

WISCONSIN COUNTIES UTILITY TAX ASSOCIATION

44 East Mifflin Street, Suite 605A, Madison, Wisconsin 53703

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MINUTES OF MAY 9, 2014 MEETING

Call to Order

The meeting was called to order at 10:30 a.m. by Chairman Tramburg

The following members were present: John Tramburg, Columbia County, Lawrence Willkom, Chippewa County; William Goehring, Sheboygan County; Richard Ott, Rock County, Linda Sinkula, Kewaunee County; Chuck Hoffman, Manitowoc County, Herb Tennis, Washington County, Walt Christensen, Jefferson County

Via Phone: Sharon Hampson, LaCrosse County, Don Pazynski, Marinette County

Excused: Herbert Cornell, Ed Dorner, Thomas Meaux, Nick Osborne, Steve Rasmussen, Lisa Schuh, Josh Schoenmann

Staff: Alice O'Connor, WCUA and Kyle Christianson, WCA

Minutes - The minutes of March 31, 2014 were accepted on motion by Supervisor Hoffman, seconded by Supervisor Sinkula.

President's report - Supervisor Tramburg acknowledged the service of the following two supervisors who won their elections but changes were made by the respective county board chairs. Supervisor Tramburg thanked Kaye Shillin, Kewaunee County, and Amy Rinard, Jefferson County for their many years of service and dedication to the Association. Supervisor Tramburg welcomed Supervisor Bill Goehring back to the Board because he was reappointed. He welcomed Supervisor Walt Christensen from Jefferson County.

Nominating Committee Report - the officers presented by the Nominating Committee were approved by consensus for 2015. They are: President - Lawrence Willkom, Chippewa County; Vice President - John Tramburg, Columbia County; Secretary - William Goehring, Sheboygan County; and Treasurer - Linda Sinkula, Kewaunee County.

Supervisor Willkom asked Board Chair Tramburg to make a few comments. Supervisor Tramburg said it was time for him to slow down and he was supporting Supervisor Willkom as the new Board Chair.

Supervisor Tramburg asked three times if there were any other nominations from the floor. Hearing none, the 2014-15 officers were approved on a motion from Representative Ott; seconded by Supervisor Sinkula.

Audit Committee Report – Supervisor Linda Sinkula and Supervisor Bill Goehring.

The Association assets (checking and CDs) through April 30, 2014 are \$68,655.54.

The Association checking account as of April 30, 2014 with invoices paid through February 2014 is \$32,460.35.

Since last year, dues generated regular income of \$26,336.27 in a money market checking account.

A one year CD that matured on May 18, 2012 was rolled over in 2013 with its next maturity date of March 18, 2014 (Park Bank account number 7381806) with interest it is \$10,065.91.

A six month CD (Park Bank #7379279) in the amount of \$40,192.58 has continuously rolled over since the initial \$40,000 was invested October 13, 2011. It was last renewed January 1, 2014 and was rolled over with its next maturity date June 31, 2014. When it renewed January 31, 2014, interest was \$10.14. The CD is currently at \$40,242.77.

Dues have been held at .0015 since 2012 and have continued at that rate since then.

A motion by Supervisor Hoffman, seconded by Supervisor Goehring requests future audit reports to be presented on a calendar year basis with a balance sheet for purposes of reporting with a chart of accounts that will break out fees, postage, food and telephone. Alice will prepare this.

The audit committee report as presented was accepted on a motion by Supervisor Hoffman, seconded by Supervisor Goehring.

Treasurer's Report – Supervisor Linda Sinkula

Supervisor Linda Sinkula presented the Treasurer's Report and she said the checkbook balance as of April 30, 2014 was \$32,460.35. Expenses for March and April 2014 were \$4,074.58. The total balance in all WCUTA accounts as of April 30, 2014 was \$68,655.54. The balance in CD #737927 is \$40,242.77.

The Treasurer's Report was accepted on a motion by Supervisor Hoffman, seconded by Supervisor Goehring.

WCA Report – Kyle Christianson and Dan Bahr

Kyle Christianson and Dan Bahr both shared DOR graphs that they say challenge the assertion by the Towns Association that property values are decreasing faster than county property values where wind towers are cited in a community. Both stressed the WCA would support towns getting more money to assist with wind tower expansion in towns if they went after "new" money, instead of trying to take money from the county utility tax pot of money. Alice reminded the Board the Department of Revenue retains approximately 83% and of all funds collected for power plants and substations that pay no local property tax. The utility tax money split among counties is only approximately 17% of all money collected.

Kyle shared a draft resolution and urged supervisors to tweak it or give him feedback. The goal would be to have individual counties pass this resolution before the end of the year (see attachment)

Those Supervisors who are also town representatives urged the WCA to work with the Towns Association. WC representatives said the WCA does on many issues.

Mr. Christianson and Mr. Bahr stressed their only job was to represent counties and they worked collaboratively with the towns where possible, rather than against one another.

Kyle also reported a new issue emerging with retiring power plants units. He referred to a prior Legislation Fiscal Bureau (LFB) paper previously shared with WCUTA that raises the revenue issue for counties. The state wants to look at gross receipts not name plate capacity, and would reduce revenue accordingly.

He reported other issues for counties that will be in the next budget include: 911 consolidation and funding, road maintenance since the DOT segregated fund that has a \$700 million structural deficit. Fuel efficient cars won't be able to make this hole, whole. He said counties are also questioning how funding for decommissioning power plants will work.

Speaker Dan Sage, PSC Administrator, Gas and Energy Division - Badger Coulee Transmission project. He shared the project flow chart (attached) and said the PSC formal review process.

The PSC will be completed by April 30, 2015 with three public comment periods, six local hearings and environmental impact statement (EIS). The PSC mailing list is over 5,000 individuals, including those who own property along the 180 miles project from LaCrosse to Madison.

He then discussed the NE Appleton Morgan Bay Lake Project in Outagamie/Winnebago Counties where ATC wants to install three lines side by side. The process will evaluate reliability and need factors.

Mr. Sage stressed that their evaluation includes looking outside of Wisconsin geography and including the energy needs of 18 states who participate in the Midwest system operations. This will be wrapped up by April 15, 2015. During the discussion, Mr. Sage reported electricity use is declining due to energy efficiencies and the focus is now on energy distribution. This is why more power lines are going up.

Mr. Sage said any utility who wants to build must make their case and define the need for a new line. Energy growth at the local level is not relevant for the PSC evaluation. The PSC now refers to new projects as “multivalued value” projects. Rates are set at the federal level.

Mr. Sage also discussed the Enbridge Project (9300-GF-184) and said the PSC had no jurisdiction over a liquid pipeline. Only the federal government does. The only rule the PSC plays is under Chapter 32(32.02), the eminent domain statute.

Enbridge can petition the PSC for a grant to authorize condemnation of property. The PSC in recent member has only used eminent domain to condemn property, twice. Enbridge is not a utility so the company must pay for easements to the property. He said the PSC has been given no guidance by the federal government so they are likely to revert back to a public hearing process to obtain input. The PSC always prefers to reach agreements with property owners.

He also clarified in response to a question -- that the state does receive revenue for transmission lines but he did not know if the state received revenue for pipelines.

He said property owners should pay much better attention to what specific languages are inserted into easement language so the property owner knows if it includes any pipelines across sections of their property.

Executive Director Report – Alice O’Connor

Alice reported that with the number of incumbent lawmakers who have announced they are not running again, almost 40% of the next legislature will be new.

She also shared a LFB memo that summarized the tax law changes since January 2011. She mentioned the approximate \$30 million rainy day fund, the largest in the state’s history.

She said she anticipated legislation next session would be looking at changes to the utility tax formula calculation that determine how local governments (towns, cities and counties) are reimbursed for power plants and substations within their jurisdiction.

Future Speakers Suggestions

It was agreed future potential speakers could discuss:

- PSC Speaker – any updates on court decisions.
- Updates on Badger Coulee Transmission project.
- PSC future electricity generating needs of Wisconsin,
- Sen. Lasee or Rep. Thiesfeldt to discuss formula language for wind regulations.
- Kyle to discuss WCA model resolution status.
- Department of Revenue – 2015 budget.

The next meeting will be held October 10, 2014 at the Wisconsin Counties Association, 22 E. Mifflin Street, Suite 900, Madison, WI. The parking ramp is the same one used by Alice so directions for this meeting will be the same as the next meeting, except for entering a building that is more in the middle of the block.

The meeting adjourned at 1:00 p.m. on a motion by Supervisor Hoffman, seconded by Supervisor Sinkula.