
Demand Charge \$/Billing Period	\$103,500
Commodity Charge for Chilled Water \$/MMBTU for all MMBTU's delivered through the chilled water system per Billing Period	\$5.00
Commodity Charge for Hot Water \$/per MMBTU for all MMBTU's delivered through the hot water system per Billing Period	\$8.95

Upon request, the DEC will provide recorded energy consumption readings for the purpose of allocating Demand and Energy charges.

MINIMUM BILL: Demand Charge.

TERMS AND CONDITIONS:

Thermal Services will be furnished subject to the DEC's Thermal Service Agreement.

TERMS OF PAYMENT - BILLS are due and payable upon receipt and delinquent if not paid within 15 days of date of billing.

EXHIBIT A

**DISTRICT ENERGY CORPORATION
THERMAL SERVICE - RATE SCHEDULE
EFFECTIVE DATE: January 1, 2025**

APPLICABLE: The LES Operations Center (Customer) will be placed on this rate upon the effective date.

CHARACTER OF SERVICE: The character of thermal service shall be as defined in ARTICLE 3 of the Thermal Service Agreement.

MONTHLY BILL: Demand Charge (Facilities Financing) + Demand Charge (Other) + Commodity Charge for Chilled Water + Commodity Charge for Hot Water + All Surcharges (if applicable); based on the rate in effect.

BILLING PERIOD: Under normal conditions, BILLING PERIODS typically range from 27 to 35 days. BILLS are rendered on the basis of the scheduled meter reading dates or a date agreeable with the DEC for final readings.

RATE:

LES OPERATIONS CENTER THERMAL SERVICE	Rate
Demand Charge (Facilities Financing) \$/Billing Period	\$167,000
Demand Charge (Other) \$/Billing Period	\$63,500
Commodity Charge for Chilled Water \$/MMBTU for all MMBTU's delivered through the chilled water system per Billing Period	\$6.00
Commodity Charge for Hot Water \$/per MMBTU for all MMBTU's delivered through the hot water system per Billing Period	\$7.95

Upon request, the DEC will provide recorded energy consumption readings for the purpose of allocating Demand and Energy charges.

MINIMUM BILL: Demand Charge (Facilities Financing) + Demand Charge (Other)

TERMS AND CONDITIONS:

Thermal Services will be furnished subject to the DEC's Thermal Service Agreement.

TERMS OF PAYMENT - BILLS are due and payable upon receipt and delinquent if not paid within 45 days of date of billing.

EXHIBIT A

**DISTRICT ENERGY CORPORATION
THERMAL SERVICE - RATE SCHEDULE
EFFECTIVE DATE: January 1, 2025**

APPLICABLE: The State of Nebraska Department of Correctional Services (Customer) will be placed on this rate upon the effective date.

CHARACTER OF SERVICE: The character of thermal service shall be as defined in ARTICLE 3 of the Thermal Service Agreement.

MONTHLY BILL: Demand Charge (Facilities Financing) + Demand Charge (Other) + Commodity Charge for Chilled Water + Commodity Charge for Steam + Commodity Charge for Condensate not returned + All Surcharges (if applicable); based on the rate in effect.

BILLING PERIOD: Under normal conditions, BILLING PERIODS typically range from 27 to 35 days. BILLS are rendered on the basis of the scheduled meter reading dates or a date agreeable with the DEC for final readings.

RATE:

STATE OF NEBRASKA DEPARTMENT OF CORRECTIONAL SERVICES THERMAL SERVICE	Rate
Demand Charge (Facilities Financing) \$/Billing Period	\$103,000
Demand Charge (Other) \$/Billing Period	\$85,500
Commodity Charge for Chilled Water \$/MMBTU for all MMBTU's delivered through the chilled water system per Billing Period	\$6.75
Commodity Charge for Steam \$/per MMBTU for all MMBTU's delivered through the hot water system per Billing Period	\$10.70

Upon request, the DEC will provide recorded energy consumption readings for the purpose of allocating Demand and Energy charges.

MINIMUM BILL: Demand Charge (Facilities Financing) + Demand Charge (Other)

TERMS AND CONDITIONS:

Thermal Services will be furnished subject to the DEC's Thermal Service Agreement.

TERMS OF PAYMENT - BILLS are due and payable upon receipt and delinquent if not paid within 45 days of date of billing.

EXHIBIT A

**DISTRICT ENERGY CORPORATION
THERMAL SERVICE - RATE SCHEDULE
EFFECTIVE DATE: January 1, 2025**

APPLICABLE: The State of Nebraska (Customer) will be placed on this rate upon the effective date.

CHARACTER OF SERVICE: The character of thermal service shall be as defined in ARTICLE 3 of the Thermal Service Agreement.

ANNUAL BILL: Demand Charge (Facilities Financing)

MONTHLY BILL: Demand Charge (other) + Commodity Charge for Steam + Commodity Charge for Condensate Consumed + All Surcharges (if applicable); based on the rate in effect.

MONTHLY BILLING PERIOD: Under normal conditions, BILLING PERIODS typically range from 27 to 35 days. BILLS are rendered on the basis of the scheduled meter reading dates or a date agreeable with the DEC for final readings.

RATE:

STATE OF NEBRASKA THERMAL SERVICE	Rate
Demand Charge (Other) \$/Billing Period	\$48,500
Commodity Charge for Steam \$/per MMBTU for all MMBTU's delivered through the hot water system per Billing Period	\$11.55

Upon request, the DEC will provide recorded energy consumption readings for the purpose of allocating Demand and Energy charges.

MINIMUM BILL: Demand Charge (Facilities Financing) + Demand Charge (Other).

TERMS AND CONDITIONS:

Thermal Services will be furnished subject to the DEC's Thermal Service Agreement.

TERMS OF PAYMENT – BILLS are due and payable upon receipt and delinquent if not paid within 45 days of date of billing.

EXHIBIT A

**DISTRICT ENERGY CORPORATION
THERMAL SERVICE - RATE SCHEDULE
EFFECTIVE DATE: January 1, 2025**

APPLICABLE: The West Haymarket Facility (Customer) will be placed on this rate upon the effective date.

CHARACTER OF SERVICE: The character of thermal service shall be as defined in ARTICLE 3 of the Thermal Service Agreement.

MONTHLY BILL: Demand Charge (Facilities Financing) + Demand Charge (Other) + Commodity Charge for Chilled Water + Commodity Charge for Hot Water + All Surcharges (if applicable); based on the rate in effect.

BILLING PERIOD: Under normal conditions, BILLING PERIODS typically range from 27 to 35 days. BILLS are rendered on the basis of the scheduled meter reading dates or a date agreeable with the DEC for final readings.

RATE:

WEST HAYMARKET FACILITY THERMAL SERVICE	Rate
Demand Charge (Facilities Financing) \$/Billing Period	\$96,000
Demand Charge (Other) \$/Billing Period	\$111,000
Commodity Charge for Chilled Water \$/MMBTU for all MMBTU's delivered through the chilled water system per Billing Period	\$4.00
Commodity Charge for Hot Water \$/per MMBTU for all MMBTU's delivered through the hot water system per Billing Period	\$10.70

Upon request, the DEC will provide recorded energy consumption readings for the purpose of allocating Demand and Energy charges.

MINIMUM BILL: Demand Charge (Facilities Financing) + Demand Charge (Other)

TERMS AND CONDITIONS:

Thermal Services will be furnished subject to the DEC's Thermal Service Agreement.

TERMS OF PAYMENT - BILLS are due and payable upon receipt and delinquent if not paid within 23 days of date of billing.

Cost of Service



County/City	Budget	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed
Rate Type	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	
Annual Revenue:											
Demand Other	\$ 1,206,000	\$ 1,242,000	\$ 1,290,000	\$ 1,308,000	\$ 1,410,000	\$ 1,452,000	\$ 1,476,000	\$ 1,662,000	\$ 1,662,000	\$ 1,692,000	
Demand Financing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Cooling	\$ 76,017	\$ 104,565	\$ 105,616	\$ 106,661	\$ 108,753	\$ 109,799	\$ 112,936	\$ 113,981	\$ 116,073	\$ 117,118	
Heating	\$ 292,992	\$ 266,558	\$ 256,125	\$ 236,767	\$ 235,278	\$ 233,789	\$ 232,300	\$ 233,789	\$ 230,811	\$ 230,811	
Total	\$ 1,575,009	\$ 1,613,123	\$ 1,651,741	\$ 1,651,428	\$ 1,754,031	\$ 1,795,587	\$ 1,821,235	\$ 2,009,770	\$ 2,008,883	\$ 2,039,929	
Annual Cost:											
Demand Other	\$ 1,204,556	\$ 1,236,578	\$ 1,287,242	\$ 1,302,089	\$ 1,405,426	\$ 1,447,816	\$ 1,473,965	\$ 1,660,412	\$ 1,661,836	\$ 1,690,555	
Demand Financing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Cooling	\$ 75,182	\$ 103,720	\$ 105,198	\$ 106,628	\$ 108,107	\$ 109,587	\$ 112,070	\$ 113,553	\$ 115,036	\$ 116,472	
Heating	\$ 291,974	\$ 265,608	\$ 255,005	\$ 236,029	\$ 234,523	\$ 233,073	\$ 231,823	\$ 232,881	\$ 229,913	\$ 230,690	
Total	\$ 1,571,712	\$ 1,605,906	\$ 1,647,445	\$ 1,644,746	\$ 1,748,056	\$ 1,790,476	\$ 1,817,858	\$ 2,006,846	\$ 2,006,785	\$ 2,037,717	
Cost of Service:											
Demand Other	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	
Demand Financing											
Cooling	101%	101%	100%	100%	101%	100%	101%	100%	101%	101%	
Heating	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	
Monthly and Commodity Rates:											
Demand Other	\$ 100,500	\$ 103,500	\$ 107,500	\$ 109,000	\$ 117,500	\$ 121,000	\$ 123,000	\$ 138,500	\$ 138,500	\$ 141,000	
Demand Financing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Cooling (\$/mmBtu)	\$ 3.75	5.00	5.05	5.10	5.20	5.25	5.40	5.45	5.55	5.60	
Heating (\$/mmBtu)	\$ 10.00	8.95	8.60	7.95	7.90	7.85	7.80	7.85	7.75	7.75	
Rate Change Percent:											
Demand Other	7%	3%	4%	1%	8%	3%	2%	13%	0%	2%	
Demand Financing	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
Cooling (\$/mmBtu)	-6%	33%	1%	1%	2%	1%	3%	1%	2%	10%	
Heating (\$/mmBtu)	3%	-11%	-4%	-8%	-1%	-1%	-1%	1%	-1%	-3%	
Total	7%	2%	2%	0%	6%	2%	1%	10%	0%	2%	
Forecast:											
Demand Other (Months)	12	12	12	12	12	12	12	12	12	12	
Demand Financing (Months)	-	-	-	-	-	-	-	-	-	-	
Cooling (Total mmBtu)	20,271	20,913	20,914	20,914	20,914	20,914	20,914	20,914	20,914	20,914	
Heating (Total mmBtu)	29,299	29,783	29,782	29,782	29,782	29,782	29,782	29,782	29,782	29,782	
Per Unit Cost:											
Demand Other	\$ 100,380	\$ 103,048	\$ 107,270	\$ 108,507	\$ 117,119	\$ 120,651	\$ 122,830	\$ 138,368	\$ 138,486	\$ 140,880	
Demand Financing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Cooling (\$/mmBtu)	\$ 3.71	\$ 4.96	\$ 5.03	\$ 5.10	\$ 5.17	\$ 5.24	\$ 5.36	\$ 5.43	\$ 5.50	\$ 5.57	
Heating (\$/mmBtu)	\$ 9.97	\$ 8.92	\$ 8.56	\$ 7.93	\$ 7.87	\$ 7.83	\$ 7.78	\$ 7.82	\$ 7.72	\$ 7.75	

Cost of Service



State	Budget	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed
Rate Type	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	
Annual Revenue:											
Demand Other	\$ 516,000	\$ 582,000	\$ 594,000	\$ 618,000	\$ 636,000	\$ 654,000	\$ 690,000	\$ 690,000	\$ 714,000	\$ 738,000	
Demand Financing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Cooling	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Heating	\$ 208,914	\$ 198,348	\$ 181,126	\$ 166,572	\$ 165,763	\$ 164,954	\$ 162,529	\$ 164,954	\$ 163,337	\$ 163,337	
Total	\$ 724,914	\$ 780,348	\$ 775,126	\$ 784,572	\$ 801,763	\$ 818,954	\$ 852,529	\$ 854,954	\$ 877,337	\$ 901,337	
Annual Cost:											
Demand Other	\$ 511,994	\$ 581,725	\$ 588,329	\$ 615,074	\$ 631,596	\$ 650,872	\$ 687,565	\$ 689,733	\$ 710,851	\$ 733,225	
Demand Financing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Cooling	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Heating	\$ 208,697	\$ 198,209	\$ 180,789	\$ 166,507	\$ 165,633	\$ 164,889	\$ 162,421	\$ 164,839	\$ 163,188	\$ 162,967	
Total	\$ 720,691	\$ 779,934	\$ 769,118	\$ 781,581	\$ 797,229	\$ 815,761	\$ 849,986	\$ 854,572	\$ 874,039	\$ 896,193	
Cost of Service:											
Demand Other	101%	100%	101%	100%	101%	100%	100%	100%	100%	101%	
Demand Financing											
Cooling										0%	
Heating	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	
Total	101%	100%	101%	100%	101%	100%	100%	100%	100%	101%	
Monthly and Commodity Rates:											
Demand Other	\$ 43,000	\$ 48,500	\$ 49,500	\$ 51,500	\$ 53,000	\$ 54,500	\$ 57,500	\$ 57,500	\$ 59,500	\$ 61,500	
Demand Financing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Cooling (\$/mmBtu)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Heating (\$/mmBtu)	\$ 11.45	\$ 11.55	\$ 11.20	\$ 10.30	\$ 10.25	\$ 10.20	\$ 10.05	\$ 10.20	\$ 10.10	\$ 10.10	
Rate Change Percent:											
Demand Other	15%	13%	2%	4%	3%	3%	6%	0%	3%	3%	
Demand Financing	-100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
Cooling (\$/mmBtu)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
Heating (\$/mmBtu)	4%	1%	-3%	-8%	0%	0%	-1%	1%	-1%	0%	
Total	-6%	8%	-1%	1%	2%	2%	4%	0%	3%	3%	
Forecast:											
Demand Other (Months)	12	12	12	12	12	12	12	12	12	12	
Demand Financing (Months)	12	12	12	12	12	12	12	12	12	12	
Cooling (Total mmBtu)	-	-	-	-	-	(1)	-	-	-	-	
Heating (Total mmBtu)	18,246	17,173	16,172	16,172	16,172	16,172	16,172	16,172	16,172	16,172	
Per Unit Cost:											
Demand Other	\$ 42,666	\$ 48,477	\$ 49,027	\$ 51,256	\$ 52,633	\$ 54,239	\$ 57,297	\$ 57,478	\$ 59,238	\$ 61,102	
Demand Financing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Cooling (\$/mmBtu)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Heating (\$/mmBtu)	\$ 11.44	\$ 11.54	\$ 11.18	\$ 10.30	\$ 10.24	\$ 10.20	\$ 10.04	\$ 10.19	\$ 10.09	\$ 10.08	

Cost of Service



County Adult Detention Facility		Budget	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed
Rate Type		2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Annual Revenue:											
	Demand Other	\$ 666,000	\$ 768,000	\$ 744,000	\$ 762,000	\$ 786,000	\$ 810,000	\$ 900,000	\$ 864,000	\$ 822,000	\$ 786,000
	Demand Financing	\$ 924,000	\$ 918,000	\$ 918,000	\$ 918,000	\$ 918,000	\$ 912,000	\$ 912,000	\$ 906,000	\$ 456,000	\$ -
	Cooling	\$ 96,223	\$ 102,000	\$ 111,645	\$ 114,858	\$ 114,858	\$ 118,070	\$ 121,283	\$ 123,693	\$ 126,906	\$ 130,118
	Heating	\$ 74,856	\$ 104,611	\$ 110,911	\$ 113,270	\$ 113,270	\$ 116,417	\$ 119,563	\$ 122,710	\$ 125,069	\$ 128,216
	Total	\$ 1,761,080	\$ 1,892,611	\$ 1,884,555	\$ 1,908,128	\$ 1,932,128	\$ 1,956,487	\$ 2,052,846	\$ 2,016,402	\$ 1,529,975	\$ 1,044,334
Annual Cost:											
	Demand Other	\$ 660,363	\$ 767,901	\$ 739,701	\$ 760,244	\$ 780,192	\$ 806,028	\$ 898,716	\$ 859,422	\$ 820,408	\$ 783,618
	Demand Financing	\$ 918,575	\$ 917,294	\$ 916,946	\$ 914,992	\$ 913,928	\$ 911,048	\$ 908,863	\$ 905,362	\$ 451,239	\$ -
	Cooling	\$ 95,737	\$ 101,390	\$ 111,398	\$ 114,322	\$ 114,322	\$ 117,372	\$ 120,499	\$ 123,423	\$ 126,474	\$ 129,435
	Heating	\$ 74,469	\$ 104,069	\$ 110,173	\$ 113,029	\$ 113,029	\$ 116,034	\$ 119,113	\$ 121,968	\$ 124,973	\$ 127,957
	Total	\$ 1,749,144	\$ 1,890,654	\$ 1,878,218	\$ 1,902,587	\$ 1,921,470	\$ 1,950,482	\$ 2,047,190	\$ 2,010,176	\$ 1,523,094	\$ 1,041,010
Cost of Service:											
	Demand Other	101%	100%	101%	100%	101%	100%	100%	101%	100%	100%
	Demand Financing	101%	100%	100%	100%	100%	100%	100%	100%	101%	-
	Cooling	101%	101%	100%	100%	100%	101%	101%	100%	100%	101%
	Heating	101%	101%	101%	100%	100%	100%	100%	101%	100%	100%
	Total	101%	100%	100%	100%	101%	100%	100%	100%	100%	100%
Monthly and Commodity Rates:											
	Demand Other	\$ 55,500	\$ 64,000	\$ 62,000	\$ 63,500	\$ 65,500	\$ 67,500	\$ 75,000	\$ 72,000	\$ 68,500	\$ 65,500
	Demand Financing	\$ 77,000	\$ 76,500	\$ 76,500	\$ 76,500	\$ 76,500	\$ 76,000	\$ 76,000	\$ 75,500	\$ 38,000	\$ -
	Cooling (\$/mmBtu)	\$ 5.90	6.35	6.95	7.15	7.15	7.35	7.55	7.70	7.90	8.10
	Heating (\$/mmBtu)	\$ 4.65	6.65	7.05	7.20	7.20	7.40	7.60	7.80	7.95	8.15
Rate Change Percent:											
	Demand Other	0%	15%	-3%	2%	3%	3%	11%	-4%	-5%	-4%
	Demand Financing	0%	-1%	0%	0%	0%	-1%	0%	-1%	-50%	-100%
	Cooling (\$/mmBtu)	16%	8%	9%	3%	0%	3%	3%	2%	3%	3%
	Heating (\$/mmBtu)	2%	43%	6%	2%	0%	3%	3%	3%	2%	3%
	Total	0%	7%	0%	1%	1%	1%	5%	-2%	-24%	-32%
Forecast:											
	Demand Other (Months)	12	12	12	12	12	12	12	12	12	12
	Demand Financing (Months)	12	12	12	12	12	12	12	12	12	12
	Cooling (Total mmBtu)	16,309	16,063	16,064	16,064	16,064	16,064	16,064	16,064	16,064	16,064
	Heating (Total mmBtu)	16,098	15,731	15,732	15,732	15,732	15,732	15,732	15,732	15,732	15,732
Per Unit Cost:											
	Demand Other	\$ 55,030	\$ 63,992	\$ 61,642	\$ 63,354	\$ 65,016	\$ 67,169	\$ 74,893	\$ 71,619	\$ 68,367	\$ 65,301
	Demand Financing	\$ 76,548	\$ 76,441	\$ 76,412	\$ 76,249	\$ 76,161	\$ 75,921	\$ 75,739	\$ 75,447	\$ 37,603	\$ -
	Cooling (\$/mmBtu)	\$ 5.87	\$ 6.31	\$ 6.93	\$ 7.12	\$ 7.12	\$ 7.31	\$ 7.50	\$ 7.68	\$ 7.87	\$ 8.06
	Heating (\$/mmBtu)	\$ 4.63	\$ 6.62	\$ 7.00	\$ 7.18	\$ 7.18	\$ 7.38	\$ 7.57	\$ 7.75	\$ 7.94	\$ 8.13

Cost of Service



West Haymarket JPA		Budget	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed
Rate Type		2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Annual Revenue:											
	Demand Other	\$ 1,308,000	\$ 1,332,000	\$ 1,404,000	\$ 1,422,000	\$ 1,446,000	\$ 1,482,000	\$ 1,530,000	\$ 1,614,000	\$ 1,626,000	\$ 1,680,000
	Demand Financing	\$ 1,146,000	\$ 1,152,000	\$ 1,152,000	\$ 1,152,000	\$ 1,152,000	\$ 1,152,000	\$ 1,152,000	\$ 1,152,000	\$ 1,152,000	\$ 1,146,000
	Cooling	\$ 178,746	\$ 180,352	\$ 182,606	\$ 184,861	\$ 196,208	\$ 198,756	\$ 203,852	\$ 206,400	\$ 208,948	\$ 211,496
	Heating	\$ 380,110	\$ 351,442	\$ 338,283	\$ 313,651	\$ 339,009	\$ 337,216	\$ 335,422	\$ 337,216	\$ 333,628	\$ 335,422
	Total	\$ 3,012,856	\$ 3,015,794	\$ 3,076,889	\$ 3,072,511	\$ 3,133,217	\$ 3,169,971	\$ 3,221,274	\$ 3,309,616	\$ 3,320,577	\$ 3,372,918
Annual Cost:											
	Demand Other	\$ 1,303,716	\$ 1,328,012	\$ 1,403,811	\$ 1,421,241	\$ 1,444,086	\$ 1,478,394	\$ 1,528,264	\$ 1,611,020	\$ 1,623,732	\$ 1,676,765
	Demand Financing	\$ 1,145,079	\$ 1,148,648	\$ 1,147,489	\$ 1,146,779	\$ 1,146,433	\$ 1,146,784	\$ 1,148,078	\$ 1,148,113	\$ 1,146,491	\$ 1,145,199
	Cooling	\$ 177,342	\$ 178,903	\$ 181,283	\$ 183,623	\$ 195,700	\$ 198,385	\$ 202,517	\$ 205,221	\$ 207,936	\$ 210,598
	Heating	\$ 379,476	\$ 349,837	\$ 337,249	\$ 312,023	\$ 338,006	\$ 336,222	\$ 334,864	\$ 336,416	\$ 332,719	\$ 333,696
	Total	\$ 3,005,613	\$ 3,005,401	\$ 3,069,831	\$ 3,063,666	\$ 3,124,225	\$ 3,159,785	\$ 3,213,723	\$ 3,300,770	\$ 3,310,877	\$ 3,366,258
Cost of Service:											
	Demand Other	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
	Demand Financing	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
	Cooling	101%	101%	101%	101%	100%	100%	101%	101%	100%	100%
	Heating	100%	100%	100%	101%	100%	100%	100%	100%	100%	101%
	Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Monthly and Commodity Rates:											
	Demand Other	\$ 109,000	\$ 111,000	\$ 117,000	\$ 118,500	\$ 120,500	\$ 123,500	\$ 127,500	\$ 134,500	\$ 135,500	\$ 140,000
	Demand Financing	\$ 95,500	\$ 96,000	\$ 96,000	\$ 96,000	\$ 96,000	\$ 96,000	\$ 96,000	\$ 96,000	\$ 96,000	\$ 95,500
	Cooling (\$/mmBtu)	\$ 4.25	4.00	4.05	4.10	3.85	3.90	4.00	4.05	4.10	4.15
	Heating (\$/mmBtu)	\$ 11.75	10.70	10.30	9.55	9.45	9.40	9.35	9.40	9.30	9.35
Rate Change Percent:											
	Demand Other	-10%	2%	5%	1%	2%	2%	3%	5%	1%	3%
	Demand Financing	-1%	1%	0%	0%	0%	0%	0%	0%	0%	-1%
	Cooling (\$/mmBtu)	20%	-6%	1%	1%	-6%	1%	3%	1%	1%	1%
	Heating (\$/mmBtu)	7%	-9%	-4%	-7%	-1%	-1%	-1%	1%	-1%	1%
	Total	-4%	0%	2%	0%	2%	1%	2%	3%	0%	2%
Forecast:											
	Demand Other (Months)	12	12	12	12	12	12	12	12	12	12
	Demand Financing (Months)	12	12	12	12	12	12	12	12	12	12
	Cooling (Total mmBtu)	42,058	45,088	45,088	45,088	50,963	50,963	50,963	50,963	50,963	50,963
	Heating (Total mmBtu)	32,350	32,845	32,843	32,843	35,874	35,874	35,874	35,874	35,874	35,874
Per Unit Cost:											
	Demand Other	\$ 108,643	\$ 110,668	\$ 116,984	\$ 118,437	\$ 120,341	\$ 123,200	\$ 127,355	\$ 134,252	\$ 135,311	\$ 139,730
	Demand Financing	\$ 95,423	\$ 95,721	\$ 95,624	\$ 95,565	\$ 95,536	\$ 95,565	\$ 95,673	\$ 95,676	\$ 95,541	\$ 95,433
	Cooling (\$/mmBtu)	\$ 4.22	\$ 3.97	\$ 4.02	\$ 4.07	\$ 3.84	\$ 3.89	\$ 3.97	\$ 4.03	\$ 4.08	\$ 4.13
	Heating (\$/mmBtu)	\$ 11.73	\$ 10.65	\$ 10.27	\$ 9.50	\$ 9.42	\$ 9.37	\$ 9.33	\$ 9.38	\$ 9.27	\$ 9.30

Cost of Service



LES Operations Center		Budget	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed
Rate Type		2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Annual Revenue:											
	Demand Other	\$ 648,000	\$ 762,000	\$ 720,000	\$ 750,000	\$ 768,000	\$ 786,000	\$ 762,000	\$ 732,000	\$ 762,000	\$ 786,000
	Demand Financing	\$ 2,005,200	\$ 2,004,000	\$ 2,010,000	\$ 2,010,000	\$ 2,010,000	\$ 2,010,000	\$ 1,008,000	\$ -	\$ -	\$ -
	Cooling	\$ 31,018	\$ 36,138	\$ 39,451	\$ 40,655	\$ 41,559	\$ 41,559	\$ 42,763	\$ 43,667	\$ 44,871	\$ 45,775
	Heating	\$ 53,555	\$ 70,469	\$ 74,918	\$ 77,134	\$ 78,907	\$ 78,907	\$ 81,124	\$ 83,340	\$ 85,114	\$ 87,330
	Total	\$ 2,737,773	\$ 2,872,607	\$ 2,844,368	\$ 2,877,789	\$ 2,898,466	\$ 2,916,466	\$ 1,893,887	\$ 859,007	\$ 891,985	\$ 919,105
Annual Cost:											
	Demand Other	\$ 647,905	\$ 758,113	\$ 714,218	\$ 744,470	\$ 762,168	\$ 784,782	\$ 757,680	\$ 731,491	\$ 757,143	\$ 784,404
	Demand Financing	\$ 2,004,375	\$ 2,003,875	\$ 2,004,750	\$ 2,004,250	\$ 2,004,750	\$ 2,006,000	\$ 1,002,750	\$ -	\$ -	\$ -
	Cooling	\$ 30,861	\$ 35,991	\$ 39,428	\$ 40,483	\$ 41,510	\$ 41,510	\$ 42,623	\$ 43,649	\$ 44,703	\$ 45,729
	Heating	\$ 53,167	\$ 70,271	\$ 74,906	\$ 76,905	\$ 78,885	\$ 78,885	\$ 81,027	\$ 83,009	\$ 85,006	\$ 86,988
	Total	\$ 2,736,308	\$ 2,868,250	\$ 2,833,302	\$ 2,866,108	\$ 2,887,313	\$ 2,911,177	\$ 1,884,080	\$ 858,149	\$ 886,852	\$ 917,121
Cost of Service:											
	Demand Other	100%	101%	101%	101%	101%	100%	101%	100%	101%	100%
	Demand Financing	100%	100%	100%	100%	100%	100%	101%	100%	100%	100%
	Cooling	101%	100%	100%	100%	100%	100%	100%	100%	100%	100%
	Heating	101%	100%	100%	100%	100%	100%	100%	100%	100%	100%
	Total	100%	100%	100%	100%	100%	100%	101%	100%	101%	100%
Monthly and Commodity Rates:											
	Demand Other	\$ 54,000	\$ 63,500	\$ 60,000	\$ 62,500	\$ 64,000	\$ 65,500	\$ 63,500	\$ 61,000	\$ 63,500	\$ 65,500
	Demand Financing	\$ 167,100	\$ 167,000	\$ 167,500	\$ 167,500	\$ 167,500	\$ 167,500	\$ 84,000	\$ -	\$ -	\$ -
	Cooling (\$/mmBtu)	\$ 5.15	6.00	6.55	6.75	6.90	6.90	7.10	7.25	7.45	7.60
	Heating (\$/mmBtu)	\$ 6.05	7.95	8.45	8.70	8.90	8.90	9.15	9.40	9.60	9.85
Rate Change Percent:											
	Demand Other	-8%	18%	-6%	4%	2%	2%	-3%	-4%	4%	3%
	Demand Financing	-1%	0%	0%	0%	0%	0%	-50%	-100%	0%	0%
	Cooling (\$/mmBtu)	-20%	17%	9%	3%	2%	0%	3%	2%	3%	2%
	Heating (\$/mmBtu)	5%	31%	6%	3%	2%	0%	3%	3%	2%	3%
	Total	-3%	5%	-1%	1%	1%	1%	-35%	-55%	4%	3%
Forecast:											
	Demand Other (Months)	12	12	12	12	12	12	12	12	12	12
	Demand Financing (Months)	12	12	12	12	12	12	12	12	12	12
	Cooling (Total mmBtu)	6,023	6,023	6,023	6,023	6,023	6,023	6,023	6,023	6,023	6,023
	Heating (Total mmBtu)	8,852	8,864	8,866	8,866	8,866	8,866	8,866	8,866	8,866	8,866
Per Unit Cost:											
	Demand Other	\$ 53,992	\$ 63,176	\$ 59,518	\$ 62,039	\$ 63,514	\$ 65,399	\$ 63,140	\$ 60,958	\$ 63,095	\$ 65,367
	Demand Financing	\$ 167,031	\$ 166,990	\$ 167,063	\$ 167,021	\$ 167,063	\$ 167,167	\$ 83,563	\$ -	\$ -	\$ -
	Cooling (\$/mmBtu)	\$ 5.12	\$ 5.98	\$ 6.55	\$ 6.72	\$ 6.89	\$ 6.89	\$ 7.08	\$ 7.25	\$ 7.42	\$ 7.59
	Heating (\$/mmBtu)	\$ 6.01	\$ 7.93	\$ 8.45	\$ 8.67	\$ 8.90	\$ 8.90	\$ 9.14	\$ 9.36	\$ 9.59	\$ 9.81

Cost of Service



NE State Penitentiary		Budget	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed
Rate Type		2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Annual Revenue:											
	Demand Other	\$ 894,000	\$ 1,026,000	\$ 1,104,000	\$ 1,092,000	\$ 1,104,000	\$ 1,140,000	\$ 1,188,000	\$ 1,284,000	\$ 1,266,000	\$ 1,308,000
	Demand Financing	\$ 1,236,000	\$ 1,236,000	\$ 1,230,000	\$ 1,230,000	\$ 1,236,000	\$ 1,236,000	\$ 1,230,000	\$ 1,230,000	\$ 1,236,000	\$ 1,236,000
	Cooling	\$ 77,203	\$ 122,479	\$ 79,838	\$ 80,745	\$ 81,653	\$ 83,467	\$ 85,282	\$ 86,189	\$ 87,096	\$ 88,003
	Heating	\$ 564,929	\$ 608,584	\$ 548,873	\$ 511,902	\$ 509,058	\$ 506,214	\$ 503,370	\$ 506,214	\$ 500,526	\$ 503,370
	Total	\$ 2,772,132	\$ 2,993,063	\$ 2,962,711	\$ 2,914,647	\$ 2,930,711	\$ 2,965,681	\$ 3,006,652	\$ 3,106,403	\$ 3,089,622	\$ 3,135,374
Annual Cost:											
	Demand Other	\$ 892,464	\$ 1,025,871	\$ 1,102,956	\$ 1,091,878	\$ 1,100,796	\$ 1,139,182	\$ 1,182,217	\$ 1,279,067	\$ 1,260,827	\$ 1,306,394
	Demand Financing	\$ 1,230,950	\$ 1,230,825	\$ 1,229,575	\$ 1,229,700	\$ 1,231,075	\$ 1,231,075	\$ 1,229,700	\$ 1,229,450	\$ 1,230,200	\$ 1,231,825
	Cooling	\$ 76,793	\$ 122,392	\$ 79,646	\$ 80,583	\$ 81,574	\$ 82,567	\$ 84,567	\$ 85,571	\$ 86,581	\$ 87,546
	Heating	\$ 564,796	\$ 608,292	\$ 546,124	\$ 510,473	\$ 507,748	\$ 504,951	\$ 502,716	\$ 505,543	\$ 499,471	\$ 501,732
	Total	\$ 2,765,003	\$ 2,987,380	\$ 2,958,301	\$ 2,912,634	\$ 2,921,193	\$ 2,957,775	\$ 2,999,200	\$ 3,099,631	\$ 3,077,079	\$ 3,127,497
Cost of Service:											
	Demand Other	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
	Demand Financing	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
	Cooling	101%	100%	100%	100%	100%	101%	101%	101%	101%	101%
	Heating	100%	100%	101%	100%	100%	100%	100%	100%	100%	100%
	Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Monthly and Commodity Rates:											
	Demand Other	\$ 74,500	\$ 85,500	\$ 92,000	\$ 91,000	\$ 92,000	\$ 95,000	\$ 99,000	\$ 107,000	\$ 105,500	\$ 109,000
	Demand Financing	\$ 103,000	\$ 103,000	\$ 102,500	\$ 102,500	\$ 103,000	\$ 103,000	\$ 102,500	\$ 102,500	\$ 103,000	\$ 103,000
	Cooling (\$/mmBtu)	\$ 4.10	6.75	4.40	4.45	4.50	4.60	4.70	4.75	4.80	4.85
	Heating (\$/mmBtu)	\$ 10.30	10.70	9.65	9.00	8.95	8.90	8.85	8.90	8.80	8.85
Rate Change Percent:											
	Demand Other	1%	15%	8%	-1%	1%	3%	4%	8%	-1%	3%
	Demand Financing	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	Cooling (\$/mmBtu)	-9%	65%	-35%	1%	2%	2%	2%	1%	1%	1%
	Heating (\$/mmBtu)	-1%	4%	-10%	-7%	-1%	-1%	-1%	1%	-1%	1%
	Total	0%	8%	-1%	-2%	1%	1%	1%	3%	-1%	1%
Forecast:											
	Demand Other (Months)	12	12	12	12	12	12	12	12	12	12
	Demand Financing (Months)	12	12	12	12	12	12	12	12	12	12
	Cooling (Total mmBtu)	18,830	18,145	18,145	18,145	18,145	18,145	18,145	18,145	18,145	18,145
	Heating (Total mmBtu)	54,848	56,877	56,878	56,878	56,878	56,878	56,878	56,878	56,878	56,878
Per Unit Cost:											
	Demand Other	\$ 74,372	\$ 85,489	\$ 91,913	\$ 90,990	\$ 91,733	\$ 94,932	\$ 98,518	\$ 106,589	\$ 105,069	\$ 108,866
	Demand Financing	\$ 102,579	\$ 102,569	\$ 102,465	\$ 102,475	\$ 102,590	\$ 102,590	\$ 102,475	\$ 102,454	\$ 102,517	\$ 102,652
	Cooling (\$/mmBtu)	\$ 4.08	\$ 6.75	\$ 4.39	\$ 4.44	\$ 4.50	\$ 4.55	\$ 4.66	\$ 4.72	\$ 4.77	\$ 4.82
	Heating (\$/mmBtu)	\$ 10.30	\$ 10.69	\$ 9.60	\$ 8.97	\$ 8.93	\$ 8.88	\$ 8.84	\$ 8.89	\$ 8.78	\$ 8.82

Capital



2024-2025 Capital Planning Capital Equipment / Construction

Item	Active Projects	Plant	Approved Budget	Life to Date as of 8/31/2024	Remaining	2025 Capital Request	Adjusted Project Total
	DEC General		\$ 163,260	\$ 29,625	\$ 133,635	\$ 43,000	\$ 206,260
1	Central Cyber Security System	DEC	\$ 53,260	\$ -	\$ 53,260	\$ 12,400	\$ 65,660
2	Physical Security & Safety	DEC	\$ 110,000	\$ 29,625	\$ 80,375	\$ 30,600	\$ 140,600
	County Adult Detention Facility (CADF)		\$ 993,500	\$ 59,555	\$ 933,945	\$ 199,110	\$ 1,192,610
10	Loop Field Fluid Cooler	CADF	\$ 510,000	\$ 53,843	\$ 456,157	\$ 87,210	\$ 597,210
11	Backup Circ. Pumps for Each Loop	CADF	\$ 320,000	\$ 5,712	\$ 314,288	\$ 45,900	\$ 365,900
12	Multistack Upgrade	CADF	\$ 163,500	\$ -	\$ 163,500	\$ 66,000	\$ 229,500
13	Switchgear and Relay Upgrades	CADF	\$ -	\$ -	\$ -		\$ -
14	Controls Upgrades	CADF	\$ -	\$ -	\$ -		\$ -
15	Misc. Upgrades	CADF	\$ -	\$ -	\$ -		\$ -
	West Haymarket (WHM)		\$ 510,000	\$ 52,744	\$ 457,256	\$ 316,200	\$ 826,200
16	Boiler Addition	WHM	\$ 510,000	\$ 52,744	\$ 457,256	\$ 316,200	\$ 826,200
17	Service Extension to Future Building North of Hudl	WHM	\$ -	\$ -	\$ -		\$ -
18	Controls Upgrades	WHM	\$ -	\$ -	\$ -		\$ -
19	Misc. Upgrades	WHM	\$ -	\$ -	\$ -		\$ -
			\$ -	\$ -	\$ -		\$ -
	Total		\$ 1,666,760	\$ 141,924	\$ 1,524,836	\$ 558,310	\$ 2,225,070
	Completed Projects	Plant	Approved Budget	Projected costs as of 12/31/2024	Remaining at Completion		
	County/City (CC)		\$ 71,400	\$ 49,619	\$ (21,781)		
	City Water Service Upgrade	CC	\$ 51,000	\$ 30,408	\$ (20,592)		
	Water Softener Upgrade	CC	\$ 20,400	\$ 19,211	\$ (1,189)		
	State (SBP)		\$ 271,650	\$ 257,512	\$ (14,138)		
	DA Controls & Surge Tank Upgrade	SBP	\$ 271,650	\$ 257,512	\$ (14,138)		
	West Haymarket (WHM)		\$ 150,000	\$ 241,898	\$ 91,898		
	Service Extension to Proposed Block 4 Building Development	WHM	\$ 150,000	\$ 241,898	\$ 91,898		
	LES Operations Center (LOC)		\$ 204,000	\$ 70,556	\$ (133,444)		
	Loop Field Resistance Heater	LOC	\$ 204,000	\$ 70,556	\$ (133,444)		
	Nebraska State Penitentiary (NSP)		\$ 51,000	\$ 50,482	\$ (518)		
	Hydronic Cooler (Control Room)	NSP	\$ 51,000	\$ 50,482	\$ (518)		
	Total		\$ 748,050	\$ 670,067	\$ (77,983)		



2025-2034 Capital Cash Flow Plan

Item	Active Projects	Plant	Prior Spend Actual as of 12/31/2023	2024 Forecast	2025	Planned Expenditures										Total Project Budget		
						2026	2027	2028	2029	2030	2031	2032	2033	2034				
	DEC General		\$ 29,625	\$ 57,375	\$ 119,260	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 206,260
1	Central Cyber Security System	DEC	\$ -	\$ -	\$ 65,660	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 65,660
2	Physical Security & Safety	DEC	\$ 29,625	\$ 57,375	\$ 53,600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 140,600
	County/City (CC)		\$ -	\$ -	\$ -	\$ 75,000	\$ 550,000	\$ 200,000	\$ 100,000	\$ 900,000	\$ 30,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 1,960,000
3	Service Extension to 701 South 9th Street	CC	\$ -	\$ -	\$ -	\$ 50,000	\$ 550,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 600,000
4	Cooling Capacity Increase	CC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ 900,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000
5	Controls Upgrades	CC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000
6	Misc. Upgrades	CC	\$ -	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ 30,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 160,000
	State (SBP)		\$ -	\$ -	\$ -	\$ 250,000	\$ 25,000	\$ 25,000	\$ 200,000	\$ 30,000	\$ 30,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 665,000
7	Fuel Oil Filter Skid	SBP	\$ -	\$ -	\$ -	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 250,000
8	Misc. Upgrades	SBP	\$ -	\$ -	\$ -	\$ -	\$ 25,000	\$ 25,000	\$ -	\$ 30,000	\$ 30,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 215,000
9	Controls Upgrades	SBP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000
	County Adult Detention Facility (CADF)		\$ 59,555	\$ 602,945	\$ 307,110	\$ 223,000	\$ 25,000	\$ 25,000	\$ 410,000	\$ 30,000	\$ 30,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 1,817,610	
10	Loop Field Fluid Cooler	CADF	\$ 53,843	\$ 318,157	\$ 225,210	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 597,210
11	Backup Circ. Pumps for Each Loop	CADF	\$ 5,712	\$ 278,288	\$ 81,900	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 365,900
12	Multistack Upgrade	CADF	\$ -	\$ 6,500	\$ -	\$ 223,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 229,500
13	Switchgear and Relay Upgrades	CADF	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 210,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 210,000
14	Controls Upgrades	CADF	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000
15	Misc. Upgrades	CADF	\$ -	\$ -	\$ -	\$ -	\$ 25,000	\$ 25,000	\$ -	\$ 30,000	\$ 30,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 215,000
	West Haymarket (WHM)		\$ 52,744	\$ 381,256	\$ 392,200	\$ 25,000	\$ 25,000	\$ 25,000	\$ 30,000	\$ 200,000	\$ 30,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 1,266,200	
16	Boiler Addition	WHM	\$ 52,744	\$ 381,256	\$ 392,200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 826,200
17	Service Extension to Future Building North of Hudl	WHM	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18	Controls Upgrades	WHM	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000
19	Misc. Upgrades	WHM	\$ -	\$ -	\$ -	\$ 25,000	\$ 25,000	\$ 25,000	\$ 30,000	\$ -	\$ 30,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 240,000
	LES Operations Center (LOC)		\$ -	\$ -	\$ -	\$ 25,000	\$ 25,000	\$ 200,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 445,000
20	Controls Upgrades	LOC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000
21	Misc. Upgrades	LOC	\$ -	\$ -	\$ -	\$ 25,000	\$ 25,000	\$ -	\$ 30,000	\$ 30,000	\$ 30,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 245,000
	Nebraska State Penitentiary (NSP)		\$ -	\$ -	\$ -	\$ 25,000	\$ 25,000	\$ 25,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 270,000
22	Misc. Upgrades	NSP	\$ -	\$ -	\$ -	\$ 25,000	\$ 25,000	\$ 25,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 270,000
23	Controls Upgrades	NSP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24	Switchgear and Relay Upgrades	NSP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Completed Projects																	\$ -
	County/City (CC)		\$ 26,789	\$ 3,619	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,408
	City Water Service Upgrade	CC	\$ 26,789	\$ 3,619	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,408
	Water Softener Upgrade	CC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	State (SBP)		\$ 257,512	\$ 13,605	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 271,117
	DA Controls & Surge Tank Upgrade	SBP	\$ 257,512	\$ 13,605	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 271,117
	West Haymarket (WHM)		\$ 246,525	\$ (4,626)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 241,899
	Service Extension to Proposed Block 4 Building Development	WHM	\$ 246,525	\$ (4,626)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 241,899
	LES Operations Center (LOC)		\$ 1,710	\$ 68,846	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70,556
	Loop Field Resistance Heater	LOC	\$ 1,710	\$ 68,846	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70,556
	Nebraska State Penitentiary (NSP)		\$ 7,418	\$ 37,771	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,189
	Hydronic Cooler (Control Room)	NSP	\$ 7,418	\$ 37,771	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,189
	Total		\$ 681,879	\$ 1,160,791	\$ 818,570	\$ 623,000	\$ 675,000	\$ 500,000	\$ 800,000	\$ 1,220,000	\$ 180,000	\$ 210,000	\$ 210,000	\$ 210,000	\$ 210,000	\$ 210,000	\$ 210,000	\$ 8,620,322

Plant Acronyms
 DEC - DEC Administration (All Plants)
 CC - City/County Thermal Energy Plant
 SBP - State Boiler Plant
 CADF - Country Adult Detention Facility Geothermal Energy Plant
 WHM - West Haymarket Central Utility Plant
 LOC - LES Operations Center Geothermal Energy Plant
 NSP - Nebraska State Penitentiary Thermal Energy Plant



2025 Budget Capital Budget Explanations

1. Central Cyber Security System (\$66K)

This project is a continuation of the 2023 project to install a real time network cyber monitoring system for the plant control systems. The current data diode is used for operational data and performance would be hindered if that diode was used with the cyber monitoring system. Therefore, it was determined to be in the best interest of reliability and performance to install an additional data diode dedicated to the cyber monitoring system. Cyber is applying for grant funding through IJA to cover a portion of the costs. The additional budget request is due to the increased cost of the data diode in the event grant funding is not approved.

2. Physical Security & Safety (\$141K)

This project will continue improving the overall security posture of the DEC. This project will upgrade the emergency lighting throughout the DEC facilities to prevent premature failure in the event of an emergency. Additionally, this project will upgrade exterior lighting to better illuminate the facility perimeters for improved safety and security. The additional budget requests will provide funding for small miscellaneous safety and security improvements.

3. County/City Service Extension to 701 South 9th Street (\$600K)

This budget item will add the service lines to the new building south of the existing CC/HOJ buildings. Engineering work is expected to start in 2026 with the construction to be completed in 2027.

4. County/City Cooling Capacity Increase (\$1.0M)

This budget item will increase the chilled water capacity at the County/City. Engineering work is expected to start in 2029 with the construction to be completed in 2030. This project will design and install an air-source fluid cooler at the DEC County/City facility to provide year-round cooling per the request from the County/City customers. The additional equipment could be used to provide free-cooling, Trane chiller operation without the need of a cooling tower or build ice in the Calmac ice tanks at ambient temperatures below 20F. This system would provide approximately 150 tons of cooling capacity.

5. County/City Controls Upgrade (\$200K)

This budget item has been planned for 2028.

6. County/City Misc. Upgrades (\$160K)

This budget item has been planned for 2026, 2030-2034.

7. State Boiler Plant Fuel Oil Filter Skid (\$250K)

This project will install a fuel oil filter skid to filter the fuel oil in the underground fuel oil storage tank for use in the boilers and emergency electrical generator. The State Boiler Plant is the only DEC plant that currently does not have a fuel filter skid installed. This project has been budgeted for 2026.

8. State Boiler Plant Misc. Upgrades (\$215K)

This budget item has been planned for 2027, 2028, 2030-2034.

9. State Boiler Plant Controls Upgrade (\$200K)

This budget item has been planned for 2029.



2025 Budget Capital Budget Explanations

10. County Adult Detention Facility Loop Field Fluid Cooler (\$597K)

This project will install an air to fluid cooling system to address the geothermal loop temperature increases. As the loop temperature increases the efficiency of the heat pumps decreases. The system would be operated during the colder winter months to maximize system performance and the impact on the loop field temperature. The additional budget request is due to increased installation costs and equipment costs due to inflation since originally budgeting the project.

11. County Adult Detention Facility Backup Circulating Pumps for Loop (\$366K)

This project will install redundant circulating water pumps for the geothermal system's three water loops: wellfield, hot and cold water. This will improve plant reliability and resiliency. The additional budget request is due to increased installation costs and equipment costs due to inflation since originally budgeting the project.

12. County Adult Detention Facility Multistack Upgrade (\$230K)

This project will upgrade the reversing valves on the Multistack geothermal heat pumps to improve system reliability. The original design has been found to be problematic and has had an impact on the reliable operation of the facility. This project will also upgrade the obsolete controllers on the Multistacks to a newer model that is currently supported by the OEM. The additional budget request is due to transferring funds (\$66,000) to the backup pump installation project in 2024.

13. County Adult Detention Facility Switchgear and Relay Upgrades (\$210K)

This budget item has been planned for 2029.

14. County Adult Detention Facility Control Upgrades (\$200K)

This budget item has been planned for 2029 to address obsolesce of IT equipment and software.

15. County Adult Detention Facility Misc. Upgrades (\$215K)

This budget item has been planned for 2027, 2028, and 2030-2034.

16. West Haymarket Boiler Addition (\$826K)

This budget item will install additional electric boilers to provide full back up for loss of natural gas service. With the loss of natural gas service, the plant would utilize existing and new electric boilers to maintain customer service. The loss of natural gas service is usually associated with the coldest winter days when demand for heating service is at a maximum. The additional budget request is due to the increased cost of the electric boilers and installation costs including the need for catwalks above the boilers for safe access to the HVAC filters.

17. West Haymarket Service Extension to Future Building North of HUDL

Currently this project is not planned and will be reevaluated when given direction to move forward again.

18. West Haymarket Controls Upgrade (\$200K)

This budget item has been planned for 2030.

19. West Haymarket Misc. Upgrades (\$240K)

This budget item has been planned for 2026-2029 and 2031-2034.



2025 Budget Capital Budget Explanations

20. LES Operations Center Control Upgrades (\$200K)

This budget item has been planned for 2028 to address obsolescence of IT equipment and software.

21. LES Operations Center Misc. Upgrades (\$245K)

This budget item has been planned for 2026, 2027, and 2029-2034.

22. Nebraska State Penitentiary Misc. Upgrades (\$270K)

This budget item has been planned for 2026-2034.

23. Nebraska State Penitentiary Controls Upgrade

This budget item has not been planned. The preliminary total project cost has not been estimated.

24. Nebraska State Penitentiary Switchgear and Relay Upgrades

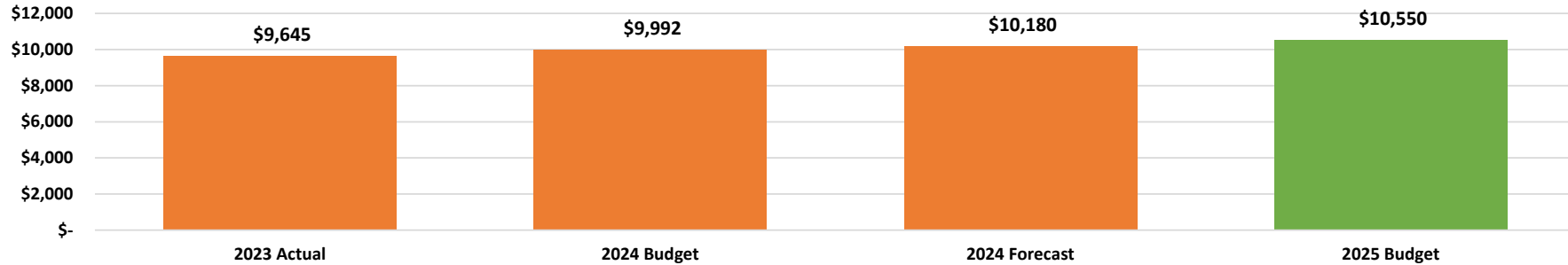
This budget item has not been planned. The preliminary total project cost has not been estimated.

Operating Recaps



2025 Operating Budget Recap

Operating Expenses (chart in thousands)

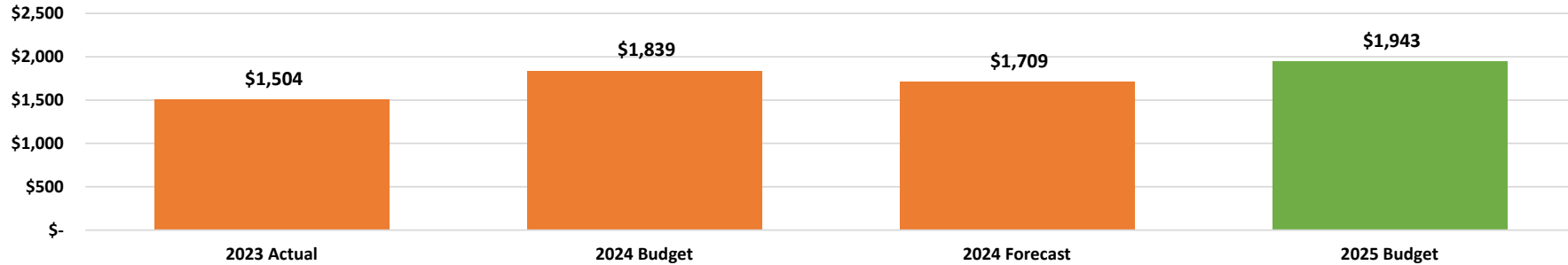


Expenditure Type	2023 Actual	2024 Budget	2024 Forecast	2025 Budget	25 vs. 24 Budget (\$)	25 vs. 24 Budget (%)	25 vs. 24 Forecast (\$)	25 vs. 24 Forecast (%)
Depreciation and Amortization	\$ 3,542,449	\$ 3,629,705	\$ 3,638,273	\$ 3,686,016	\$ 56,311	1.6%	\$ 47,743	1.3%
Generation	\$ 2,376,318	\$ 2,498,991	\$ 2,471,572	\$ 2,668,936	\$ 169,945	6.8%	\$ 197,364	8.0%
Materials	\$ 50,293	\$ 1,896	\$ 38,118	\$ 1,500	\$ (396)	-20.9%	\$ (36,618)	-96.1%
Outside Services	\$ 2,102,526	\$ 2,238,531	\$ 2,233,819	\$ 2,257,581	\$ 19,050	0.9%	\$ 23,762	1.1%
Payroll and Benefits	\$ 1,293,085	\$ 1,451,568	\$ 1,536,341	\$ 1,773,974	\$ 322,406	22.2%	\$ 237,633	15.5%
Purchases	\$ 250,907	\$ 161,352	\$ 244,569	\$ 151,920	\$ (9,432)	-5.8%	\$ (92,649)	-37.9%
Transportation	\$ 3,251	\$ 2,400	\$ 2,462	\$ 2,400	\$ -	0.0%	\$ (62)	-2.5%
Travel and Training	\$ 25,949	\$ 7,670	\$ 14,950	\$ 7,670	\$ -	0.0%	\$ (7,280)	-48.7%
Grand Total	\$ 9,644,778	\$ 9,992,113	\$ 10,180,104	\$ 10,549,997	\$ 557,884	5.6%	\$ 369,893	3.6%



2025 Operating Budget Recap - DEC Admin

Operating Expenses (chart in thousands)



Expenditure Type	2023 Actual	2024 Budget	2024 Forecast	2025 Budget	25 vs. 24 Budget (\$)	25 vs. 24 Budget (%)	25 vs. 24 Forecast (\$)	25 vs. 24 Forecast (%)
Depreciation and Amortization	\$ 9,447	\$ 17,508	\$ 7,550	\$ 10,656	\$ (6,852)	-39.1%	\$ 3,106	41.1%
Materials	\$ 2,100	\$ 1,896	\$ 1,516	\$ 1,500	\$ (396)	-20.9%	\$ (16)	-1.1%
Outside Services	\$ 1,069,907	\$ 1,224,554	\$ 1,169,189	\$ 1,244,279	\$ 19,725	1.6%	\$ 75,090	6.4%
Payroll and Benefits	\$ 390,703	\$ 578,748	\$ 511,139	\$ 671,920	\$ 93,172	16.1%	\$ 160,781	31.5%
Purchases	\$ 3,836	\$ 6,684	\$ 3,665	\$ 4,500	\$ (2,184)	-32.7%	\$ 835	22.8%
Transportation	\$ 2,279	\$ 2,400	\$ 1,487	\$ 2,400	\$ -	0.0%	\$ 913	61.4%
Travel and Training	\$ 25,946	\$ 7,670	\$ 14,950	\$ 7,670	\$ -	0.0%	\$ (7,280)	-48.7%
Grand Total	\$ 1,504,218	\$ 1,839,460	\$ 1,709,496	\$ 1,942,925	\$ 103,465	5.6%	\$ 233,429	13.7%

Administration Allocation				
County/City	17.8%	20.6%	20.6%	20.5%
State	13.0%	14.2%	14.2%	14.4%
County Adult Detention Facility	15.2%	14.1%	14.1%	13.6%
West Haymarket	20.8%	19.5%	19.5%	20.0%
LES Operations Center	14.8%	12.1%	12.1%	11.7%
NE State Penitentiary	18.4%	19.6%	19.6%	20.0%
Total	100%	100%	100%	100%



2025 Operating Budget Recap - DEC Admin

Budget vs. Budget Variance Explanations

Depreciation and Amortization

Depreciation, -\$7K

Outside Services

A&G overhead credit (shift to capital), -\$6K

Environmental consulting, +\$10K

LES management fee, +\$15K

Master plan consulting, +\$10K

Remote monitoring, -\$14K

Security fees, +\$4K

Payroll and Benefits

Labor adjustments for hours (+309 hours), payroll adder, and merit increases, +\$93K

Budget vs. Forecast Variance Explanations

Depreciation and Amortization

Depreciation, +\$3K

Outside Services

Bank service charges, +\$1K

Environmental consulting, +\$10K

Legal fees, +\$39K

LES management fee, +\$15K

Master plan consulting, +\$10K

Payroll and Benefits

Labor adjustments for hours (+1,204 hours), payroll adder, and merit increases, +\$161K

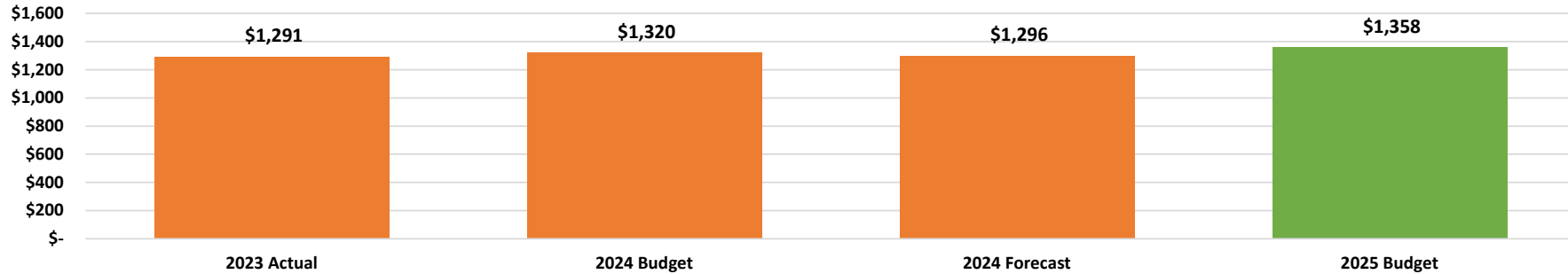
Travel and Training

IDEA conference, -\$7K



2025 Operating Budget Recap - County/City

Operating Expenses (chart in thousands)



Expenditure Type	2023 Actual	2024 Budget	2024 Forecast	2025 Budget	25 vs. 24		25 vs. 24	
					Budget (\$)	Budget (%)	Forecast (\$)	Forecast (%)
Depreciation and Amortization	\$ 403,817	\$ 492,732	\$ 455,566	\$ 485,952	\$ (6,780)	-1.4%	\$ 30,386	6.7%
Generation	\$ 430,419	\$ 455,681	\$ 428,951	\$ 482,071	\$ 26,390	5.8%	\$ 53,120	12.4%
Materials	\$ 154	\$ -	\$ (201)	\$ -	\$ -	0.0%	\$ 201	-100.0%
Outside Services	\$ 241,928	\$ 168,236	\$ 204,024	\$ 155,530	\$ (12,706)	-7.6%	\$ (48,494)	-23.8%
Payroll and Benefits	\$ 179,591	\$ 181,668	\$ 174,233	\$ 210,754	\$ 29,086	16.0%	\$ 36,521	21.0%
Purchases	\$ 35,197	\$ 21,204	\$ 33,420	\$ 23,728	\$ 2,524	11.9%	\$ (9,692)	-29.0%
Transportation	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	0.0%
Grand Total	\$ 1,291,106	\$ 1,319,521	\$ 1,295,993	\$ 1,358,035	\$ 38,514	2.9%	\$ 62,042	4.8%



2025 Operating Budget Recap - County/City

Budget vs. Budget Variance Explanations

Generation

- Electric demand, +\$24K
- Electric energy, +\$13K
- Natural gas price, -\$10K
- Natural gas volume, -\$6K
- Water expense, +\$6K

Outside Services

- Cooling tower media, +\$10K
- Eddy current testing, +\$10K
- Electrical maintenance plan, +\$8K
- Engineering study, -\$16K
- Future feasibility study, -\$10K
- Insurance, +\$1K
- Plant improvements, -\$7K
- Underground storage tank inspections, -\$5K
- Water sampling, -\$4K

Payroll and Benefits

- Labor adjustments for hours (+296 hours), payroll adder, and merit increases, +\$29K

Purchases

- Controls purchases, +\$3K

Budget vs. Forecast Variance Explanations

Depreciation and Amortization

- Depreciation, +\$30K

Generation

- Electric demand, +\$11K
- Electric energy, +\$2K
- Natural gas price, +\$24K
- Natural gas volume, +\$12K
- Water expense, +\$4K

Outside Services

- Electrical maintenance plan, +\$8K
- Engineering study, -\$16K
- Future feasibility study, -\$10K
- Pipe removal, -\$25K
- Plant improvements, -\$4K

Payroll and Benefits

- Labor adjustments for hours (+328 hours), payroll adder, and merit increases, +\$37K

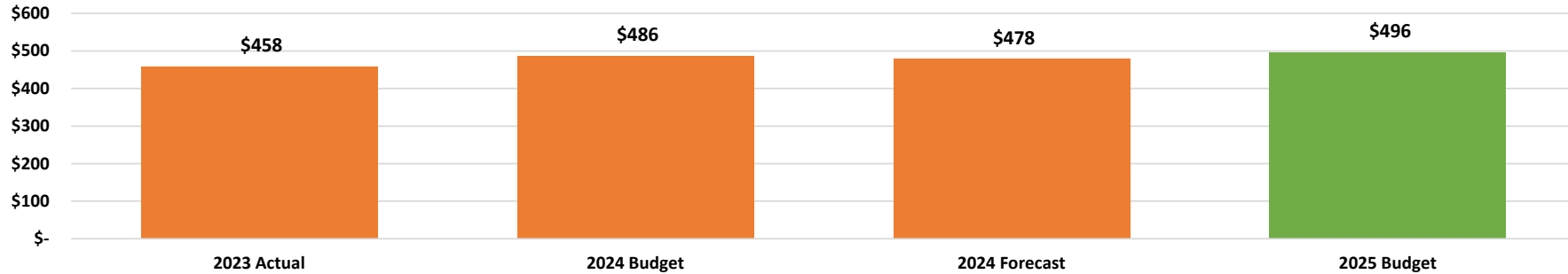
Purchases

- Boiler tube leak repair in 2024, -\$9K



2025 Operating Budget Recap - State

Operating Expenses (chart in thousands)



Expenditure Type	2023 Actual	2024 Budget	2024 Forecast	2025 Budget	25 vs. 24		25 vs. 24	
					Budget (\$)	Budget (%)	Forecast (\$)	Forecast (%)
Depreciation and Amortization	\$ 81,249	\$ 57,096	\$ 98,088	\$ 61,356	\$ 4,260	7.5%	\$ (36,732)	-37.4%
Generation	\$ 196,020	\$ 209,489	\$ 166,474	\$ 199,277	\$ (10,212)	-4.9%	\$ 32,803	19.7%
Materials	\$ 20	\$ -	\$ 9	\$ -	\$ -	0.0%	\$ (9)	-100.0%
Outside Services	\$ 50,967	\$ 73,062	\$ 60,577	\$ 71,303	\$ (1,759)	-2.4%	\$ 10,726	17.7%
Payroll and Benefits	\$ 116,671	\$ 129,816	\$ 131,731	\$ 147,604	\$ 17,788	13.7%	\$ 15,873	12.0%
Purchases	\$ 13,001	\$ 16,752	\$ 21,423	\$ 16,776	\$ 24	0.1%	\$ (4,647)	-21.7%
Transportation	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	0.0%
Grand Total	\$ 457,928	\$ 486,215	\$ 478,302	\$ 496,316	\$ 10,101	2.1%	\$ 18,014	3.8%



2025 Operating Budget Recap - State

Budget vs. Budget Variance Explanations

Generation

- Chemical expense, +\$1K
- Electric energy, +\$1K
- Natural gas price, -\$13K
- Water expenses, +\$1K

Payroll and Benefits

- Labor adjustments for hours (+121 hours), payroll adder, and merit increases, +\$18K

Budget vs. Forecast Variance Explanations

Depreciation and Amortization

- Depreciation, -\$37K

Generation

- Chemical expenses, +\$1K
- Electric energy, +\$1K
- Natural gas price, +\$11K
- Natural gas volume, +\$20K

Outside Services

- Decreased plant maintenance, -\$1K
- Electrical maintenance plan implementation, +\$15K
- Water sampling, -\$3K

Payroll and Benefits

- Labor adjustments for hours (+117 hours), payroll adder, and merit increases, +\$15K

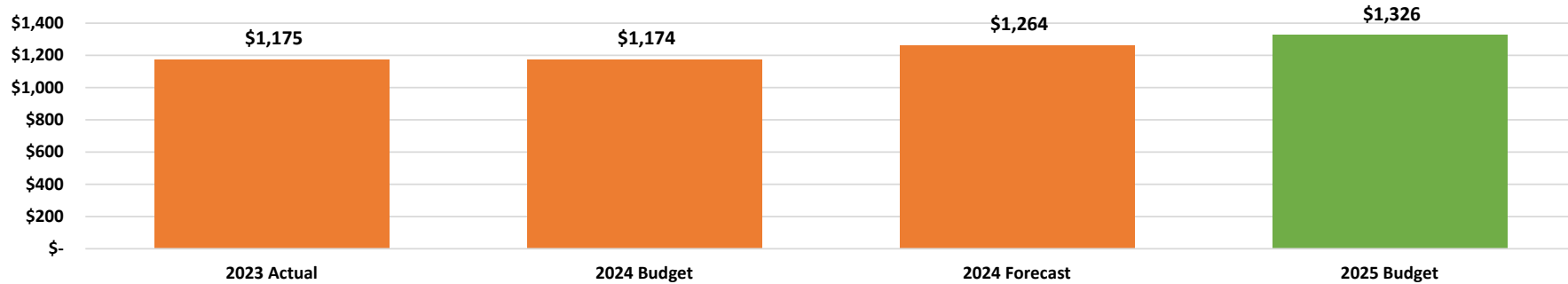
Purchases

- Plant purchases in 2024, -\$5K



2025 Operating Budget Recap - County Adult Detention Facility

Operating Expenses (chart in thousands)



Expenditure Type	2023 Actual	2024 Budget	2024 Forecast	2025 Budget	25 vs. 24 Budget (\$)	25 vs. 24 Budget (%)	25 vs. 24 Forecast (\$)	25 vs. 24 Forecast (%)
Depreciation and Amortization	\$ 693,767	\$ 692,676	\$ 696,783	\$ 720,372	\$ 27,696	4.0%	\$ 23,589	3.4%
Generation	\$ 174,990	\$ 173,494	\$ 199,204	\$ 207,979	\$ 34,485	19.9%	\$ 8,775	4.4%
Materials	\$ 5,205	\$ -	\$ 2,539	\$ -	\$ -	0.0%	\$ (2,539)	-100.0%
Outside Services	\$ 143,858	\$ 159,272	\$ 158,654	\$ 206,917	\$ 47,645	29.9%	\$ 48,263	30.4%
Payroll and Benefits	\$ 118,885	\$ 113,004	\$ 167,825	\$ 163,267	\$ 50,263	44.5%	\$ (4,558)	-2.7%
Purchases	\$ 37,221	\$ 36,024	\$ 38,329	\$ 27,720	\$ (8,304)	-23.1%	\$ (10,609)	-27.7%
Transportation	\$ 715	\$ -	\$ 963	\$ -	\$ -	0.0%	\$ (963)	-100.0%
Grand Total	\$ 1,174,641	\$ 1,174,470	\$ 1,264,297	\$ 1,326,255	\$ 151,785	12.9%	\$ 61,958	4.9%



2025 Operating Budget Recap - County Adult Detention Facility

Budget vs. Budget Variance Explanations

Depreciation and Amortization

Depreciation, +\$28K

Generation

Chemical expenses, +\$2K

Electric energy, +\$33K

Outside Services

Boiler maintenance, +\$2K

Chiller maintenance, +\$2K

Electrical maintenance plan implementation, +\$60K

Insurance, -\$1K

Maintenance inspections, -\$14K

Maintenance service, +\$4K

Multistack repair, +\$10K

Plant improvements, -\$7K

Underground storage tank inspections, -\$5K

Water sampling, -\$3K

Payroll and Benefits

Labor adjustments for hours (+611 hours), payroll adder, and merit increases, +\$50K

Purchases

Generator purchases, -\$1K

Well field purchases, -\$7K

Budget vs. Forecast Variance Explanations

Depreciation and Amortization

Depreciation, +\$23K

Outside Services

Chiller maintenance, +\$2K

Electrical maintenance plan implementation, +\$60K

Maintenance inspections, -\$14K

Maintenance service, +\$4K

Multistack repair, +\$10K

Plant improvements, -\$9K

Underground storage tank inspections, -\$5K

Purchases

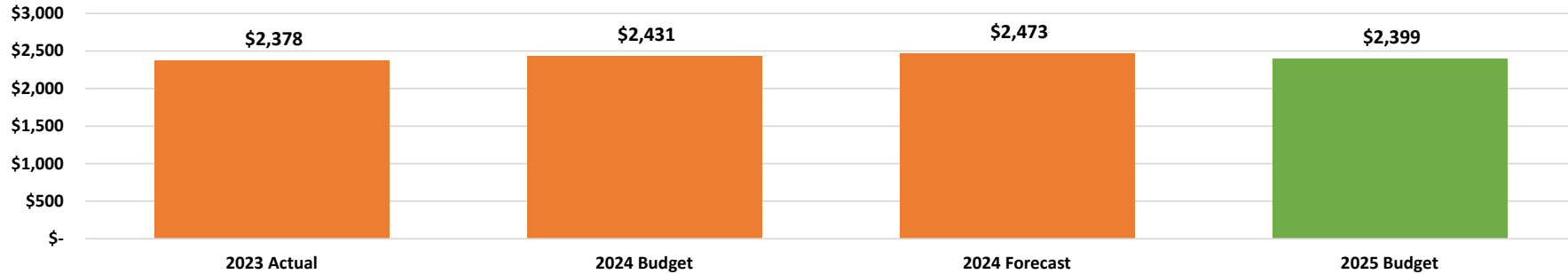
Generator maintenance, -\$3K

Well field maintenance, -\$8K



2025 Operating Budget Recap - West Haymarket

Operating Expenses (chart in thousands)



Expenditure Type	2023 Actual	2024 Budget	2024 Forecast	2025 Budget	25 vs. 24		25 vs. 24	
					Budget (\$)	Budget (%)	Forecast (\$)	Forecast (%)
Depreciation and Amortization	\$ 1,049,945	\$ 1,062,180	\$ 1,071,744	\$ 1,094,472	\$ 32,292	3.0%	\$ 22,728	2.1%
Generation	\$ 719,911	\$ 810,407	\$ 780,993	\$ 812,165	\$ 1,758	0.2%	\$ 31,172	4.0%
Materials	\$ 195	\$ -	\$ 8,349	\$ -	\$ -	0.0%	\$ (8,349)	-100.0%
Outside Services	\$ 349,098	\$ 341,054	\$ 349,577	\$ 223,110	\$ (117,944)	-34.6%	\$ (126,467)	-36.2%
Payroll and Benefits	\$ 180,323	\$ 182,844	\$ 203,501	\$ 234,927	\$ 52,083	28.5%	\$ 31,426	15.4%
Purchases	\$ 78,665	\$ 34,248	\$ 58,682	\$ 34,372	\$ 124	0.4%	\$ (24,310)	-41.4%
Transportation	\$ -	\$ -	\$ 12	\$ -	\$ -	0.0%	\$ (12)	-100.0%
Travel and Training	\$ 3	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	0.0%
Grand Total	\$ 2,378,140	\$ 2,430,733	\$ 2,472,858	\$ 2,399,046	\$ (31,687)	-1.3%	\$ (73,812)	-3.0%



2025 Operating Budget Recap - West Haymarket

Budget vs. Budget Variance Explanations

Depreciation and Amortization

Depreciation, +\$32K

Outside Services

Annual service agreement, +4K

Cooling tower media, +\$10K

Eddy current testing, +\$10K

Electrical maintenance plan, +\$8K

Generator maintenance, +\$3K

Insurance, -\$4K

Plant improvements, -\$7K

Spill Prevention, Control, and Countermeasure update, -\$7K

Valve maintenance, -\$131K

Water sampling, -\$4K

Payroll and Benefits

Labor adjustments for hours (+523 hours), payroll adder, and merit increases, +\$52K

Budget vs. Forecast Variance Explanations

Depreciation and Amortization

Depreciation, +\$23K

Generation

Chemical expenses, -\$2K

Electric demand, +\$9K

Electric energy, -\$6K

Natural gas price, +\$29K

Natural gas volume, +\$10K

Water, -\$8K

Outside Services

Consulting fees, -\$7K

Cooling tower media, +\$10K

Eddy current testing, +\$10K

Electrical maintenance plan, +\$8K

Insurance, -\$4K

Plant improvements, -\$7K

Spill Prevention, Control, and Countermeasure update, -\$7K

Valve maintenance, -\$122K

Water sampling, -\$4K

Payroll and Benefits

Labor adjustments for hours (+118 hours), payroll adder, and merit increases, +\$31K

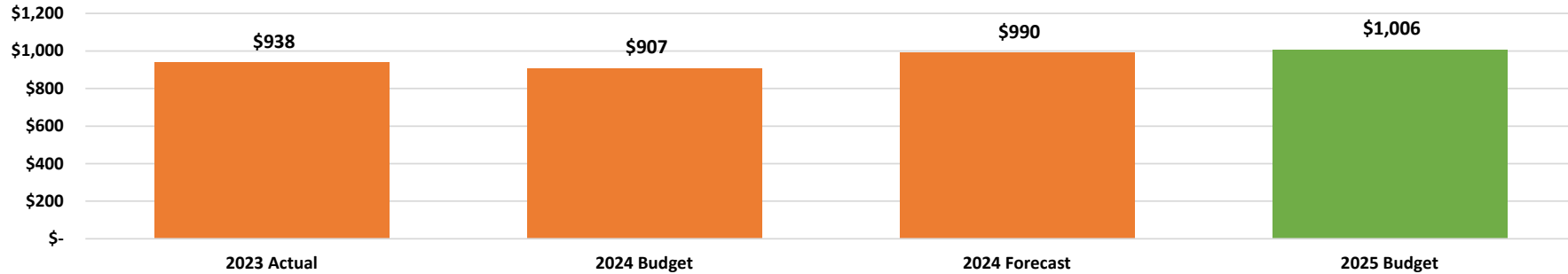
Purchases

Chemical purchases, -\$24K



2025 Operating Budget Recap - LES Operations Center

Operating Expenses (chart in thousands)



Expenditure Type	2023 Actual	2024 Budget	2024 Forecast	2025 Budget	25 vs. 24		25 vs. 24	
					Budget (\$)	Budget (%)	Forecast (\$)	Forecast (%)
Depreciation and Amortization	\$ 562,607	\$ 562,454	\$ 564,651	\$ 565,452	\$ 2,998	0.5%	\$ 801	0.1%
Generation	\$ 96,906	\$ 87,844	\$ 89,427	\$ 111,398	\$ 23,554	26.8%	\$ 21,971	24.6%
Materials	\$ 28,636	\$ -	\$ 22,325	\$ -	\$ -	0.0%	\$ (22,325)	-100.0%
Outside Services	\$ 107,369	\$ 138,828	\$ 130,768	\$ 153,996	\$ 15,168	10.9%	\$ 23,228	17.8%
Payroll and Benefits	\$ 116,641	\$ 96,768	\$ 139,779	\$ 156,917	\$ 60,149	62.2%	\$ 17,138	12.3%
Purchases	\$ 25,287	\$ 21,120	\$ 42,914	\$ 18,724	\$ (2,396)	-11.3%	\$ (24,190)	-56.4%
Transportation	\$ 214	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	0.0%
Grand Total	\$ 937,660	\$ 907,014	\$ 989,864	\$ 1,006,487	\$ 99,473	11.0%	\$ 16,623	1.7%



2025 Operating Budget Recap - LES Operations Center

Budget vs. Budget Variance Explanations

Generation

- Chemical expenses, +\$2K
- Electric demand, +\$1K
- Electric energy, +\$20K

Outside Services

- Boiler maintenance, +\$2K
- Chiller maintenance, +\$2K
- Electrical maintenance plan implementation, +\$45K
- Insurance, -\$18K
- Plant improvements, -\$7K
- Underground storage tank inspections, -\$5K
- Water sampling, -\$3K
- Well field maintenance, -\$1K

Payroll and Benefits

- Labor adjustments for hours (+682 hours), payroll adder, and merit increases, +\$60K

Budget vs. Forecast Variance Explanations

Generation

- Chemical expenses, +\$3K
- Electric energy, +\$19K

Outside Services

- Electrical maintenance plan implementation, +\$45K
- Insurance, -\$18K
- Water sampling, -\$3K
- Well field maintenance, -\$1K

Payroll and Benefits

- Labor adjustments for hours (+141), payroll adder, and merit increases, +\$17K

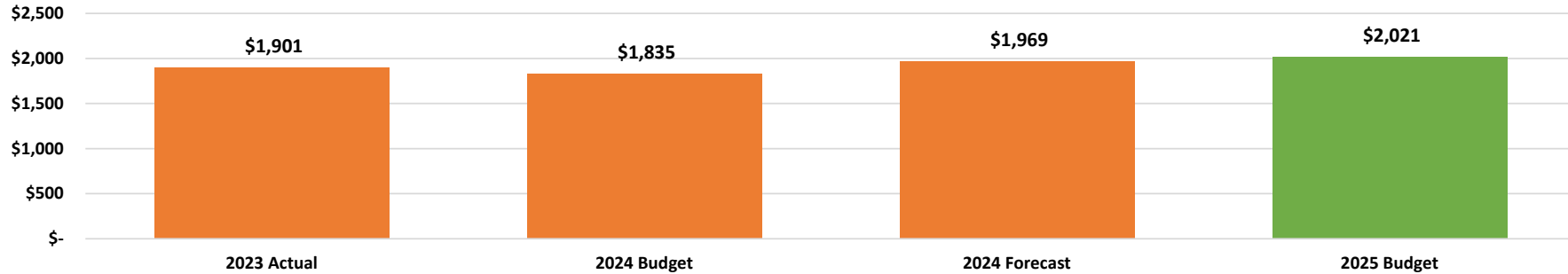
Purchases

- Compressor repairs in 2024, -\$24K



2025 Operating Budget Recap - NE State Penitentiary

Operating Expenses (chart in thousands)



Expenditure Type	2023 Actual	2024 Budget	2024 Forecast	2025 Budget	25 vs. 24 Budget (\$)	25 vs. 24 Budget (%)	25 vs. 24 Forecast (\$)	25 vs. 24 Forecast (%)
Depreciation and Amortization	\$ 741,617	\$ 745,059	\$ 743,891	\$ 747,756	\$ 2,697	0.4%	\$ 3,865	0.5%
Generation	\$ 758,072	\$ 762,076	\$ 806,523	\$ 856,046	\$ 93,970	12.3%	\$ 49,523	6.1%
Materials	\$ 13,983	\$ -	\$ 3,581	\$ -	\$ -	0.0%	\$ (3,581)	-100.0%
Outside Services	\$ 139,399	\$ 133,525	\$ 161,030	\$ 202,446	\$ 68,921	51.6%	\$ 41,416	25.7%
Payroll and Benefits	\$ 190,271	\$ 168,720	\$ 208,133	\$ 188,585	\$ 19,865	11.8%	\$ (19,548)	-9.4%
Purchases	\$ 57,700	\$ 25,320	\$ 46,136	\$ 26,100	\$ 780	3.1%	\$ (20,036)	-43.4%
Transportation	\$ 43	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	0.0%
Grand Total	\$ 1,901,085	\$ 1,834,700	\$ 1,969,294	\$ 2,020,933	\$ 186,233	10.2%	\$ 51,639	2.6%



2025 Operating Budget Recap - NE State Penitentiary

Budget vs. Budget Variance Explanations

Generation

Chemical expenses, -\$7K
Electric demand, +\$5K
Electric energy, +\$2K
Natural gas price, -\$17K
Natural gas volume, +\$34K
Water, +\$76K

Outside Services

Electrical maintenance plan, +\$8K
Higher planned maintenance costs, +\$49K
Insurance, +\$12K

Payroll and Benefits

Labor adjustments for hours (+78 hours), payroll adder, and merit increases, +\$20K

Budget vs. Forecast Variance Explanations

Generation

Natural gas price, +\$54K
Natural gas volume, +\$9K
Water, -\$15K

Outside Services

Electrical maintenance plan, +\$8K
Higher planned maintenance costs, +\$21K
Insurance, +\$12K

Payroll and Benefits

Labor adjustments for hours (-338 hours), payroll adder, and merit increases, -\$20K

Purchases

Salt for condensate pumps, -\$20K

Supporting Financial Reports

Pro Forma



District Energy Corporation	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Pro Forma	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Operating Revenue										
Heating	1,515,668	1,600,011	1,510,236	1,419,296	1,441,286	1,437,497	1,434,308	1,448,223	1,438,485	1,448,486
Cooling	488,187	545,534	519,156	527,780	543,029	551,650	566,116	573,930	583,894	592,511
Demand Other	5,238,000	5,712,000	5,856,000	5,952,000	6,150,000	6,324,000	6,546,000	6,846,000	6,852,000	6,990,000
Demand Financing	5,106,974	5,162,034	5,162,034	5,162,034	5,168,034	5,162,034	4,154,034	3,251,008	2,844,000	2,382,000
Total Operating Revenue	12,348,829	13,019,579	13,047,425	13,061,110	13,302,349	13,475,181	12,700,457	12,119,161	11,718,379	11,412,997
Operating Expense										
Energy	2,492,342	2,668,936	2,568,092	2,503,396	2,579,546	2,608,526	2,636,028	2,674,594	2,691,255	2,725,800
Operation	736,456	833,077	849,225	891,380	935,644	982,120	1,025,461	1,076,423	1,129,929	1,186,105
Maintenance	1,140,389	952,183	950,893	876,327	879,866	866,900	1,041,086	1,050,279	955,073	985,459
Admin. & General	2,172,643	2,409,785	2,480,766	2,572,759	2,667,346	2,766,822	2,866,041	2,967,312	3,076,422	3,193,421
Depreciation	3,638,274	3,686,016	3,722,868	3,760,104	3,797,712	3,835,668	3,874,040	3,912,781	3,951,909	3,991,428
Total Operating Expense	10,180,104	10,549,997	10,571,844	10,603,966	10,860,114	11,060,036	11,442,656	11,681,389	11,804,588	12,082,213
Operating Income	2,168,726	2,469,582	2,475,581	2,457,144	2,442,235	2,415,145	1,257,801	437,772	(86,209)	(669,216)
Nonoperating Expenses (Income)										
Interest Expense	1,275,339	1,227,589	1,169,102	1,105,022	1,058,934	990,892	907,525	876,010	791,830	715,167
Investment Income	(403,153)	(255,827)	(211,194)	(168,887)	(169,688)	(172,830)	(178,413)	(182,400)	(187,832)	(193,467)
Net Costs Recoverable	134,420	120,144	115,488	107,288	95,520	90,192	84,619	80,552	75,023	70,646
Other-Net	-	-	-	-	-	-	-	-	-	-
Total Nonoperating Expenses (Income)	1,006,605	1,091,906	1,073,396	1,043,423	984,766	908,254	813,731	774,162	679,021	592,346
Income Before Contributions	1,162,121	1,377,676	1,402,185	1,413,721	1,457,469	1,506,891	444,070	(336,390)	(765,230)	(1,261,562)
Contributed Capital										
Contributed Capital Received	-	-	-	-	-	-	-	-	-	-
Contributed Capital Used	-	-	-	-	-	-	-	-	-	-
Net Contributed Capital	-	-	-	-	-	-	-	-	-	-
Income Without LT Interest Expense	1,162,121	1,377,676	1,402,185	1,413,721	1,457,469	1,506,891	444,070	(336,390)	(765,230)	(1,261,562)
Long-Term Debt (LTD) Service										
Current LTD Principal	3,417,500	3,507,500	3,657,500	3,812,500	3,982,500	4,162,500	3,345,000	2,485,000	2,135,000	1,767,500
Current LTD Interest	2,161,538	2,020,512	1,870,934	1,712,350	1,544,543	1,367,142	1,180,028	1,033,510	929,304	846,649
Subtotal Current Debt Service	5,579,038	5,528,012	5,528,434	5,524,850	5,527,043	5,529,642	4,525,028	3,518,510	3,064,305	2,614,149
Proposed LTD Principal	-	-	-	-	-	-	-	-	-	-
Proposed LTD Interest	-	-	-	-	-	-	-	-	-	-
Proposed Debt Service	-	-	-	-	-	-	-	-	-	-
Total Long-Term Debt Service	5,579,038	5,528,012	5,528,434	5,524,850	5,527,043	5,529,642	4,525,028	3,518,510	3,064,305	2,614,149
Other Cash Sources & Uses										
Short-Term Borrowing	-	(300,000)	(100,000)	400,000	50,000	(170,000)	730,000	(260,000)	(260,000)	(260,000)
Net Bond Proceeds	-	-	-	-	-	-	-	-	-	-
Subtotal Other Cash Sources & Uses	-	(300,000)	(100,000)	400,000	50,000	(170,000)	730,000	(260,000)	(260,000)	(260,000)
Capital										
County/City	15,421	(358,081)	75,000	550,000	200,000	100,000	900,000	30,000	35,000	35,000
State	21,762	17,091	250,000	25,000	25,000	200,000	30,000	30,000	35,000	35,000
County Adult Detention Facility	611,006	323,248	223,000	25,000	25,000	410,000	30,000	30,000	35,000	35,000
West Haymarket	387,812	415,996	25,000	25,000	25,000	30,000	200,000	30,000	35,000	35,000
LES Operations Center	75,760	13,935	25,000	25,000	200,000	30,000	30,000	30,000	35,000	35,000
NE State Penitentiary	49,031	23,760	25,000	25,000	25,000	30,000	30,000	30,000	35,000	35,000
Total Capital	1,160,792	435,949	623,000	675,000	500,000	800,000	1,220,000	180,000	210,000	210,000



2025 Budget Annual Billings

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
County/City													
Heating Revenues (\$)	\$ 181,102	\$ 199,285	\$ 249,520	\$ 292,992	\$ 266,558	\$ 256,125	\$ 236,767	\$ 235,278	\$ 233,789	\$ 232,300	\$ 233,789	\$ 230,811	\$ 230,811
Cooling Revenues (\$)	86,184	81,281	80,261	76,017	104,565	105,616	106,661	108,753	109,799	112,936	113,981	116,073	117,118
Demand - Other Revenues (\$)	1,080,000	1,092,000	1,122,000	1,206,000	1,242,000	1,290,000	1,308,000	1,410,000	1,452,000	1,476,000	1,662,000	1,662,000	1,692,000
Annual Revenues (\$)	1,347,286	1,372,566	1,451,781	1,575,009	1,613,123	1,651,741	1,651,428	1,754,031	1,795,587	1,821,235	2,009,770	2,008,883	2,039,929
Square Footage	634,000	634,000	634,000	634,000	634,000	634,000	634,000	634,000	634,000	634,000	634,000	634,000	634,000
Price per Sq. Ft. (\$)	\$ 2.13	\$ 2.16	\$ 2.29	\$ 2.48	\$ 2.54	\$ 2.61	\$ 2.60	\$ 2.77	\$ 2.83	\$ 2.87	\$ 3.17	\$ 3.17	\$ 3.22
State													
Heating Revenues (\$)	\$ 136,479	\$ 157,775	\$ 189,214	\$ 208,914	\$ 198,348	\$ 181,126	\$ 166,572	\$ 165,763	\$ 164,954	\$ 162,529	\$ 164,954	\$ 163,337	\$ 163,337
Demand - Other Revenues (\$)	546,000	444,000	447,000	516,000	582,000	594,000	618,000	636,000	654,000	690,000	690,000	714,000	738,000
Demand - Financing Revenues (\$)	12,036	120,000	114,000	-	-	-	-	-	-	-	-	-	-
Annual Revenues (\$)	694,515	721,775	750,214	724,914	780,348	775,126	784,572	801,763	818,954	852,529	854,954	877,337	901,337
Square Footage	1,010,000	1,010,000	1,010,000	1,010,000	1,010,000	1,010,000	1,010,000	1,010,000	1,010,000	1,010,000	1,010,000	1,010,000	1,010,000
Price per Sq. Ft. (\$)	\$ 0.69	\$ 0.71	\$ 0.74	\$ 0.72	\$ 0.77	\$ 0.77	\$ 0.78	\$ 0.79	\$ 0.81	\$ 0.84	\$ 0.85	\$ 0.87	\$ 0.89
CADF													
Heating Revenues (\$)	\$ 59,920	\$ 71,760	\$ 74,558	\$ 74,856	\$ 104,611	\$ 110,911	\$ 113,270	\$ 113,270	\$ 116,417	\$ 119,563	\$ 122,710	\$ 125,069	\$ 128,216
Cooling Revenues (\$)	79,367	84,862	96,503	96,223	102,000	111,645	114,858	114,858	118,070	121,283	123,693	126,906	130,118
Demand - Other Revenues (\$)	540,000	600,000	666,000	666,000	768,000	744,000	762,000	786,000	810,000	900,000	864,000	822,000	786,000
Demand - Financing Revenues (\$)	992,034	960,000	924,000	924,000	918,000	918,000	918,000	918,000	912,000	912,000	906,000	456,000	-
Annual Revenues (\$)	1,671,321	1,716,622	1,761,061	1,761,079	1,892,611	1,884,555	1,908,128	1,932,128	1,956,487	2,052,846	2,016,402	1,529,975	1,044,334
Square Footage	311,500	311,500	311,500	311,500	311,500	311,500	311,500	311,500	311,500	311,500	311,500	311,500	311,500
Price per Sq. Ft. (\$)	\$ 5.37	\$ 5.51	\$ 5.65	\$ 5.65	\$ 6.08	\$ 6.05	\$ 6.13	\$ 6.20	\$ 6.28	\$ 6.59	\$ 6.47	\$ 4.91	\$ 3.35
West Haymarket													
Heating Revenues (\$)	\$ 226,765	\$ 244,168	\$ 404,491	\$ 380,110	\$ 351,442	\$ 338,283	\$ 313,651	\$ 339,009	\$ 337,216	\$ 335,422	\$ 337,216	\$ 333,628	\$ 335,422
Cooling Revenues (\$)	166,065	183,877	172,472	178,746	180,352	182,606	184,861	196,208	198,756	203,852	206,400	208,948	211,496
Demand - Other Revenues (\$)	1,044,000	1,176,000	1,452,000	1,308,000	1,332,000	1,404,000	1,422,000	1,446,000	1,482,000	1,530,000	1,614,000	1,626,000	1,680,000
Demand - Financing Revenues (\$)	1,200,000	1,152,000	1,152,000	1,146,000	1,152,000	1,152,000	1,152,000	1,152,000	1,152,000	1,152,000	1,152,000	1,152,000	1,146,000
Annual Revenues (\$)	2,636,830	2,756,045	3,180,963	3,012,856	3,015,794	3,076,889	3,072,511	3,133,217	3,169,971	3,221,274	3,309,616	3,320,577	3,372,918
Square Footage	1,134,400	1,340,600	1,340,600	1,340,600	1,340,600	1,340,600	1,340,600	1,340,600	1,340,600	1,340,600	1,340,600	1,340,600	1,340,600
Price per Sq. Ft. (\$)	\$ 2.32	\$ 2.06	\$ 2.37	\$ 2.25	\$ 2.25	\$ 2.30	\$ 2.29	\$ 2.34	\$ 2.36	\$ 2.40	\$ 2.47	\$ 2.48	\$ 2.52
LOC													
Heating Revenues (\$)	\$ 56,580	\$ 24,990	\$ 53,734	\$ 53,555	\$ 70,469	\$ 74,918	\$ 77,134	\$ 78,907	\$ 78,907	\$ 81,124	\$ 83,340	\$ 85,114	\$ 87,330
Cooling Revenues (\$)	23,615	31,967	31,095	31,018	36,138	39,451	40,655	41,559	41,559	42,763	43,667	44,871	45,775
Demand - Other Revenues (\$)	504,000	636,000	708,000	648,000	762,000	720,000	750,000	768,000	786,000	762,000	732,000	762,000	786,000
Demand - Financing Revenues (\$)	1,050,000	2,340,000	2,016,000	2,005,200	2,004,000	2,010,000	2,010,000	2,010,000	2,010,000	1,008,000	-	-	-
Annual Revenues (\$)	1,634,195	3,032,958	2,808,829	2,737,773	2,872,607	2,844,368	2,877,789	2,898,466	2,916,466	1,893,887	859,007	891,985	919,105
Square Footage	405,806	405,806	405,806	405,806	405,806	405,806	405,806	405,806	405,806	405,806	405,806	405,806	405,806
Price per Sq. Ft. (\$)	\$ 4.03	\$ 7.47	\$ 6.92	\$ 6.75	\$ 7.08	\$ 7.01	\$ 7.09	\$ 7.14	\$ 7.19	\$ 4.67	\$ 2.12	\$ 2.20	\$ 2.26
NSP													
Heating Revenues (\$)	\$ 345,098	\$ 442,565	\$ 560,924	\$ 564,929	\$ 608,584	\$ 548,873	\$ 511,902	\$ 509,058	\$ 506,214	\$ 503,370	\$ 506,214	\$ 500,526	\$ 503,370
Cooling Revenues (\$)	87,080	72,296	84,546	77,203	122,479	79,838	80,745	81,653	83,467	85,282	86,189	87,096	88,003
Demand - Other Revenues (\$)	864,000	912,000	885,000	894,000	1,026,000	1,104,000	1,092,000	1,104,000	1,140,000	1,188,000	1,284,000	1,266,000	1,308,000
Demand - Financing Revenues (\$)	1,226,400	1,230,000	1,230,000	1,236,000	1,236,000	1,230,000	1,230,000	1,236,000	1,236,000	1,230,000	1,230,000	1,236,000	1,236,000
Annual Revenues (\$)	2,522,578	2,656,861	2,760,470	2,772,132	2,993,063	2,962,711	2,914,647	2,930,711	2,965,681	3,006,652	3,106,403	3,089,622	3,135,374
Square Footage	455,719	455,719	455,719	455,719	455,719	455,719	455,719	455,719	455,719	455,719	455,719	455,719	455,719
Price per Sq. Ft. (\$)	\$ 5.54	\$ 5.83	\$ 6.06	\$ 6.08	\$ 6.57	\$ 6.50	\$ 6.40	\$ 6.43	\$ 6.51	\$ 6.60	\$ 6.82	\$ 6.78	\$ 6.88

Thermal/Energy Service Agreement						
Contracting Party:	City of Lincoln, Nebraska; Lancaster County, Nebraska	State of Nebraska	Lancaster County, Nebraska	West Haymarket Joint Public Agency (City of Lincoln, Nebraska and The Board of Regents of the University of Nebraska)	City of Lincoln, Nebraska; d/b/a Lincoln Electric System	State of Nebraska Department of Correctional Services
Contract:	Thermal Service Agreement, dated June 15, 1991	Amended and Restated Thermal Service Agreement, dated February 15, 2012	Energy Service Agreement, dated January 1, 2010	Energy Service Agreement, dated October 6, 2011, as amended	Energy Service Agreement, dated October 18, 2016	Energy Service Agreement, dated October 1, 2017
Buildings and Areas Served:	County/City Building; Hall of Justice; 605 Building; "K" Street Building; Court House Plaza; 825 J Building (634,000 sq. ft.)	State Capitol; State Office Building; State Administrative Office (1,010,000 sq. ft.)	County Adult Detention Facility (311,500 sq. ft.)	Pinnacle Bank Arena; Canopy Lofts; The Railyard; Hyatt Place Lincoln; Oscar Project; Hudl; Canopy Row; Oscar Project 2.0; Canopy Park (1,340,600 sq. ft.)	LES Operations Center (405,806 sq. ft.)	Nebraska State Penitentiary (455,719 sq. ft.)
Services Provided:	Heating and cooling, starting in 1991	Heating and certain energy conservation improvements, starting in 1999	Heating, cooling, backup electrical service, and certain energy conservation improvements, starting in 2012	Heating and cooling, starting September 2013	Heating, cooling, backup electrical service, and certain energy conservation improvements, starting March 2019	Heating steam, process steam, cooling, and backup electrical service, starting December 2019



9445 Rokeby Road | Lincoln, NE 68526 | 402.473.3299

TAB VI

**DISTRICT ENERGY CORPORATION
RESOLUTION NO. 24-05**

**A RESOLUTION APPROVING THE TRANSFER OF FUNDS TO THE DEC
OPERATING FUND FROM THE DEC RATE STABILIZATION FUND.**

RECITALS

I

Sections 5.02(c)(5) and 5.08 of DEC Resolution 10-4-G (the General Bond Resolution) established a Rate Stabilization Fund to allow DEC to manage fluctuations in cash flow and minimize the need to adjust rates. DEC Resolution 07-8 established a business target for the Rate Stabilization Fund to cover a minimum of 25 percent of the budgeted annual energy expenses for each DEC project.

II

The 2024 forecasted financial results indicate that the Nebraska State Penitentiary Plant may have a year-end debt service coverage below 1.00x due to unforeseen customer condensate pump operational issues that have gone unresolved by the customer for the entirety of 2024, leading to higher than budget water and chemical expenses; and.

III

The DEC Board has previously allocated portions of the balance within the Rate Stabilization Fund to Nebraska State Penitentiary Plant and instructs the DEC Administrator to transfer an amount up to the entire balance of the Nebraska State Penitentiary Rate Stabilization Fund balance of \$117,525 if necessary to cause year-end debt service coverage to be at or greater than 1.00x.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the District Energy Corporation:

That the DEC Administrator is directed to transfer an amount up to \$117,525 to the Operating Fund from the Nebraska State Penitentiary Rate Stabilization Fund.

PASSED AND APPROVED on this 24th day of Oct, 2024.

ATTEST:

Dianne Dubinsky
Secretary/Treasurer

[Signature]
President

TAB VII

**DISTRICT ENERGY CORPORATION
RESOLUTION NO. 24-06**

DECLARATION OF OFFICIAL INTENT OF THE DISTRICT ENERGY CORPORATION UNDER THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, TO REIMBURSE CERTAIN CAPITAL EXPENDITURES FROM THE PROCEEDS OF FUTURE TAX-EXEMPT OBLIGATIONS.

WHEREAS, the Members of the Board of Directors (the “**Board**”) of the District Energy Corporation of Lincoln, Nebraska (the “**DEC**”) have heretofore determined that it is necessary, desirable, and advisable that the DEC design, construct, and install infrastructure, including but not limited to, construction of thermal energy plants to serve new customers, and appurtenances related thereto in connection with the 2024 and 2025 Capital Improvement Projects described in Exhibit 1, attached hereto and made a part hereof by reference (the “**Projects**”); and

WHEREAS, DEC has begun planning for or has initiated the Projects and anticipates expending funds from the Revenue and Construction Funds in the amount of approximately Two Million Dollars (\$2,000,000) for the Projects; and

WHEREAS, it is necessary, desirable and advisable that the DEC undertake the Projects, which will require the expenditure of monies of the DEC prior to the issuance by DEC of its bonds or other obligations (collectively, the “**Bonds**”) to finance all or a portion of the costs of the Projects; and

WHEREAS, the Department of the Treasury has promulgated final regulations (Treasury Regulations, Section 1.150-2, hereinafter referred to as the “**Regulations**”) governing the use of proceeds of tax-exempt bonds, all or portion of which are to be used to reimburse DEC for Project expenditures made prior to the date of issuance of the Bonds, which require that DEC make a statement of official intent to reimburse an original expenditure not later than 60 days after payment of the original expenditures; and

WHEREAS, the Regulations generally require that the Bonds be issued and the reimbursement allocation made from the proceeds of the Bonds within 18 months after the later of the date the expenditure is made or the Projects are placed in service or abandoned, but in no event more than three years after the date the expenditure is paid.

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

Section 1. In accordance with the provisions of the Regulations and this Resolution, the Board does hereby declare the official intent of DEC to borrow funds to pay the costs of the Projects by the issuance of its Bonds, the interest on which will be excludable from gross income

for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended. Prior to the issuance of the Bonds, DEC is authorized to advance its own monies in the aggregate amount of up to \$2,000,000 for the purpose of paying all or a portion of the costs of the Projects.

Section 2. Other than (a) expenditures to be paid or reimbursed from sources other than the Bonds, (b) expenditures constituting “preliminary expenditures” within the meaning of Section 1.150-2(f)(2) of the Regulations or (c) expenditures in a “de minimus” amount (as defined in Section 1.150-2(f)(1) of the Regulations), no expenditures for the Projects have been paid by DEC more than 60 days prior to the date of execution and delivery of this Resolution.

Section 3. The reasonably expected sources of funds to be used to pay debt service on the Bonds will be the revenues received by DEC from its operations, which shall be pledged to the payment of the principal of and interest on the Bonds.


Section 4. As of the date of this Resolution, there are no funds of DEC reserved, allocated on a long-term basis or otherwise set aside (or reasonably expected to be reserved, allocated on a long-term basis or otherwise set aside) to provide permanent financing for the expenditures related to the Projects, other than pursuant to the issuance of the Bonds. This Resolution, therefore, is determined to be consistent with the budgetary and financial circumstances of DEC as they exist or are reasonably foreseeable on the date hereof.

Section 5. The Bonds shall be issued by DEC in one or more series at such times, in such amount, and upon such terms and conditions as may be agreed upon by DEC and the purchaser or purchasers of the Bonds for the purpose of paying all or a portion of the costs and expenses incident to the acquisition and financing of the Projects, the Bonds to be authorized by DEC at a meeting to be held by the Board for such purpose.

Section 6. This Resolution will evidence the official intent of DEC in accordance with the Regulations. This Resolution does not constitute final approval of the issuance of the Bonds by DEC and does not impose any legal obligation on DEC to issue the Bonds to finance the Projects.

PASSED AND APPROVED on this 24th day of October, 2024.

ATTEST:


Secretary/Treasurer



President

Exhibit 1

2025-2034 Capital Cash Flow Plan

Item	Active Projects	Plant	Prior Spend Actual as of 12/31/2023	2024 Forecast	Planned Expenditures										Total Project Budget	
					2025	2026	2027	2028	2029	2030	2031	2032	2033	2034		
	DEC General		\$ 29,625	\$ 57,375	\$ 119,260	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 206,260
1	Central Cyber Security System	DEC	\$ -	\$ -	\$ 65,660	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 65,660
2	Physical Security & Safety	DEC	\$ 29,625	\$ 57,375	\$ 53,600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 140,600
	County/City (CC)		\$ -	\$ -	\$ -	\$ 75,000	\$ 550,000	\$ 200,000	\$ 100,000	\$ 900,000	\$ 30,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 1,960,000	
3	Service Extension to 701 South 9th Street	CC	\$ -	\$ -	\$ -	\$ 50,000	\$ 550,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 600,000
4	Cooling Capacity Increase	CC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ 900,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000
5	Controls Upgrades	CC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000
6	Misc Upgrades	CC	\$ -	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ 30,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 160,000	
	State (SBP)		\$ -	\$ -	\$ -	\$ 250,000	\$ 25,000	\$ 25,000	\$ 200,000	\$ 30,000	\$ 30,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 665,000	
7	Fuel Oil Filter Skid	SBP	\$ -	\$ -	\$ -	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 250,000
8	Misc Upgrades	SBP	\$ -	\$ -	\$ -	\$ -	\$ 25,000	\$ 25,000	\$ -	\$ 30,000	\$ 30,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 215,000	
9	Controls Upgrades	SBP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000	
	County Adult Detention Facility (CADF)		\$ 59,555	\$ 602,945	\$ 307,110	\$ 223,000	\$ 25,000	\$ 25,000	\$ 410,000	\$ 30,000	\$ 30,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 1,817,610	
10	Loop Field Fluid Cooler	CADF	\$ 53,843	\$ 318,157	\$ 225,210	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 597,210	
11	Backup Circ. Pumps for Each Loop	CADF	\$ 5,712	\$ 278,288	\$ 81,900	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 365,900	
12	Multistack Upgrade	CADF	\$ -	\$ 6,500	\$ -	\$ 223,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 229,500	
13	Switchgear and Relay Upgrades	CADF	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 210,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 210,000	
14	Controls Upgrades	CADF	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000	
15	Misc Upgrades	CADF	\$ -	\$ -	\$ -	\$ -	\$ 25,000	\$ 25,000	\$ -	\$ 30,000	\$ 30,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 215,000	
	West Haymarket (WHM)		\$ 52,744	\$ 381,256	\$ 392,200	\$ 25,000	\$ 25,000	\$ 25,000	\$ 30,000	\$ 200,000	\$ 30,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 1,266,200	
16	Boiler Addition	WHM	\$ 52,744	\$ 381,256	\$ 392,200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 826,200	
17	Service Extension to Future Building North of Hudl	WHM	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
18	Controls Upgrades	WHM	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000	
19	Misc Upgrades	WHM	\$ -	\$ -	\$ -	\$ 25,000	\$ 25,000	\$ 25,000	\$ 30,000	\$ -	\$ 30,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 240,000	
	LES Operations Center (LOC)		\$ -	\$ -	\$ -	\$ 25,000	\$ 25,000	\$ 200,000	\$ 30,000	\$ 30,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 445,000	
20	Controls Upgrades	LOC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000	
21	Misc Upgrades	LOC	\$ -	\$ -	\$ -	\$ 25,000	\$ 25,000	\$ -	\$ 30,000	\$ 30,000	\$ 30,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 245,000	
	Nebraska State Penitentiary (NSP)		\$ -	\$ -	\$ -	\$ 25,000	\$ 25,000	\$ 25,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 270,000	
22	Misc Upgrades	NSP	\$ -	\$ -	\$ -	\$ 25,000	\$ 25,000	\$ 25,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 270,000	
23	Controls Upgrades	NSP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
24	Switchgear and Relay Upgrades	NSP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	Completed Projects															
	County/City (CC)		\$ 26,789	\$ 22,830	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 49,619	
	City Water Service Upgrade	CC	\$ 26,789	\$ 3,619	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,408	
	Water Softener Upgrade	CC	\$ -	\$ 19,211	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,211	
	State (SBP)		\$ 257,512	\$ 13,605	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 271,117	
	DA Controls & Surge Tank Upgrade	SBP	\$ 257,512	\$ 13,605	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 271,117	
	West Haymarket (WHM)		\$ 246,525	\$ (4,626)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 241,899	
	Service Extension to Proposed Block 4 Building Development	WHM	\$ 246,525	\$ (4,626)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 241,899	
	LES Operations Center (LOC)		\$ 1,710	\$ 68,846	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70,556	
	Loop Field Resistance Heater	LOC	\$ 1,710	\$ 68,846	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70,556	
	Nebraska State Penitentiary (NSP)		\$ 7,418	\$ 37,771	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,189	
	Hydronic Cooler (Control Room)	NSP	\$ 7,418	\$ 37,771	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,189	
	Total		\$ 681,879	\$ 1,180,002	\$ 818,570	\$ 623,000	\$ 675,000	\$ 500,000	\$ 800,000	\$ 1,220,000	\$ 180,000	\$ 210,000	\$ 210,000	\$ 210,000	\$ 8,639,533	

Plant Acronyms

- DEC - DEC Administration (All Plants)
- CC - City/County Thermal Energy Plant
- SBP - State Boiler Plant
- CADF - Country Adult Detention Facility Geothermal Energy Plant
- WHM - West Haymarket Central Utility Plant
- LOC - LES Operations Center Geothermal Energy Plant
- NSP - Nebraska State Penitentiary Thermal Energy Plant

Exhibit 1 (continued)

DEC ENERGY		2024-2032 Capital Cash Flow Plan												
Item	Active Projects	Plant	Planned Expenditures		Planned Expenditures								Total Project Budget	
			2023 Forecast	2024	2025	2026	2027	2028	2029	2030	2031	2032		
DEC General			\$ 31,361	\$ 98,639	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 130,000
1	Central Cyber Security System	DEC	\$ 1,736	\$ 18,264										\$ 20,000
2	Physical Security & Safety	DEC	\$ 29,625	\$ 80,375										\$ 110,000
	County/City (CC)		\$ 51,000	\$ -	\$ 75,000	\$ 650,000	\$ 1,025,000	\$ 1,430,000	\$ 355,000	\$ 230,000	\$ 35,000	\$ 35,000	\$ -	\$ 3,886,000
3	City Water Service Upgrade	CC	\$ 51,000											\$ 51,000
4	Service Extension to 701 South 9th Street	CC			\$ 50,000	\$ 550,000								\$ 600,000
5	Heat Exchanger Installation (CC & HOJ)	CC				\$ 75,000	\$ 900,000							\$ 975,000
6	Cooling Capacity Increase	CC					\$ 100,000	\$ 1,400,000						\$ 1,500,000
7	On-line Condenser Cleaning System for Chillers	CC							\$ 325,000					\$ 325,000
8	Controls Upgrades	CC								\$ 200,000				\$ 200,000
9	Misc. Upgrades	CC			\$ 25,000	\$ 25,000	\$ 25,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 35,000	\$ 35,000	\$ -	\$ 235,000
	State (SBP)		\$ -	\$ -	\$ 249,400	\$ 25,000	\$ 25,000	\$ 25,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 35,000	\$ 255,000	\$ 679,400
10	Fuel Oil Filter Skid	SBP			\$ 224,400									\$ 224,400
11	Misc. Upgrades	SBP			\$ 25,000	\$ 25,000	\$ 25,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 35,000	\$ 35,000	\$ -	\$ 235,000
12	Controls Upgrades	SBP											\$ 220,000	\$ 220,000
	County Adult Detention Facility (CADF)		\$ 200,000	\$ 793,500	\$ 25,000	\$ 25,000	\$ 25,000	\$ 30,000	\$ 440,000	\$ 30,000	\$ 35,000	\$ 35,000	\$ -	\$ 1,638,500
13	Loop Field Fluid Cooler	CADF	\$ 50,000	\$ 460,000										\$ 510,000
14	Backup Circ. Pumps for Each Loop	CADF	\$ 150,000	\$ 104,000										\$ 254,000
15	Multistack Upgrade	CADF		\$ 229,500										\$ 229,500
16	Switchgear and Relay Upgrades	CADF								\$ 210,000				\$ 210,000
17	Controls Upgrades	CADF							\$ 200,000					\$ 200,000
18	Misc. Upgrades	CADF			\$ 25,000	\$ 25,000	\$ 25,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 35,000	\$ 35,000	\$ -	\$ 235,000
	West Haymarket (WHM)		\$ 142,000	\$ 528,000	\$ 25,000	\$ 25,000	\$ 75,000	\$ 230,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 255,000	\$ 35,000	\$ 1,375,000
19	Boiler Addition	WHM	\$ 62,000	\$ 446,000										\$ 510,000
20	Service Extension to Future Building North of Hudl	WHM					\$ 50,000	\$ 200,000						\$ 250,000
21	On-line Condenser Cleaning System for Chillers	WHM	\$ 80,000	\$ 80,000										\$ 160,000
22	Controls Upgrades	WHM										\$ 220,000		\$ 220,000
23	Misc. Upgrades	WHM			\$ 25,000	\$ 25,000	\$ 25,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 35,000	\$ 35,000	\$ -	\$ 235,000
	LES Operations Center (LOC)		\$ 25,000	\$ 179,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 230,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 35,000	\$ 35,000	\$ 639,000
24	Loop Field Resistance Heater	LOC	\$ 25,000	\$ 179,000										\$ 204,000
25	Controls Upgrades	LOC						\$ 200,000						\$ 200,000
26	Misc. Upgrades	LOC			\$ 25,000	\$ 25,000	\$ 25,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 35,000	\$ 35,000	\$ -	\$ 235,000
	Nebraska State Penitentiary (NSP)		\$ -	\$ -	\$ 25,000	\$ 25,000	\$ 25,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 35,000	\$ 35,000	\$ -	\$ 235,000
27	Misc. Upgrades	NSP			\$ 25,000	\$ 25,000	\$ 25,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 35,000	\$ 35,000	\$ -	\$ 235,000
28	Controls Upgrades	NSP												\$ -
29	Switchgear and Relay Upgrades	NSP												\$ -
Completed Projects			Prior Spend Actual as of 12/31/2022	2023 Forecast	2024 Cash Flow	2025	2026	2027	2028	2029	2030	2031	2032	
DEC General			\$ 86,625	\$ 10,227	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 96,852
	RGS Remote Monitoring Controls	DEC	\$ 86,625	\$ 10,227										\$ 96,852
	County/City (CC)		\$ 1,234,533	\$ 50,280	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,284,812
	Thermal Storage Expansion	CC	\$ 1,234,533	\$ 31,069										\$ 1,265,601
	Water Softener Upgrade	CC		\$ 19,211										\$ 19,211
	State (SBP)		\$ 58,923	\$ 338,551	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 397,474
	Roof Upgrade	SBP		\$ 89,350										\$ 89,350
	DA & PLC Upgrade	SBP	\$ 58,923	\$ 899										\$ 59,822
	DA Controls & Surge Tank Upgrade	SBP		\$ 248,502										\$ 248,502
	County Adult Detention Facility (CADF)		\$ 11,331	\$ 50	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,381
	Fuel Oil Containment Upgrade	CADF	\$ 11,331	\$ 50										\$ 11,381
	West Haymarket (WHM)		\$ 240,520	\$ 467,004	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 707,524
	Service Extension to Proposed Block 4 Building Development	WHM	\$ 240,520	\$ 6,004										\$ 246,524
	Hot Water Distribution Valves	WHM		\$ 461,000										\$ 461,000
	Nebraska State Penitentiary (NSP)		\$ -	\$ 128,537	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 128,537
	On-line Chiller Cleaning System for Chillers	NSP		\$ 78,055										\$ 78,055
	Hydronic Cooler (Control Room)	NSP		\$ 50,482										\$ 50,482
Total			\$ 1,631,932	\$ 1,444,010	\$ 1,599,139	\$ 424,400	\$ 775,000	\$ 1,200,000	\$ 1,360,000	\$ 915,000	\$ 380,000	\$ 430,000	\$ 430,000	\$ 11,209,481

Plant Acronyms
 DEC - DEC Administration (All Plants)
 CC - City/County Thermal Energy Plant
 SBP - State Boiler Plant
 CADF - County Adult Detention Facility Geothermal Energy Plant
 WHM - West Haymarket Central Utility Plant
 LOC - LES Operations Center Geothermal Energy Plant
 NSP - Nebraska State Penitentiary Thermal Energy Plant

TAB VIII

**DISTRICT ENERGY
CORPORATION RESOLUTION
NO. 24-03**

A RESOLUTION APPROVING THE "SECOND AMENDMENT TO NEBRASKA TRANSPORTATION SERVICE BASE AGREEMENT" BETWEEN BLACK HILLS NEBRASKA GAS AND DISTRICT ENERGY CORPORATION TO REPLACE REVISED EXHIBIT B EFFECTIVE JANUARY 1, 2022 (QUANTITY, TERM, AND RATE) WITH REVISED EXHIBIT B EFFECTIVE JANUARY 1, 2025.

RECITALS:

I.

Black Hills Nebraska Gas, LLC, f/k/a Black Hills/Nebraska Gas Utility Company, LLC d/b/a Black Hills Energy (the "Company") and District Energy Corporation ("DEC") have previously entered into that certain Nebraska Transportation Service Base Agreement on December 3, 2018 (the "Agreement") under which the Company will provide to the DEC transportation service on its distribution system upon the terms and conditions as set forth in said Agreement.

II.

Revised Exhibit B to the Agreement, effective January 1, 2022, setting forth the quantity of gas to be transported, and the rates therefor, and providing a term of three years, will expire on December 31, 2024 and the parties are agreeable to amending the Agreement to include therein a revised Exhibit B, effective January 1, 2025 with the revised quantities, rates and a new 3-year term extending to December 31, 2027.

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

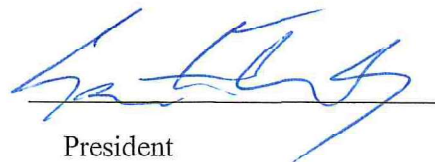
That the attached Second Amendment to the Nebraska Transportation Service Base Agreement that replaces the Revised Exhibit B effective January 1, 2022, with a Revised Exhibit B effective January 1, 2025 regarding quantities, rates and terms is hereby approved and the Chair is authorized to execute the same on behalf of DEC.

PASSED AND ADOPTED this 24th day of October, 2024.

ATTEST:



Secretary



President

**SECOND AMENDMENT TO
NEBRASKA TRANSPORTATION SERVICE BASE AGREEMENT**

This Second Amendment (the "Second Amendment") is entered into as of this 24th day of October 2024, by and between Black Hills Nebraska Gas, LLC f/k/a Black Hills/Nebraska Gas Utility Company, LLC d/b/a Black Hills Energy ("Company") and the District Energy Corporation, a Joint Entity formed under the Nebraska Interlocal Cooperation Act ("Customer").

WHEREAS, Company and Customer entered into that certain Nebraska Transportation Service Base Agreement dated December 3, 2018 (the "Agreement"), under which Customer agrees to receive and pay for, and Company agrees to provide to Customer, natural gas transportation service as outlined in the Agreement, and

WHEREAS, the parties desire to replace Revised Exhibit B effective January 1, 2022, with the Revised Exhibit B effective January 1, 2025 that is attached hereto.

NOW, THEREFORE, in consideration of mutual covenants contained herein, the parties agree as follows:

1. Definitions. All capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Agreement.
2. Revised Exhibit B. Revised Exhibit B effective January 1, 2022 to the Agreement is hereby deleted in its entirety and replaced with Revised Exhibit B effective January 1, 2025 that is attached to this First Amendment.
3. No other changes. Except as amended by this Second Amendment, all original terms and provisions of the Agreement shall continue in full force and effect and the Agreement, as amended by this Second Amendment, is hereby ratified and confirmed.

Black Hills Nebraska Gas, LLC
d/b/a Black Hills Energy

By: 

Printed: Name Jones

Title: SVP Utilities

District Energy Corporation,
a Joint Entity formed under the
Nebraska Interlocal Cooperation Act

By: 

Printed: Sean Flowerday

Title: DEC Board Chair

Exhibit B. Quantity, Exhibit B Term and Rate
District Energy Corporation
Revised Exhibit B. Quantity, Exhibit B Term and Rate – Effective January 1, 2025

The purpose of this Exhibit B is to set forth the specific quantity, term and rate for transportation service for account number(s) 3139683872, 3220011467, 8903634285, and 0043791172. for the time period noted below.

Quantity and Exhibit B Term. Company agrees to transport Customer's gas supplies as confirmed by the interstate pipeline up to 612 MMBtu per day for account number 3220011467; 240 MMBtu per day for account number 3139683872; 576 MMBtu per day for account number 8903634285; and 1,142 MMBtu for account number 0043791172 that is delivered into Company's system at the Receipt Point. The Primary Term of this Exhibit B is three (3) years beginning on January 1, 2025, and continue through December 31, 2028. The contract will then continue year to year thereafter ("Anniversary Term") until cancelled by either Party upon thirty (30) days prior written notice as set forth below.

Sixty (60) days prior to the expiration date of this Exhibit B under either the Primary Term or an Anniversary Term, Company may send to Customer a revised Exhibit B indicating a new quantity, term and rate. Upon receipt of the revised Exhibit B, Customer must either return a signed copy of the revised Exhibit B or provide written notice of intent to terminate service. Failure of the Customer to return a signed revised Exhibit B within thirty (30) days, constitutes Customer's agreement to the terms of the revised Exhibit B provided by Company unless Customer provides a notice of intent to terminate service. If Customer provides written notice of intent to terminate service, then Company will then proceed to cancel the Base Agreement.

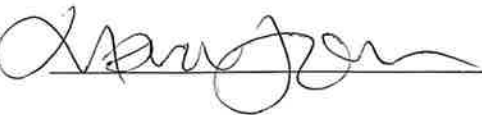
Customer agrees that Company will be Customer's exclusive local distribution transporter during the term of this Agreement. This Agreement supersedes and cancels all prior Transportation Agreements and related amendments related to this service.

Rate. The rate for transportation service provided to Customer hereunder is \$1.6028/MMBtu per account. Customer shall also pay a monthly customer charge of \$375.00 per account. These charges are in addition to any charges for (i) services provided under other agreements, and/or (ii) fuel and lost and unaccounted for, imbalance, scheduling, penalties, and/or other charges related to transportation under this Agreement. Customer will notify Company of any substantial proposed increases (e.g. due to plant expansion, etc.) in Customer's natural gas usage at its facility being serviced under this agreement. Company will prepare a feasibility study and advise if such load increase will require an upgrade in Company's gas distribution facilities, and, if so, whether or not a rate adjustment or capital contribution would be required to cover the cost of such upgrade in Company's gas distribution facilities. Customer will then advise Company as to whether or not it will proceed with its proposed project. Customer agrees that any upgrades that are required to the interstate pipeline facilities, upstream of Company's system, including but not limited to the interstate pipeline interconnect in order to serve existing or future load requirements are not the financial or operational responsibility of Company.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date shown first above.

Black Hills Nebraska Gas, LLC d/b/a/ Black Hills Energy

District Energy Corporation

By: 

By: 

Printed Name: NAME JONES

Printed Name: Sean Flowerday

Title: SNP Utilities

Title: DEC Board Chair

TAB IX



9445 Rokeby Road
Lincoln, NE 68526

(402) 473-3395
deccustomerservice@les.com

decenergy.com

Board of Directors

Chair

Sean Flowerday

Vice Chair

Carl Eskridge

Secretary

Kim Morrow

Directors

Rick Vest
Bennie Shobe

December 23, 2024

David A. Derbin
Chief Administrative Officer
County Board of Commissioners
County-City Building
555 S 10th Street, Suite 110
Lincoln, NE 68508

Dear Mr. Derbin,

Pursuant to the Bylaws of the District Energy Corporation (DEC) and the Interlocal Cooperation Agreement establishing the DEC, the County Board of Commissioners appoints two representatives to the DEC Board of Directors. These representatives serve staggered, two-year terms. Rick Vest's current term as one of the representatives will expire on December 31st, 2024. Sean Flowerday's term will expire at the end of next year, December 31st, 2025.

It is our understanding that Mr. Vest will not continue in his role as a DEC Board of Directors member. Please take the appropriate steps to appoint a representative to serve on the board for the 2025-2026 term.

If you have any questions, please call me at 402-473-3380. Thank you.

Sincerely,

A handwritten signature in blue ink that reads "Jason L. Fortik".

Jason Fortik
DEC Administrator

c: Emeka Anyanwu, CEO, Lincoln Electric System
Sean Flowerday, Chair, DEC Board of Directors
David Levy, DEC General Counsel

From: [David A. Derbin](#)
To: [Dianne Dobrusky](#)
Subject: [EXTERNAL] RE: DEC Board appointment request
Date: Friday, January 10, 2025 12:35:54 PM
Attachments: [image008.png](#)
[image009.png](#)
[image010.png](#)
[image011.png](#)

*****EXTERNAL***THIS EMAIL IS FROM OUTSIDE OF LES***EXTERNAL*****
Check the Following: **Name Subject Links Attachments Grammar Tone**
Do you know dderbin@lancaster.ne.gov?

Hi Dianne,

Thanks for following up—this was on my to do list for today! Commissioner Schulte has been appointed to DEC, and his email address is:

Matt W. Schulte MSchulte@lancaster.ne.gov

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: Dianne Dobrusky <ddobrusky@les.com>
Sent: Friday, January 10, 2025 11:06 AM
To: David A. Derbin <DDerbin@lancaster.ne.gov>
Subject: RE: DEC Board appointment request

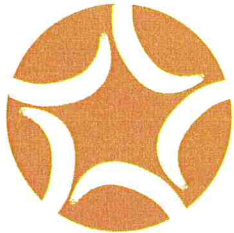
Good Morning David,

Was a decision made yesterday on the board appointment for District Energy Corporation? We'd like to reach out to that person and see if we can schedule an orientation session, prior to the upcoming January 28th BOD meeting.

We realize that's a tight time frame, so we're wanting to get something scheduled quickly, if possible.

Thank you,

Dianne Dobrusky | Projects Engineering, Coordinator



DEC
ENERGY

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Lincoln, NE 68526

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deccustomerservice@les.com

decenergy.com

Board of Directors

Chair

Sean Flowerday

Vice Chair

Carl Eskridge

Secretary

Kim Morrow

Directors

Rick Vest
Bennie Shobe

October 3, 2024

The Honorable Leirion Gaylor Baird
Mayor of the City of Lincoln
555 S 10th Street, Suite 301
Lincoln, NE 68508

Dear Mayor Gaylor Baird,

Pursuant to the Bylaws of the District Energy Corporation (DEC) and the Interlocal Cooperation Agreement establishing the DEC, the Mayor of the City of Lincoln appoints two representatives to the DEC Board of Directors, one of whom shall be a member of the City Council. The Bylaws seek to have each of the members that are appointed by the City serve staggered, two-year terms.

Bennie Shobe currently sits on the DEC Board as one of the mayoral appointees. Mr. Shobe's current term will expire at the end of 2024. Mr. Shobe is eligible for reappointment and has indicated his interested in continuing to serve in this role.

Please take the appropriate steps to either reappoint Mr. Shobe, or to appoint a new representative to the DEC Board of Directors, for the January 2025-December 2026 term.

If you have any questions, please call me at 402-473-3380.

Sincerely,

Jason Fortik
DEC Administrator

CHANGE OF ZONE 24023 - APPLICATION OF DIAMOND ENTERPRISES TO CHANGE THE ZONE FROM H-3 HIGHWAY COMMERCIAL TO I-1 INDUSTRIAL ON PROPERTY GENERALLY LOCATED AT 3501 W O STREET – CLERK read an ordinance, introduced by Bennie Shobe, amending the Lincoln Zoning District Maps adopted by reference and made a part of Title 27 of the Lincoln Municipal Code, pursuant to Section 27.05.020 of the Lincoln Municipal Code, by changing the boundaries of the districts established and shown thereon, the second time.

ANNEXATION 24004 - APPLICATION OF TCI ACQUISITION CORP., INC., TO ANNEX APPROXIMATELY 32.41 ACRES, MORE OR LESS, ON PROPERTY GENERALLY LOCATED AT 8601 HIGHWAY 6 – CLERK read an ordinance, introduced by Bennie Shobe, annexing and including the below described land as part of the City of Lincoln, Nebraska and amending the Corporate Limits Map attached to and made a part of Ordinance No. 18208, to reflect the extension of the corporate limits boundary of the City of Lincoln, Nebraska established and shown thereon, the second time.

APPROVING THE CONDITIONAL ANNEXATION AGREEMENT BETWEEN THE CITY AND TCI ACQUISITION CORP, INC., FOR THE PROPERTY GENERALLY LOCATED AT N. 84TH STREET BETWEEN US HIGHWAY 6 AND FLETCHER AVENUE.

CHANGE OF ZONE 24003 - APPLICATION OF GLENBROOK, LLC., TO CHANGE THE ZONE FROM AGR AGRICULTURAL RESIDENTIAL DISTRICT TO O-3 (OFFICE PARK) DISTRICT ON PROPERTY GENERALLY LOCATED ON THE NORTHWEST CORNER OF S 70TH STREET AND NEBRASKA PARKWAY – PRIOR to reading:

BECKIUS Moved a Verbal Motion to Delay with continued Public Hearing for 2 weeks to 11/18/24.
Seconded by Carlson & carried by the following vote: AYES: Beckius, Bowers, Carlson, Duden, Shobe, Washington, Weber; NAYS: None.

APPROVING THE CONDITIONAL ZONING AGREEMENT BETWEEN THE CITY AND GLENBROOK, LLC, FOR THE PROPERTY GENERALLY LOCATED ON THE NORTHWEST CORNER OF S. 70TH STREET AND NEBRASKA PARKWAY – PRIOR to reading:

BECKIUS Moved a Verbal Motion to Delay with continued Public Hearing for 2 weeks to 11/18/24.
Seconded by Carlson & carried by the following vote: AYES: Beckius, Bowers, Carlson, Duden, Shobe, Washington, Weber; NAYS: None.

COMPREHENSIVE PLAN AMENDMENT 24004 - APPLICATION OF GLENBROOK, LLC, TO AMEND THE LINCOLN-LANCASTER COUNTY 2050 COMPREHENSIVE PLAN TO CHANGE THE FUTURE LAND USE DESIGNATION FROM URBAN RESIDENTIAL TO COMMERCIAL, ON PROPERTY GENERALLY LOCATED ON THE NORTHWEST CORNER OF S 70TH STREET AND NEBRASKA PARKWAY – PRIOR to reading:

BECKIUS Moved a Verbal Motion to Delay with continued Public Hearing for 2 weeks to 11/18/24.
Seconded by Carlson & carried by the following vote: AYES: Beckius, Bowers, Carlson, Duden, Shobe, Washington, Weber; NAYS: None.

USE PERMIT 24003 - APPLICATION OF GLENBROOK, LLC., FOR A USE PERMIT IN THE O-3 (OFFICE PARK) ZONING DISTRICT, TO DEVELOP APPROXIMATELY 51,000 SQUARE FEET OF OFFICE SPACE, WITH WAIVERS ON THE PROPERTY GENERALLY LOCATED ON THE NORTHWEST CORNER OF S 70TH STREET AND NEBRASKA PARKWAY – PRIOR to reading:

BECKIUS Moved a Verbal Motion to Delay with continued Public Hearing for 2 weeks to 11/18/24.
Seconded by Carlson & carried by the following vote: AYES: Beckius, Bowers, Carlson, Duden, Shobe, Washington, Weber; NAYS: None.

ORDINANCES 3rd READING & RELATED RESOLUTIONS – NONE.

RESOLUTIONS - 1ST READING

APPOINTING MICHAEL HARPSTER TO THE URBAN DESIGN COMMITTEE TO FILL A PARTIAL TERM EXPIRING FEBRUARY 1, 2025.

APPOINTING DAVID WILLIAMS TO THE STARTRAN ADVISORY BOARD TO FILL A PARTIAL TERM EXPIRING OCTOBER 20, 2026.

APPOINTING LYN HEATON TO THE POLICE AND FIRE PENSION PLAN INVESTMENT BOARD FOR A TERM TO EXPIRE SEPTEMBER 1, 2029.

REAPPOINTING KAYLIE HOGAN-SCHNITTKER TO THE STARTRAN ADVISORY BOARD FOR A TERM TO EXPIRE OCTOBER 20, 2027.

TO CLARIFY THE PRIOR APPOINTMENT OF BENNIE SHOBE TO THE DISTRICT ENERGY CORPORATION, APPOINTING FOR A PARTIAL TERM TO EXPIRE DECEMBER 31, 2024; AND REAPPOINTING BENNIE SHOBE TO THE DISTRICT ENERGY CORPORATION FOR A TERM TO EXPIRE DECEMBER 31, 2026.



DEC
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9445 Rokeby Road
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Board of Directors

Chair

Sean Flowerday

Vice Chair

Carl Eskridge

Secretary

Kim Morrow

Directors

Rick Vest
Bennie Shobe

October 3, 2024

Emeka Anyanwu
Chief Executive Officer
Lincoln Electric System
9445 Rokeby Road
Lincoln, NE 68526

Dear Mr. Anyanwu,

Pursuant to the Bylaws of the District Energy Corporation (DEC), Lincoln Electric System (LES) appoints one representative to the DEC Board of Directors. This representative serves a term that expires on December 31st of even numbered years. Carl Eskridge currently fills this seat, with his term expiring on December 31st, 2024. Mr. Eskridge has expressed interest in serving for another term.

Please take the appropriate steps for LES to reappoint Mr. Eskridge, or to appoint a new representative to the DEC Board of Directors for the January 2025-December 2026 term.

If you have any questions, please call me at 402-473-3380.

Sincerely,

Jason Fortik
DEC Administrator

From: [Amy Svoboda](#)
To: [All LES](#)
Subject: November Board Report
Date: Friday, November 15, 2024 1:44:18 PM
Attachments: [AttachedImage](#)
[AttachedImage](#)
[AttachedImage](#)

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November Board Report

A recap of the LES Administrative Board meeting.

Reappointment of Carl Eskridge to DEC Board of Directors

Carl Eskridge was reappointed to the DEC Board of Directors at the approval of the LES Administrative Board.

Hegert honored for 20 years at LES

The LES Administrative Board recognized Russ Hegert, project inspector, Project Management, for serving 30 years at LES. Energy Delivery Vice President Paul Crist presented Hegert with a plaque to commemorate his service.

TAB X



DEC
ENERGY

DEC ENERGY

Management Report

Nick Wischhof, P.E., Manager, Projects Engineering

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”



DEC
ENERGY

Fuels and Operations Update: January 2025



Operations Update & Service Interruptions

3

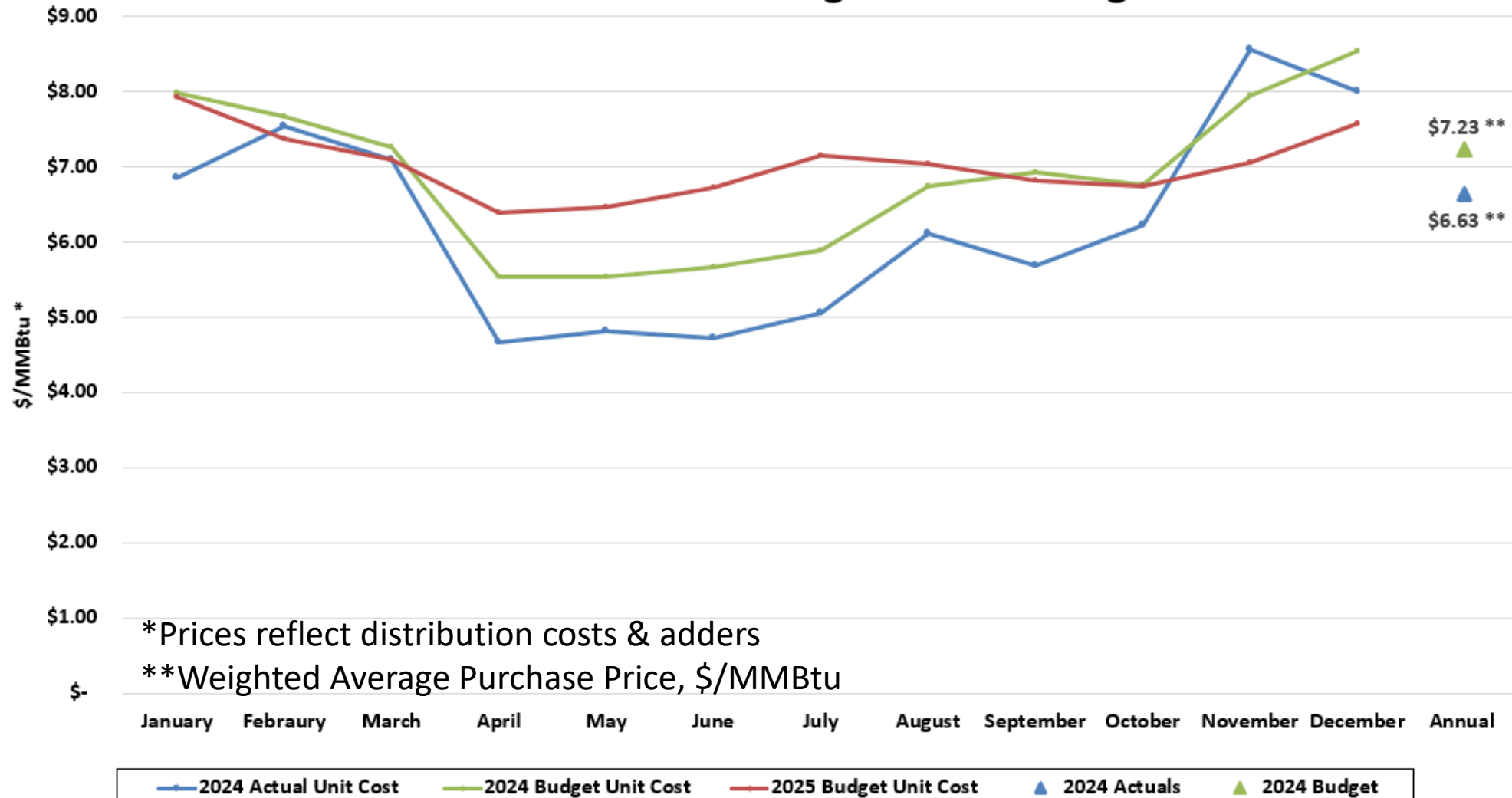
- ❑ Planned outages to the Penitentiary (NSP) for customer steam/condensate leak repairs
 - ❑ Condensate pumps repaired (November), DEC is currently receiving condensate from customer
 - ❑ Continue to operate at 75 psi due to failed customer pressure regulating valves (PRVs)
- ❑ CC heating outage (~56 hrs) to cap distribution piping to 900J
- ❑ Heating/Cooling outage (~14 hrs) to the CADF to complete final tie-ins for new loop pumps



Fuel Unit Costs

4

2024 Actual vs 2024 Budget & 2025 Budget

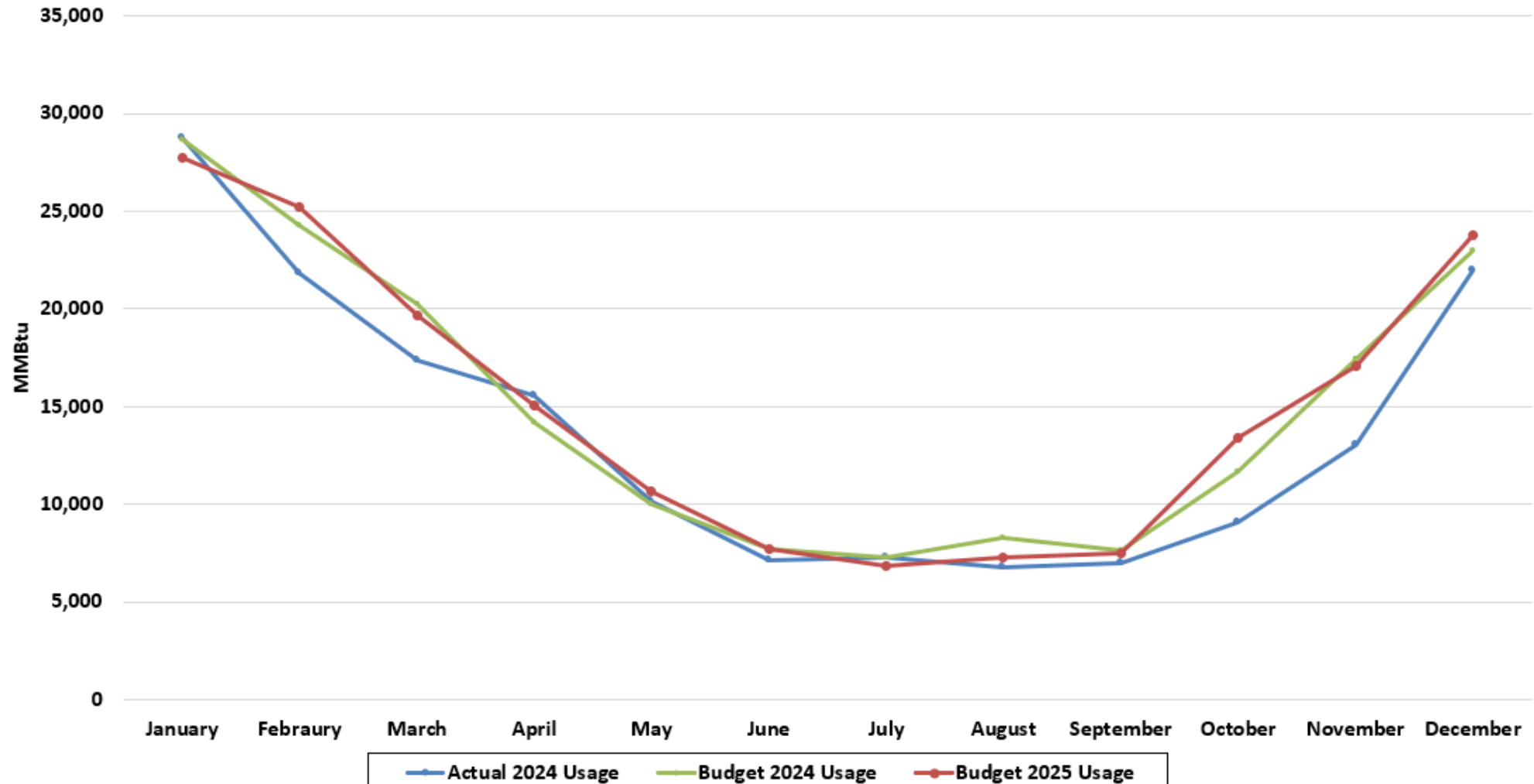




Fuel Quantities

5

2024 Actual vs 2024 Budget & 2025 Budget





2024 Fuel Costs

6

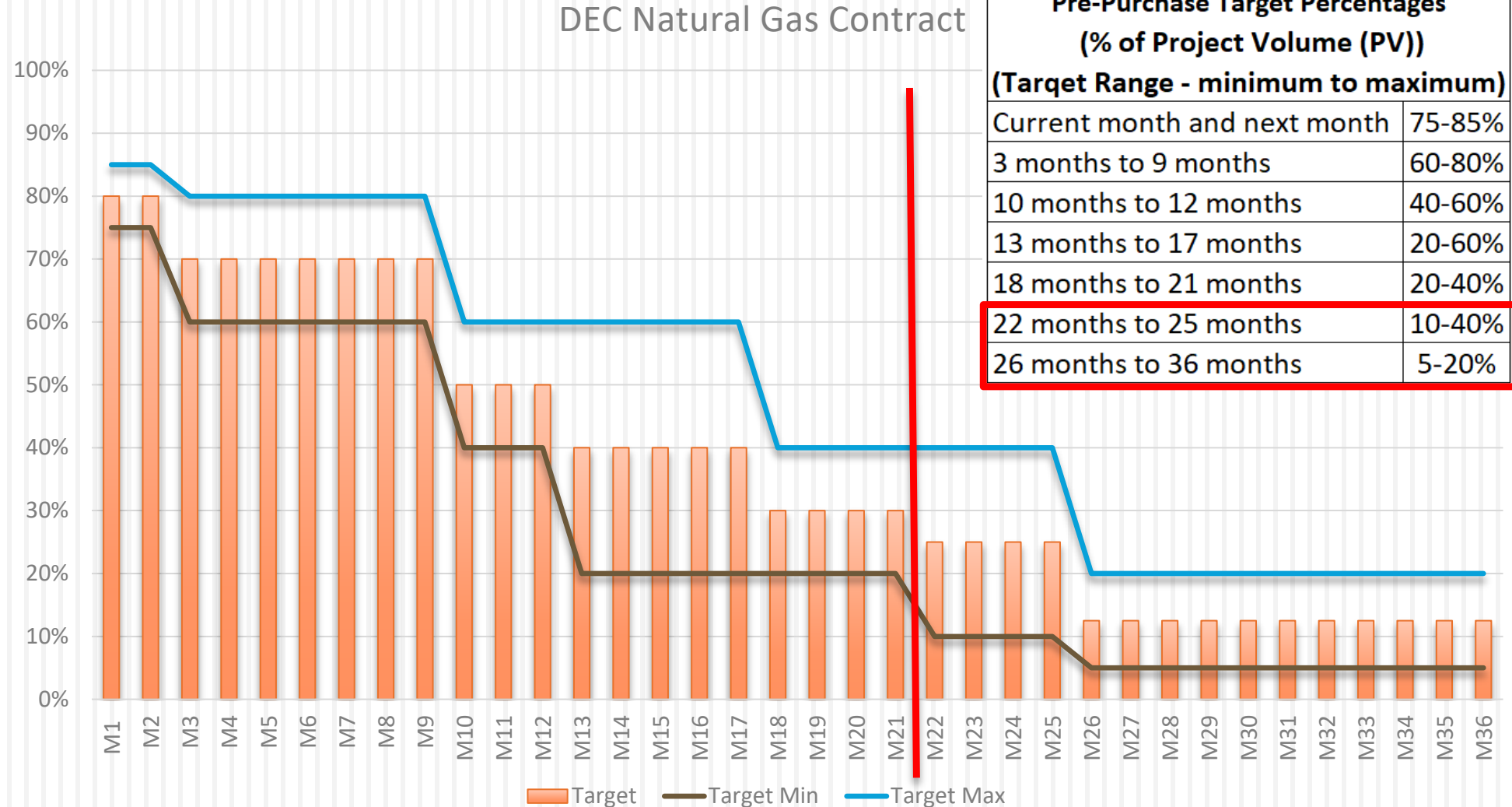
	Q1	Q2	Q3	Q4	2024
Total Consumption	67,870	32,769	21,085	44,063	165,787
Total Cost (\$)	\$ 483,866	\$ 154,549	\$ 117,925	\$343,448	\$ 1,099,788
Average Unit Cost (\$/mmBTU)	7.13	4.72	5.59	7.79	6.63



Natural Gas Purchase Program

7

- ❑ Bid posted 11/22/2024
- ❑ Bid closed 12/12/2024
- ❑ Reviews completed
- ❑ Interviews scheduled for January
- ❑ Target award February
- ❑ 5-year contract





DEC
ENERGY

Project Updates



Capital Projects Update

9

Project	Description	Budget *	Status
<u>All</u> Central Cyber Security System	Continued joint project with LES for real time monitoring of plant control systems and network integrity. Installing a new data diode to further enhance network isolation.	\$66k	On hold to apply for grant funding (IIJA) to procure an additional data diode.
<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	Installing refrigerant detectors at the LOC and CADF. Adding additional electronic access control.
<u>CADF</u> Geothermal Loop Cooler	This project will install an air to fluid cooling system to address the geothermal loop temperature increases that effect efficiency of the heat pumps. The system would be operated during the colder winter months to maximize system performance.	\$597k \$797k	Mechanical installation bid came back higher than expected. Requesting additional budget to complete project.
<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	Finalized installation design. Plan to bid installation for install in 2025.

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



Capital Projects Update

10

Project	Description	Budget *	Status
<u>CADF</u> Multistack Upgrades	This project will upgrade the reversing valves on the Multistack geothermal heat pumps to improve system reliability. This project will also upgrade the obsolete controllers on the Multistacks.	\$230k	Deferred to 2026
<u>SBP</u> Fuel Oil Filter Skid	This project will install a fuel oil filter skid to filter the fuel oil in the underground fuel oil storage tank for use in the boilers and emergency electrical generator.	\$250k	Deferred to 2026
<u>SBP</u> DA Vessel Replacement	Emergent project to replace the deaerator (DA) vessel.	\$0k \$150k	Emergent project to occur summer 2025

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



State Deaerator Replacement

11

- ❑ DEC completed non-destructive testing on the deaerator (DA) vessel due to presence of corrosive pitting
- ❑ Engineering evaluation indicated ~1 year of usable life remaining if safety pressure regulators were reduced to 15 psig
 - ❑ Normal operating pressure is ~7 psig
 - ❑ Existing regulators operated at ~50 psig
- ❑ DEC replaced regulators and returned to service
- ❑ Emergent project requested to replace DA vessel for \$150k
 - ❑ Secured contract with OEM for replacement vessel due to ~24 week lead time (anticipated delivery in May 2025)



State Deaerator





DEC
ENERGY

Annual Customer Outage Metric Report: 2024

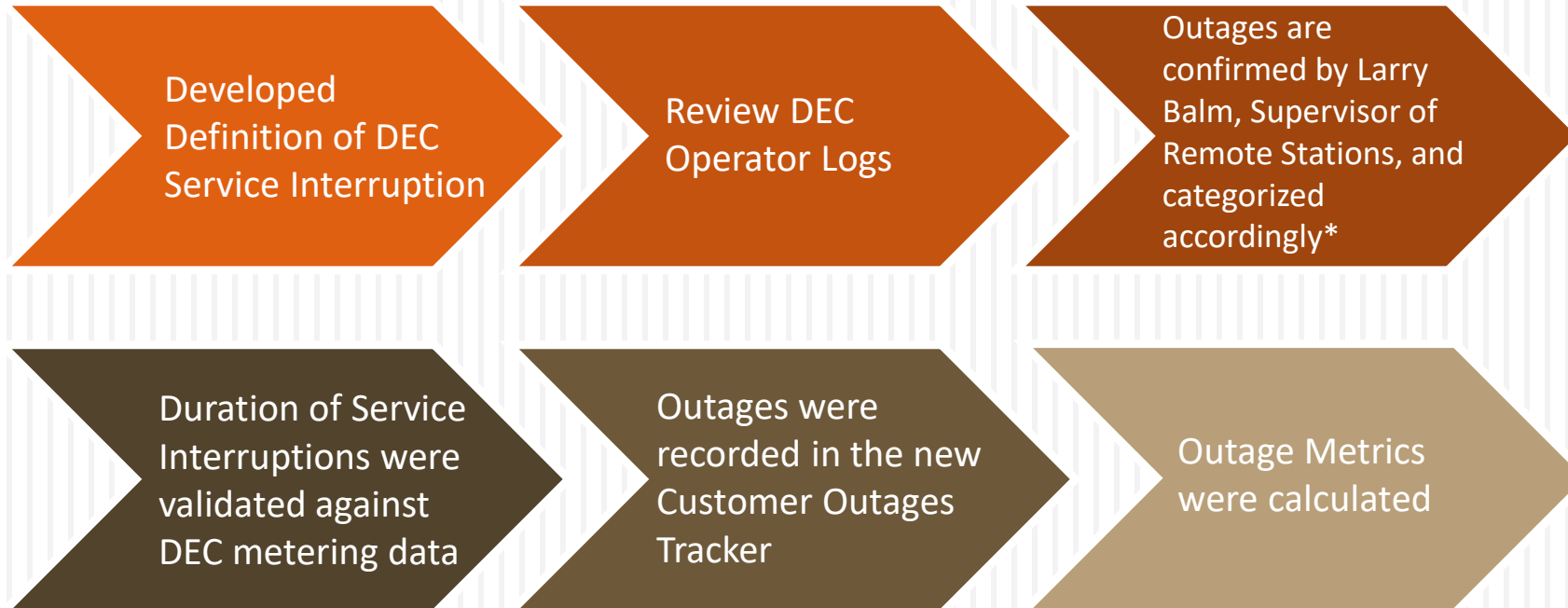
What is the purpose of the
Outage Metric report?

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



Process

15



*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

16

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

17

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



DEC
ENERGY

Potential New Customer
Connections / Discussions



DEC Expansion

21

- New Convention Center
 - No site selection has been announced
- Wesleyan University



DEC
ENERGY

Comments/Questions

*Seek motion to accept the management report

*Resolution 25-01 State DA Replacement

*Resolution 25-02 CADF Fluid Cooler Installation

TAB XI

**DISTRICT ENERGY CORPORATION
RESOLUTION NO. 25-01**

**A RESOLUTION ADOPTING AN AMENDMENT TO THE 2025 DEC CAPITAL
BUDGET TO AUTHORIZE FUNDING FOR THE STATE
DEAERATOR REPLACEMENT**

RECITALS:

I.

The District Energy Corporation ("DEC") Board of Directors previously accepted and approved Resolution 24-04 for the 2025 DEC Capital Budget. This budget did not include funds for replacement of the deaerator at the State facility.

II.

The DEC Administrator has now determined this work is emergent, and will need to be completed during the summer of 2025, when the plant is offline. The estimated cost of this project is \$150,000.

III.

The DEC Administrator is recommending that the Board approve this amendment to the 2025 DEC Capital Budget to provide sufficient funding to proceed with 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, that will add funding for the replacement of the deaerator at the State facility, in the amount of \$150,000. The Board of Directors recognizes that, if necessary, the DEC Administrator may request to use some combination of the Rate Stabilization Fund or an advance under the Revolving Credit Agreement with J.P. Morgan Chase Bank, N.A., to fund replacement of the deaerator at the State facility.

PASSED AND APPROVED on this 28th day of January 2025

ATTEST:

Secretary _____

Board Chair _____



2024-2025 Capital Planning Capital Equipment / Construction

Item	Active Projects	Plant	Approved Budget	Life to Date as of 8/31/2024	Remaining	2025 Capital Request	Adjusted Project Total
	DEC General		\$ 163,260	\$ 29,625	\$ 133,635	\$ 43,000	\$ 206,260
1	Central Cyber Security System	DEC	\$ 53,260	\$ -	\$ 53,260	\$ 12,400	\$ 65,660
2	Physical Security & Safety	DEC	\$ 110,000	\$ 29,625	\$ 80,375	\$ 30,600	\$ 140,600
	County Adult Detention Facility (CADF)		\$ 993,500	\$ 59,555	\$ 933,945	\$ 199,110	\$ 1,192,610
10	Loop Field Fluid Cooler	CADF	\$ 510,000	\$ 53,843	\$ 456,157	\$ 87,210	\$ 597,210
11	Backup Circ. Pumps for Each Loop	CADF	\$ 320,000	\$ 5,712	\$ 314,288	\$ 45,900	\$ 365,900
12	Multistack Upgrade	CADF	\$ 163,500	\$ -	\$ 163,500	\$ 66,000	\$ 229,500
13	Switchgear and Relay Upgrades	CADF	\$ -	\$ -	\$ -		\$ -
14	Controls Upgrades	CADF	\$ -	\$ -	\$ -		\$ -
15	Misc. Upgrades	CADF	\$ -	\$ -	\$ -		\$ -
	West Haymarket (WHM)		\$ 510,000	\$ 52,744	\$ 457,256	\$ 316,200	\$ 826,200
16	Boiler Addition	WHM	\$ 510,000	\$ 52,744	\$ 457,256	\$ 316,200	\$ 826,200
17	Service Extension to Future Building North of Hudl	WHM	\$ -	\$ -	\$ -		\$ -
18	Controls Upgrades	WHM	\$ -	\$ -	\$ -		\$ -
19	Misc. Upgrades	WHM	\$ -	\$ -	\$ -		\$ -
			\$ -	\$ -	\$ -		\$ -
	Total		\$ 1,666,760	\$ 141,924	\$ 1,524,836	\$ 558,310	\$ 2,225,070
	Completed Projects	Plant	Approved Budget	Projected costs as of 12/31/2024	Remaining at Completion		
	County/City (CC)		\$ 71,400	\$ 49,619	\$ (21,781)		
	City Water Service Upgrade	CC	\$ 51,000	\$ 30,408	\$ (20,592)		
	Water Softener Upgrade	CC	\$ 20,400	\$ 19,211	\$ (1,189)		
	State (SBP)		\$ 271,650	\$ 257,512	\$ (14,138)		
	DA Controls & Surge Tank Upgrade	SBP	\$ 271,650	\$ 257,512	\$ (14,138)		
	West Haymarket (WHM)		\$ 150,000	\$ 241,898	\$ 91,898		
	Service Extension to Proposed Block 4 Building Development	WHM	\$ 150,000	\$ 241,898	\$ 91,898		
	LES Operations Center (LOC)		\$ 204,000	\$ 70,556	\$ (133,444)		
	Loop Field Resistance Heater	LOC	\$ 204,000	\$ 70,556	\$ (133,444)		
	Nebraska State Penitentiary (NSP)		\$ 51,000	\$ 50,482	\$ (518)		
	Hydronic Cooler (Control Room)	NSP	\$ 51,000	\$ 50,482	\$ (518)		
	Total		\$ 748,050	\$ 670,067	\$ (77,983)		

TAB XII

**DISTRICT ENERGY CORPORATION
RESOLUTION NO. 25-02**

**A RESOLUTION ADOPTING AN AMENDMENT TO THE 2025 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. This budget included \$597,210 for the County Adult Detention Facility (CADF) Loop Field Fluid Cooler project.

II.

The DEC Administrator has now determined an increase in this project budget is required due to the bids received for installation coming back higher than expected.

III.

The DEC Administrator is recommending that the Board approve this amendment to the 2025 DEC Capital Budget to provide sufficient funding to proceed with 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, that will increase the funding for the CADF Loop Field Fluid Cooler by \$200,000, for a total project cost of \$797,210. The Board of Directors recognizes that, if necessary, the DEC Administrator may request an advance under the Revolving Credit Agreement with J.P. Morgan Chase Bank, N.A., to fund the CADF Loop Field Fluid Cooler project, including the \$200,000 requested through this 2025 Capital Budget Amendment.

PASSED AND APPROVED on this 28th day of January 2025

ATTEST:

Secretary _____

Board Chair _____



2024-2025 Capital Planning Capital Equipment / Construction

Item	Active Projects	Plant	Approved Budget	Life to Date as of 8/31/2024	Remaining	2025 Capital Request	Adjusted Project Total
	DEC General		\$ 163,260	\$ 29,625	\$ 133,635	\$ 43,000	\$ 206,260
1	Central Cyber Security System	DEC	\$ 53,260	\$ -	\$ 53,260	\$ 12,400	\$ 65,660
2	Physical Security & Safety	DEC	\$ 110,000	\$ 29,625	\$ 80,375	\$ 30,600	\$ 140,600
	County Adult Detention Facility (CADF)		\$ 993,500	\$ 59,555	\$ 933,945	\$ 199,110	\$ 1,192,610
10	Loop Field Fluid Cooler	CADF	\$ 510,000	\$ 53,843	\$ 456,157	\$ 87,210	\$ 597,210
11	Backup Circ. Pumps for Each Loop	CADF	\$ 320,000	\$ 5,712	\$ 314,288	\$ 45,900	\$ 365,900
12	Multistack Upgrade	CADF	\$ 163,500	\$ -	\$ 163,500	\$ 66,000	\$ 229,500
13	Switchgear and Relay Upgrades	CADF	\$ -	\$ -	\$ -		\$ -
14	Controls Upgrades	CADF	\$ -	\$ -	\$ -		\$ -
15	Misc. Upgrades	CADF	\$ -	\$ -	\$ -		\$ -
	West Haymarket (WHM)		\$ 510,000	\$ 52,744	\$ 457,256	\$ 316,200	\$ 826,200
16	Boiler Addition	WHM	\$ 510,000	\$ 52,744	\$ 457,256	\$ 316,200	\$ 826,200
17	Service Extension to Future Building North of Hudl	WHM	\$ -	\$ -	\$ -		\$ -
18	Controls Upgrades	WHM	\$ -	\$ -	\$ -		\$ -
19	Misc. Upgrades	WHM	\$ -	\$ -	\$ -		\$ -
			\$ -	\$ -	\$ -		\$ -
	Total		\$ 1,666,760	\$ 141,924	\$ 1,524,836	\$ 558,310	\$ 2,225,070
	Completed Projects	Plant	Approved Budget	Projected costs as of 12/31/2024	Remaining at Completion		
	County/City (CC)		\$ 71,400	\$ 49,619	\$ (21,781)		
	City Water Service Upgrade	CC	\$ 51,000	\$ 30,408	\$ (20,592)		
	Water Softener Upgrade	CC	\$ 20,400	\$ 19,211	\$ (1,189)		
	State (SBP)		\$ 271,650	\$ 257,512	\$ (14,138)		
	DA Controls & Surge Tank Upgrade	SBP	\$ 271,650	\$ 257,512	\$ (14,138)		
	West Haymarket (WHM)		\$ 150,000	\$ 241,898	\$ 91,898		
	Service Extension to Proposed Block 4 Building Development	WHM	\$ 150,000	\$ 241,898	\$ 91,898		
	LES Operations Center (LOC)		\$ 204,000	\$ 70,556	\$ (133,444)		
	Loop Field Resistance Heater	LOC	\$ 204,000	\$ 70,556	\$ (133,444)		
	Nebraska State Penitentiary (NSP)		\$ 51,000	\$ 50,482	\$ (518)		
	Hydronic Cooler (Control Room)	NSP	\$ 51,000	\$ 50,482	\$ (518)		
	Total		\$ 748,050	\$ 670,067	\$ (77,983)		

TAB XIII



DEC 2024 Preliminary Financial Report

*DEC Administrative Board
January 28, 2024*

*Wade Leibbrandt
Manager, Budgeting & Financial Planning*



DEC 2024 Year-End Financial Summary

- Change in Net Position was \$1.5M, 11% above budget.
- Investment Income was \$128K, or 36%, above budget.
- Despite several offsetting variances, net Operating Revenues and Expenses were close to budget.

\$ in Thousands	2024 Actual	2024 Budget	\$ Var	% Var
Operating Revenue	\$12,316	\$12,380	(\$64)	-0.5%
Energy	\$2,513	\$2,499	\$14	+0.5%
O&M	\$1,626	\$1,546	\$80	+5.2%
A&G	\$2,130	\$2,318	(\$188)	-8.1%
Depreciation	\$3,640	\$3,630	\$10	+0.3%
Total Operating Expenses	\$9,908	\$9,992	(\$84)	-0.8%
Non-Operating Expenses (Income)	\$926	\$1,048	(\$121)	-11.6%
Change in Net Position	\$1,482	\$1,340	\$142	+10.6%

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.



2024 Revenue

About 84% of DEC's Revenue is through fixed demand charges.

\$ in Thousands

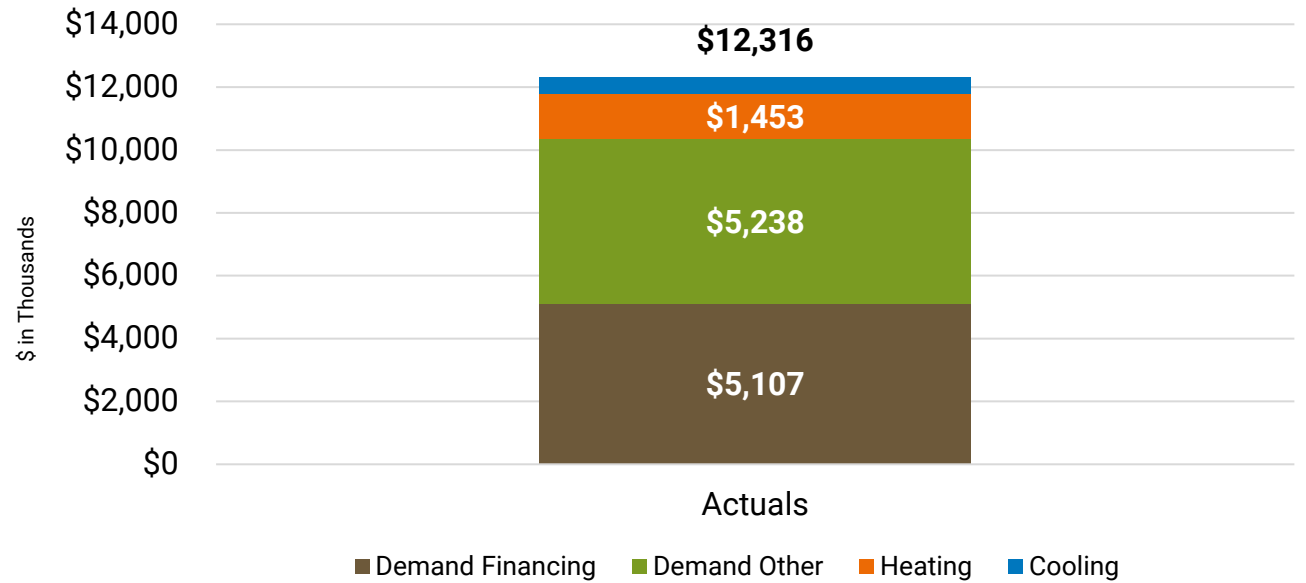
Actual Revenue	Budget Revenue	\$ Var	% Var
\$12,316	\$12,380	(\$64)	-0.5%

2024 Sales

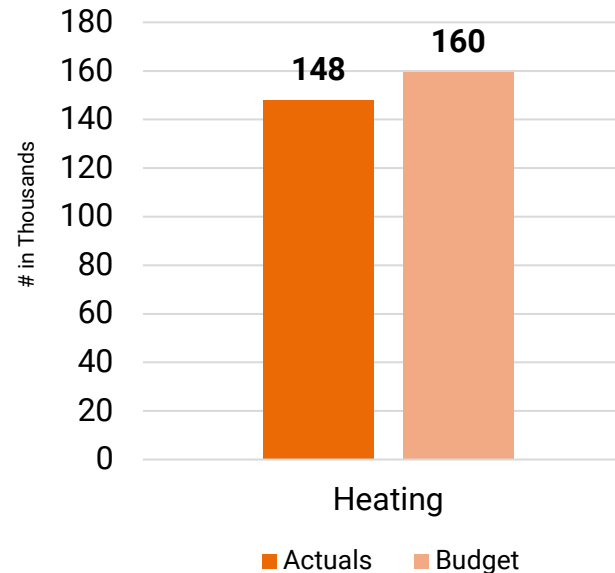
2024 weather was warmer than average. Heating degree days were 17% below average and cooling degree days were 8% above average.

# in Thousands	Actual MMBtu	Budget MMBtu	Var	% Var
Heating	148	160	-12	-7.5%
Cooling	117	103	+14	+13.6%

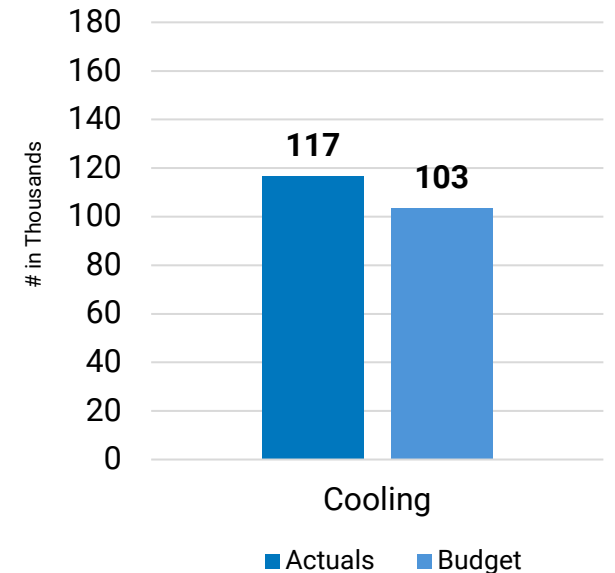
2024 Actual Revenue by Category



Heating MMBtu Sales



Cooling MMBtu Sales



2024 Expenses

Expenses were 2% below budget due to:

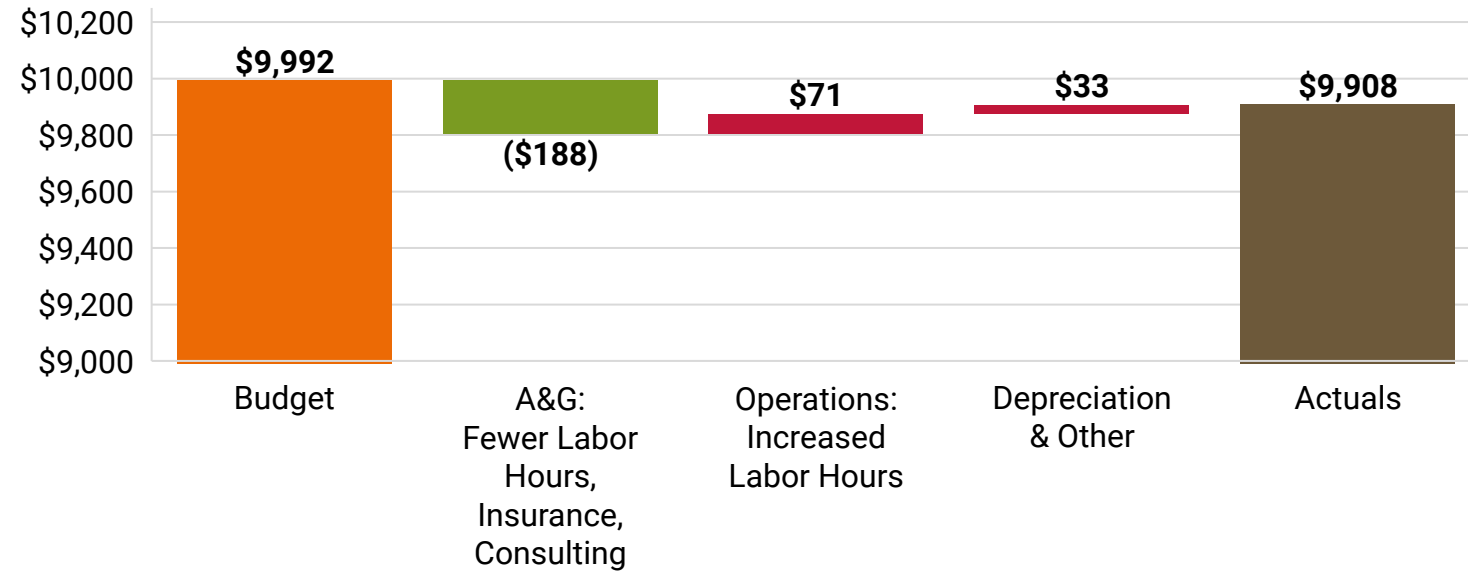
- Investment income about 36% higher than budget
- Higher operating payroll offset by fewer A&G hours than anticipated
- Lower than planned insurance premiums, outside legal costs, and other outside consulting.

\$ in Thousands	Actual Expenses	Budget Expenses	Var	% Var
Operating	\$9,908	\$9,992	(\$84)	-0.8%
Non-Operating	\$926	\$1,048	(\$121)	-11.6%
Total	\$10,834	\$11,040	(\$206)	-1.9%



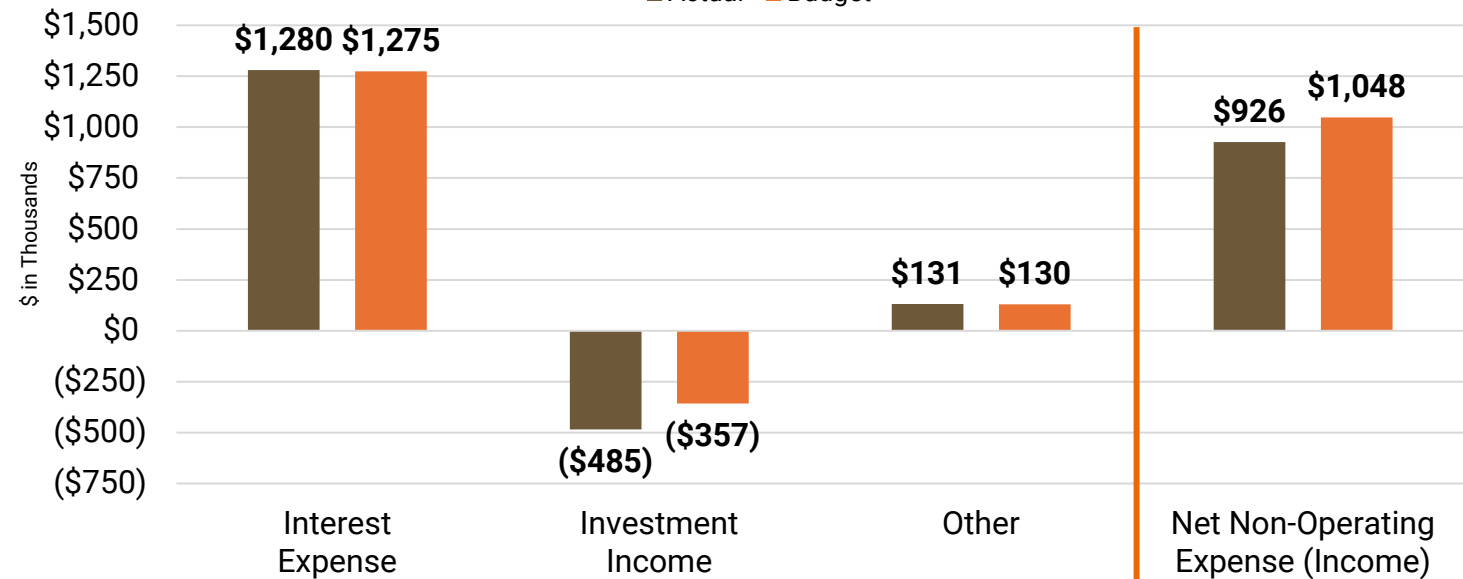
Operating Expense Variance

\$ in Thousands



Non-Operating Expenses

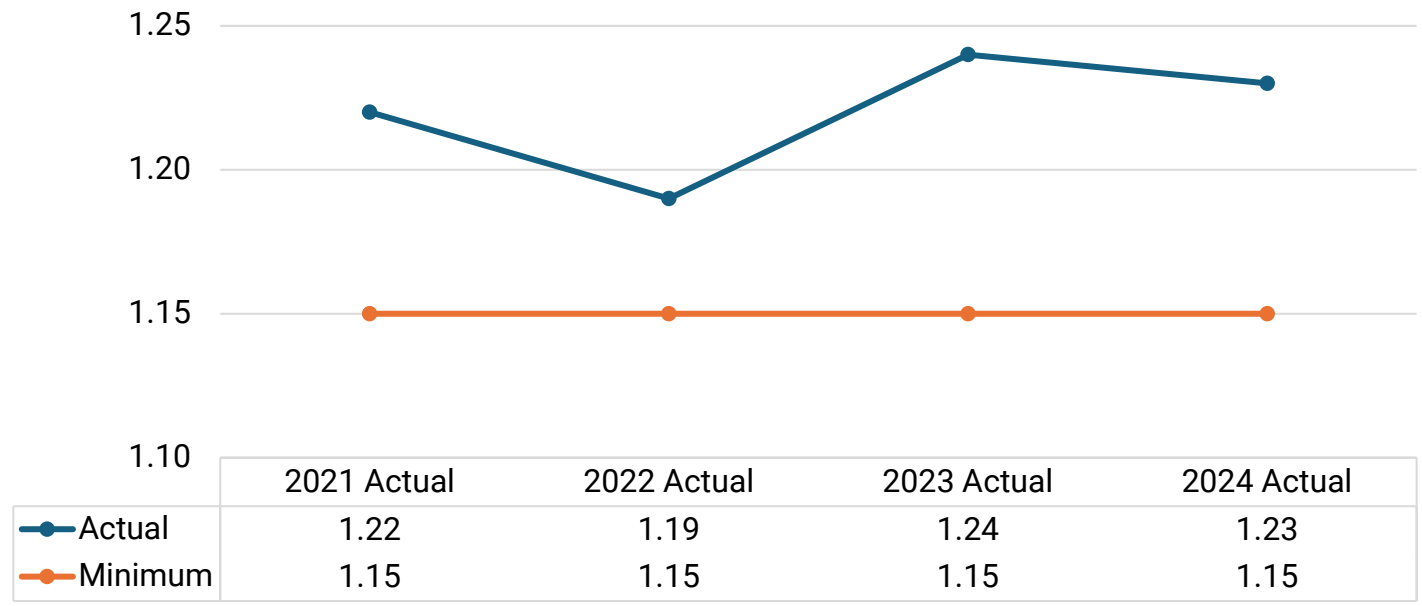
■ Actual ■ Budget



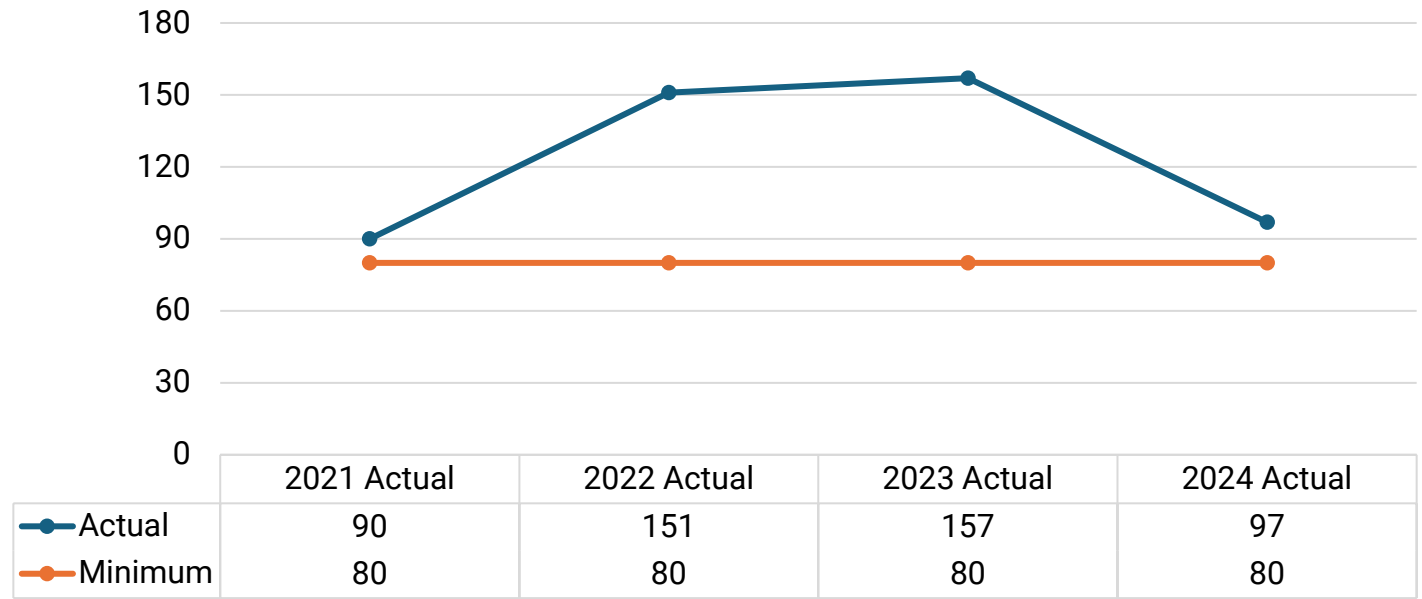
2024 Financial Metrics

- 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 \$1.2M outstanding on the JP Morgan revolving credit facility at year-end.

Debt Service Coverage Ratio



Days of Cash on Hand



2024 Capital

- DEC has spent \$1.2M on active projects in 2024.
- Unused funds are carried forward from year-to-year as long as the project is active

Active Projects \$ in Thousands	Approval Year	Life to Date (LTD) as of 12/31/24*	Current Budget**	Remaining (\$)
DEC Central Cyber Security System	2024	\$0	\$66	\$66
DEC Physical Security and Safety	2024	\$93	\$141	\$48
C/C Water Service Upgrade	2024	\$27	\$51	\$24
CADF Loop Field Fluid Cooler	2024	\$324	\$597	\$273
CADF Backup Circuit Pumps for Each Loop	2024	\$309	\$366	\$57
CADF Multistack Upgrade	2024	\$0	\$230	\$230
WHM Boiler Addition	2024	\$452	\$826	\$374
LOC Loop Field Resistance Heater	2024	\$74	\$204	\$130
State DA Controls & Surge	Carryover	\$268	\$272	\$4
WHM Block 4 Service Extension	Carryover	\$242	\$150	(\$92)
NSP Hydronic Cooler	Carryover	\$45	\$51	\$6
Total		\$1,834	\$2,954	\$1,120

*Life-to-Date includes spending on projects that took place prior to 2024.

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



TAB XIV



1

Financial Report

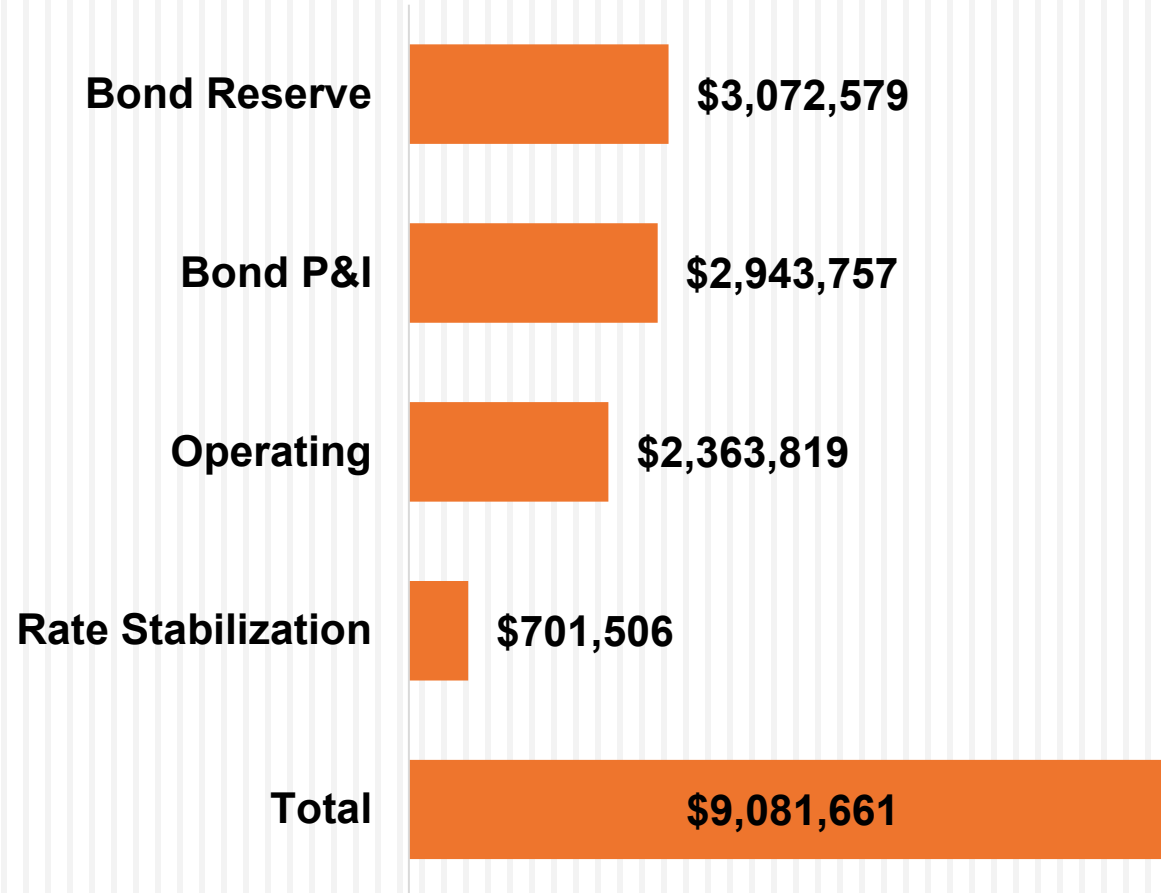
Semi-Annual Investment Report Fourth Quarter Ending December 31, 2024

presented by Bryan Willnerd
January 28, 2025



LES manages DEC's \$9.1m investment portfolio

2





Short-term yields fall in second half of 2024

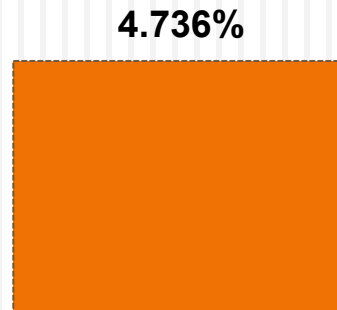
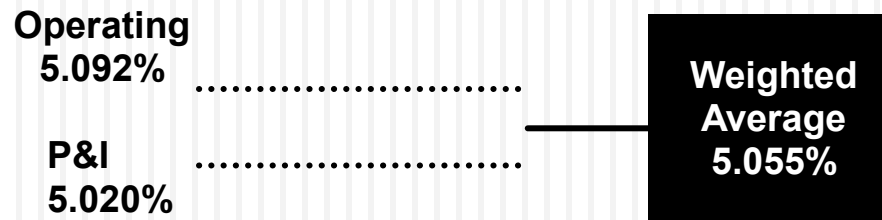
3

Date	6-Month BAML Treasury Index	1-Year BAML Treasury Index	0-3 Year BAML Treasury Index
12/31/2023	5.156	4.748	4.599
3/31/2024	5.324	5.016	4.889
6/30/2024	5.261	5.107	4.965
9/30/2024	4.772	4.389	4.258
12/31/2024	4.379	4.234	4.278

- Short-term benchmark yields declined from the end of Q4 2023.
- 1-Year BAML and 0-3 Year BAML continue to lag the 6-Month BAML yields due to speculation the Federal Reserve will hold rates “higher for longer” into 2025.
- DEC will monitor market rates to appropriately maximize investment yields.



DEC fund performance mixed versus benchmark yields



6-Month BAML Treasury Index - Operating -

Weighted Average
5.084%

Bond Reserve
5.032%

4.388%

Rate Stabilization
5.312%



3-Year BAML Treasury Index - Core -



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 – 46.9%
- Treasuries – 33.6%
- Money Market Funds – 14.3%
- Commercial Paper – 4.1%
- 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



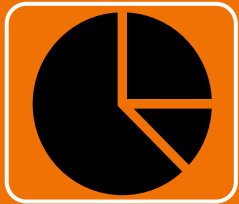
Policy 4 update

6



Investment bid providers

- Proposed DEC policy will allow bids from brokers duly registered under the Government Securities Act of 1986 in addition to the Securities Exchange Act of 1934
- Plan to onboard U.S. Bank in 1Q2025



Portfolio Allocation Limits

- Allow for deviation from MMF limits strictly due to payments to bondholders
- Allow Investment manager to manage the portfolio limits more conservatively in the event of market stress or volatility



Miscellaneous

- Updated language for clarity and align policy descriptions of activity owners and actual activities practiced
- Disclose any potential material conflicts of interest to the CFO and DEC General Counsel

**DISTRICT ENERGY
CORPORATION RESOLUTION
NO. 25-03**

A RESOLUTION ADOPTING A REVISED INVESTMENT POLICY SETTING FORTH INVESTMENT OBJECTIVES AND PARAMETERS FOR THE MANAGEMENT OF DISTRICT ENERGY CORPORATION FUNDS.

RECITALS:

I.

The District Energy Corporation has previously adopted DEC Resolution 24.08 amending an investment policy to set forth investment objectives and parameters for the management of all cash and investments held or controlled by the District Energy Corporation (Available Funds).

II.

The Board of Directors of the District Energy Corporation now deems it advisable to revise the previously adopted investment policy to clarify the systems and procedures for bidding, awarding and tracking investments and to match existing law.

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

That the revised "Investment Policy" which is attached hereto, marked as Policy No.4, and made a part hereof by reference is hereby adopted as the Investment Policy to be used in the management of Available Funds of the District Energy Corporation and that Resolution 24-08 and the Investment Policy adopted thereby are superseded.

Passed and Approved this JANUARY 28, 2025.

Secretary

President



DISTRICT ENERGY CORPORATION
9445 Rokeby Road
Lincoln, NE 68526
(402) 473-3395

Date Effective: 01/28/2025	Page 1 of 13	Policy No. 4
Subject: Investments		

POLICY

To set parameters to ensure the prudent management of DEC's funds, the availability of operating and capital funds when needed, and a primary investment strategy of preservation of principal followed by a reasonable return on investment.

SCOPE

The Policy governs the overall administration and investment management of all available funds by or on behalf of DEC. The guidance set forth herein is to be strictly followed by all those responsible for any aspect of the activities and management or administration of DEC funds, including Lincoln Electric System (LES) staff acting on behalf of DEC in accordance with the Management Agreement, board members, and, when applicable, any Investment Advisory firms.

DEFINITIONS

Accountant – LES Accountant within the Financial Services department assigned to DEC investment transactions.

Allowable Money Market Fund – Mutual Funds which are comprised only of government-backed securities (e.g. Federated Government Obligations Fund). Money Market Funds which are comprised of any investments other than government-backed securities are not allowed. Allowable Money Market Funds are intended to provide liquidity as needed.

Bonds – Secured or unsecured debt obligation of an issuer, to raise capital, that includes a promise to pay the lender any due interest, based on the coupon rate, on a pre-determined schedule, plus the principal amount at maturity. Some Bonds (zero-coupon) are issued with no coupons, while others are issued with fixed or variable-rate coupons. Bonds are similar to Notes, although Bonds typically have original maturities exceeding 10 years.

Callables – Securities which contain an option that provides the Issuer the right to redeem the securities prior to the stated original maturity, at a predetermined price and time.

Certificate of Deposits – Obligations issued by a bank or savings and loan association, offering a rate of return for a specified period of time. Certificates of Deposit may be rated with a short-term or long-term rating, depending on the original maturity date and may be backed by FDIC insurance coverage.

Chief Financial Officer (CFO) – LES employee designated by the LES Chief Executive Officer as the District Energy Corporation CFO.

Credit Risk – Risk of an adverse change in market value or principal loss due to either (a) the actual or perceived failure of the issuer of any security, or (b) the actual or perceived failure of an investment intermediary performing investment services.

Custodian – Financial institution(s) providing investment safekeeping services.

Debentures – Unsecured debt instrument.

DEFINITIONS – continued

Depository Institution – Financial institution(s) holding DEC's funds and demand account(s).

External Pool or Funds – A pool of investments, like a mutual fund or local government investment pool that is not managed or administered by DEC.

FDIC Insured Limit – The insurance amount on deposit accounts held at FDIC-Insured institutions like banks and savings and loan institutions guaranteed by the Federal Deposit Insurance Corporation. The current limit is found at www.fdic.org.

Interest Rate Risk – Risk that the market value of investments will fall due to changes in interest rates.

Investment Advisor – External professional investment consulting services provider.

Investment Manager – Any LES employee, designated substitute, or Investment Advisor designated by the CFO to manage DEC's Investment Portfolio.

Investment Portfolio – A grouping of financial assets consistent with DEC's primary investment objectives of safety of principal, Liquidity, and Return on Investment.

Investment Tracking System – A system utilized to record transactions, report portfolio holdings, and generate monthly investment journal entries.

Liquidity – The ease of converting an investment into cash without loss of value; also, a relative measure of cash and near-cash items in a portfolio of investments.

Management Agreement – Agreement between DEC and LES which among other things sets forth authorization for LES to manage the financial and operational matters of DEC.

Maturity – Date on which the final principal amount of a borrowing will be paid, and at which the obligation is scheduled to be satisfied in full.

Negotiable Obligation – A debt instrument, promising payment of a specific amount of money, and that is tradable/transferrable to a third party.

Note – A debt security similar to a Bond with an original term to Maturity between one and ten years.

Obligation – A debt instrument, whereas one party has a legal responsibility to repay another party.

Overnight Sweep Account – A bank account that automatically transfers excess or shortage of funds to/from a higher interest earning investment option at the close of each day.

Primary Securities Dealer – A pre-approved Provider who can transact business with the United States Federal Reserve, such as a bank, broker, or dealer. Primary Securities Dealers purchase Treasuries at auctions then resell them to clients.

Provider – A broker, dealer associated with an entity with which DEC transacts business and with whom DEC may be exposed to financial risk. DEC maintains a list of qualified Providers who meet the requirements defined in this Policy.

Prudent Person – Investments will be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived from the investment.

Return on Investment – Investment earnings of a security or portfolio usually expressed as an annualized percentage, defined as the income generated over a given time period.

Savings Account – A depository account held by a financial institution.

DEFINITIONS – continued

Trade Confirmation Notice – A statement mailed by the Provider to DEC confirming the completed purchase or sale of a security between the two parties.

Trade Confirmation Ticket – An investment document received immediately from the Provider confirming the investment trade to DEC.

REQUIREMENTS

1. Investment Objectives

The primary objective of DEC's investment activities, in order of priority, shall be (a) safety of principal, (b) maintenance of Liquidity, and (c) Return on Investment.

a. Safety of Principal

The foremost objective of this Policy is the safety of principal of all DEC funds. The objective is to mitigate both Credit and Interest Rate Risk. It is DEC's principal investment strategy to buy and hold securities to Maturity. However, securities may be sold prior to Maturity to manage risk and meet operational needs.

1. Credit Risk

DEC will seek to minimize Credit Risk by:

- a. Limiting investments to the types of securities listed as authorized investments in this Policy;
- b. Pre-qualifying and maintaining programs in place to monitor the Providers and Investment Advisors with which DEC does business and as outlined in this Policy; and
Diversifying holdings and maintaining investment levels at or below the stated portfolio and issuer-level limits so the impact of potential losses from any one type of security or individual issuer will be minimized.

2. Interest Rate Risk

DEC will seek to minimize interest rate risk by:

- a. Structuring holdings to mature in line with cash requirements for ongoing operations; and maintaining asset-liability matching per account, thereby avoiding the need to sell securities prior to Maturity.

b. Maintenance of Liquidity

The Investment Portfolio will be managed in such a manner that funds are available to meet reasonably anticipated cash flow requirements. Cash flow analyses will be maintained as necessary to ensure the Investment Portfolios are positioned to provide sufficient liquidity.

c. Return on Investment

Investment Portfolios will be designed with the objective of attaining a market rate of return, taking into consideration the investment risk constraints and liquidity needs. Appropriate benchmarks will be used to analyze performance; however, it will not be a requirement to outperform the benchmarks.

2. Delegation of Authority

Duties and Responsibilities

In accordance with the Management Agreement, the responsibility for providing oversight, direction, and management of the Policy, resides with LES, specifically the CFO. The CFO has delegated daily management responsibility for the DEC funds in the Policy and investment transactions to the Investment Manager. The Investment Manager shall act in accordance with this Policy. DEC may engage a professional Investment Advisor to assist in managing DEC's Investment Portfolio. Such Investment Advisor must be registered under the Investment Advisors Act of 1940.

Separation of Duties

To provide for separation of duties, the Investment Manager shall be responsible for the management of the funds and preparation of investment information, as requested by Financial Accounting in preparation of monthly financial statements. Financial Accounting shall be responsible for completing and processing all journal entry transactions and reconciliation of account balances to the bank statements.

REQUIREMENTS – continued

3. Standard of Prudence

The standard of prudence to be applied in the context of managing the Investment Portfolio will be the “Prudent Person” standard.

4. Ethics and Conflicts of Interest

LES requires all employees acting on behalf of DEC to adhere to and follow the ethical standards set forth in LES Policy 208 – LES Ethics and Code of Conduct Policy. Employees working on behalf of DEC will adhere to and follow the same ethical standards as LES. This Policy serves as a general guideline for internal controls to prevent losses of funds, which might arise from fraud, employee error, and misrepresentation or imprudent actions by employees. No person may engage in any investment transaction except as authorized under the terms of this Policy. Independent auditors, as a normal part of the annual financial audit of DEC, will conduct a review of the system of internal controls related to the Policy. Internal Auditors may conduct audits from time to time to ensure compliance with this Policy.

Employees involved in the investment process will refrain from personal business activity that could conflict with proper execution of this Policy or which could impair their ability to make impartial investment decisions.

Employees shall:

- a. Not accept any non-de minimis money, loan, gift, favor, service, or business or professional opportunity that could influence them in the performance of their official duties with respect to this Policy;
- b. Not accept any business or professional opportunity when they know there is a reasonable likelihood that the opportunity is being afforded to influence them in the performance of their official duties;
- c. Not enter into any personal investment transactions with the same individual with whom business is conducted on behalf of DEC;
- d. Not disclose or use confidential information that is not generally available to the public for their own or any other person's financial benefit; or
- e. Disclose to the CFO, and DEC General Counsel any material financial interests in financial institutions that conduct business with DEC and any material personal financial/investment positions that could be related to the performance of this Policy.

5. Authorized Investment Providers

DEC is permitted to invest in securities from financial institutions which are qualified Providers by DEC or institutions designated as Primary Securities Dealers by the Federal Reserve Bank of New York. The CFO or designee and the Investment Manager will maintain a list of financial institutions and broker/dealers that are used for investment purposes and only firms meeting the following requirements will be eligible to serve as a Provider:

- a. Capital of no less than \$10,000,000;
- b. Registered as a dealer under the Securities Exchange Act of 1934 or the Government Securities Act of 1986;
- c. Member of a self-regulatory organization as defined by the Securities and Exchange Commission;
- d. Registered to sell securities in Nebraska; and
- e. Engaged in the business of effecting transactions in securities authorized in this Policy for at least five (5) consecutive years.

REQUIREMENTS – continued

6. Maturity and Liquidity Guidelines

To the extent possible, investment maturities will match anticipated cash flow requirements and follow the maximum Maturity limitations outlined in this Policy. Although the principal investment strategy is to buy and hold investments until Maturity, investments may be sold prior to Maturity to meet unanticipated immediate liquidity needs.

7. Authorized Investments and Portfolio Composition

DEC is permitted to invest in those investments that are listed in this section subject to the identified limitations. The percentage allocation requirements for investment types and issuers are calculated based on the original cost of each investment at the time of purchase and are applied to the aggregate portfolio at time of purchase. Exceeding limits after the purchase date due to future changes in the portfolio size will not be considered a non-compliance event with this policy. Refer to Section 9b of this policy for procedures should allocations become noncompliant as a result of an investment transaction.

DEC, as managed by LES, will follow Nebraska Revised Statutes section 72-1246, with respect to the investment of available funds consistent with the investment objectives of the Policy.

Allocation limits regarding Money Market Funds identified in the matrix below exclude instances when funds must be held liquid for the purpose of debt payments to bondholders.

The allocation limits and security types do not apply to the investment of debt proceeds. These investments shall be governed by the applicable debt covenants.

AUTHORIZED INVESTMENTS AND AGGREGATE PORTFOLIO COMPOSITION MATRIX

Investment	Investment Security Types / Requirements	Portfolio Composition Maximum	Limits on Individual Issuers Maximum	Minimum Credit Ratings	Maturity Limitations Maximum From Date of Purchase
<p>A.</p> <p>United States Government Securities</p>	<p>Direct Negotiable Obligations, or Obligations the principal and interest of which are guaranteed by the United States Government.</p> <ul style="list-style-type: none"> • Cash Management Bills • Treasury Securities – State and Local Government Series (SLGS) • Treasury Bills • Treasury Notes • Treasury Bonds • Treasury Strips • Treasury Inflation Protected Securities 	100%	N/A	N/A	10 years

Investment	Investment Security Types / Requirements	Portfolio Composition Maximum	Limits on Individual Issuers Maximum	Minimum Credit Ratings	Maturity Limitations Maximum From Date of Purchase
B. United States Government Agencies	<p>Bonds, Debentures, Notes or Callables issued or guaranteed by United States Government Agencies, provided such Obligations are backed by the full faith and credit of the United States Government.</p> <ul style="list-style-type: none"> • Government National Mortgage Association (GNMA) <ul style="list-style-type: none"> ○ GNMA guaranteed mortgage-backed Bonds ○ GNMA guaranteed pass-through Obligations • United States Export – Import Bank <ul style="list-style-type: none"> ○ Direct Obligations or fully guaranteed certificates of beneficial ownership • Farmer Home Administration <ul style="list-style-type: none"> ○ Certificates of beneficial ownership • Federal Financing Bank <ul style="list-style-type: none"> ○ Discount Notes, Notes and Bonds • Federal Housing Administration Debentures • General Services Administration • United States Maritime Administration Guaranteed <ul style="list-style-type: none"> ○ Title XI Financing • New Communities Debentures <ul style="list-style-type: none"> ○ United States Government Guaranteed Debentures • United States Public Housing Notes and Bonds <ul style="list-style-type: none"> ○ United States Government Guaranteed Public Housing Notes and Bonds • United States Department of Housing and Urban Development <ul style="list-style-type: none"> ○ Project Notes and local authority Bonds 	100%	N/A	N/A	10 years

Investment	Investment Security Types / Requirements	Portfolio Composition Maximum	Limits on Individual Issuers Maximum	Minimum Credit Ratings	Maturity Limitations Maximum From Date of Purchase
C. Federal Instrumentalities (United States Government sponsored agencies)	<p>A Government sponsored enterprise that serves a public purpose, however not considered a Federal Agency. Though Federal Instrumentalities are publicly chartered, they are privately owned and operated. They issue debt securities, which typically are not backed by the full faith and credit of the United States Government.</p> <ul style="list-style-type: none"> • Federal Farm Credit Bank (FFCB) • Federal Home Loan Bank or its district banks (FHLB) • Federal National Mortgage Association (FNMA - Fannie Mae) • Federal Home Loan Mortgage Corporation (FHLMC – Freddie Mac) 	100%	N/A	N/A	10 years
	<i>Callable Federal Instrumentalities</i>	20%	N/A	N/A	10 Years
	<i>Mortgage-Backed Securities issued by Federal Instrumentalities or U.S. Government Agencies</i>	20%	N/A	N/A	10 Years (Duration)
D. Instrumentalities of the United States	<p>Obligations, participations or other instruments of any Federal agency, instrumentality or United States Government-sponsored enterprise, including those issued or fully guaranteed as to the principal and interest by Federal agencies, instrumentalities or United States Government sponsored enterprises.</p> <ul style="list-style-type: none"> • International Bank for Reconstruction and Development (World Bank) • International Finance Corporation • African Development Bank • Asian Development Bank • European Bank for Reconstruction and Development • Inter-American Development Bank 	20%	5%	N/A	10 years
E. Interest Bearing Time Deposit or Saving Accounts (up to FDIC limit)	<p>Also known as a Certificate of Deposit, a deposit whereas a certificate is issued by a bank or savings and loan institution under the laws of Nebraska and in national banks up to the FDIC Insured Limit that indicates the sum of money deposited by an investor and the time at which funds the principal amount and any interest are due.</p>	100%	15%	N/A	5 years

Investment	Investment Security Types / Requirements	Portfolio Composition Maximum	Limits on Individual Issuers Maximum	Minimum Credit Ratings	Maturity Limitations Maximum From Date of Purchase
F. Repurchase Agreements	<p>Short-term investment vehicle in which an investor agrees to buy securities from a Provider and simultaneously agrees to resell the securities back to the Provider at an agreed upon time and date, and for an agreed upon price. The difference between the purchase price and the sale price represents interest earned on the agreement.</p> <ul style="list-style-type: none"> Composed of investments set forth by the Master Repurchase Agreement. Firms are required to sign a Master Repurchase Agreement prior to the execution of a Repurchase Agreement transaction. The Custodian will hold the collateral for all Repurchase Agreements, in DEC's name, as outlined in the Master Repurchase Agreement or Custodial Undertaking documents. A clearly marked receipt that shows evidence of ownership in DEC's name must be supplied to the Investment Manager and retained. Securities authorized for collateral are negotiable direct Obligations of the United States Government, Government Agencies, and Federal Instrumentalities with maturities under five (5) years and must have a market value for the principal and accrued interest of 102 percent of the value and for the term of the repurchase agreement. Immaterial short-term deviations from 102 percent requirement are permissible only upon the approval of the CFO 	50% excluding one business day agreements and overnight sweep agreements	15%	N/A	90 days
G. Corporate Issues	See Below				
<i>Bankers' Acceptances</i>	Type of investment used to facilitate trade transactions between two entities, especially useful in trading international goods. Bankers' Acceptances are used as a short-term investment instrument, and are usually traded at a discount from face value.	50% Aggregate Across All Corporate Issues	5% Aggregate Across All Corporate Issues	Top short-term rating category by S&P, Moody's, or Fitch	180 days
<i>Commercial Paper</i>	Short-term corporate (promissory) Obligation, issued with a redemption value at Maturity equal to par or face value.				270 days

Investment	Investment Security Types / Requirements	Portfolio Composition Maximum	Limits on Individual Issuers Maximum	Minimum Credit Ratings	Maturity Limitations Maximum From Date of Purchase
Corporate Notes	Unsecured corporate (promissory) Obligations, typically issued by corporations organized and operating within the U.S. or by Depository Institutions licensed by the U.S.			Top two long-term rating categories by any two of S&P, Moody's, and Fitch	5 years
H. Registered Investment Companies Allowable Money Market Funds)	Shares in open-end and no-load funds provided such funds are registered under the Federal Investment Company Act of 1940 and operate in accordance with 17 C.F.R. § 270.2a-7. In addition, the share value of the Money Market Funds must equal to \$1.00. A current prospectus must be obtained and reviewed by the Investment Manager prior to investing DEC funds.	100% excluding one business day agreements and overnight sweep agreements	25% (Except where liquidity is required for bond principal & interest payments not to exceed 4 business days)	Top principal stability rating category by S&P, Moody's, or Fitch	N/A
I. State and/or Local Government Taxable and/or Tax-Exempt Debt	Consists of state and/or local government taxable and/or tax-exempt debt, general Obligation and/or revenue Bonds. This includes Tax Increment Financing Programs.	30%	5%	Top two short- or long-term rating categories by any two of: S&P, Moody's, and Fitch, depending on the original issuance of the security	3 Years
J. Other Fixed Term Investments	Other investments from qualified programs investing only in security and/or investment types permitted by this Policy, and specifically identified herein. Currently, this consists of: (1) Short Term Federal Investment Trust (STFIT), operated and managed by Union Bank. Student Loan Asset Backed Securities are prohibited from inclusion in STFIT holdings.	25%	25%	N/A	Maximum stated final Maturity of 5 years, or a Weighted Average Life of less than three years

REQUIREMENTS – continued

8. Selection of Investments

a. Cash Review

The Investment Manager shall work with the LES Budgeting and Financial Planning department within Financial Services to review each fund and determine the available amounts for investment based on safety of principal, Liquidity, cash flow, and expected expenditures.

b. Bid Request

After the Investment Manager has consulted with the LES Budgeting and Financial Planning department to determine the approximate investment amount and Maturity date based on projected cash flow needs and market conditions, generally a minimum of three (3) Providers will be contacted to provide bids.

REQUIREMENTS – continued

Authorized staff (CFO, Investment Manager, and their designated substitutes) will purchase securities only from Providers who meet all requirements listed in Requirement 5.

If choosing an external pool as the preferred investment vehicle, an information statement and/or prospectus of the local government investment pool or fund shall be available for inspections prior to purchase and at any time thereafter.

All bid requests to Providers must contain the following information:

1. Settlement date: Cash (same day), Regular (next day), Corporate (3 business days), or when-Issued, if a new issue;
2. Total dollar amount available for investment;
3. Type of security to be purchased, or excluded (due to allocation limitations);
4. Maturity date: Specific date or date range;
5. Account name and account number;
6. Date and time due to submit bid offering;
7. Delivery instructions to the safe keeper; and
8. Other comments as needed.

If obtaining bids/offers are not feasible and/or appropriate, funds shall be invested in an approved fund until competitive bidding can be accomplished.

Overnight Sweep Investment, Repurchase Agreements will not be bid.

8. Selection of Investments – continued

c. Bid Review

Once all bids have been received or the bid offering window has expired, the Investment Manager will utilize resources available (e.g. investment calculator, software service, etc.) necessary to calculate yield and the total cost of the investment. Consideration to Maturity date, investment type, investment availability, and other factors may also be contemplated to determine which offering best aligns with the original bid request. Prior to notifying the selected Provider, the Investment Manager will perform and validate the following information:

1. Selected security meets the specified criteria listed in Requirement 8b;
2. Yield, price, purchase cost, and interest (including accrued interest); and
3. Sufficient funds exist to cover the total purchase cost (including accrued interest) of the investment purchase.

d. Confirmation & Follow Through

1. Confirmation

Once the bid information has been reviewed, the Investment Manager will notify the selected Provider to initiate the investment transaction. After the investment transaction is complete the Provider must send a Trade Confirmation Ticket to the Investment Manager within a reasonable time period containing the following information. Once received, the Investment Manager must confirm the following information with the bid document:

- a. Investment price and yield;
- b. Total transaction cost amount (including any accrued interest);
- c. Settlement date;
- d. Type of security;
- e. Maturity date;
- f. Account name and account number identified on the Trade Confirmation Ticket; and
- g. CUSIP number of the security, if applicable.

Any discrepancies found on the trade confirmation should be brought to the Provider's attention immediately by verbal or other means necessary for prompt resolution. A verbal notification request must be followed in writing.

REQUIREMENTS – continued

It will be the Investment Manager's responsibility to ensure the Provider has accurate safekeeping delivery instructions to complete the trade.

2. Follow Through

Once available, the investment Trade Confirmation Ticket should be sent by the Provider to the Investment Manager for documentation. The Investment Manager will forward the Trade Confirmation Ticket, along with the below information, to the Custodian prior to settlement of the pending investment transaction in writing:

- a. Trade Confirmation Ticket;
- b. Provider name involved with the trade;
- c. Investment Security Type;
- d. Par amount of the trade.

The Investment Manager will electronically file a copy of the Trade Confirmation Ticket within the Treasury and Risk Management SharePoint site.

On the day of settlement, the Investment Manager will confirm settlement of the trade through available resources (electronic confirmation, verbal confirmation, or online account access). If the settlement fails for any reason, the Provider, if responsible, or the safekeeping agent if they are responsible, will immediately notify the other party and/or Investment Manager for resolution of the issue. The Investment Manager will work with the Provider and Custodian until the trade has settled.

8. Selection of Investments – continued

e. Recording Investment Transactions

Once the trade has been confirmed with the Provider and Trade Confirmation Ticket received, all Investment transactions will be recorded by Treasury & Risk Management within the Investment Tracking System utilizing the Trade Confirmation Ticket.

Treasury & Risk Management will verify the investment transactions of the Provider's Trade Confirmation Ticket to the Trade Confirmation Notice, upon receipt.

Journal entry information derived from the Investment Tracking System will be completed by Treasury & Risk Management and reviewed by Financial Accounting for accuracy before uploading into DEC's accounting system. Financial Accounting will reconcile all investment transactions within the accounting system to the monthly Bank Statements.

Data in the Investment Tracking System must include the following minimum applicable information:

1. Account Name & Account Number
2. Dated Date (Original Date of Issuance)
3. Purchase Date
4. Maturity Date
5. Security Sector
6. Type of Security – Security Structure
7. CUSIP Number
8. Credit Rating
9. Asset Class
10. Coupon/Discount Rate
11. Yield
12. Total Cost (net of premium)
13. Par Value
14. Amortization of Discounts/Premiums
15. Accruals
16. Coupon Payments and other interest/dividends received

f. Security Confirmations

The Investment Manager will electronically file a copy of the Trade Confirmation Notice by maturity date on the Treasury and Risk Management SharePoint site.

Trade Confirmation documents are maintained within Financial Services in conformance with DEC's Schedule 29 – Records Retention and Disposition Schedule.

REQUIREMENTS – continued

g. Safekeeping Procedures

All securities purchased for DEC shall be received by “delivery vs. payment” for safekeeping to DEC’s Custodian. Certificates of Deposit are permitted to be safe kept at the issuing bank. All Certificate of Deposit confirmations must be verified with the appropriate investment reports on a monthly basis by the Accountant and Investment Manager.

Collateral for Repurchase Agreements shall be delivered to a third-party Custodian per the directions outlined in the Master Repurchase Agreement and/or Custodial Undertaking documents.

h. Trade Corrections

All trade corrections may be requested by either a verbal or written notification; however, a verbal notification request must be followed in writing.

9. Policy Considerations

a. Credit Downgrade

If a security in the Investment Portfolio is downgraded to a level below the quality required by this Policy, the Investment Manager shall review the credit situation of the security and submit a written recommendation to the CFO as to whether to sell or retain such security in the Investment Portfolio. A determination will then be made, in consultation with the CFO, regarding whether to sell or retain the security.

If a decision is made to retain a downgraded security in the Investment Portfolio, the security will be monitored and reported monthly to the Investment Manager. The Investment Manager will notify the CFO if the downgraded security rating continues to decline from the initial assessment, or if new information received warrants requires additional action.

b. Policy Compliance

If the aggregate portfolio unintentionally falls out of compliance with this Policy, the Investment Manager shall develop a written plan of action to be provided to the CFO to bring the portfolio back into compliance with the Policy. It will be the discretion of the CFO to determine which inadvertent Policy exceptions require communication to the DEC Board.

c. Temporary Program Modifications

Situations may arise when the CFO and Investment Manager deem a temporary change to the policy guidelines is recommended due to the investment market environment. Temporary guideline changes (i.e., allocation limits, investment types, etc.) may be modified more conservatively within the current policy with the approval of the CFO.

10. Performance Measurements

To assist in the evaluation of the portfolios’ performance, DEC will use appropriate performance benchmarks for short-term and long-term portfolios. The use of benchmarks will allow DEC to measure its returns against market performance.

11. Reporting

The Investment Manager will provide the CFO with a semi-annual investment report. As appropriate, the report will include the following information:

- a. Total portfolio value allocation by fund;
- b. The total Return on Investment for the quarter versus appropriate benchmarks (where benchmarks are applicable);
- c. Any areas of the Investment Policy warranting possible revisions; and
- d. A statement regarding compliance or any violations of the Investment Policy and the corrective measures that have been completed.

The Investment Manager will review the semi-annual reports with the CFO. The Investment Manager, CFO, or assigned delegate is responsible for reporting the information to the DEC Board.

REQUIREMENTS – continued

12. Third-Party Custodial Agreements

Except for Certificates of Deposits and Repurchase Agreements, securities will be held with the Custodian. All securities purchased and collateral obtained should be held in DEC’s name. The securities must be held in an account separate and apart from the assets of the Custodian. Certificates of Deposits and Repurchase Agreements will be placed in the Custodian’s safekeeping department for the term of the deposit.

On a monthly basis, the Custodian will provide statements that list all securities held for DEC, the book value of holdings and the month-end market value.

Security transactions between a Provider and DEC involving the purchase or sale of securities by transfer of money or securities will be made on a “delivery vs. payment” basis, if applicable, to ensure that the Custodian will have the security or money at the conclusion of the transaction. Securities held as collateral shall be held in DEC’s name and shall be held free and clear of any liens.

13. Exceptions to the Policy

Exceptions to this Policy are prohibited without the prior written approval of the CFO. All approved exceptions shall be reported to the DEC Board at its next scheduled meeting.

REFERENCES

- 1. Policy 203 – Records Management
 208 – LES Ethics and Code of Conduct
- 2. Schedule 29 – Records Retention and Disposition Schedule

POLICY NO. 4 APPROVAL

Sean Flowerday, DEC Board President

Date

David Levy, DEC General Counsel

Date

TAB XV

**DISTRICT ENERGY CORPORATION
RESOLUTION NO. 25-04**

**A RESOLUTION APPROVING DEC GREENHOUSE GAS EMISSIONS
REDUCTION STRATEGIES**

RECITALS

WHEREAS, the Board of Directors (the “**Board**”) of the District Energy Corporation (“**DEC**”) recognizes that its operations produce greenhouse gasses; and

WHEREAS, the Board desires to thoughtfully reduce such emissions from DEC operations, while balancing economics and feasibility with emissions reductions; and

WHEREAS, the Board views maintenance and equipment upgrades as one path to feasibly reduce Greenhouse Gas (“**GHG**”) emissions; and

WHEREAS, the Board recognizes that due to DEC’s relatively small size and number of customers, the existence of several independent systems, and an overarching desire to protect reliability and affordability of district energy for existing and future customers, setting specific timeline for achieving emissions reductions goals is difficult and not desirable currently.

RESOLUTION

Now, therefore be it resolved, that the Board hereby formally adopts the following guidance and intends to follow it in all future decision-making:

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.
2. DEC shall design and procure equipment for newly constructed thermal plants and existing plant expansions in consideration of the foregoing recitals.

3. DEC shall examine expansions and upgrades and make findings of fact as to the following priorities (not listed in any particular order):
 - a. High thermal system reliability.
 - b. Environmental stewardship.
 - c. Fiscal responsibility.
 - d. Customer affordability.
 - e. Technical viability.
 - f. Existing contractual commitments.
 - g. Existing and potential customer preferences.
 - h. Customer, staff, and public safety.
4. DEC shall examine expansions and upgrades and make findings of fact as to the availability and efficacy of using the following technologies for emissions reduction purposes and shall report to the Board on such examination and findings as part of Board decisions and actions as to expansions and upgrades (not listed in any particular order):
 - a. Geothermal heat pumps.
 - b. Air-source heat pumps.
 - c. Electrification utilizing electric or electrode boilers.
 - d. Energy efficiency improvements.
 - e. Renewable energy generation offsets, including, but not limited to:
 - i. Renewable energy certificates.
 - ii. Carbon offsets.
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.

PASSED AND APPROVED on this _____ day of _____, 2025.

ATTEST:

Secretary/Treasurer

President