

## MINUTES OF LINCOLN ELECTRIC SYSTEM ADMINISTRATIVE BOARD

Minutes of the regular meeting held at 9:30 a.m., Friday, January 16, 2026, at the Kevin Wailes Operations Center, 9445 Rokeby Road, Lincoln, Nebraska. Public notice of today's meeting was published in the Lincoln Journal Star on January 13, 2026.

Board Members Present: Kate Bolz, Donna Garden Chelsea Johnson, Alyssa Martin, Lucas Sabalka, Eric Schafer, David Spinar.

Board Members Absent: Carl Eskridge, Andy Hunzeker.

LES Staff Present: Emeka Anyanwu, Emily Koenig, Paul Crist, Jason Fortik, David Malcom, Lisa Hale, Katie Lechner, Jim Rigg, Matt Andersen, Marc Shkolnick, Jessica Kneifl, Sally Jarecke, Keith Snyder, Denise Parrott, Kellie Cave.

Others Present: Nathan Svatora, Kim Morrow, Ken Winston, Scott Williams, and numerous virtual participants via Microsoft Teams.

News Media Present: None.

Chair Lucas Sabalka declared a quorum present and called the meeting to order at approximately 9:30 a.m. A safety briefing was provided. Sabalka noted that LES conducts its meetings in compliance with the Nebraska Open Meetings Act and noted that a copy of the Act is located on the wall at the back of the room and with the Assistant Secretary. Shelley Sahling-Zart, General Counsel, reviewed duties and responsibilities of LES Board members. **Call to Order, Safety Briefing, and Board Member Duties and Responsibilities**

Chair Sabalka asked for approval of the minutes of the December 19, 2025, Board meeting. David Spinar moved approval of the minutes. Alyssa Martin seconded the motion. The vote for approval of the minutes was: **\*Approval of Minutes**

Aye: Kate Bolz, Donna Garden, Chelsea Johnson, Alyssa Martin, Lucas Sabalka, Eric Schafer, David Spinar.

Nay: None.

Absent: Carl Eskridge, Andy Hunzeker.

Ken Winston, speaking on behalf of the Nebraska Chapter of the Sierra Club, commended LES on the growth of the Sustainable Energy Program. He encouraged greater incentives for customer-owned generation and noted several legislative bills that he recommended LES should support or oppose.

**Comments from  
Customers**

Scott Williams, speaking on behalf of himself as a resident of Lincoln, noted higher rates in 2026 for LES customers, and encouraged programs/investments that would keep costs down for ratepayers. He pointed to transmission costs and new gas generation as contributing factors to higher rates. He suggested solar panels on homes and other distributed energy resources to lower customer bills. Williams commended public power on the ability to historically keep rates low.

Eric Schafer, Chair of the Nominating Committee, provided the Committee's recommendation for board officers for 2026. (Exhibit I). The Nominating Committee recommends the following slate of officers:

**Nominating Committee  
Report**

- Chair – Lucas Sabalka
- Vice Chair – David Spinar
- Secretary – Carl Eskridge
- Assistant Secretary – Kellie Cave

The gavel was passed to General Counsel, Shelley Sahling-Zart, to conduct the election of board officers for 2026. As previously reported, the Nominating Committee recommended the following slate of officers:

**\*Election of Officers for  
2026**

- Chair – Lucas Sabalka
- Vice Chair – David Spinar
- Secretary – Carl Eskridge
- Assistant Secretary – Kellie Cave

Sahling-Zart opened the floor for other nominations. Hearing none, Chelsea Johnson moved nominations close, and the nominated slate of officers be elected. Eric Schafer seconded the motion. The vote to elect the nominated slate of officers for 2026 was:

- Aye: Kate Bolz, Donna Garden, Chelsea Johnson, Alyssa Martin, Lucas Sabalka, Eric Schafer, David Spinar.

Nay: None.

Absent: Carl Eskridge, Andy Hunzeker.

The gavel was passed to Chair Sabalka, who conducted the remainder of the meeting.

Sally Jarecke, Communications Lead, Communications, presented a **2025 Reflections Video** 2025 reflections video prepared by LES's Communications team. A summary of key points from the video was also provided to the board. (Exhibit II)

Matt Andersen, Specialist, Government Relations, reported on activities of the Nebraska Legislature and legislative bills of impact to LES. He indicated more than 400 new measures were introduced as of Jan. 15<sup>th</sup> and that legislation not acted on by the end of this session will not carry over to the 2027 session. He reviewed the following legislative bills that could impact LES: **2026 State Legislative Report**

- LB 916: Provides new approval requirements for carbon dioxide pipelines, including stricter permitting standards and prohibits the use of eminent domain for carbon pipeline projects.
- LB 964: Requires all political subdivisions to hold open and public hearings before selling, leasing or purchasing real estate.
- LB 1003: Adopts the Renewable Energy Consumer Protection Act, mandating disclosures, contract transparency, licensing and consumer protection standards for residential and small-business renewable energy and battery storage agreements.
- LB 1010: Defines and regulates electric energy storage resource facilities and adjusts application, notice, filing, exemption and violation provisions related to such facilities.
- LB 1026: Prohibits an electric supplier from retiring, shutting down, ceasing operation of or substantially altering the operation of energy generation facilities if customers are waiting for service, with limited exceptions.
- LB 1027: Removes certain exemptions for privately developed renewable energy generation facilities, aligns the Nebraska Power Review Board approval requirements with existing requirements for public electric suppliers, and changes requirements related to the construction of such

facilities, including requiring a power purchase agreement with a public power district.

- LB 1064: Establishes the Large Load Customer Regulation Act, defining "large load customer" and providing requirements for such customers intending to expand or seek new service, as well as increased powers for the public electric supplier providing service.
- LB 1093: Updates the definition of "excavation" under the One-Call Notification System Act by adding an exemption for hand-digging by telecommunications, cable or broadband providers at limited depth.

Andersen also highlighted an upcoming Legislative Resolution to be introduced at the State Legislature, to commemorate Lincoln Electric System's 60th anniversary on Feb. 1, 2026.

A legislative tracking report will be reviewed with the Board's Legislation & Governmental Affairs committee after all bills have been introduced to finalize LES's positions on legislation.

Jessica Kneifl, Specialist I, Energy Services, presented an overview of the Sustainability Energy Program's 2025 performance and LES' affordable housing energy-efficiency initiatives (Exhibit III). Key highlights for 2025 include:

- \$2.2 million in energy-efficiency obligations, with more than \$1.5 million dedicated to heat pump and air-conditioner installations.
- Completion of 2,268 energy-efficiency projects.
- Peak Rewards enrollment grew to 4,600 devices, reducing peak net demand by 5.5 MW. Total peak net demand reduction reached 6.3 MW, up from 5.8 MWh in 2024.
- Net energy savings totaled 1,614 MWh in 2025, compared with 1,867 MWh in 2024.
- LES investment of \$467,000 in programs serving income-qualifying and vulnerable households in 2025, of which \$300,000 was funded by Google.

**2025 SEP  
Programs/Income-  
Qualifying Energy  
Efficiency Projects**

Kneifl indicated changes for 2026 will be minimal as LES prepares for the Comprehensive Demand Side Management Evaluation.

Emeka Anyanwu, CEO, provided an overview of the 2026 targets tied to the five strategic objectives in the LES strategic plan. Each objective comprises three goals, each with an

**Introduction to Key  
Performance Indicators  
(KPIs)**

associated 2026 target, aside from Customer & Community, where target development is ongoing. He also shared the initial set of 2030 targets for each objective. Anyanwu noted LES is forming a cross-functional team to monitor and evaluate performance against the key performance indicators. (Exhibit IV)

The next regular meeting of the LES Administrative Board will be **Next Meeting** Friday, February 20, 2026, at 9:30 a.m.

Without further business before the Board, Chair Sabalka declared **Adjournment** the meeting adjourned at approximately 10:58 a.m.

Carl Eskridge, Secretary

BY: *Kellie Cave*  
Kellie Cave, Assistant Secretary

# **Exhibit I**



MEMORANDUM

**Date:** January 13, 2026  
**To:** LES Administrative Board  
**From:** Board Nominating Committee  
**Subject:** Election of 2026 Officers

The Nominating Committee is recommending the following slate of officers for the January 2026 Lincoln Electric System Administrative Board Election of officers.

Lucas Sabalka	-	Chair
David Spinar	-	Vice Chair
Carl Eskridge	-	Secretary
Kellie Cave	-	Assistant Secretary

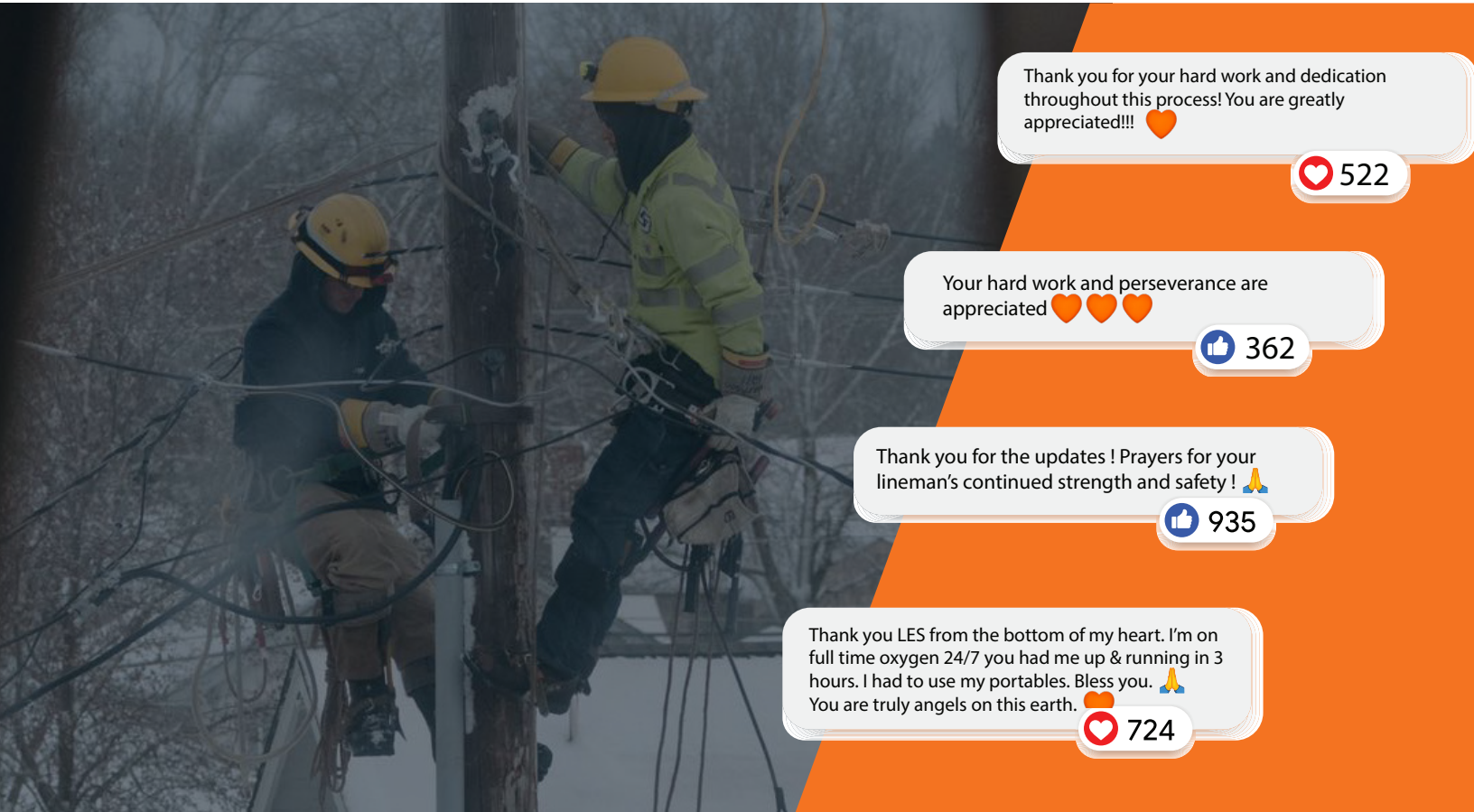
# **Exhibit II**

# 2025 Reflections YEAR-IN-REVIEW



**SAFETY | INTEGRITY | EXCELLENCE | COMMUNITY | DEPENDABILITY | CURIOSITY**

What a year! 2025 brought innovation, teamwork and progress at every turn. We adapted, we delivered and we celebrated big wins — like major storm restoration, rolling out our new strategic plan and strengthening our resource adequacy. We set the stage for an even brighter future.



Thank you for your hard work and dedication throughout this process! You are greatly appreciated!!! ❤️

❤️ 522

Your hard work and perseverance are appreciated ❤️❤️❤️

👍 362

Thank you for the updates ! Prayers for your lineman's continued strength and safety ! 🙏

👍 935

Thank you LES from the bottom of my heart. I'm on full time oxygen 24/7 you had me up & running in 3 hours. I had to use my portables. Bless you. 🙏  
You are truly angels on this earth. 🧡

❤️ 724

**2,200**  
energy-efficiency  
projects completed



**15 yrs** no lost time  
injuries  
reported at  
Terry Bundy  
Generation  
Station



**\$3.17** the average  
cost of  
electricity for  
residential  
customers  
per day

**333** HelpDesk  
tickets  
processed

**RANKED  
10th**  
out of 87 cities for  
residential  
affordability



**31,024**  
new customer  
portal registrations

**\$2.2M**  
obligated through  
the Sustainable  
Energy Program



# UNVEILING OUR NEXT CHAPTER

After nearly a year of thoughtful work, collaboration and focus, our strategic plan, **Powering LES Forward**, was approved in August. This plan reflects the voices of our community, shaped by input from our residential and business customers, employees, LES Administrative Board members and community partners through surveys, community meetings and hands-on workshops. The plan establishes strategic objectives and goals that will guide our utility while upholding our commitment to powering our community through responsible stewardship of our shared resources.



Employee survey engagement



2,500 hrs of project time

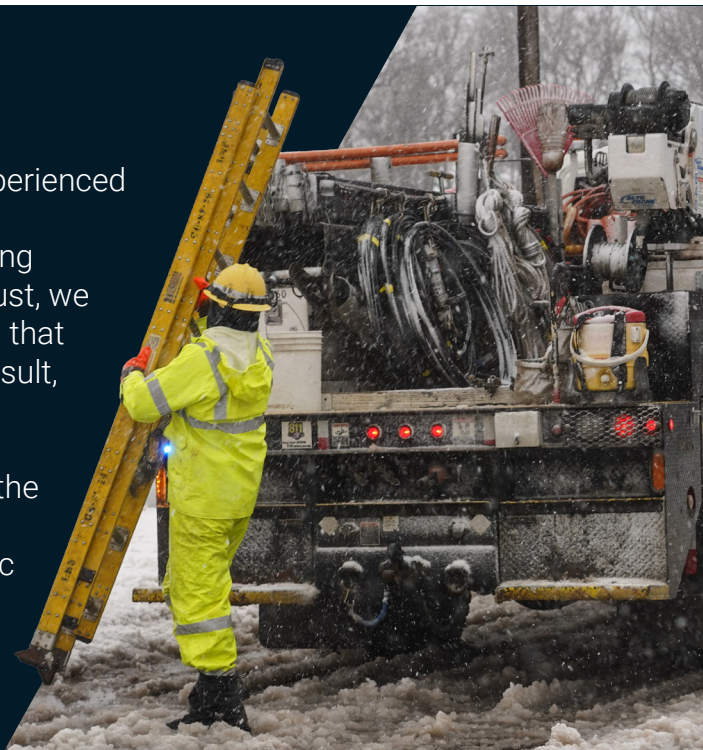


7 community meetings

# SETTING NEW RECORDS

Our resilience and grit were tested like never before as LES experienced two of the largest storms in our history. On March 19, Lincoln experienced 74 mph winds and ice that toppled 93 poles, leaving thousands of customers without power for three days. In August, we experienced our third-largest outage, caused by 91 mph winds that resulted in power outages affecting 38,198 customers. As a result, we requested mutual aid from our utility partners.

Despite these unprecedented challenges, LES remains one of the most reliable utilities in the nation, ranking 2nd in reliability out of 82 cities without major event days. Experiencing two historic storms in one year underscores the growing reality of extreme weather. These challenges have strengthened our resolve to building a more resilient grid and staying agile in the face of crisis.



9.6 hrs avg. outage response time for Aug. storm (CAIDI)



\$3.9M total restoration costs



22 outside personnel

## ADDING NEW GENERATION

As new regulations reshape the landscape of generation, we're adapting to meet evolving requirements while staying true to our promise of reliability and affordability. In 2025, LES added new generation to our resource portfolio, including wind and hydropower, and started plans for two combined-cycle natural gas turbines, which will add an additional 100 MW. To help fund these new generation resources, we made a 4% mid-year rate adjustment in July — our first in nearly 20 years.

Additionally, we energized the North Bluff substation, our newest and one of the largest in LES history. To put its scale into perspective: while a typical substation spans 90,000 square feet, the North Bluff substation will be 880,000 square feet by completion of Phase 2. It's so large that Memorial Stadium could fit inside the substation fence!



**423 MW**  
new wind



**18.4 minutes**  
avg. outage time (SAIDI)



**ranked 2nd**  
in lowest residential  
all-in price

## WELCOMING NEW LEADERS

This year, we welcomed Katie Lechner as our new chief people officer to lead our Employee Services division. Lechner came to LES from Tabitha Health, where she served in various talent management and culture roles, the latest being the chief development & experience officer. Lechner oversees all aspects of our utility's employee programs and culture-building activities.

In January 2026, LES will welcome Donna Garden to the Administrative Board, succeeding Karen Griffin, who served six and a half years on the board. We thank Griffin for her many contributions and involvement for the betterment of LES and the community.



Lucas Sabalka | LES Board Chair



**568**  
employees



**450+ hours**  
of training courses taught



**1**  
new executive leader

## EXPLORING ENERGY WITH STUDENTS

In June, we welcomed 150 K-5 students to the Kevin Wailes Operations Center for a firsthand look at what it takes to keep the lights on. This half-day event was part of a hands-on, STEM-based summer camp for Lincoln-area students.

The day included a presentation from our Geospatial Services team on how power travels from generation to homes, a high-voltage demo by our line technicians and a tour of our facility. Interest in STEM continues to grow, and this year we've seen more requests from schools and community groups than ever before. These opportunities not only spark curiosity but also strengthen partnerships and connect us with learners of all ages — building visibility and inspiring the next generation of innovators.



**1,800**  
students impacted by  
LES STEM activities



**4,800**  
K-12 students reached  
in the classroom



**20**  
high-voltage  
demonstrations



## HITTING THE GLOBAL STAGE

Our talented lineworkers took their skills to the global stage at the International Lineman Rodeo, held in Overland Park, Kansas, competing head-to-head with the best from around the world. While our lineworkers participate in regional lineworker rodeos every year (like the Nebraska Lineworkers Rodeo), this marked our first international competition in years.

Rodeo competitions are an opportunity for lineworkers to showcase their skill, passion and professionalism, and earn recognition for it. These events typically involve written exams that test lineworkers' knowledge, as well as a rodeo competition to demonstrate their skills.

Our teams came back from the International Lineman Rodeo energized, calling this the best rodeo they've ever attended!



**2** rodeos



**27** LES participants



**6** awards

### OUR MISSION

Powering our community through responsible stewardship of our shared resources.

### OUR VISION

Driving our energy future where people and power enable progress

# **Exhibit III**

# Sustainability Programs Update

2025 Recap

Jessica Kneifl | Energy Services

January 2026



# Summary

2025 SEP  
participation  
was similar to  
2024

Minimal  
changes for  
SEP in 2026

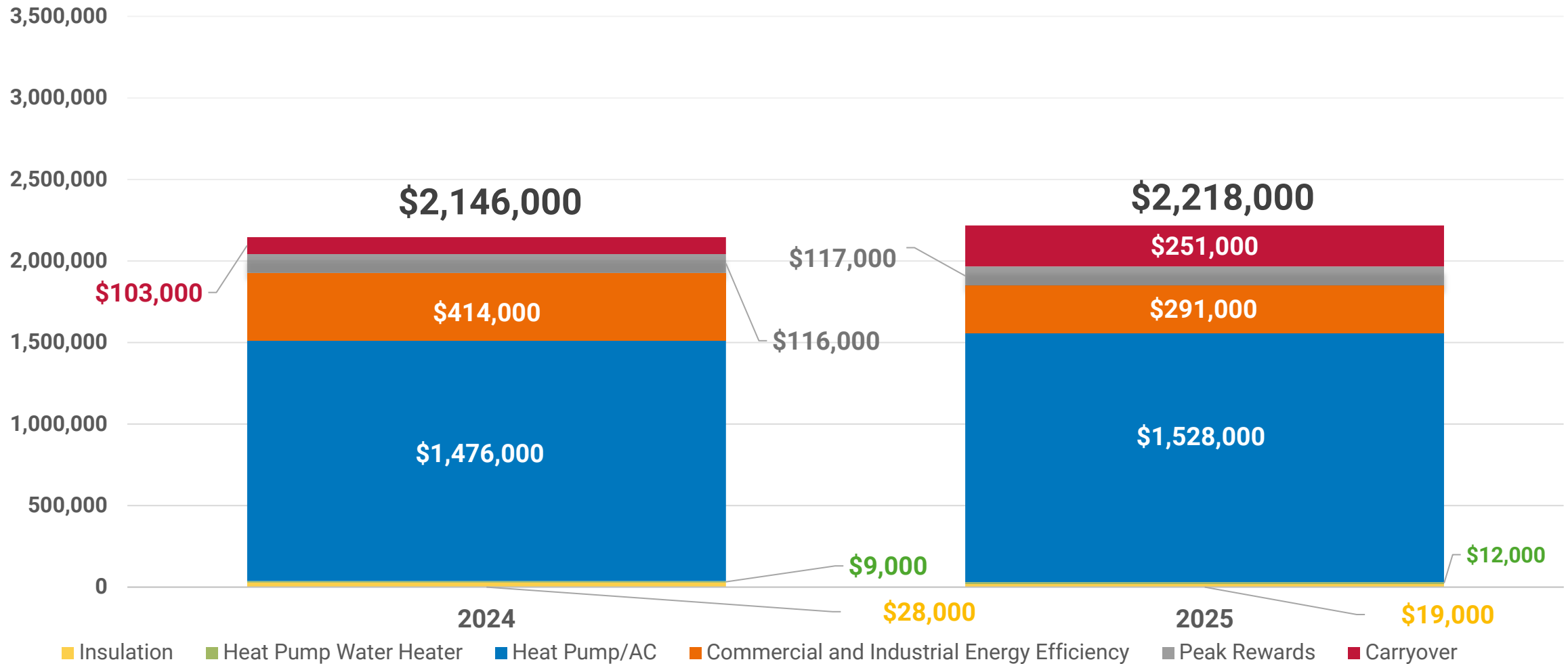
Comprehensive  
demand side  
management  
evaluation in  
2026

Next SoDo  
round  
beginning in  
March

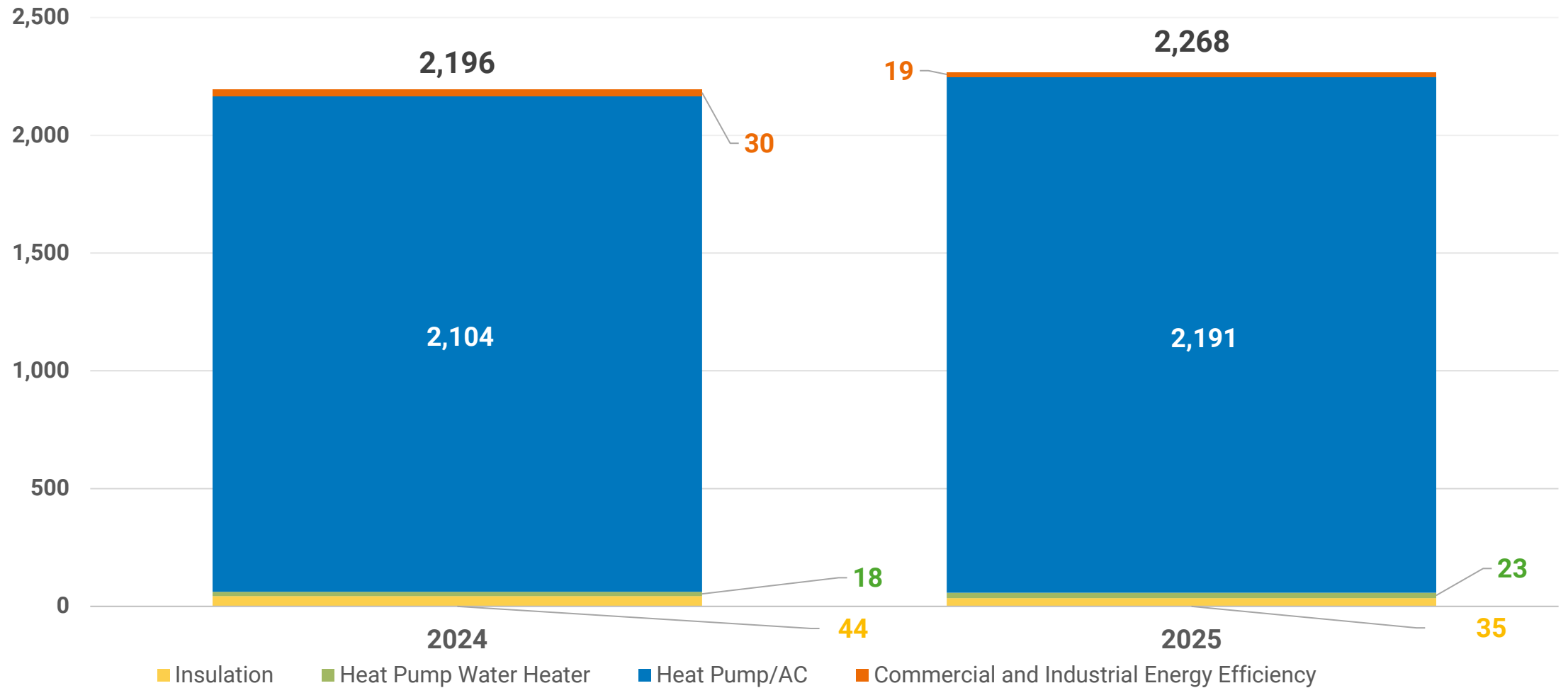
# Sustainable Energy Program

The background image shows a spacious, modern living and dining area. The ceiling is a prominent feature, with a vaulted design made of light-colored wood beams and planks. Several spherical pendant lights are suspended from the ceiling. The room contains several dining tables with chairs, a large sofa, and built-in bookshelves. A large window in the background is decorated with colorful, abstract curtains. The entire scene is overlaid with a dark blue, semi-transparent filter.

# LES Funds Obligated

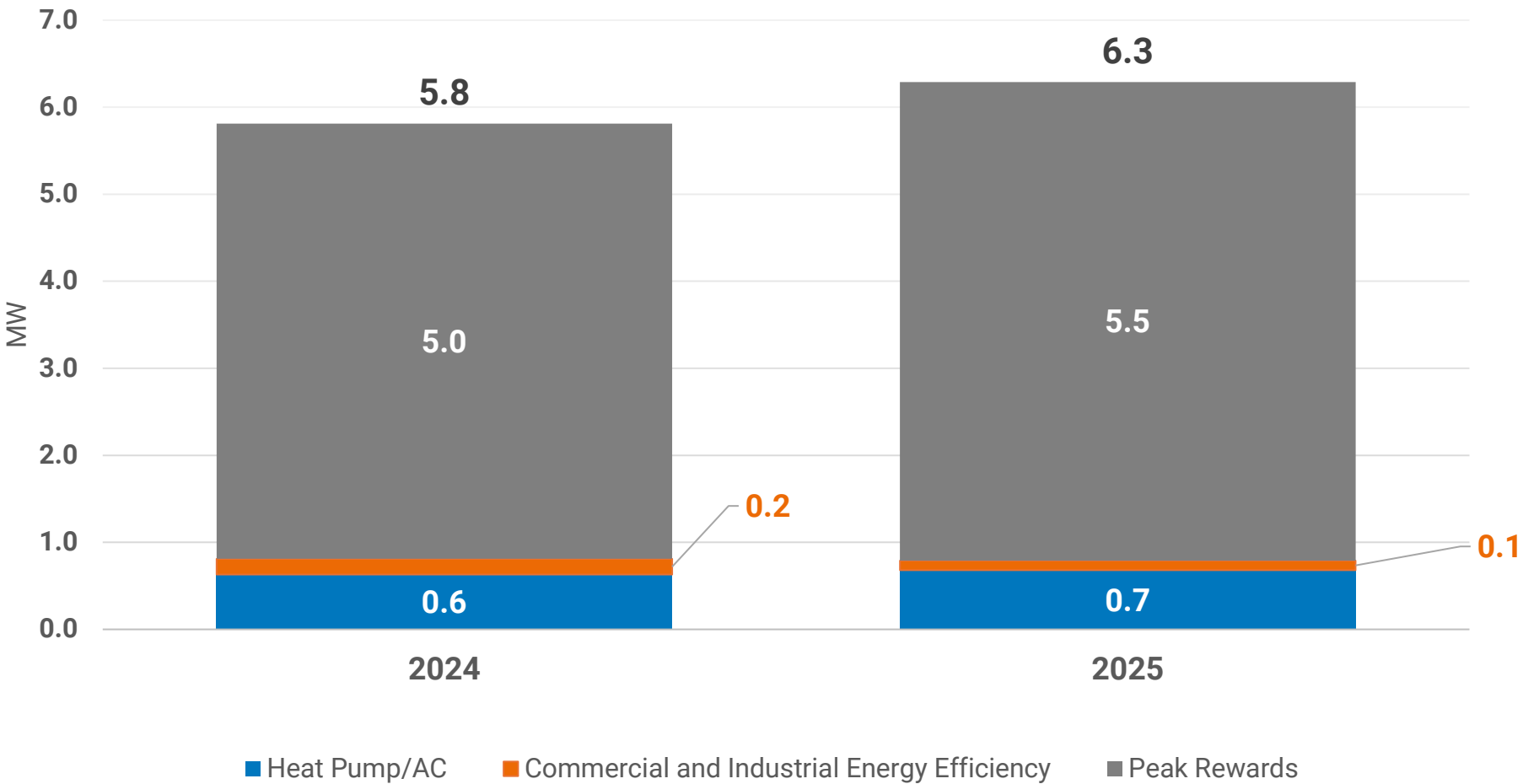


# Number of Projects



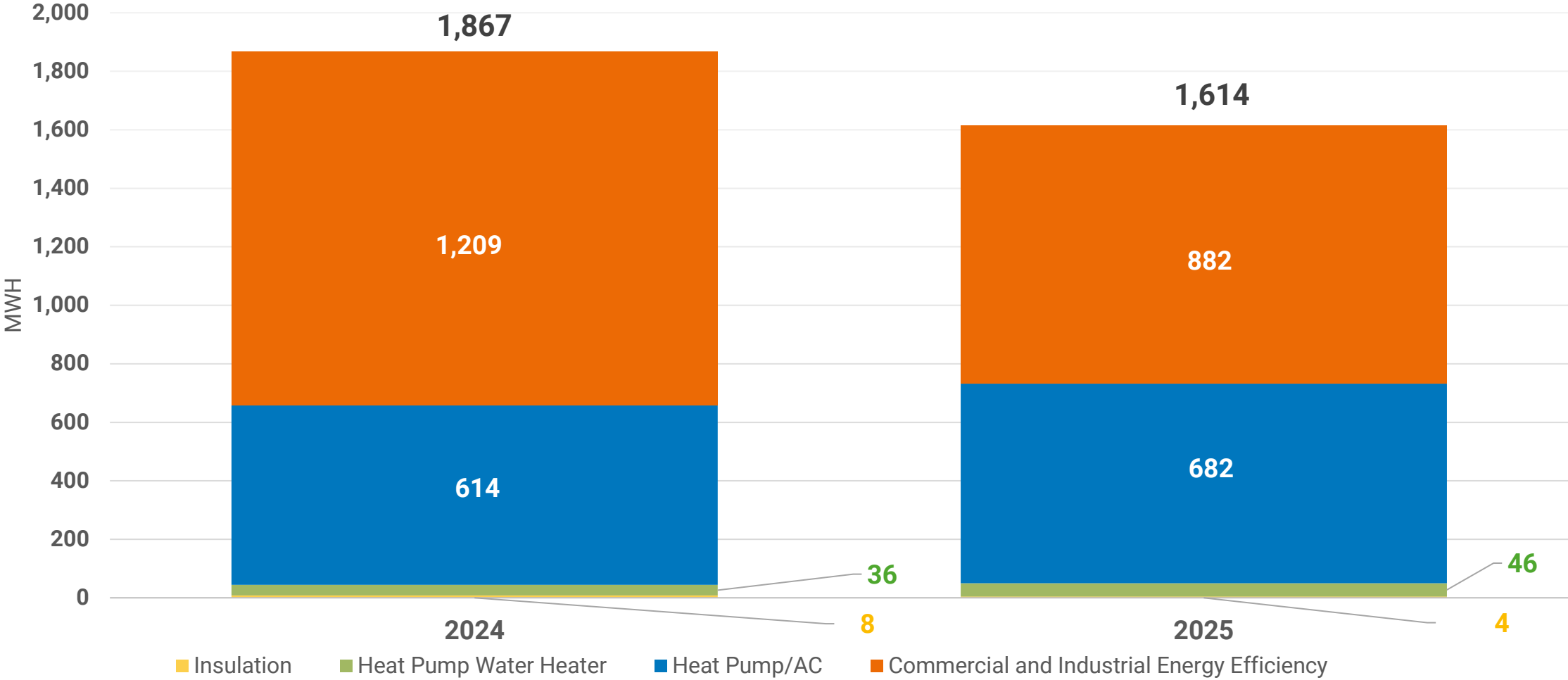
Peak rewards also has over 4,600 devices enrolled.

# Peak Net Demand Reduction (MW)



Insulation and heat pump water heaters are not included on this chart as their peak demand reduction is minimal.

# Net Energy Savings (MWh)





# What's new in 2026?

- Air conditioner incentive reduced to \$300
- Heat pump incentive increased to \$1,000
- Other program changes were kept minimal in anticipation of the Comprehensive Demand Side Management Evaluation in 2026

An aerial night view of a city street. The street is illuminated by streetlights, and several cars are visible. Buildings line both sides of the street, with some windows lit up. A sign for 'P STREET' is visible on the right side. The overall scene is dark, with the primary light sources being the streetlights and building windows.

# Comprehensive Demand Side Management (DSM) Evaluation

# Goals



Evaluate current performance indicators



Review cost-effectiveness tests and assumptions; redesign to value winter peak reduction

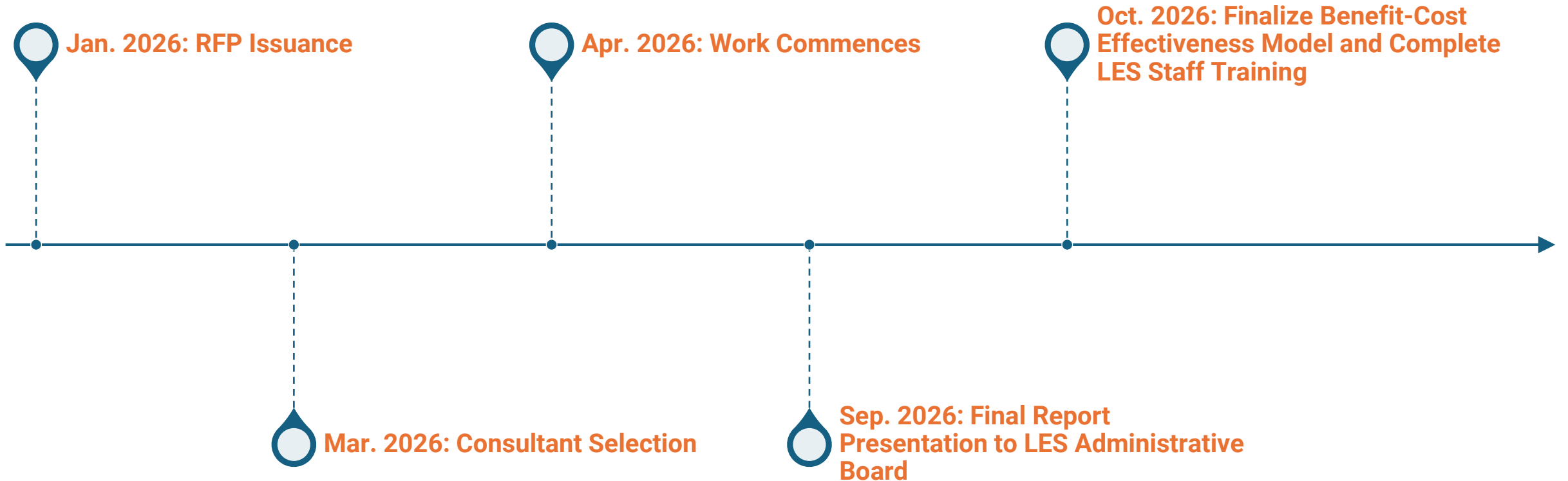


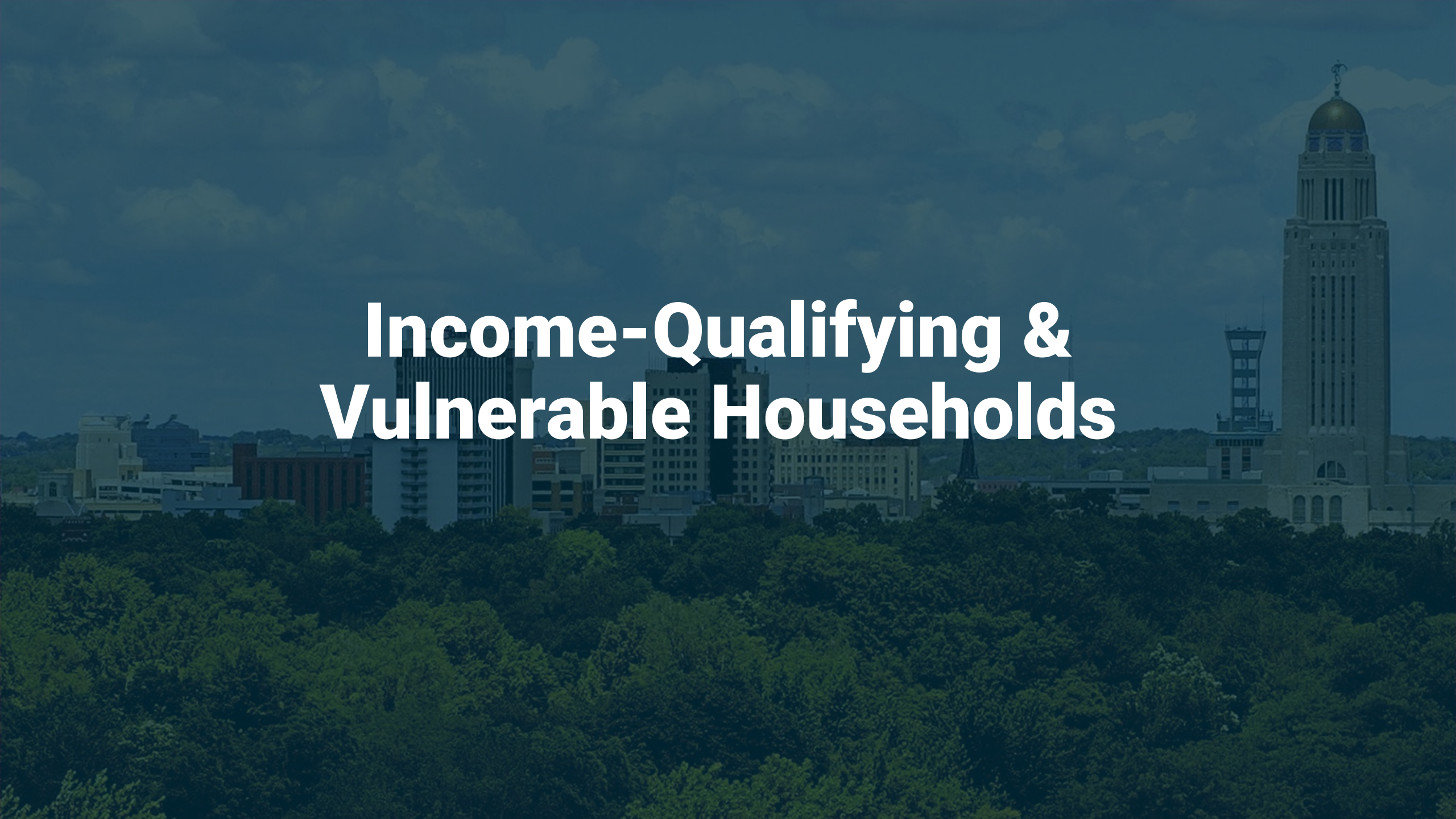
Assess existing energy efficiency and demand response measures; identify new winter peak-reducing options



Conduct an energy efficiency and demand response potential adoption study to inform long-term planning

# Tentative Timeline

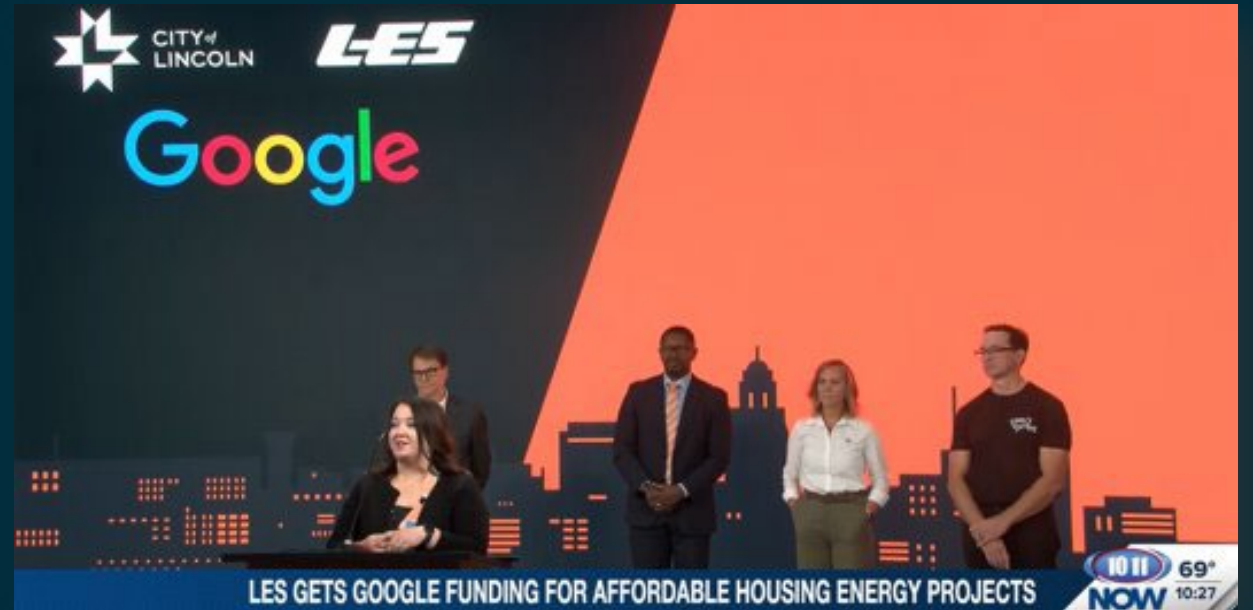


A cityscape with a large green forest in the foreground and a tall building with a dome in the background. The text is overlaid on the image.

# **Income-Qualifying & Vulnerable Households**

# 2025 Recap

- \$467,000 obligated (\$300,000 was Google funding)
- Over 80 living units impacted
- Expected average annual bill savings of \$193 per living unit (varies by project)
- Next round of the South of Downtown (SoDo) program scheduled to begin in March



The New York Times

50 STATES, 50 FIXES

## In Nebraska, Makeovers for Buildings That Don't Price Out the Locals

In a struggling area of Lincoln, a program pays for repairs and energy efficiency upgrades in rental buildings. In return, landlords must keep rents affordable.



**SoDo was featured in *The New York Times* “50 States, 50 Fixes” series. The article was reprinted in newspapers nationwide.**

# Summary

2025 SEP  
participation  
was similar to  
2024

Minimal  
changes for  
SEP in 2026

Comprehensive  
demand side  
management  
evaluation in  
2026

Next SoDo  
round  
beginning in  
March

# Questions

# **Exhibit IV**



# STRATEGIC KPIs

# 2026 GOALS & TARGETS

## OBJECTIVES

### CUSTOMER & COMMUNITY

### INFRASTRUCTURE

### FINANCIAL HEALTH

### WORKFORCE READINESS

### SUSTAINABILITY

## GOALS

### 2026 TARGETS

#### EXPERIENCE

Target to be established in 2026

#### EDUCATION

Target to be established in 2026

#### SERVICE

Target to be established in 2026

#### RESILIENCY

7-year LES average equivalent to the 7-year SPP footprint class averaged rates from the 2030 resource adequacy report

<1% Normal weather  
<10% w/MED

#### CAPACITY

Meeting the newly implemented minimum ACAP SPP Reserve Margin for each season

<1% exceedance in normal conditions

#### PREPAREDNESS

Provide update at least once per year

<1% Normal weather  
<3% w/MED

67%

#### LIQUIDITY

Minimum monthly target = 85 Days

#### BOND RATING

Minimum 1.40

#### RATE OUTLOOK

<2.25%

#### RETAIN

Total: <7%  
Total with exclusions: <5%  
DART <1.8

#### DEVELOP

100% of ELT and Directors

#### ATTRACT

85% filled within the 'goal timeframe'

#### NET-ZERO

>43% reduction Total CO2 tons produced per year is no more than 5 percentage points above a linear trend line to 90% reduction by 2040

#### ENVIRONMENTAL STEWARDSHIP

Target to be established in 2026

#### DEMAND MANAGEMENT

Maintain 2025 baseline

# 2030 GOALS & TARGETS

## OBJECTIVES

### CUSTOMER & COMMUNITY

### INFRASTRUCTURE

### FINANCIAL HEALTH

### WORKFORCE READINESS

### SUSTAINABILITY

## GOALS

### 2030 TARGETS

#### EXPERIENCE

10% improvement over 2026 rating

#### EDUCATION

10% improvement over 2026 rating

#### SERVICE

Below the regional average

#### RESILIENCY

7-year LES average equivalent to the 7-year SPP footprint class averaged rates from the 2030 resource adequacy report  
Move from CELID 8 to CELID6  
<1% in Normal weather  
<10% w/MED

#### CAPACITY

Exceeding the minimum SPP ACAP Reserve Margin by >50MW for each season  
  
<1% exceedance in normal conditions

#### PREPAREDNESS

Provide update at least once per year  
  
Move from CEMI3 to CEMI2  
<1% Normal Weather  
<3% w/MED  
75%

#### LIQUIDITY

Minimum monthly target = 85 Days

#### BOND RATING

Minimum 1.40

#### RATE OUTLOOK

<2.5%

#### RETAIN

Total: <5%  
Total with exclusions: <4%  
DART <1.6

#### DEVELOP

100% of ELT, Directors, Managers, Supervisors and Crew Leaders

#### ATTRACT

90% filled within the 'goal timeframe'

#### NET-ZERO

>55% reduction Total CO2 tons produced per year is no more than 5 percentage points above a linear trend line to 90% reduction by 2040

#### ENVIRONMENTAL STEWARDSHIP

TBD % improvement over 2026 rating

#### DEMAND MANAGEMENT

Maintain baseline and add 3 MW for summer (9.3 MW) and 2 MW for winter (2 MW)

# **Exhibit V**



MEMORANDUM

To: Finance Committee Members

From: Bryan Willnerd, Manager, Enterprise Risk

Date: January 12, 2026

Re: 2025 Enterprise Risk Management Program Update

LES Administrative Board Members,

Per LES Policy 512 – Enterprise Risk Management, Financial Services is responsible in providing an Enterprise Risk Management (ERM) Program report to the Finance Committee and LES Administrative Board annually. The report following this memorandum satisfies this requirement.

Please note that the 2025 ERM report is condensed from previous year's reports due to pausing ERM work until the completion of the LES Strategic Plan. More detail is provided in the following report along with LES's goals for the program in 2026 and beyond.

The Enterprise Risk department began meeting with internal stakeholders in late 2025 to get a jumpstart for 2026 and look forward to working with our peers within the Strategy & Innovation function and the entire LES organization to integrate enterprise risk management into LES's decision-making process.

Please let me know if you have any questions regarding the ERM program and I would be happy to discuss them with you.

Best,

A handwritten signature in blue ink, appearing to read "Bryan Willnerd", is written below the text.

## Objective of the ERM Program and Report

The purpose of Lincoln Electric System's Enterprise Risk Management (ERM) Program is to identify, assess, prioritize, control, and mitigate the adverse effects of enterprise risks in a manner appropriate for a public power utility.

LES utilizes a risk appetite statement to express the level of risk LES is willing to accept to achieve its mission, vision, and strategic objectives. The statement can assist the organization to provide boundaries for overall risk tolerance. LES' current risk appetite statement is as follows:

*"Risks will be managed in a manner that will not materially jeopardize LES' ability to serve its customers, achieve its performance targets and maintain its AA bond rating. LES has high standards of safety, regulatory, legal and ethical conduct."*

LES's ERM program supports controls and mitigation strategies to minimize adverse impacts on LES's operations, financial position, and reputation to protect its ratepayers and the community. Findings from the ERM program assist LES in determining necessary liquidity levels for the rate stabilization fund and identifying and prioritizing limited budget dollars to fund risk prevention and mitigation projects. Bond rating agencies also expect organizations, such as LES, to develop and maintain an active ERM program to support a strong credit rating, minimizing borrowing costs.

The purpose of this report is to update and document the status of the ERM Program for 2025.

## Summary of 2025

2025 was a year of significant change for LES. Two major developments shaped the organization: the adoption of a new Strategic Plan and ongoing internal organizational restructuring. Both initiatives required substantial time, coordination, leadership, and focus, resulting in placing an intentional "pause" to efforts related to the Enterprise Risk Management (ERM) program as explained below.

### Strategic Plan Development

The largest initiative for LES in 2025 was the development and approval of the LES strategic plan, *Powering LES Forward*. This plan provides LES with a clear roadmap for navigating a rapidly evolving energy landscape and establishes long-term priorities across the utility.

To ensure that the ERM program will support the strategic plan, rollout of the Archer-ERM platform was paused to ensure the newly developed hierarchy structure aligned with the objectives and initiatives outlined in *Powering LES Forward*. The hierarchy will be mapped to ensure that risk identification, assessment, control, and mitigation efforts directly assist the strategic plan's execution.

# Enterprise Risk Management 2025 Program Update

## Organizational Restructuring

To enhance alignment and strengthen enterprise-level coordination, LES announced a new Strategy and Innovation function in early 2025. This new corporate function brings together four key areas:

- Innovation & Emerging Trends
- Project Management Office
- Strategic Plan Analysis, and
- Enterprise Risk

Some functions performed within the Treasury and Risk Management department, previously under the Financial Services division of LES, were transferred to the Strategy & Innovation group in late 2025 under the new department name, Enterprise Risk. Enterprise Risk will solely focus on enterprise risk management, corporate property and casualty insurance, and emergency management functions.

Enterprise Risk will collaborate closely with the other units within the Strategy and Innovation function and throughout the LES organization to define working relationships, determine shared processes, and establish how ERM can best integrate into this new organizational structure.

## 2026 and Beyond

With the strategic plan finalized and the organizational restructuring progressing, the ERM program is positioned to resume full development in 2026. The focus for the coming year is to rebuild and modernize the program in a way that is fully aligned with LES's strategic objectives to support value-add, consistent, and enterprise-level decision-making efforts. Key priorities for 2026 include:

1. **Identify and document the purpose, role, and function** of the ERM program within LES to clearly define scope, responsibilities, and organizational expectations.
2. **Develop a risk hierarchy structure** within the Archer-ERM platform that aligns with LES' strategic plan.
3. **Design the risk taxonomy** with quantified assessments that support consistent risk evaluation across the organization.
4. **Establish a risk appetite structure and statement(s)** that reflects leadership's expectations for balancing risk and opportunity consistent with the LES strategic plan.
5. **Set risk appetite thresholds** to assist in the decision-making process of allocating limited resources and provide operational clarity and focus.
6. **Identify the reporting needs of the ERM program** to ensure risk information is transparent, timely, and actionable to the organization.
7. **Establish and document the ERM workflow** to clarify processes for risk identification, assessment, response, and monitoring. Also, document workflow between the ERM program and other parts of the organization to assist in supporting the strategic plan.
8. **Update existing ERM policies** to appropriately reflect program changes and ensure alignment with the new structure, responsibilities, and processes.

These efforts will lay the foundation for a strategically aligned ERM program that will strengthen LES's ability to anticipate risks, manage uncertainty, and support long-term organizational resilience.

# **Exhibit VI**



**Date:** January 16, 2026  
**To:** LES Administrative Board, Emeka Anyanwu  
**From:** Emily Koenig, Bryan Willnerd  
**Subject:** Lincoln Electric System Claims Report for the six-months ending December 31, 2025

**Background**

LES Policy 511 (*Claims Processing*) requires that all claim resolutions shall be reported to the Administrative Board semi-annually. Additionally, the Claims Policy allows the Chief Executive Officer or the Chief Financial Officer to approve the settlement of all claims under \$25,000. Claim payments exceeding \$25,000 are subject to ratification by the Administrative Board.

**Six-Month Claim Activity**

Total claim activity for the six-month period ending December 31, 2025, is as follows (*also outlined on the attached Exhibits A & B*):

	# Claims	\$ Amount
Total Claims Paid	11	\$97,750
Total Claims Denied	6	\$29,560
<b>Total Claims Processed</b>	<b>17</b>	<b>\$127,310</b>

**LES Claim Ratification**

For the six-month period ending December 31, 2025, LES incurred one claim greater than \$25,000, which was ratified by the Board on October 17, 2025, under Resolution No. 2025-12.



Five-Year Claim Activity

Total claim activity for the five-year period ending December 31, 2025, is outlined below. You will notice the significant increase in both claims paid and claims denied in 2025. The increase in claims paid was driven primarily by an increase in claims caused by sewer line damage. The increase in the claims denied activity was driven by two large outage-related claims that were denied in the first half of 2025.

Annual Total Claims Paid:

	# of Claims	\$ Amount
2021	7	\$21,618
2022	4	\$10,826
2023	15	\$42,644
2024	10	\$53,105
2025	18	\$120,210
<b>Total Claims Paid</b>	<b>53</b>	<b>\$248,404</b>

Annual Total Claims Denied:

	# of Claims	\$ Amount
2021	10	\$34,111
2022	8	\$46,120
2023	9	\$3,548
2024	7	\$33,801
2025	9	\$264,622
<b>Total Claims Denied</b>	<b>43</b>	<b>\$382,202</b>



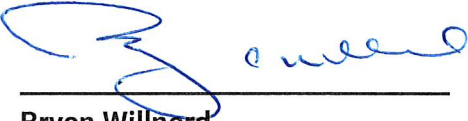
Update on Lawsuit Claims

There was one significant claim against LES which was closed as of December 31, 2025.

**Lawsuit Claim (Closed):** In October 2023, LES installed a pole which caused the collapse of a nearby clay sewer line, resulting in sewage backup in the basement utility room at the residence. LES paid \$15,826 to the property owner that included restoration costs as well as alternative lodging for the occupying tenant of the property.

A lawsuit was filed by the tenant against LES in October 2024 seeking damages in the amount of \$29,000 for damage to personal property (\$12,000) and inconvenience (\$17,000). An answer has been filed on behalf of the City of Lincoln and LES and written discovery requests have been sent to the plaintiff.

LES negotiated a settlement with the plaintiff, ultimately issuing a payment of \$12,000 in September of 2025, closing this claim.

Prepared By:   
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Approved By:   
**Emily N. Koenig**  
*Vice President and Chief Financial Officer*

- c: Paul Crist
- Shelley Sahling-Zart
- Richard Grabow
- JD Linscott
- Travis Burdett



Exhibits: Six-Month Period Ending December 31, 2025

Exhibit A - Paid Claims:

	Claimant	Description of Claim	The Claim Was Paid Because...	Amount Paid
1	Lisa S.	Sewer backup.	LES caused the sewer line to collapse, resulting in a backup in the customers basement causing personal property damage.	\$12,107.84
2	Jim H.	Damage to a tree.	LES damaged the tree while performing a conversion to underground.	\$1,640.00
3	Catherine C.	Damage to sprinkler system.	LES damaged the sprinkler system when relocating a meter.	\$112.00
4	The 8801 Rentals	Damage to pool equipment.	LES damage the motor while conducting a switching order.	\$2,704.70
5	City of Lincoln	Damage to sewer line.	LES contractor hit a sewer line while boring in 2021.	\$66,962.71
6	City of Lincoln	Damaged pedestrian streetlight LEDs.	Pedestrian streetlights failed after LES worked in the area due to improper wiring.	\$1,494.00
7	City of Lincoln	Damage to sewer line.	LES contractor hit a sewer line while boring in 2021.	\$10,825.00
8	Richard L.	Damage to windshield.	LES damaged a windshield while working on an overhead line.	\$892.32
9	Dawn G.	Damage to gutters.	A mutual aid crew damaged the gutter during storm restoration.	\$806.00
10	Nicholas F.	Food spoilage.	LES incorrectly disconnected power to the wrong customer home causing food spoilage.	\$100.00
11	Brittney C.	Food spoilage.	LES incorrectly disconnected power to the wrong customer home causing food spoilage.	\$105.79
<b>Total Amount in Claims Paid</b>				<b>\$97,750.36</b>



## Exhibit B - Denied Claims:

	<b>Claimant</b>	<b>Description of Claim</b>	<b>The Claim Was Denied Because...</b>	<b>Amount Denied</b>
1	Gregory S.	Damaged sewer line.	Damage was part of a customer-initiated project. Customer did not locate private facilities as required by LES.	\$9,297.35
2	Temple Baptist Church	Concrete damage.	The statute of limitations for the claim passed.	-
3	Nathan G.	Damage to pool equipment.	LES is not responsible for damage caused by service disruptions per Service Regulations B.1.3.	\$1,312.54
4	Concrete Industries	Damage to equipment due to outage caused by an LES contractor.	An LES contractor performed the work and settled the claim.	\$15,224.30
5	Brett J.	Damaged sewer line.	Damage was part of a customer-initiated project.	\$3,375.37
6	Craig C.	Damage to personal property.	An LES contractor performed the work and settled the claim with the customer.	\$350.00
<b>Total Amount in Claims Denied</b>				<b>\$29,559.56</b>



## Upcoming events

### Nebraska Builders Home & Garden Show

**Feb. 13-15**

Sandhills Global Event Center

### Board Meeting

**Friday, Feb. 20 | 9:30 a.m.**

Boardroom

### LPS Science Fair

**Thursday, March 5 | 5-7:30 p.m.**

Sandhills Global Event Center

### Board Meeting

**Friday, Mar. 20 | 9:30 a.m.**

Boardroom

### Board Meeting

**Friday, Apr. 17 | 9:30 a.m.**

Boardroom

### Earth Day

**Saturday, Apr. 25 | TBD**

Nebraska Innovation Campus

### Board Meeting

**Friday, May 15 | 9:30 a.m.**

Boardroom

### **Our Mission**

Powering our community through responsible stewardship  
of our shared resources.

### **Our Vision**

Driving our energy future where people and power enable  
progress.

### **Our Values**

Safety | Community | Integrity  
Dependability | Excellence | Curiosity