



Unapproved Minutes
Finance Committee Meeting
Municipal Energy Agency of Nebraska
Younes Conference Center South - 416 W Talmadge Rd. Kearney, NE, 68845
January 22, 2025

The Municipal Energy Agency of Nebraska (MEAN) Finance Committee met on Wednesday, January 22, 2025, beginning at 2:30 p.m. (CT), at the Younes Conference Center South located at 416 W Talmadge Road in Kearney, Nebraska, the designated meeting site. Notice of the meeting was given to committee members by e-mail, and the public was advised by publication both in print and online in the Lincoln Journal-Star newspaper and website on January 3, 2025. The notice and agenda were posted upon issuance at the NMPP Energy office, 8377 Glynoaks Drive, Lincoln, Nebraska, and kept continually current and available for public inspection. Meeting information and the current version of the Nebraska Open Meetings Act were made available on NMPP Energy's Public Meeting Information website.

CALL TO ORDER

Chair Brent Nation called the meeting to order at 2:31 p.m. (CT). Pursuant to Section 84-1412 (8) of the Nebraska Open Meetings Act, a current copy of the Open Meetings Act was posted in the meeting room and made available to the public.

ROLL CALL

A quorum was declared with six of seven committee members and ex-officio Tom Ourada in attendance.

1. Pat Davison – Imperial, NE
2. Chris DesPlanques – Indianola, IA
3. Brent Nation – Fort Morgan, CO
4. Tom Ourada – Crete, NE
5. Jeff Pohl – Burwell, NE
6. Adam Suppes – Delta, CO
7. Randy Woldt – Wisner, NE

PUBLIC COMMENT PERIOD

The Public Comment Period was announced and a review of the rules applicable to the public comment process at MEAN public meetings was provided. There were no public comments.

CONSENT AGENDA*

Minutes

Minutes of the December 18, 2024, meeting of the MEAN Finance Committee were previously distributed to Committee Members and were included as Attachment A of the meeting packet. There were no corrections or changes.

Next Meeting

The next meeting of the MEAN Finance Committee will be held virtually on Wednesday, May 15, 2025.

Consent Resolution

Motion: Chris DesPlanques moved to approve the consent resolution as presented. Pat Davison seconded the motion, which carried unanimously on a roll call vote.

CONSENT RESOLUTION

WHEREAS, certain business of the Finance Committee of the Municipal Energy Agency of Nebraska (MEAN) transpires on a regular and routine basis or is not of a controversial nature; and,

WHEREAS, roll-call votes on each individual issue greatly extended the meeting time.

NOW, THEREFORE, BE IT RESOLVED BY THE MEAN Finance Committee that in the interest of economizing time, yet complying with the Open Meetings Act of the State of Nebraska, which requires roll-call voting, the following issues are hereby consolidated in this Consent Resolution:

BE IT FURTHER RESOLVED BY the MEAN Finance Committee that the minutes of the December 18, 2024 meeting are hereby approved.

BE IT FURTHER RESOLVED BY the MEAN Finance Committee that the next meeting will be held virtually on Wednesday, May 15, 2025.

FINANCIAL REPORT

Presenter: Jamie Johnson, Director of Finance & Accounting

A summary of financial results for all NMPP Energy organizations was provided. A summary of MEAN's fiscal year 2024-2025 year-to-date financial report was presented including the results for MEAN; an analysis of MEAN's balance sheet, cash, and investments; and fiscal year-to-date operating results. MEAN financials for October and November 2024 were previously distributed.

MEAN's total unrestricted funds were \$49.3 million in November; of that, \$20.2 million is investments. The investment portfolio average increased from 4.2% in November 2024 compared to 3.75% in November 2023. A summary of the electric energy sales and operating results through November 2024 were presented. Total electric energy costs are \$3.3 million more than budget, but overall electric energy costs on a per MWh sold basis, was less than the cost anticipated in the budget.

BUDGET, RATES, AND CHARGES FISCAL YEAR 2025-2026, MODIFICATIONS TO SCHEDULE OF RATES AND CHARGES FOR SERVICE SCHEDULE M AND TO SCHEDULE OF RATES AND CHARGES FOR SERVICE SCHEDULE K AND K-1*

Presenter: Jamie Johnson, Director of Finance & Accounting

A brief summary of the updated year-end projections for fiscal year 2024-2025 was presented, a mid-year rate adjustment will not be required. November results were particularly good which reduced the use of cash projection that was presented at the December meeting.

Members were referred to Attachment B: Budget, Rates, and Charges Fiscal Year 2025-2026, that were previously distributed and included in the meeting packet.

A summary of rates and charges was presented. In December, the Finance Committee reviewed a draft budget showing what the budget would look like without a change in rates. Based on the committee's feedback during that meeting staff developed the proposed rates and charges which is an overall increase of 9.8%.

An overview of items that impacted the budget were provided and included plant capital, operations and maintenance, market expansion, and price increases for power. The Wholesale power market expansion (Southwest Power Pool Regional Transmission Organization Expansion – SPP RTOE) costs include the pseudo tie costs, market management costs, and software update costs, and all fall under A&G. With this investment MEAN will transition from operating in three markets to operating in two markets which will be a significant benefit to MEAN. Forecasted total capital and Operations & Maintenance (O & M) cost increases through 2031 was presented.

Following the December meeting, and at the direction of the Finance Committee, Staff tried to get as close to a net zero change in unrestricted funds as possible while staying under 10% for the overall rate increase.

Capital costs are expected to rise this fiscal year, and costs are expected to be higher than average for the next several years. The impact of increased costs on cash reserves, the steps to developing changes in rates and charges, a historical look at rate increases, and capacity commitment compensation related rate changes were presented.

A summary of modifications made to the rate schedules was presented and members were referred to Attachment C of the meeting packet: Schedule of Rates and Charges for Service Schedule M, and Attachment D of the meeting packet: Schedule of Rates and Charges for Service Schedule K and K-1, that were previously distributed.

Discussion ensued.

Motion: Pat Davison moved to approve the following resolution. Justin Forman seconded the motion, which carried unanimously on a roll call vote.

FINANCE COMMITTEE RESOLUTION

WHEREAS, the Budget, Rates, and Charges for Fiscal Year Ending March 31, 2026 were previously sent to the MEAN Finance Committee and MEAN Board of Directors; and

WHEREAS, the MEAN Finance Committee desires to recommend the MEAN Board of Directors approve the budget, rates, and charges for fiscal year ending March 31, 2026.

NOW, THEREFORE, BE IT RESOLVED BY the MEAN Finance Committee that the Committee recommends the MEAN Board of Directors approve the budget, rates, and charges, for fiscal year ending March 31, 2026 as presented.

MODIFICATIONS TO FINANCIAL AND ADMINISTRATIVE POLICIES AND GUIDELINES*

Presenter: Jamie Johnson, Director of Finance & Accounting

Suggested modifications to MEAN's Financial and Administrative Policies and Guidelines have been discussed at previous meetings, were previously distributed, and included as Attachment E of the meeting packet.

The proposed modifications will address capacity commitment compensation and include the established rate methodology as part of a combined effort aligning the Asset Management Policies and Procedures (AMPP), Rate Schedules, and Financial and Administrative Policies and Guidelines as a cohesive package.

Motion: Randy Woldt moved to approve a recommendation to the Board of Directors to approve the modifications to MEAN's Financial and Administrative Policies and Guidelines as presented. Adam Suppes seconded the motion, which carried unanimously on a roll call vote.

ADJOURNMENT

There being no further business, the meeting adjourned at 3:12 p.m.

Prepared by:
Stacy Hendricks
Municipal Energy Agency of Nebraska

Submitted by:
Brad Hans
Director of Wholesale Electric Operations
Municipal Energy Agency of Nebraska