



WISCONSIN COUNTIES  
UTILITY TAX ASSOCIATION

**WISCONSIN COUNTIES UTILITY TAX ASSOCIATION  
BOARD OF DIRECTORS**

**AGENDA**

Friday, December 16, 2022  
**10:00 a.m.**

**Join Zoom Meeting**

<https://us02web.zoom.us/j/81177236388?pwd=K3ZkODkzTDNwbIJWVBoQTU2VFg0QT09>

**Meeting ID:** 811 7723 6388

**Passcode:** 826089

**Join via Teleconference**

1-305-224-1968

Meeting ID: 811 7723 6388#

1. Call to Order  
*William Goehring, WCUTA President*
2. Roll Call  
*Robyn Voss, WCA Government Affairs & Project Manager*
3. Approval of Minutes from October 7, 2022 Meeting
4. Comments by the President
5. Financial Report
6. Guest Speaker  
*Dale Knapp, Wisconsin Counties Association*
7. Lobbyist Report-Discussion/Decision of Legislative Priority  
*George Klaetsch, Klaetsch Public Affairs*
8. WCA Report  
*Kyle Christianson, Vice President of Government Affairs*

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9. Next Meeting Date/Topics
10. Adjourn



WISCONSIN COUNTIES  
UTILITY TAX ASSOCIATION

**WISCONSIN COUNTIES UTILITY TAX ASSOCIATION  
BOARD OF DIRECTORS**

October 7, 2022

Wisconsin Counties Association  
Madison, WI

**MINUTES**

**CALL TO ORDER:** Wisconsin Counties Utility Tax Association (WCUTA) President William Goehring called the meeting to order at 10:00 a.m.

**ROLL CALL: PRESENT:** William Goehring, Thomas Rosenberg, Christopher Polzer, Robert Keeney, Anita Martin, Lee Engelbrecht. **VIRTUALLY:** Roger Calkins, Jim Farrell, Melissa Pingel. **EXCUSED:** Jerry Guth, Erik Pritzl. **OTHERS PRESENT:** George Klaetsch, Klaetsch Public Affairs; Mark Wadium, Outagamie County; David Specht, Senator Ballweg's Office. **OTHERS PRESENT VIRTUALLY:** Al Runde; Legislative Fiscal Bureau. **WCA STAFF:** Robyn Voss, Wisconsin Counties Association.

**APPROVAL OF MINUTES FROM THE JULY 14, 2022 MEETING:** Motion by Rosenberg, second by Polzer, to approve the July 14, 2022 minutes as printed. Motion carried.

**COMMENTS BY THE PRESIDENT:** Mr. Goehring thanked everyone for coming to the meeting. Mr. Goehring also commented on the interesting election season taking place.

**FINANCIAL REPORT:** The Board reviewed the financial reported. Discussion followed. Motion by Keeney, second by Englebrecht, to approve the financial report. Motion carried.

**CONSIDERATION OF 2023 WCUTA DUES SCHEDULE:** Mr. Goehring proposed keeping the same formula that was used for the 2022 dues for 2023 (.00225). Discussion followed. Motion by Keeney, second by Rosenberg, to approve the 2023 WCUTA dues. Motion carried.

**GUEST SPEAKERS:** Mr. Klaetsch introduced David Specht who is attending on behalf of Senator Joan Ballweg. Mr. Klaetsch also introduced Al Runde who appeared via Zoom. Mr. Runde told the Board about how the payments have gone up over the last five years. Mr. Runde also talked about the change in payments with the solar farms going up. He explained that the payments from solar farms will likely increase due to the reduction in coal plants. Discussion followed.

**LOBBYIST REPORT:** Mr. Klaetsch said he was trying to catch up with everyone on the Board. Mr. Klaetsch said he has been gathering intel and building a case to bring to the legislators. Lee Englebrecht had a few corrections on Mr. Klaetsch's report stating this is a very complex issue. Discussion followed.

**DISCUSSION OF LEGISLATIVE BILL DRAFT:** Mr. Klaetsch said he will have a bill draft by the next meeting with three different options by the next meeting in December. He plans to work with the WCA to come up with the draft. Discussion followed.

**KLAETSCH PUBLIC AFFAIRS CONTRACT RENEWAL DISCUSSION:** Mr. Goehring asked for a motion to renew George's contract. Motion by Engelbrecht, second by Rosenberg, to extend the contract between George Klaetsch and WCUTA, with the same rate, for 12 more months. Motion carried.

**WCA REPORT:** Kyle Christianson was unable to attend today's meeting.

**NEXT MEETING DATE/TOPICS:** The Board agreed they would like Mr. Klaetsch to have a bill draft at the next meeting. The Board planned to meet in December.

**ADJOURN:** Motion by Polzer, second by Rosenberg, to adjourn the meeting at 12:05 p.m. Motion carried.

<b>WCUTA</b>			
2022 Revenues/Expenses			
12/8/22			
<b>Receipt of Check from WI County Utility Tax Association - Park Bank Cashier's Check</b>	<b>\$ 79,485.30</b>	<b>2/14/22</b>	
<b>2022 REVENUES</b>	<b>Amount</b>	<b>Date</b>	
Add'l 2022 Membership Dues Paid	\$ 13,826.93	2/14/2022 - 4/11/2022	
2023 Membership Dues Paid	\$ 11,724.50	11/2/2022-12/5/2022	
<b>2022 TOTAL REVENUE</b>	<b>\$ 25,551.43</b>		
<b>EXPENSES PAID IN 2022</b>	<b>Amount</b>	<b>Date Paid</b>	<b>Payable to</b>
Klaetsch Public Affairs Strategies - 2/2022 invoice	\$ 3,640.90	2/17/22	Klaetsch Public Affairs Strategies, LLC
Klaetsch Public Affairs Strategies - 3/2022 invoice	\$ 3,500.00	3/10/22	Klaetsch Public Affairs Strategies, LLC
Klaetsch Public Affairs Strategies - 4/2022 invoice	\$ 3,507.90	4/7/22	Klaetsch Public Affairs Strategies, LLC
Klaetsch Public Affairs Strategies - 5/2022 invoice	\$ 3,502.10	5/5/22	Klaetsch Public Affairs Strategies, LLC
Klaetsch Public Affairs Strategies - 6/2022 invoice	\$ 3,508.50	6/3/22	Klaetsch Public Affairs Strategies, LLC
Klaetsch Public Affairs Strategies - 7/2022 invoice	\$ 3,500.10	7/14/22	Klaetsch Public Affairs Strategies, LLC
Klaetsch Public Affairs Strategies - 8/2022 invoice	\$ 3,505.90	8/11/22	Klaetsch Public Affairs Strategies, LLC
Klaetsch Public Affairs Strategies - 9/2022 invoice	\$ 3,500.00	9/9/22	Klaetsch Public Affairs Strategies, LLC
Klaetsch Public Affairs Strategies - 10/2022 invoice	\$ 3,502.40	10/6/22	Klaetsch Public Affairs Strategies, LLC
Klaetsch Public Affairs Strategies - 11/2022 invoice	\$ 3,512.30	11/3/22	Klaetsch Public Affairs Strategies, LLC
<b>Total Expenses paid in 2022</b>	<b>\$ 35,180.10</b>		
<b>TOTAL REVENUE LESS EXPENSES</b>	<b>\$ 69,856.63</b>		
<b>2022 WCUTA Account Balance</b>	<b>\$ 69,856.63</b>		

<b>2023 WCUTA DUES</b>						
12/5/22						
<u>County</u>	<u>DOR 2022 Estimated Utility Tax Payments</u>	<u>DOR 2023 Estimated Utility Tax Payments</u>	<u>2023 Dues (.00225 of Estimated Utility Tax Payments)</u>	<u>Amount Pd.</u>	<u>Date Pd.</u>	<u>CK#</u>
ASHLAND	\$ 196,086.03	\$ 196,255.16	\$ 441.57			
BUFFALO	\$ 477,767.50	\$ 458,865.52	\$ 1,032.45			
CHIPPEWA	\$ 1,332,150.27	\$ 1,305,500.98	\$ 2,937.38			
COLUMBIA	\$ 2,131,123.26	\$ 2,133,207.00	\$ 4,799.72	\$ 4,799.72	12/5/22	2116961
DOUGLAS	\$ 110,099.17	\$ 114,884.15	\$ 258.49	\$ 258.49	11/7/22	319847
DUNN	\$ 154,664.10	\$ 170,150.21	\$ 382.84			
FOREST	\$ 19,022.27	\$ 19,969.80	\$ 44.93	\$ 44.93	12/5/22	110793
GRANT	\$ 314,714.78	\$ 357,783.02	\$ 805.01			
GREEN	\$ 101,263.44	\$ 106,008.50	\$ 238.52	\$ 238.52	11/2/22	125914
JACKSON	\$ 73,530.50	\$ 73,540.31	\$ 165.47			
JEFFERSON	\$ 902,329.12	\$ 910,954.35	\$ 2,049.65			
JUNEAU	\$ 149,038.90	\$ 131,529.04	\$ 295.94	\$ 295.94	11/7/22	253497
KENOSHA	\$ 1,726,765.42	\$ 1,748,124.27	\$ 3,933.28			
KEWAUNEE	\$ 229,129.08	\$ 217,604.77	\$ 489.61			
LA CROSSE	\$ 568,993.02	\$ 563,329.68	\$ 1,267.49	\$ 1,267.49	11/7/22	481402
MANITOWOC	\$ 2,454,796.04	\$ 2,781,075.61	\$ 6,257.42			
MARATHON	\$ 1,854,135.41	\$ 1,864,465.08	\$ 4,195.05			
MARINETTE	\$ 792,668.54	\$ 767,372.89	\$ 1,726.59	\$ 1,726.59	11/7/22	43328
MARQUETTE	\$ 39,613.82	\$ 40,461.27	\$ 91.04			
OCONTO	\$ 195,074.34	\$ 228,701.42	\$ 514.58			
OZAUKEE	\$ 1,532,932.93	\$ 1,570,594.26	\$ 3,533.84			
ROCK	\$ 3,611,294.08	\$ 3,665,561.60	\$ 8,247.51			
SHEBOYGAN	\$ 1,046,623.48	\$ 1,064,254.69	\$ 2,394.57			
TREMPEALEAU	\$ 129,133.86	\$ 131,557.86	\$ 296.01			
VERNON	\$ 604,024.81	\$ 604,262.21	\$ 1,359.59	\$ 1,359.59	11/28/22	204706
WASHBURN	\$ 32,338.13	\$ 32,002.73	\$ 72.01	\$ 72.01	11/14/22	239808
WASHINGTON	\$ 450,343.10	\$ 456,160.22	\$ 1,026.36	\$ 1,026.36	11/7/22	533931
WAUSHARA	\$ 115,958.45	\$ 112,503.35	\$ 253.13			
WOOD	\$ 243,764.24	\$ 282,158.96	\$ 634.86	\$ 634.86	11/7/22	587179
<b>TOTALS</b>	<b>\$ 21,589,378.09</b>	<b>\$ 22,108,838.91</b>	<b>\$ 49,744.89</b>	<b>\$ 11,724.50</b>		

11/16/22 Ltr - Not  
Joining in 2023.

## Correspondence Memorandum

**Date:** Wednesday, November 16, 2022

**To:** WCUTA Board of Directors

**From:** George A. Klaetsch

**Re:** 2023 Utility Aid Proposal Options

At the WCUTA Board of Directors direction, the following memo provides three options for consideration for proposed legislative changes to the Utility Aid (UA) formula during the 2023-24 legislative session.

While the proposal provides options for the legislative session, WCUTA is likely to focus on securing Governor Evers support and inclusion of any UA changes in his 2023-25 biennial budget proposal AND adoption in the legislative Republican's version of the budget. As of this writing, the best opportunity for passage of statutory changes of the UA formula (if any) would be in the budget.

### **Plan A-Ensure Continued Increases in Utility Aid & Monitor Budget to Defend Current Funding**

- According to Legislative Fiscal Bureau (July 14, 2022 presentation to WCUTA) – UA payments to local governments continue to increase
  - In the 2012-13 biennial budget, UA payments totaled \$67.8 million
  - Annual UA Payments
    - 2017 = \$73.5 million
    - 2018 = \$75.6 million
    - 2019 = \$75.6 million
    - 2020 = \$77.9 million
    - 2021 = \$82.6 million
    - 2022 = \$84.2 million (est)
    - Increase of 13% over the last six years
    - Increase of 20% over the last decade
- According to LFB, even with the increase in renewable energy generation and current/future decommissioning of traditional fuel-based generation facilities, UA payments will continue to increase “as long as aid remains in the renewable rate base”
- While the calculations have not been completed, LFB estimates that “incentive aids” portion of UA will increase given the Operation or Under Construction status of solar farms throughout Wisconsin (attached)
  - Generation capacity needs to be maintained resulting from decommissioning of traditional fuel-based generation facilities
    - There will not be a decommissioning aid cliff

- Pros / Cons of Plan A
  - Pro – WCUTA membership continues to receive increased UA
  - Pro – Incentive aids will still be provided to counties with operational or under construction solar, while counties with traditional generation facilities will continue to see nine mill payments due to delayed decommissioning
  - Pro – In 2021 all 72 counties received a UA payment totaling \$40.2 million (49% of total payments made to municipalities)
  - Pro – Legislatively & strategically, WCUTA’s UA position would be aligned with other state-based utility taxpayer associations
  - Con – WCUTA membership may not receive the amount of UA that corresponds with government services provided to domiciled utilities regardless of inflation

**Plan B – Propose Increase Mill Payment From 9 to 10 Mills**

Total UA payment amounts under the mill rate payment would increase by approximately 11.1%, and payments to towns, villages, cities, and **counties** receiving such aid payments would also increase by approximately 11.1%. Using 2020-21 numbers, UA payments would increase approximately \$5 million in 2023.

	9 Mill Payment	10 Mill Payment (11.1% increase)	Capacity Payment	Incentive Aids	Total (with 9 Mill payment)	Total (with 10 Mill payment)
2020	34,100,839	37,886,032	34,707,200	10,055,855	77,898,506	82,649,087
2021	35,838,026	39,816,046	36,449,800	11,377,650	82,610,712	87,643,497

- Business Case
  - Utility aid payments have been at 9 mills since 1977. Have not received an adjusted increase in 45 years
  - Costs to continue county services (inflation) supporting generation facilities continues to rise. County services to utility/utility property has increased **XX% since XXXX**
  - State of Wisconsin can afford UA adjustment
    - Taxes Derived from Property Eligible for Utility Aid
      - 2016-17 = \$249 million
      - 2017-18 = \$256 million
      - 2018-19 = \$252 million
      - 2019-20 = \$245 million
      - 2020-21 = \$246 million
      - 2021-22 = \$256 million (est)
      - **Increase of 3% over the last six years\***
    - Utility Aid Payments
      - 2017 = \$73.5 million
      - 2018 = \$75.6 million
      - 2019 = \$75.6 million
      - 2020 = \$77.9 million
      - 2021 = \$82.6 million
      - 2022 = \$84.2 million (est)
      - **Increase of 13% over the last six years\***

\*According to LFB July 14, 2022 presentation to WCUTA)



- Pros / Cons
  - Pro – WCUTA has a fair and reasonable business case to justify one mill increase
  - Pro – Additional \$5 million in UA to eligible municipalities regardless of type of generation plant
  - Con – Winners & Losers among WCUTA membership due to expected shift of UA for many WCUTA member counties
  - Con – Legislatively & strategically, WCUTA’s UA position would be an outlier when compared with other state-based utility taxpayer associations
  - Con – Legislative leadership has strong concerns with UA. May be unintended consequences, due to ask
  - Con – WCUTA doing the heavy lifting for WUTA on mill rate increase given that a total rate of nine mills is applied to the value of all qualifying utility property.
    - Payments to cities and villages are computed at a rate of six mills (\$6 per \$1,000 of net book value), if generation plant is located in their boundaries, while payments to counties would be three mills.
    - If plant is located in a township, payments to towns are computed at a rate of three mills and six mills to counties.

**Plan C – Update/Revise “Incentive Aid” portion of UA Payments**

- Wisconsin Trending to Renewables
- **Part C1** – Propose a 50% increase to incentive aid payment provision of \$600 per megawatt on the site of: or adjacent to an existing or decommissioned plant or on a brownfield or adjacent to a brownfield
  - A 50% increase would total \$900 per megawatt
- **Part C2** – Propose a 50% increase to incentive aid payment provision of \$1,000 per megawatt that derives energy from an alternative energy resource
  - A 50% increase would total \$1,500 per megawatt
- **Part C3** – Decommissioning Aid adjustment for power production plants with multiple power generation units
  - Per 2021 Senate Bill 468, revise state statute to ensure that UA payment received by a county or municipality will not be reduced on the basis that one or more units, BUT ALL units of the power production plant are no longer generating electricity (i.e. Columbia plant shutting one of two units down and their decommissioning aid is automatically cut in half due to only one unit being shut down, but the plant generating electricity at 50% of its capacity)
- Pros & Cons - Winners & Losers
  - Pro – Operational and Under Construction solar farms in Wisconsin has a diversified geographic footprint throughout WCUTA membership through 2026
  - Pro – Provisions related to Incentive Aid payments have not been increased since their inception in 2003 (\$600/megawatt and \$1,000/megawatt in C1 and C2 respectively)
  - Pro – Incentive Aid payment related to C1 provides even further incentives to those counties who have future decommissioning of fossil fuel-based plants
  - Pro – Support Sen. Ballweg provision on unit shutdown legislation (SB 468)
  - Con – It takes a lot of acres to reach megawatt amounts for a solar field. Likely solar fields will not achieve fuel-based decommissioned total megawatts lost