

## **Minutes of the Board of Directors – Sept 18, 2020 VIA ZOOM**

The meeting was called to order at 10:30 AM by Board Chair Supervisor Bill Goehring. Roll call was taken and new member from Marathon County Supervisor Tom Rosenberg was welcomed. Chairman Goehring asked people to look at the updated contact list that was emailed earlier and get any changes or corrections back to the WCUTA staff.

He also said the Secretary position is currently vacant on the WCUTA Board and he is interested in filling it. It will be an agenda item next board meeting. Anyone with an interest should reach out to him. The Secretary position functions as a part of the executive Committee.

**PRESENT:** William Goehring- Sheboygan County, Robert Keeney - Grant County Board Chair, Walt Christensen - Jefferson County Supervisor, Lance Leonhard – Marathon County Administrator, Thomas Rosenberg , Marathon County Supervisor, Roger Call Vernon County Supervisor , Clark Schroeder - Ashland County Administrator, Kevin Hamann, Oconto County Administrator, LaCrosse County Supervisor Monica Kruse, Roberts Sivick- Waushara County Administrator, Kyle Christiansen – WCA Tax and Finance Lobbyist,

**STAFF:** Alice O’Connor - WCUTA, Kelly McDowell - WCUTA

**GUESTS:** Mark Radium- Outagamie County Lobbyist; Jim Boullion, RENEW Government Relations Director, Michael Vickerman RENEW Policy Director, and Heather Allen, RENEW Executive Director, Scott Coenen, executive Director, Wisconsin Conservative Energy Forum

**Excused:** Supervisor, Bob Yeomans - Rock County Supervisor, Justin Running, Vernon County, Ray Ransom, Jackson County Board Supervisor

**The minutes from June 5, 2020 meeting were approved on a motion from Supervisor Walt Christiansen, seconded by Supervisor Tom Rosenberg.**

### **Treasurer’s Report- Supervisor Robert Keeney**

The report for the period of April 1 to September 11, 2020 was as follows: The balance in the WCUTA Check book as of April 1, 2020 was \$33,386.33. Interest applied to the checkbook during this same time period through Sept 11,2020 totaled \$2.40 plus \$2.19 plus \$2.68 plus \$1.28 plus \$.46 for a total of \$9.01. The CD (###279) had a beginning balance April 1, 2020 of \$40,929.09 with two interest payments, one for \$51.02 and the second one for \$51.65. They were applied August 30, 2020 for total interest of \$102.67. The CD balance as of September 11, 2020 was \$41,032.76.

Expenses between April 1,2020 and August 11, 2020 were for CSI invoices of \$3,654.00 plus \$2,200.00 plus \$7,035.00 plus \$7,700.00 for a total of \$18,589.00. This leaves a balance in the checkbook and the CD with a total of \$64,766.02 through September 11,2020.

The Treasurer’s report was approved on a motion by Supervisor Tom Rosenberg, seconded by Supervisor Christiansen.

All dues for 2020 has been paid. Two counties who had previously been members and who did not pay will not be pursued.

Dues levels for 2021 were discussed. Even though we don't yet know what the estimated payments for 2021 will be, a consensus to keep dues at .0020% of an individual counties estimated payment was made on a motion was offered by Administrator Robert Sivick, seconded by Supervisor Christiansen.

Supervisor Keeney also indicated that he would like to change WCUTA's fiscal year which currently runs from March 31,2020 to April 1 of the next year to be a true calendar year. This will help with the annual audit and reflect a calendar year and a 12 month period. There are no WCUTA records that explain why the current fiscal year was used. On a motion from Administrator Sivick seconded by Supervisor Rosenberg, the next audit and going forward will run from January 1 to December 31 of the same year . therefore there will be a shortened audit period this year. The next audit Committee will be appointed at the December meeting for a January 2021 Audit Committee report.

### **AUDIT COMMITTEE REPORT - Supervisor Robert Keeney**

Supervisor Keeney said the Audit committee consisted of Supervisors Bob Yeomans, Walt Christiansen and him and met via Zoom. Board Chair Bill Goehring participated in the zoom call. Hard copies of all bank statements and invoices were mailed to all Audit committee members. On April 1, 2019, the business money market checking account initial balance was \$38,921.28. Dues generated between April 1,2019 to March 31,2020 was \$39,728.22 with \$21.71 add to the checking account. During this same time, WCUTA paid \$45,285.18 in expenses leaving a balance of \$33,386.03 in the account on March 31,2020. Outstanding liabilities for January February and arch 2020 totaled \$9,354.00 An overpayment to CSI of \$1000 was repaid by CSI on September 2, 2020.

As of September 1, 2020, the only one outstanding invoice remains in the amount of \$3500 leaving the checkbook with a balance of \$24,398.00.

The WCUTA CD matured August 31,2020 with a \$40,474.99 plus quarterly interest applied August 30, 2019 so the CD started with a new balance of \$40,826.68 and new interest applied. On March 31, 2020 thee new CD balance was \$40,929.09. When the CD matured on August 30,2020 with rollover interest the CD value was \$41,031.76. The Association assets of a combined money market business account and CD on March 31,2020 was \$74,315. 12.

### **EXECUTIVE Directors Report -Alice O'Connor**

Alice referenced the two memos that summarized the Dept. of Revenue meeting July 15, 2020 where members of the Executive Committee met with DOR Secretary Barca, his deputy Secretary Maria Guerra Lapacek and Director of John Dickert. Alice O'Connor and Kelly McDowell were also present. The memos articulate what the DOR has promised to follow-up up on and what we promised as follow-up for WCUTA. A desired meeting in August never happened and as of this meeting we are still waiting for the critical details promised by DOR. Governor Evers has asked his agencies for 5 percent budget reduction plus more, yet each agency introduced their preliminary agency budget and collectively they are asking for over \$722 million in new spending. The state's rainy day fund is at about \$356 million. Because of Covid, our efforts for a Legislative Council Study committee were derailed. Our expectation in March of this year is that throughout summer months this committee would have met and brought forth some specific recommendations to help justify the need to look at a fifty plus year old utility aid calculation that seems out of whack. Where we are today is that even though lawmakers are saying it will be a tight budget, many groups already have their asks for additional funding going into the Governor office. Alice and Kelly believe we should try to get an additional revenue upper put into the

Governor's budget bill while a longer game plan is sorted out. Short of that, at least we will be early this time in the legislative process, giving us more time to influence the budget bill process. Covid was enough to deal with this year before Black Lives Matter and outright riots and thefts occurred to many downtown businesses. In Madison, the state capital was vandalized many times and remains closed at this time. To the best of our knowledge there is no certain date when or if the state capitol will reopen this year. The inability and unwillingness of the Governor and GOP legislature to work together has eput all remaining policy items for 2020 in a state of paralysis. The Senate needs to come back in and address at least a portion of the 173 bills they are sitting on. We know the GOP legislature has no plans to return to the state capitol this yar. After the November election, and starting next year, we will have a better idea what protocol will occur. Doing everything by zoom remains challenging. As colleges reopen with students back to campus and public schools k-12, , COVID numbers have increased, so Wisconsin does not appear to be bending the curve toward reduction in COVID.

The Dept of Revenue forecast estimated payments will be out shortly . With those members, dues will be calculated . We do not know today if counties will receive. WCUA will continue to need to work for a short term and long term strategic solution.

#### **WCA UPDATE: Kyle Christiansen, Tax and Finance lobbyist.**

Kyle indicated that he felt the Senate would return more conservative next session and he thought any desire we have to obtain an increase of utility tax funds, will be challenging. He expects the Senate to remain Republican. The same is true for the state Assembly. He said the WCA has already identified d its budget priorities. They are supportive of our ask but we are not in their top list of priorities.

He said our biggest challenge will be to get 17 votes for something in the Senate. We need a simple ask and he agreed that the WCA and WCUA should send a joint letter to Governor Evers and DOR Secretary Petr Barca asking for an annual inflationary adjustment which is basically our budget motion from last year. Or minimally, ask for a less costly cost of living increase that is under about \$2 million. On a motion by Supervisor Rosenberg, second by Supervisor Walt Christiansen, staff was directed to work with WCA to draft a joint letter that asks for inflationary or cost of living increases for utility tax distribution back to counites. Alice and Kelly will follow-up with Kyle.

#### **Speakers:**

**Renew Wisconsin Jim Boullion, Director of Government Affairs,** RENEW Government Relations Director, Heather Allen, Executive Director, Mike Vickerman, RENEW Policy Director . Their organization is exploring large scale solar projects and trying to determine what dollars will benefit landowners. Incentives and bonuses they feel continue to be needed to push toward renewables. Senator Cowles formula changes in 2004 has been a significant driver for more solar farms in Wisconsin. They said solar is very attractive in Wisconsin because solar and wind farms provide a higher amount of revenue per MW capacity, relative to fossil fuel facilities under the current utility aid formula. Therefore, the shift to renewables should support efforts to grow County budgets as renewables become a larger part of Wisconsin's energy picture. Finally, they said solar and wind farms will be more dispersed around Wisconsin (compared to coal or gas plants), because they do not need to be co-located with water bodies.

With the growing number of utility scale renewable energy projects coming in the future, RENEW understands that the financial benefits they can generate to local communities is very important to successful projects and good relations with those communities.

RENEW Wisconsin is interested in working with the County Utility Aids Association to ensure that local governments get a fair share of the revenues generated by utility scale energy facilities. While RENEW would have concerns with any increase in actual taxes paid by those facilities, how the taxes are allocated between the State, County and local governments is a topic that should be reexamined.

**Wisconsin Conservative Energy Forum, Scott Coenen, Executive Director** said his organization was created in 2017 to present a free market point of view to renewable energy. He said conservatives had been admittedly skeptical of the economics of renewable energy, but they have changed their beliefs. In the last five years alone, he said solar scale projects are now cost competitive and they do not need to be mandated or need subsidies. He said his group does not talk about this as an environmental or climate change issue. But rather the need for energy to flow to rural communities with space to expand and give consumers choice. "Grid diversity" he says will enhance national security. He said another sub group of his group is the Land and Liberty Coalition who is trying to educate people about this new decentralized technology. Both groups referenced the MSIO grid and said in the cue there are about 6000 solar projects in the pipeline for Wisconsin.

Mr. Coenen said their organization would be supportive of a greater percentage of utility taxes returned to local communities as long as utilities were not taxed at a higher rate in the process. He said their group will do anything that creates more incentives for businesses to move to solar. He said the key is that we need to do a better job of educating individuals. Battery storage he said is another issue. And he said they are asking how the state is assisting communities to move away from coal fired power plants to renewables. He said they work with many developers who are waiting to do a project. He said it will matter what the aid formula is and how it is disbursed. He said he and this his organization would welcome the opportunity to come to speak to individual county boards or committees to educate them on what is going on with renewable energy, various projects and incentives needed to drive this. He said we all know agricultural land is taxed at a low level and energy generated is taxed at a higher rate. We need to have a fair tax base to drive new policy. We need money in rural areas.

**Speaker: John Dickert Dept of Revenue**

He said the Dept of Revenue was not all that disappointed that our Legislative Council request to examine the utility tax formula did not come to fruition this year. He said the Dept of Revenue would then have been an advisor to the study and they feel now they can work directly with us to continue a dialogue for a long term policy path. He did not address the action items from the July 15 meeting but again referenced two lawsuits from utilities who were suing DOR and slowing them down. When asked which utilities he declined to specify. He indicated a willingness to keep trying to agree on a path going forward but offered no real specifics. He said DOR should study agricultural use values. He also said the state needs to build in infrastructure costs specifically for local governments as the energy mix changes. He said should we ask Secretary Barca for more money, "it will be a tough sell." He stressed we need to determine the baseline of utility values, where we are now and where we need to go. Several board members reminded him we are waiting on information *that only DOR* has access to so that we can determine "where we are." This has been a 7 year effort to date. He did say he would work on answers to the issues raised at the July 15 meeting and would follow up to get a meeting scheduled in October.

**The next WCUTA board meeting Date was set for December 4, 2020 at 10:30 a.m.**

The meeting adjourned at 12:40 p.m. on a motion by Supervisor Tom Rosenberg, seconded by Supervisor Christensen . Motion carried.