



HB 5292 Analysis

Issue: The Open Meetings Act (OMA) impact on statewide Municipal Electric Joint Action Agencies

Background: Michigan is home to 40 municipal electric utilities who are governed by local city councils. These city councils are elected by the people and subject to the OMA. Of the 40 municipal electric utilities, 37 are Members of Joint Action Agencies (JAAs). A JAA is a public body politic and corporate of the State of Michigan created under Public Act 448, Public Acts of Michigan, 1976 as amended (PA 448). Michigan Public Power Agency (MPPA) and Michigan South Central Power Agency (MSCPA) are the two Michigan based JAAs that operate out of offices in Lansing and Coldwater, MI respectively. JAAs conduct monthly board and committee meetings in order to make decisions about power supply planning & investments, Member operational services and other essential business functions. Each municipally owned electric utility provides a representative to participate as a Board Commissioner in the monthly Board or Committee meetings. **Commissioners are not elected or compensated.**

Problem: In the fall of 2020, changes were made to the OMA which prohibit remote participation in JAA board and committee meetings. Due to this change, Commissioners are required to travel to Lansing from their Member community as far away as Marquette in the north, to Wyandotte and Niles in the southeast and southwest corners of Michigan. The in-person requirements are unproductive, costly and have the unintended consequence of reduced transparency and reduced public engagement. Michigan's power supply is undergoing dramatic change as the industry transitions toward decarbonization. The in-person obligation lessens the public's ability to participate in the critical decisions facing their communities. It also has the strong potential to lessen the ability of municipal electric utilities to compete with the Investor-Owned Utilities and Electric Cooperatives who are not subject to the OMA.

Fiscal Impact: This proposed legislation will have a positive fiscal impact on Michigan's taxpayers. It costs approximately \$41,000 in mileage for MPPA's Commissioners to attend 12 in-person Board Meetings a year (over 72,500 miles for board meetings alone). See the included data regarding travel time and mileage costs. This amount increases further if the in-person Committee meetings are included. Michigan's JAAs do not compensate their Board Members nor offer a per diem; **this cost comes directly out of the pockets of each Member's local taxpayers.** It is also important to note that members of the public who wish to participate in these in-person meetings must cover the same costs (mileage, meals, and lodging) as the Commissioners.

On average, MPPA's Board of Commissioners have a three-hour round-trip commute) to Lansing, with the longest being over 12 hours. The OMA in-person requirements often mean the utility or city manager is gone for an entire day, or in the most extreme case, overnight. **This is an additional cost to their local community.**

The proposed legislation will save taxpayers money, give utility managers the option to remain on site running their utilities, and greatly increase the public's access to information and participation in critical power supply decisions.

Proposal: HB 5292 modifies the OMA to allow for JAAs, formed under PA 448, to hold telephonic or video conferencing meetings, in whole or in part.

Justification: It is practical! For example, MPPA is comprised of 22 Full Members and 6 Associate Member Municipalities (see attached data). MPPA conducts *monthly* Board and Committee meetings to make important decisions for its Members. Full participation is vital for the governance of the agency to function effectively.

The flexibility to conduct remote meetings **will increase both transparency and the public's ability to participate in critical energy decisions.** A customer's access to information about their community's power supply is one simple click away as opposed to a 400-mile drive downstate. The flexibility afforded by enabling remote participation provides the managers and operators of these municipally owned utilities, and their citizens, easy access to information. This easy access also fosters greater participation in decisions which affect their own local energy resources.

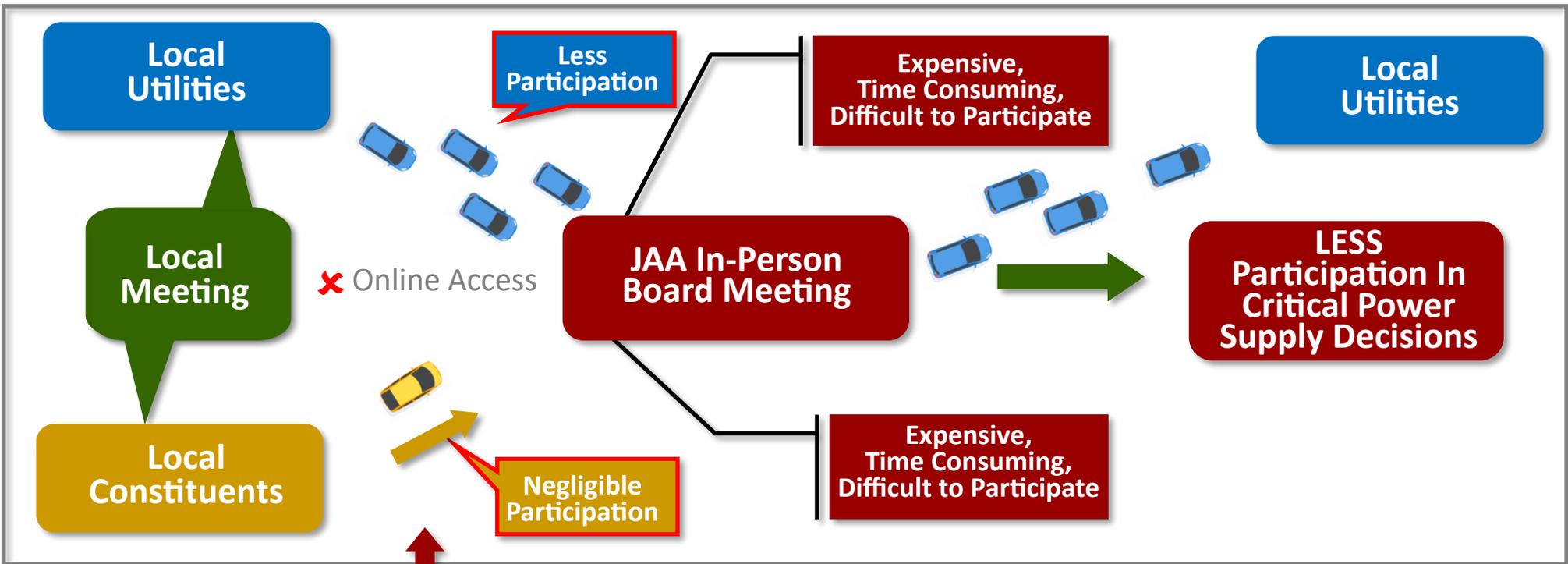
The Cost of Requiring In-Person Board Meetings

Data for Attending the Michigan Public Power Agency's Board of Commissioners Meetings*

City	Estimated Drive Time	Roundtrip Miles	IRS Milage Cost	Annual Time	Annual Miles	Annual Cost
Bay City	3 hours 6 mins	206	\$ 115.36	37 hours 12 mins	2,472	\$ 1,384.32
Charlevoix	6 hours 42 mins	438	\$ 245.28	80 hours 24 min	5,256	\$ 2,943.36
Chelsea	1 hour 52 mins	108.8	\$ 60.93	22 hours 24 min	1,306	\$ 731.14
Clinton	2 hours 42 mins	160.4	\$ 89.82	32 hours 24 min	1,925	\$ 1,077.89
Coldwater	2 hours 6 mins	131.6	\$ 73.70	25 hours 12 min	1,579	\$ 884.35
Croswell	4 hours 18 mins	268	\$ 150.08	51 hours 36 min	3,216	\$ 1,800.96
Eaton Rapids	48 mins	32.6	\$ 18.26	9 hours 36 min	391	\$ 219.07
Grand Haven	3 hours 4 mins	189.4	\$ 106.06	36 hours 48 min	2,273	\$ 1,272.77
Harbor Springs	6 hours 44 mins	444	\$ 248.64	80 hours 48 min	5,328	\$ 2,983.68
Hart	4 hours 38 mins	242	\$ 135.52	55 hours 36 min	2,904	\$ 1,626.24
Hillsdale	2 Hours 34 mins	146.2	\$ 81.87	30 hours 48 min	1,754	\$ 982.46
Holland	2 hours 42 mins	170.2	\$ 95.31	32 hours 2 min	2,042	\$ 1,143.74
Lansing			\$ -		-	\$ -
Lowell	1 hour 32 mins	96	\$ 53.76	18 hours 24 min	1,152	\$ 645.12
Marquette	12 hours 4 mins	806	\$ 451.36	144 hours 48 mins	9,672	\$ 5,416.32
Marshall	1 hour 24 mins	83.6	\$ 46.82	16 hours 48 min	1,003	\$ 561.79
Niles	4 hours 12 mins	252	\$ 141.12	50 hours 24 min	3,024	\$ 1,693.44
Paw Paw	2 hours 44 mins	175.8	\$ 98.45	32 hours 48 min	2,110	\$ 1,181.38
Petoskey	6 hours 26 mins	430	\$ 240.80	77 hours 12 min	5,160	\$ 2,889.60
Portland	48 mins	42.2	\$ 23.63	9 hours 36 min	506	\$ 283.58
Sebewaing	4 hours 6 mins	260	\$ 145.60	49 hours 12 min	3,120	\$ 1,747.20
South Haven	3 hours 30 mins	228	\$ 127.68	42 hours	2,736	\$ 1,532.16
St. Louis	1 hour 40 mins	114.2	\$ 63.95	20 hours	1,370	\$ 767.42
Sturgis	3 hours 6 mins	179	\$ 100.24	36 hours 12 min	2,148	\$ 1,202.88
Traverse City	6 hours 4 mins	372	\$ 208.32	72 hours 48 min	4,464	\$ 2,499.84
Union City	2 hours 2 mins	121.6	\$ 68.10	24 hours 24 min	1,459	\$ 817.15
Wyandotte	3 hours 18 mins	214	\$ 119.84	39 hours 36 min	2,568	\$ 1,438.08
Zeeland	2 hours 28 mins	160	\$ 89.60	29 hours 36 min	1,920	\$ 1,075.20

TOTALS: 48 days or 1,177 hours driving 72,859 miles, at a cost of \$40,801.15

*12 meetings per year. Does NOT include multiple committee meetings several times per year, or any additional staff attending meetings.



Current Requirements

JAA = Joint Action Agency

Proposed Improvements

