

City Council Introduction: October 3, 2016

BILL NUMBER: 16R-218

Public Hearing: October 17, 2016

Date Factsheet Prepared: September 26, 2016

### FACTSHEET

**Instructions:** If a question does not apply, just put "NA". Please try to keep it to **ONE** page only. Submit **one original**, with your Request Form, to City Clerk.

**TITLE:** Approval of Amendments to DEC Articles of Incorporation and Bylaws

**BOARD/COMMITTEE:** N/A

**APPLICANT:** City Law

**RECOMMENDATION:** N/A

**STAFF RECOMMENDATION:** Approval

**OTHER DEPARTMENTS AFFECTED:** None

**SPONSOR:**

**OPPONENTS:** None

#### REASON FOR LEGISLATION

District Energy Corporation is updating its articles of incorporation and bylaws.

#### DISCUSSION / FINDINGS OF FACT:

See attached letter for explanation.

**POLICY OR PROGRAM CHANGE:** \_\_\_ Yes      No

**OPERATIONAL IMPACT ASSESSMENT:** N/A

**COST OF TOTAL PROJECT:** N/A

**RELATED ANNUAL OPERATING COSTS:** N/A

**SOURCE OF FUNDS:** N/A

**CITY:**

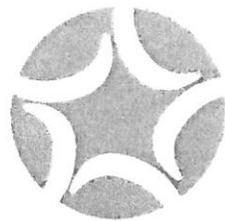
**NON CITY:**

**FACTSHEET PREPARED BY:** Chris Connolly, Assistant City Attorney

**DATE:** 9/26/2016

**REVIEWED BY:**

**DATE:**



**DEC**  
ENERGY

1040 O Street  
P.O. Box 80869  
Lincoln, NE  
68501-0869  
(402) 473-3373

**Board of Directors**

**President**

Larry Hudkins

**Vice President**

Jon Camp

**Secretary/Treasurer**

W. Don Nelson

Mike Lang

Deb Schorr

**Assistant Secretary**

Sue Fix

September 7, 2016

Teresa J. Meier, City Clerk  
City of Lincoln  
555 South 10<sup>th</sup> Street, Room 103  
Lincoln, Nebraska 68508

RE: District Energy Corporation/Amended Articles of Incorporation  
and Amended By-Laws

Dear Ms. Meier:

As you may know, the District Energy Corporation ("DEC"), is an interlocal agency created in 1992 to provide district heating and cooling services to various governmental buildings in Lincoln and Lancaster County. It operates under both an Interlocal Agreement dated March 27, 1992 between the City of Lincoln and the County of Lancaster (the "Interlocal Agreement") and under the Nebraska Nonprofit Corporation Act.

The DEC recently engaged in a master planning exercise to determine how best to utilize excess capacity for heating and cooling from the various facilities that it operates on behalf of governmental entities. Through the planning process, it was concluded that there are potential private customers that could be served using the excess capacity, thereby making more efficient use of the facilities and providing an energy efficient form of heating and cooling to the public.

In order to position itself to serve private customers, the DEC must amend its governing Articles of Incorporation and By-Laws to make it clear that this sort of expanded service is within the power and authority of the DEC to provide. For that reason, the DEC Board of Directors, on August 23<sup>rd</sup> of this year, approved Amended and Restated Articles of Incorporation and Amended and Restated By-Laws, the primary purpose of which is to allow energy services to be provided to the public. Because these Articles and By-Laws had not been thoroughly reviewed since 1992, the Board also took the opportunity to update and modernize the Articles and By-Laws.

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CITY CLERK'S OFFICE

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CITY OF LINCOLN

NEBRASKA

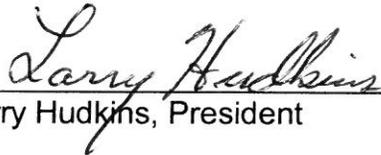
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SEP 20 2016

CITY ATTORNEY

The Interlocal Agreement provides that amendments to the Articles and to the By-laws must be approved by a majority vote of the parties to the Interlocal Agreement, i.e., the City of Lincoln and the County of Lancaster. For that reason, we are submitting the Amended and Restated Articles of Incorporation and Amended and Restated By-Laws to both the City and the County for approval. Copies of both are enclosed. We would ask that you place these on the City Council agenda at your earliest convenience for review and action by the Council.

I thank you in advance for your consideration. If you need any further information regarding this matter, please feel free to contact me.

Sincerely,

A handwritten signature in cursive script that reads "Larry Hudkins". The signature is written in black ink and is positioned above a horizontal line.

Larry Hudkins, President

Enclosures

cc: Chris Connolly, Assistant City Attorney

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