



MEAN Finance Committee Meeting

Younes Conference Center South, Kearney, Nebraska

May 21, 2025

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Call to Order

Brent Nation
Committee Chair



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Call to Order

- Nebraska Open Meetings Act – Section 84-1412 (8)
- Roll Call



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Public Comment Period



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Public Participation Policy - Summary

- Any member of the public may speak, subject to these rules
- Individuals must state the following:
 - **Name**
 - **Address** (unless the address requirement is waived to protect the security of the individual), and
 - **Name of any organization represented** by such person
- Public comment period will be a maximum of 30 minutes
- Comments are limited to 3 minutes per person
- Address comments to the Committee as a body and not to any individual member thereof
- Disruptive conduct is not allowed & individual may be asked to leave meeting



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Consent Agenda

- Approval of Minutes of the January 22, 2025 Meeting
- The next meeting of the Finance Committee will be held on August 20, 2025 at the Younes Conference Center South, in Kearney, Nebraska



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Consent Resolution

Approval of the Consent Resolution as shown on page 3 of the meeting packet



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Considerations related to Preliminary Fiscal Year 2024-2025 Financial Results

Kyle Kaldahl
Manager of Rates and Charges



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Coverage Analysis

Fiscal Year 2024-2025

(dollars in millions)

	Preliminary	Current
	2024-2025	2024-2025
Net Revenue / (Loss)	\$ 7.6	\$ 1.1
Change in Unrestricted Funds	\$ 5.2	\$ (1.1)
Debt Service Coverage	1.85	1.28
1.00X required, 1.20X per policy		
Cash Reserve Amount > <u>Minimum?</u>	Yes	No



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Energy Charge Analysis

Fiscal Year 2024-2025

(dollars in millions)

Line	Service Schedule M Energy Charge	Preliminary	Current	Preliminary vs. Budget	
				\$ +/-	% +/-
Cash Costs					
A	Purchased Power, net of Debt and Capital in FCRC	65.2	58.2	6.9	12%
B	Production	16.5	19.3	(2.8)	-15%
C	Transmission	6.3	6.6	(0.3)	-5%
D	MEAN Lease Liability Payment	0.9	0.9	-	0%
E	Administrative and General - Energy Charge	0.7	-	0.7	100%
F	Total Cash Costs	89.6	85.1	4.5	5%
Rate Offsets					
G	Total Electric Energy Sales, net of Energy Charge SSM	(26.5)	(15.8)	(10.7)	68%
H	Other Operating Revenues - Energy Charge Cost Offsets	(0.1)	(0.1)	(0.1)	87%
I	Investment Return - Operating and Rate Stabilization	(2.4)	(2.2)	(0.3)	13%
J	Total Rate Offsets	(29.0)	(18.0)	(11.0)	61%
K	Net Energy Charge Costs	60.5	67.1	(6.6)	-10%
Addition to/(Use of) Cash on Hand					
L	Addition to/(Use of) - Operating Fund	4.7	0.3	4.4	1,290%
M	Total Addition to/(Use of) Cash on Hand	4.7	0.3	4.4	1,290%
N	Total SSM Energy Charge	\$ 65.2	\$ 67.4	\$ (2.2)	-3%

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Fixed Cost Recovery Charge Analysis

Fiscal Year 2024-2025

(dollars in millions)

		Current		Preliminary vs. Budget	
Line	Fixed Cost Recovery Charge	Preliminary	Budget	\$ +/-	% +/-
	Cash Costs				
A	Administrative and General - FCRC	11.4	12.2	(0.8)	-7%
B	MEAN Subscription Liability Payment	0.4	0.4	0.0	4%
C	MEAN and Owned Generation Capital	4.1	3.4	0.7	22%
D	Contracted Generation Capital	1.6	2.3	(0.7)	-32%
E	MEAN Debt Service	10.7	10.7	-	0%
F	Contracted Generation Debt Service, net	15.8	16.3	(0.5)	-3%
G	Total Cash Costs	44.0	45.4	(1.4)	-3%
	Rate Offsets				
H	Other Operating Revenues - FCRC Cost Offsets	(0.9)	(0.7)	(0.2)	27%
I	Investment Return - Debt Service	(0.7)	(0.4)	(0.3)	80%
J	Total Rate Offsets	(1.6)	(1.1)	(0.5)	45%
K	Net FCRC Costs	42.4	44.3	(1.9)	-4%
	Addition to/(Use of) Cash on Hand				
L	Addition to / (Use of) Rate Stabilization - Fixed Cost:	(1.0)	(1.0)	-	0%
M	Addition to/(Use of) Operating Fund	1.5	(0.4)	1.9	-451%
N	Total Addition to/(Use of) Cash on Hand	0.5	(1.4)	1.9	-132%
O	Total Fixed Cost Recovery Charge	\$ 42.9	\$ 42.9	\$ -	0%

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Cash from Rates and Charges

Fiscal Year 2024-2025

(dollars in millions)

Change in Unrestricted Funds	Preliminary	Current Budget	Preliminary vs. Current		
			\$ +/-	% +/-	
By Rate Structure Component:					
Fixed Cost Recovery Charge (FCRC)	\$ 0.5	\$ (1.4)	\$ 1.9	-132%	
Energy Charge	4.7	0.3	4.4	1,290%	
Total	\$ 5.2	\$ (1.1)	\$ 6.2	-579%	



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Unrestricted Funds
March 31, 2025 - PRELIMINARY



Rate Stabilization Account
Total = \$26.6M

*Balance shown includes
estimated year end timing
variances



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Coverage Analysis

	Target/Requirement	24-25 Preliminary	25-26 Budget
Debt Service Coverage	Policy target of 1.20X; requirement of 1.00X	✓	✓

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Coverage Analysis

	Target/Requirement	24-25 Preliminary	25-26 Budget
Debt Service Coverage	Policy target of 1.20X; requirement of 1.00X	✓	✓
Rate Stabilization Fund - Reserve	Reserve - 15% of budgeted cash operating expenses, excluding purchased power capital; plus, annual average of preliminary 5-year capital budget, including purchased power capital	✓	✗

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Coverage Analysis

	Target/Requirement	24-25 Preliminary	25-26 Budget
Debt Service Coverage	Policy target of 1.20X; requirement of 1.00X	✓	✓
Rate Stabilization Fund - Reserve	Reserve - 15% of budgeted cash operating expenses, excluding purchased power capital; plus, annual average of preliminary 5-year capital budget, including purchased power capital	✓	✗
Rate Stabilization Fund - Other	As determined by the Board for items such as debt strategy, resource planning, etc. Goal of \$1.5M annually for 30 years beginning with fiscal year ended March 31, 2022	✗	✗

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Coverage Analysis

	Target/Requirement	24-25 Preliminary	25-26 Budget
Debt Service Coverage	Policy target of 1.20X; requirement of 1.00X	✓	✓
Rate Stabilization Fund - Reserve	Reserve - 15% of budgeted cash operating expenses, excluding purchased power capital; plus, annual average of preliminary 5-year capital budget, including purchased power capital	✓	✗
Rate Stabilization Fund - Other	As determined by the Board for items such as debt strategy, resource planning, etc. Goal of \$1.5M annually for 30 years beginning with fiscal year ended March 31, 2022	✗	✗
Operating Fund	Policy target of at least 60 days of budgeted cash operating expenses + at least 45 days of budgeted pass through expenses	✓	✗

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Coverage Analysis

	Target/Requirement	24-25 Preliminary	25-26 Budget
Debt Service Coverage	Policy target of 1.20X; requirement of 1.00X	✓	✓
Rate Stabilization Fund - Reserve	Reserve - 15% of budgeted cash operating expenses, excluding purchased power capital; plus, annual average of preliminary 5-year capital budget, including purchased power capital	✓	✗
Rate Stabilization Fund - Other	As determined by the Board for items such as debt strategy, resource planning, etc. Goal of \$1.5M annually for 30 years beginning with fiscal year ended March 31, 2022	✗	✗
Operating Fund	Policy target of at least 60 days of budgeted cash operating expenses + at least 45 days of budgeted pass through expenses	✓	✗
Total Cash Reserve Amount	Total should exceed the sum of the Rate Stabilization Fund and Operating Fund <u>minimums</u>	✓	✗

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Cash Reserve

Rate Stabilization – Reserve + Operating Fund

Proposed Budget 2025-2026



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Summary of Considerations related to Preliminary Fiscal Year 2024-2025 Financial Results

	Recommendation
Rate Stabilization Account Transfers	\$2.5M to Rate Stabilization - Reserve



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Coverage Analysis

	Target/Requirement	25-26 Budget	After Suggested*
Debt Service Coverage	Policy target of 1.20X; requirement of 1.00X	✓	✓
Rate Stabilization Fund - Reserve	Reserve - 15% of budgeted cash operating expenses, excluding purchased power capital; plus, annual average of preliminary 5-year capital budget, including purchased power capital	✗	✓
Rate Stabilization Fund - Other	As determined by the Board for items such as debt strategy, resource planning, etc. Goal of \$1.5M annually for 30 years beginning with fiscal year ended March 31, 2022	✗	✗
Operating Fund	Policy target of at least 60 days of budgeted cash operating expenses + at least 45 days of budgeted pass through expenses	✗	✓
Total Cash Reserve Amount	Total should exceed the sum of the Rate Stabilization Fund and Operating Fund <u>minimums</u>	✗	✓

*Column reflects impact to both 24-25 Actuals and 25-26 Budget

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(dollars in millions)

Targets and Coverage Analysis - Suggested

Net Revenue / (Loss) \$ 5.1

Change in Unrestricted Funds \$ 5.2

Debt Service Coverage 1.65

1.00X required, 1.20X per policy


Cash Reserve Amount > Minimum? Yes




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Adjourn



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