



Finance Committee Meeting
Municipal Energy Agency of Nebraska
Younes Conference Center South – 416 W Talmadge Rd. Kearney, NE, 68845
January 22, 2025 – 2:30 p.m. (CT)

• AGENDA •

*All agenda items are for discussion and action will be taken as deemed appropriate. Potential action items may include but not be limited to items indicated with an asterisk**

- 1. Call to Order
 - A. Nebraska Open Meetings Act - Section 84-1412(8)
 - B. Roll Call
- 2. Public Comment Period2
(Public Participation Policy applies. See www.nmppenergy.org/about/board-meetings)
- 3. Consent Agenda3
 - A. Approval of minutes from the December 18, 2024, meeting (Attachment A)
 - B. Next meeting
 - C. Consent Resolution*
- 4. Financial Report.....4
- 5. 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* (Attachments B, C, and D).....7
- 6. Modifications to Financial and Administrative Policies and Guidelines* (Attachment E).....8
- 7. Adjourn

MEAN Finance Committee

PUBLIC COMMENT PERIOD

Date: January 22, 2025
Initiator/Staff Information Source: Committee Chair
Action Proposed: Information

Members of the public are invited to attend the meeting and speak during the Public Comment Period, subject to the Public Participation Policy published under MEAN's board information section on NMPP Energy's website <https://www.nmppenergy.org/about/board-meetings>. The Comment Period will be available on a first-come, first-served basis. The sign-up form for individuals interested in making public comments at the January 22, 2025 meeting is available at the link above or here: [Sign Up Form](#)

MEAN Finance Committee

CONSENT AGENDA

Date: January 22, 2025
Initiator/Staff Information Source: Stacy Hendricks
Action Proposed: Approval

Minutes

Minutes of the December 18, 2024 meeting were previously distributed and are included as Attachment A of the meeting packet. If any changes or corrections need to be made, please contact Stacy Hendricks at 800-234-2595.

Next Meeting

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

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.

MEAN Finance Committee

FINANCIAL REPORT

Date: January 22, 2025
Initiator/Staff Information Source: Jamie Johnson
Action Proposed: Information

MEAN financials for October and November 2024 have been previously distributed. Jamie Johnson, Director of Finance and Accounting, will review the financials for MEAN and the other NMPP Energy organizations at the meeting.

A summary for the **NMPP Energy** organizations is included as follows on page 5 of this meeting packet.

NMPP Energy
Balance Sheets
November 2024

| | NMPP | MEAN | NPGA | ACE |
|--|---------------------|-----------------------|---------------------|---------------------|
| Assets and Deferred Outflows of Resources | | | | |
| Cash and cash equivalents | \$ 473,098 | \$ 29,042,657 | \$ 1,988,020 | \$ 1,493,058 |
| Investments (Short-term, Long-term & Restricted) | 50,000 | 36,295,843 | - | 2,405,614 |
| Accounts receivable | 821,761 | 19,513,082 | 1,984,235 | 117,830 |
| Gas in storage | - | - | 1,552,644 | - |
| Prepaid expenses and other | (12,236) | 346,683 | - | 9,982 |
| Productive capacity & lease assets, net & related operating assets | - | 115,967,560 | - | - |
| Capital and subscription assets, net | - | 6,039,203 | - | 10,045 |
| Costs recoverable from future billings | - | 39,222,280 | - | - |
| Deferred loss on refunding | - | 4,549,280 | - | - |
| Deferred costs for asset retirement obligation | - | 515,307 | - | - |
| Deferred outflows from derivative instruments | - | - | 894,000 | - |
| Total assets & deferred outflows of resources | \$ 1,332,623 | \$ 251,491,895 | \$ 6,418,899 | \$ 4,036,529 |
| Liabilities and Deferred Inflows of Resources | | | | |
| Accounts payable and accrued expenses | \$ 683,222 | \$ 9,102,468 | \$ 644,916 | \$ 42,186 |
| Storage deposits | - | - | 1,852,000 | - |
| Lease & subscription liabilities, net long-term debt, & interest payable | - | 148,909,759 | - | - |
| Asset retirement obligation | - | 515,307 | - | - |
| Deferred inflow - deferred revenue - rate stabilization | - | 26,933,336 | - | - |
| Deferred inflow - deferred gain on refunding | - | 2,297,536 | - | - |
| Fair value of derivative investments | - | - | 894,000 | - |
| Total liabilities and deferred inflows of resources | 683,222 | 187,758,406 | 3,390,916 | 42,186 |
| Net Assets/Net Position | 649,401 | 63,733,489 | 3,027,983 | 3,994,343 |
| Total liabilities, deferred inflows & net position | \$ 1,332,623 | \$ 251,491,895 | \$ 6,418,899 | \$ 4,036,529 |

NMPP Energy

Statements of Revenues and Expenses
For the Fiscal Year to Date: April 2024 - November 2024

| | NMPP* | MEAN | NPGA | ACE |
|--|------------------|---------------------|------------------|-------------------|
| Operating Revenues | \$ 14,958 | \$ 87,615,197 | \$ 3,193,259 | \$ 700,000 |
| Operating Expenses | | | | |
| Commodity costs (electric energy & gas) | - | 69,128,963 | 2,823,680 | - |
| Administrative and general | 800 | 7,773,915 | 365,753 | 452,575 |
| Depreciation and amortization | - | 5,488,772 | - | 4,111 |
| Total operating expenses | 800 | 82,391,650 | 3,189,433 | 456,686 |
| Operating Income (Loss) | 14,158 | 5,223,547 | 3,826 | 243,314 |
| Nonoperating Revenues (Expenses) | | | | |
| Net costs to be recovered in future periods | - | (1,097,528) | - | - |
| Investment return | 12,724 | 1,896,483 | 63,177 | 128,838 |
| Interest expense | - | (2,529,551) | - | - |
| Net Revenue (Loss) | \$ 26,882 | \$ 3,492,951 | \$ 67,003 | \$ 372,152 |
| Budgeted Net Revenue (Loss) | 16,115 | 808,141 | 4,785 | 316,382 |
| +/- Variance to Budget | \$ 10,767 | \$ 2,684,810 | \$ 62,218 | \$ 55,770 |
| Fiscal Year Budgeted Net Revenue (Loss) | \$ - | \$ 1,119,413 | \$ - | \$ 493,856 |

* NMPP activity is shown net of payroll and benefits expense and related reimbursement.

A summary for MEAN is included below.

Municipal Energy Agency of Nebraska

Balance Sheets

| | November 2024 | March 2024 | \$ +/- |
|---|-----------------------|-----------------------|-----------------------|
| Assets and Deferred Outflows of Resources | | | |
| Unrestricted funds | \$ 49,276,624 | \$ 50,243,899 | \$ (967,275) |
| Accounts receivable | 19,513,082 | 18,463,127 | 1,049,955 |
| Prepaid expenses and other | 346,683 | 400,943 | (54,260) |
| Productive capacity operating assets | 3,196,216 | 4,354,061 | (1,157,845) |
| Restricted funds | 16,061,876 | 19,300,423 | (3,238,547) |
| Productive capacity and lease assets, net | 112,771,344 | 115,262,407 | (2,491,063) |
| Capital and subscription assets, net | 6,039,203 | 6,375,709 | (336,506) |
| Costs recoverable from future billings | 39,222,280 | 40,805,737 | (1,583,457) |
| Deferred outflows - deferred loss on refunding | 4,549,280 | 4,760,872 | (211,592) |
| Deferred outflows - costs for asset retirement obligation | 515,307 | 749,476 | (234,169) |
| Total assets and deferred outflows of resources | \$ 251,491,895 | \$ 260,716,654 | \$ (9,224,759) |
| Liabilities, Deferred Inflows of Resources, and Net Position | | | |
| Accounts payable and accrued expenses | 9,102,468 | 12,291,923 | (3,189,455) |
| Accrued interest payable | 864,528 | 2,636,308 | (1,771,780) |
| Lease liability | 22,898,414 | 22,898,414 | - |
| Subscription liabilities | 2,077,851 | 2,354,181 | (276,330) |
| Long-term debt, net | 123,068,967 | 129,439,415 | (6,370,448) |
| Asset retirement obligation | 515,307 | 749,476 | (234,169) |
| Deferred inflows of resources - rate stabilization | 26,933,336 | 27,600,000 | (666,664) |
| Deferred inflows of resources - deferred gain on refunding | 2,297,536 | 2,506,400 | (208,864) |
| Net position | 63,733,488 | 60,240,537 | 3,492,951 |
| Total liabilities, deferred inflows, and net position | \$ 251,491,895 | \$ 260,716,654 | \$ (9,224,759) |

Municipal Energy Agency of Nebraska

Statements of Revenues and Expenses

For the Fiscal Year to Date: April 2024 through November 2024

| | Fiscal Year to Date | | | Prior Year | vs. Prior Year +/- |
|--|---------------------|--------------------|---------------------|---------------------|-----------------------|
| | Actual | Budget | +/- | | |
| Electric Energy Sales - MWh's | 1,401,016 | 1,181,730 | 219,286 | 1,274,044 | 126,972 |
| Operating Revenues | | | | | |
| Electric energy sales | \$ 86,297,383 | \$ 80,827,605 | \$ 5,469,778 | \$ 79,978,611 | \$ 6,318,772 |
| Transfer from/(provision for) rate stabilization | 666,664 | 666,664 | - | 666,664 | - |
| Other | 651,150 | 501,069 | 150,081 | 1,595,854 | (944,704) |
| Total operating revenues | 87,615,197 | 81,995,338 | 5,619,859 | 82,241,129 | 5,374,068 |
| Operating Expenses | | | | | |
| Electric energy costs | 69,128,963 | 65,831,825 | 3,297,138 | 66,672,428 | 2,456,535 |
| Administrative and general | 7,773,915 | 8,100,897 | (326,982) | 7,173,406 | 600,509 |
| Depreciation and amortization | 5,488,772 | 5,310,048 | 178,724 | 5,103,162 | 385,610 |
| Total operating expenses | 82,391,650 | 79,242,770 | 3,148,880 | 78,948,996 | 3,442,654 |
| Operating Income/(Loss) | 5,223,547 | 2,752,568 | 2,470,979 | 3,292,133 | 1,931,414 |
| Nonoperating Revenues/(Expenses) | | | | | |
| Net costs to be recovered in future periods | (1,097,528) | (1,097,528) | - | (897,528) | (200,000) |
| Investment return | 1,896,483 | 1,682,664 | 213,819 | 1,772,184 | 124,299 |
| Interest expense | (2,529,551) | (2,529,563) | 12 | (2,656,007) | 126,456 |
| Net Nonoperating Revenues/(Expenses) | (1,730,596) | (1,944,427) | 213,831 | (1,781,351) | 50,755 |
| Change in Net Position | \$ 3,492,951 | \$ 808,141 | \$ 2,684,810 | \$ 1,510,782 | \$ 1,982,169 |

MEAN Finance Committee

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*

Date: January 22, 2025
Initiator/Staff Information Source: Jamie Johnson
Action Proposed: Information/Recommendation

Included for Committee review and approval are the detailed information on the Budget, Rates, and Charges for the Fiscal Year 2025-2026 (*Attachment B*), schedule of rates and charges for Service Schedule M (*Attachment C*), and schedule of rates and charges for Service Schedule K and K-1 (*Attachment D*).

The Finance Committee previously reviewed the detailed information on the budget, rates, and charges at the December 18, 2024, meeting. Staff will discuss updates to the information in more detail at the meeting.

Staff will also provide information on the additional modifications to the schedules of rates and charges to update and incorporate various rates and charges for capacity commitment compensation.

Staff will recommend the Finance Committee consider a recommendation to the Board of Directors to approve the budget, rates, and charges.

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.

MEAN Finance Committee

MODIFICATIONS TO FINANCIAL AND ADMINISTRATIVE POLICIES AND GUIDELINES*

| | |
|--|----------------------------|
| Date: | January 22, 2025 |
| Initiator/Staff Information Source: | Jamie Johnson |
| Action Proposed: | Information/Recommendation |

Included for Committee review and approval is a redline showing modifications to the Financial and Administrative Policies and Guidelines (*Attachment E*) to add a policy on capacity commitment compensation to the Rates and Charges section.

Jamie Johnson, Director of Finance and Accounting, will review at the meeting.

Staff will recommend the Finance Committee consider a recommendation to the Board of Directors to approve the modifications to MEAN's Financial and Administrative Policies and Guidelines.