

**MINUTES OF THE MICHIGAN SOUTH CENTRAL POWER AGENCY  
BOARD OF COMMISSIONERS WORK SESSION**

**May 28, 2020  
10:00 a.m.**

**Conducted via ZOOM**

**NOTICE OF WORK SESSION**

A public notice had been posted in accordance with Open Meetings Act No. 267, Public Acts of Michigan, 1976.

**COMMISSIONERS PRESENT**

Kevin Cornish, Clinton; Jeff Budd, Coldwater; David Mackie, Hillsdale; Thomas Tarkiewicz, Marshall; Chris Mathis, Union City;

**ALTERNATE COMMISSIONERS PRESENT**

Jim Odneal, Coldwater; Chris McArthur, Hillsdale; Ed Rice, Marshall.

**OTHERS PRESENT**

Don Reid, Coldwater Daily Reporter; Pam Sullivan, Tom Sillasen and Scott Kiesewetter of AMP; Sam Hogg of Wolverine

**A. CALL TO ORDER:**

Chairman Tarkiewicz called the work session to order at 10:05 a.m.

**B. DISCUSSION ON AGENDA:**

Commissioner Mathis requested addition of an agenda item on Wolverine capacity discussion. Commissioners agreed to the addition.

**C. DISCUSSION OF AGENDA ITEMS:**

**1. Review of Administrative Cost Allocations**

Commissioner Cornish discussed allocation spreadsheet "MSCPA allocation by Member 2020 D" provided by Commissioner Cornish via email prior to the work session. Various discussions by Commissioners. Commission Tarkiewicz asked finance committee if they had a recommendation on which of the seven scenarios presented in Commissioner Cornish's version of the spreadsheet. Commissioner Cornish suggested further review of the "AMP2" and "Clinton C" tabs of the spreadsheet; primary difference between the two being "AMP2" illustrates Outside Consultants split 50% of AMP Fee evenly allocated with remaining 50% AMP Fee allocated by yearly energy average; "Clinton C" tab

illustrates Outside Consultants split to a \$10,000 base fee even to each Member with remaining allocated by yearly energy average. Commissioners later determined to align with proposed budget numbers Commissioners should review "AMP1" and "Clinton A" tabs of spreadsheet. Commissioner Tarkiewicz requested Commissioners review and provide comments to Pam Sullivan prior to June 4th Board meeting.

## 2. Review of 2020/2021 Budget

Tom Sillasen presented and discussed a proposed draft 2020/2021 budget spreadsheet. Commissioner Tarkiewicz commented MERS is presented as \$500,000 in proposed budget compared to \$450,000 discussed during prior Administrative Cost Allocations. Commissioner Budd commented the minimum required MERS contribution amount is ~\$250,000 per year. Consensus of Commissioners to change MERS contribution to \$450,000 in draft proposed budget. Consensus of Commissioners to consider the July Board meeting as the formal "Annual Meeting" allowing annual meeting costs to be zeroed out in the draft budget. Commissioners requested Pam Sullivan provide a copy of the insurance renewal applications detailing coverage provided to better understand the projected insurance costs.

## 3. Review of AMP Services Agreement

Pam Sullivan presented and discussed proposed AMP Services Agreement for services starting July 1, 2020 which was reviewed by Steve Mann with minor edits (discussed by Pam) since prior discussion with the MSCPA Board. The agreement is drafted as a five year agreement with possible extension based on mutual agreement. Pam reported the draft agreement was presented and approved by the AMP Board. Commissioner Tarkiewicz discussed an email comment from Steve Mann asking was the Board okay with termination language at 180 days which seems like a long time. Consensus discussion of Commissioners to change termination period to 120 days in the agreement (instead of 180 days). Pam Sullivan will incorporate changes in to a final draft for action at the June MSCPA Board meeting.

## 4. Cash Reserve Policy

Tom Sillasen presented and discussed a summary of the MSCPA Cash Reserve Policy and the six components that make up the cash reserve requirement amount. Consensus of the Commissioners for Tom Sillasen and Pam Sullivan to coordinate with the Finance Committee on the development of recommended adjustments to the policy.

## 5. Wolverine Discussion

Commissioner Mathis reported Union City is looking to potentially purchase \$4.00/kW-mo. flat rate 2021 - 2035 (no escalation) Zone 7 capacity transaction through Wolverine. Commission Mathis requested guidance on how a potential capacity purchase could be purchased by Union City and if the purchase needed to be through MSCPA or if it could



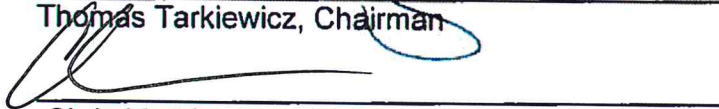
be directly to Union City. Pam Sullivan and other Commissioners commented it could be purchase through MSCPA if approved by the Board. Commissioner Cornish suggested Union City engage John Courtney to provide a review of the request. Pam commented MSCPA board had already authorized the purchase of capacity commitments for the period 2021 – 2024 to fulfill the forecasted needs of the Members. Mr. Hogg commented their proposal was offered to Union City (~2MW) who discussed the offer with Hillsdale and Clinton. Mr. Hogg stated Wolverine needs to understand who ultimately the counterparty would be either MSCPA or the Members. The Board requested that a review of capacity options be presented at the July Board meeting.

The work session concluded at approximately 12:00 p.m..



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Thomas Tarkiewicz, Chairman



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Chris Mathis, Secretary