

WISCONSIN COUNTIES UTILITY TAX ASSOCIATION

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MINUTES OF THE MEETING HELD

February 15, 2013

**DeWitt Ross & Stevens S.C.
Madison, Wisconsin**

2010-2011 Officers

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Member Counties

ASHLAND
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KEWAUNEE
LA CROSSE
MANITOWOC
MARATHON
MARINETTE
OZAUKEE
ROCK
SHEBOYGAN
VERNON
WASHINGTON

The following members were present:

Nick Osborn
Doug Johnson
Kaye Shillin
Linda Sinkula
John Tramburg
Lawrence Willkom
Kyle Christianson

Rock County
Washington County
Kewaunee County
Kewaunee County
Columbia County
Chippewa County
WCA

Via Phone: Sharon Hampson, LaCrosse County

Dan Pazynski, Marinette County

Staff: Alice O'Connor, WCUTA

The meeting was called to order by Chair Tramburg at 10:45 a.m. After everyone introduced themselves, Supervisor Tramburg thanked Jim Ehram for his years of service representing LaCrosse County and he welcomed Supervisor Sharon Hampson who will now represent LaCrosse County. Manitowoc County Board Chair Paul "Biff" Hansen said he will be the representative for Manitowoc County until a replacement is found for former Supervisor Paul Tittl, now a freshman state Representative.

Audit Committee

Supervisors Linda Sinkula, Herb Tennis and Larry Willkom

Nominating Committee

Doug Johnson
Larry Willkom

Minutes

The minutes from the October 12, 2012 meeting had one correction. Don Pazynski, Marinette County Supervisor indicated he had participated by phone and was inadvertently marked as being absent. The minutes as corrected were approved on a motion by Supervisor Kaye Shillin, seconded by Supervisor Larry Willkom.

Treasurer's Report

Supervisor Linda Sinkula presented the Treasurer's Report. She said the checkbook balance as of December 31, 2012 was \$15,204.34. Expenses for September through December 2012 were \$8,538.73. The total balance in all WCUTA accounts as of December 31, 2012 is \$77,031.20.

On a motion by Supervisor Del Twidt, seconded by Supervisor Tannies, the Treasurer's Report was accepted as presented by Linda.

A discussion to lower the dues for 2014 will be discussed at the May annual meeting.

Executive Director Report – Alice O'Connor

Alice reported the Governor would be giving his budget address February 20 and no anticipated changes to the shared revenue or utility tax formula were expected. She said she anticipated the legislature would be making many changes to the Governor's Budget Bill because he has signaled he will be avoiding controversial items in this budget. He is already signaling his desire to run for President. A question was asked about the Wisconsin Utility Tax Association who continues to attempt to solicit dues from some counties. Alice reiterated this is largely a town's association group interested in changing utility tax funding to benefit towns, not counties. Alice also said legislation related to lowering renewable portfolio standards and potential changes to the statewide set back provisions related to wind turbines might occur.

She reported all 2013 dues have been received except for the counties of Kewaunee and Ozaukee.

WCA Report – Kyle Christianson

Kyle reported that the \$480 million surplus and projected \$1.2 billion in new money for Medicaid is already spent. Medicaid remains the fastest growing program in state government. Governor Walker in his budget will spend \$658 million in Medicaid and he won't expand Family Care to the 15 counties who have it. He will use part of the surplus to return \$650 million GPR dollars to the segregated Transportation Fund that was taken in the last budget to plug the Medicaid hole.

He said a two year Transportation and Policy Commission Report ended up being a lot of work for nothing because the Governor has signaled he won't raise taxes or fees. This was proposed by the Commission.

With all these expenditures, Kyle says only \$200 to \$300 million is left and not accounted for. If the Governor creates a rainy day fund, it is possible only \$100 million will be unaccounted for this next budget. Kyle said the Governor said he would expand Family Care if it is "revenue neutral."

He said Brown County is working on an ordinance that will affect land use.

He said WCA is happy the PSC said no to wind turbines in St. Croix County.

Quest Speaker: Rob Kovich, Chief of Staff, Sen. Frank Lasee's office

Rep. Paul Tittl and Rep. Andrew Jacque, our scheduled speakers had conflicts and asked Rob to discuss their legislation. Rob works on energy issues for Sen. Lasee.

Rob first discussed Rep. Jacque's bill LRB 0527/3 that will allow nuclear to count as a part of the renewable portfolio standards (RPS). This helps Point Beach.

As far as the shutting down of the Kewaunee Power Plant he said, the decommissioning has been sought in part because the NRC does not want smaller power plants. They worry something could occur similar to what happened in Japan.

The spent rods at the Kewaunee power plant will be fully expended by the time the plant is fully decommissioned within 10 years. Dry cast storage will be on site. Payments for storage will be \$50,000 with payments for production credits gone.

Under the Clean Water Act, there is a concern how decommissioning the Kewaunee Power Plant could affect Lake Michigan's water temperature so cooling tanks will have to be built.

Additionally, Dominion has been losing \$50 million per year. Point Beach can produce twice as much as the Dominion plant and has long term purchase power in place.

Rob then reported wind development has been taking place the last 20 years at companies like WE Energy, WPS, Excel and the Co-ops. He said everyone loves natural gas but price fluctuation makes it unpredictable. Wisconsin needs safe energy that is cheap. Wind energy is insufficient and each turbine on land costs \$10 to \$20 million dollars. He said the PSC denied a permit for 42 wind turbines five hundred feet high generating 102 megawatts that would only be effective 17% of the time in St. Croix County. He said Sen. Lasee says this is a good decision because base load needs to be efficient. He said PSC rules mandate that a power plants must buy excess energy from a local power plant as long it is under 20 megawatts. The plant in Algoma was used as an example.

He said the set back provision now in a Brown County court remain very controversial. He said if the court does not rule that the statewide preemption standards of 1,250 feet from a house is too close. Senator Lasee will be reintroducing legislation to allow local control. Sen. Lasee remains very concerned about the health and sleep problems associated with local frequency noise.

He said four acousticians did testing in Shirley in December 2012 and all detected low frequency sounds which is why PSC Rule 128 is flawed.

In the Brown County lawsuit, he said the PSC's own expert on wind testified he was not an expert on the impact of low frequency sounds. He added the PSC was supposed to discuss the real estate impact of having towers located near a home. On average, home values drop 40% located near a wind turbine so people are stuck and their homes become valueless.

He said the PSC is now looking into developing a "sound protocol." Development of a rule is likely to take two years.

The next meeting was set for May 31 at DeWitt at 10:30 a.m.

The meeting was adjourned at 12:30 on a motion from Supervisor Kate Shillin, seconded by Supervisor Larry Willkom