

Unapproved Minutes
Finance Committee Meeting
Municipal Energy Agency of Nebraska
Younes Conference Center South - 416 W Talmadge Road, Kearney, Nebraska
May 17, 2023

The Municipal Energy Agency of Nebraska (MEAN) Finance Committee met on Wednesday, May 17, 2023, beginning at 4:23 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 print and online in the Lincoln Journal-Star newspaper and website on May 3, 2023. 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

Chairman Darrel Wenzel called the meeting to order at 4:23 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 all seven committee members in attendance.

Present:

1. Tyler Christoff - Aspen
2. Pat Davison - Imperial
3. Chris DesPlanques - Indianola
4. Edward Dunn - Grant
5. Brent Nation - Fort Morgan
6. Tom Ourada - Crete
7. Darrel Wenzel - Waverly

PUBLIC COMMENTS

Presenter: Darrel Wenzel

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 May 11, 2023, 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 on August 16, 2023, at the Younes Conference Center, 416 W Talmadge Rd. in Kearney, Nebraska.

Consent Resolution

Motion: Edward Dunn moved to approve the consent resolution as presented. Chris DesPlanques seconded the motion, which carried on a unanimous roll call vote.

WHEREAS, certain business of the MEAN 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:

- 1. BE IT FURTHER RESOLVED BY the MEAN Finance Committee that the minutes of the May 11, 2023, meeting are hereby approved.*
- 2. BE IT FURTHER RESOLVED BY the MEAN Finance Committee that the next meeting will be held on Wednesday, August 16, 2023 at the Younes Conference Center South, 416 W Talmadge Rd., Kearney, Nebraska.*

FINANCIAL REPORT

Presenter: Jamie Johnson, Director of Finance & Accounting

MEAN financial results were reviewed by the Committee at its May 11, 2023, meeting. Due to the delayed start of this meeting, Committee members were referred to the financial summary results for NMPP Energy in the meeting packet which will be reviewed in greater detail during the Board of Directors meeting on May 18, 2023.

A. FORVIS Pre-Audit Communication Letter

A copy of the Pre-Audit Communication Letter from FORVIS was previously distributed and included as Attachment B of the meeting packet. It is a standard letter that provides an overview of the audit process, a summary of its scope and timing, and notification of any new accounting standards. GASP Statement No. 86 is a new accounting standard that will apply this year relating to Leases that may affect reporting for MEAN's land lease related to ownership of Wygen 1.

CONSIDERATIONS RELATED TO PRELIMINARY FISCAL YEAR 2022-2023 FINANCIAL RESULTS

Presenter: Jamie Johnson, Director of Finance & Accounting

A. Rate Stabilization Account Transfers

A review of the language on the Rate Stabilization Account in Section 6 of MEAN's Financial and Administrative Policies and Guidelines was presented detailing the purpose and goals of the Energy, Fixed Costs, and Other components within the rate stabilization account.

Previously approved budget and allocation resolutions were reviewed, and other considerations for the Energy, Fixed Costs and Other components was discussed.

Potential costs are expected relating to plant closures, capital improvements and environmental regulations, however, the timing and exact costs are difficult to estimate.

A review of the energy charge analysis showed results were better than anticipated and actual cash use before rate stabilization activity was \$1.1M less than budgeted. For the Fixed Cost Recovery Charge (FCRC), actual cash costs came in \$1.4M under budget.

Allocations proposed in resolution option A were presented. Option A was suggested by staff at the May 11th Finance Committee meeting.

Allocations proposed in resolution option B were presented. If option B is approved intended use of those funds needs to be identified through an additional resolution.

Having the funds in the Rate Stabilization Account provides more flexibility for the use of those funds versus leaving as Operating funds. Resolution A and B determine which component of the rate stabilization account the funds are held in, total dollars in the rate stabilization account will be the same under each resolution.

Discussion ensued.

Motion: Edward Dunn moved to approve resolution – Option A as presented. Tyler Christoff seconded the motion, which carried on a 5-2-0 roll call vote.

Ayes: Tyler Christoff, Pat Davison, Edward Dunn, Brent Nation, Tom Ourada.

Nayes: Chris DesPlanques, Darrel Wenzel

Abstain: None

RESOLUTION – OPTION A

The MEAN Finance Committee recommends the MEAN Board of Directors reverse the transfer of \$1,865,045 from the energy component based on the approved budget, transfer \$1,900,000 from the energy component into the other component of the Rate Stabilization Account, and transfer \$1,286,619 from Fiscal Year 2022-2023 operating revenues into the other component of the Rate Stabilization Account.

B. Allocation of a Portion of Fiscal Year 2022-2023 Net Revenue to Participants

Based on the analysis of current year's costs and compared to the current year's rates and charges, staff did not recommend an additional charge, or a credit to Participants.

MODIFICATIONS TO FINANCIAL AND ADMINISTRATIVE POLICIES AND GUIDELINES

Presenter: Jamie Johnson, Director of Finance & Accounting

Section 13: Contracts was revised as presented updating titles and revising the signatory order of individuals authorized to sign contracts when the Executive Director is out of the office.

Section 17: Rates and Charges was modified due to the recent implementation of the Green Energy Program. Sections 17.2 and 17.3 related to old wind and landfill gas rates were removed.

Motion: Tom Ourada moved to approve a recommendation to the MEAN Board of Directors recommending they approve the modifications to the MEAN Financial and Administrative Policies and Guidelines as presented. Chris DesPlanques seconded the motion, which carried on a unanimous roll call vote.

ADJOURNMENT

There being no further business, the meeting adjourned at 5:14 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