

## MUNICIPAL ENERGY AGENCY OF NEBRASKA

### FINANCE COMMITTEE

#### SCOPE

##### **A. Summary**

The Finance Committee (“Committee”), a subcommittee of the Municipal Energy Agency of Nebraska (“MEAN”) Board of Directors (the “Board”), is responsible for the duties listed below.

##### **B. Composition of the Committee**

The Committee will be comprised as follows:

1. The Committee will consist of seven (7) committee members (each a “Committee Member”) appointed by the Chair of the Board from among the list of Board representatives or alternate representatives. No proxies are allowed. The Chair of the Board shall serve as an ex officio member of the Committee, shall not be counted in determining the number required for a quorum of the Committee for conducting business, but may vote on matters.
2. Each Committee Member shall serve until the earliest of his or her (i) resignation, (ii) loss of status as a Board representative or alternate representative, or (iii) removal as a Committee Member by the Chair of the Board.
3. One Committee Member will be appointed by the Chair of the Board to serve as Chair of the Committee.
4. In the event of a vacancy on the Committee, the Chair of the Board will have the option to fill the vacancy by selecting a new Committee Member or may allow the vacancy to continue.
5. Personal characteristics to be considered when selecting Committee Members shall include but not be limited to the following:
  - Ability to listen, analyze, think clearly and creatively, work well with people individually and in a group.
  - Willing to prepare for and attend Committee meetings, ask questions, actively provide input, interact respectfully with staff and Committee Members, and contribute positively to group dynamics. A Committee Member who fails to attend three (3) consecutive meetings of the Committee may be asked to resign from the Committee.
  - Maintain or develop skills necessary to read and understand financial statements, learn more about the energy and energy services business, understand role and responsibility as a Committee Member.
  - Possess honesty, sensitivity to and tolerance of differing views, a friendly, responsive, and patient approach, community-building skills, personal integrity, and concern for the organization’s welfare.

##### **C. Responsibilities**

The Committee’s responsibilities, in collaboration with staff, include the following:

1. Develop and maintain finance-related planning and reporting systems that help define MEAN’s financial performance and its compliance with policies and procedures.

2. Assess the effectiveness of existing financial strategies, objectives, policies and procedures, and segregation of duties based on input from cross-functional sources; provide reports and recommendations as necessary.
3. Monitor MEAN's long-term competitive positions, sales concentration and deviations from expectations.
4. Review financial forecasting models and control procedures that accurately estimate future revenue requirements, operating reserves, and rate structures necessary to achieve intended financial results; recommend those that achieve financial ratios at levels that support the highest reasonable investment-grade credit rating.
5. Review and assess the fairness and reasonableness of rate structures based on net costs incurred and electric industry standards for allocating those net costs.
6. Establish policies, procedures, and guidance that adhere to applicable legal requirements to safeguard cash and investments while earning suitable returns.
7. Review projections of fixed and variable costs and revenues from sales of excess energy prior to MEAN committing to long-term resource agreements.
8. Report on the effectiveness of executive management's financial internal control practices; annually oversee and review an independently-audited financial statement.
9. Provide guidance in executive management's recommendations of budgets, rates, and contracts.
10. Other duties as assigned by the Board from time to time.

The Committee may perform other functions as may be necessary or appropriate for advising the Board.

#### **D. Meetings**

The Committee will meet as needed and may conduct the meetings by any lawful means. The presence of a majority of the Committee Members, as that term is defined above, will be necessary for the transaction of business by the Committee. Action may be taken upon a vote of a majority of the votes which the Committee Members present are entitled to cast.

#### **E. Reporting**

The Committee reports to the Board. The role and power of the Committee is advisory only. The Committee shall not have authority to act on behalf of the Board. No action or inaction by the Committee shall impair or affect the authority or power of the Board or other authorized parties acting on behalf of MEAN.

#### Revision History

<b>Version</b>	<b>Effective Date</b>	<b>Adoption Date</b>	<b>Description of Revision</b>
1.0	July 1, 2021	May 20, 2021	Adoption of Scope