

WISCONSIN COUNTIES UTILITY TAX ASSOCIATION

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MINUTES OF THE MEETING HELD

October 7, 2011

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

2010-2011 Officers

President
JOHN H. TRAMBURG
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Executive Director
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The Wisconsin County Utility Tax Association meeting was called to order at 10:40 a.m. by WCUTA Chair John Tramburg. The following members were present:

William Goehring

Jan Rouo

Kaye Shilling

Linda Sinkula

Thomas Spenner

Herb Tennies

Paul Tittl

John Tramburg

Lawrence Willkom

Sheboygan County

Jefferson County

Kewaunee County

Kewaunee County

Vernon County

Washington County

Manitowoc County

Columbia County

Chippewa County

By phone: Ashland County Board Chair Margaret ("Peg") Kurilla, Sheboygan County Board Chair Michael Vandersteen and Dunn County Board Chair Steve Rasmussen.

Excused: Phil Boutwell, Jim Eshram, Doug Johnson, Brad Karger, Thomas Meaux, John Molinaro, Vilas Schroeder and Del Twidt.

Member Counties

ASHLAND
BUFFALO
CHIPPEWA
COLUMBIA
DOUGLAS
DUNN
GRANT
JEFFERSON
KENOSHA
KEWAUNEE
LA CROSSE
MANITOWOC
MARATHON
MARINETTE
OZAUKEE
ROCK
SHEBOYGAN
VERNON
WASHINGTON

Staff present:

Alice O'Connor, Executive Director of WCUTA, of DeWitt Ross & Stevens S.C.,
John Reineman, WCA

Board Chair John Tramburg called the meeting to order at 10:30 a.m. and turned the meeting over to Alice O'Connor to introduce PSC Commissioner Ellen Nowak and her executive assistant Delanie Breuer. Alice said Ellen Nowak was appointed as the newest PSC Commissioner, previously serving as the chief of staff of Waukesha County Executive Dan Vrakas. Prior to that she served as legal counsel and chief of staff to Assembly Speaker John Gard. She has also served as a business litigator in a Milwaukee law firm and obtained her law degree from Marquette University.

Commissioner Nowak said the Walker administration feels the state needs a stable energy source that is reliable, affordable and safe. The Governor's current special session is going to offer discounted utility rates if it is a company that is on the verge of leaving the state and needs extra load or it has a utility load that would have left the state. The PSC just approved on October 6th keeping WE Energy electric utility rates for 2012 the same as rates in 2011. WE Energy spent \$1.3

billion in order to meet mandates for the Renewable Portfolio Standards (RPSs) but they will amortize their debt over a longer period of time. Ms. Nowak also said that if the PSC does not change wind setback rules, Rep. Zigmunt legislation that passed in the 2009-2010 session will go into effect. She said even though discussions are taking place now, folks on both sides of the issue are at a standstill and no one is budging. She said the remaining differences on issues seem to be over property rights and local control.

She said the PSC appointed a wind committee last year and they came up with rules, but the November 2010 elections meant the rules got suspended. "We aren't going to wake up and not be a coal state." She said La Crosse Gunderson Lutheran Health Care system is building a pipeline under the interstate that will be done by 2015 tied to a landfill. It will capture all methane for their heating and lighting needs by 2015. She said, nonelectric customers (farmers) can't get credit but they can work with those who are credited.

Members asked if the PSC ever says "no" to rate increases. Ms. Nowak said that energy companies are a heavily regulated monopoly and they must have a guaranteed rate of return. The PSC can't say "no" to a highly complex financial analysis that determines when rates rise and by how much. The recently approved Alliant Energy rate increase will pay for mostly capitol improvements.

When asked, she said the ban on incandescent light bulbs is a federal issue. She also said the state has an interest in developing untapped sources we have for natural gas in shale.

She said ATC wants to expand with Duke Energy in western Wisconsin and Minnesota building a transmission line. The counties of Vernon, Chippewa and La Crosse do not want the new transmission line and they have passed resolutions against this project.

After Commissioner Nowak was done with her comments, Chair Tramburg thanked her and Delanie Breuer for their insight and said we would welcome their comments again.

Minutes approved

The minutes from the June 3, 2011 Board meeting were approved on a motion by Supervisor Steve Rasmussen, seconded by Supervisor Jan Rou.

President's report

Supervisor Tittl said we should remove from the agenda any specific follow-up with Brown County to rejoin our Association. If there is an opportunity he will ask. Chair Tramburg said everyone should try to encourage other counties with utility plants to join our Association because there is strength in numbers and the Association members appreciate the quality of the guest speakers who they feel give them excellent information about the future trend of energy issues in Wisconsin.

Chair Tramburg said at that last meeting a motion to reduce dues to .0018 of the estimated utility tax payment from the state to the county failed but he wanted the board to decide on 2012 dues at this meeting. There was discussion about lowering the dues "too much" even though the current bank balance is high. He said lowering dues too low might make it more difficult to increase the dues in the future.

Supervisor Tittl said lowering dues to .0015 would raise approximately \$24,000 and cover the cost of the executive director and eat into the balance for a few meeting and mailing expenses.

There was consensus about the need to keep the Association financially stable over time. Supervisor Tittl asked if we needed \$40,000 in the bank and suggested that the dues be reduced to .0013, generating about \$21,092 in dues. A second part of his motion said that the board could revisit the dues in one year and increase it to .0015 if needed in 2013.

That motion died for lack of a second.

Chairman Tramburg suggested that the Board consider increasing the executive director retainer currently at \$1,900 per month to \$1,925 beginning January 1, 2012 but this was deferred to the next meeting agenda. It was stated that a pay increase could be retroactively provided to January 1, 2012 once approved. On a motion from Supervisor Tittl, seconded by Supervisor Willkom, the Board approved reducing the dues for 2012 to .0015. Notices will be sent out shortly reflecting the lower dues amount for 2012.

Executive Director Report

Alice O'Connor reported that the IRS has still not responded to the non-profit tax exempt status issue. She also reported that Senator Frank Lasee intends to introduce legislation that would ban all future windmill developments until health risks associated with windmills could be proved. The exact language of the bill was not certain but she said that the bill wasn't likely to move forward and may not even get a hearing in the Senate.

She said with the Democrats desire to move the recall of Governor Scott Walker to November instead of January 2012 and the ongoing John Doe investigation of more than a dozen Walker staff, no one is really trying to work in a bipartisan fashion. She said future recalls attempts for Republican Senator Pam Galloway, Terry Moulton and Leah Vukmir will be tried by the Democrats. On the other hand, Republicans say they may try to recall Senator Vineout as their number one target. She said no one believes much will happen before the 2012-2013 legislature adjourns.

John Reinemann WCA

Mr. Reinemann added to Ms. O'Connor's report that everyone needs to remember it is a presidential year and Wisconsin will be a benchmark state with a lot of out-of-state operatives engaging in recall efforts. Furthermore, he pointed out that Wisconsin, unlike other states, can isolate different media markets.

Rep. Andre Jacque introduced AB 182/SB 246, which prohibits a municipal utility that provides electric or water service to assign income, prizes and earnings to pay a municipal court judgment and prohibits municipal electric or water utilities from collecting certain utility arrearages from owners of rental properties as property liens as long as the owner has provided the municipal utility with written notification of the name and address of the owner and/or the tenant who is responsible for paying for the service.

He also indicated we might want to have Rick Olin from the Fiscal Bureau as a future speaker or DOA Secretary Michael Huebsch. Supervisor Tittl indicated that he and Secretary Huebsch are good friends.

Treasurer's Report:

Supervisor Linda Sinkula reported the checkbook balance as of September 30, 2011 is \$61,845.88. This balance includes two CDs that matured and were put in the checking account. One CD matured in the amount of \$15,270.04 and a second CD in the amount of \$25,213.49. Expenses were \$9,928.40 this past quarter. The Treasurer's report was accepted on a motion by Supervisor Spenner seconded by Supervisor Roou.

On a motion from Supervisor Tittl, seconded by Supervisor Sinkula, the Executive Director was directed to put up to \$40,000 in a CD.

There was no old or new business.

Next meeting NOTE

The next meeting is set for Friday, February 3, 2012. Since all conference rooms are booked at Dewitt Ross and Stevens, the meeting will be held in the State Capitol in hearing room 225NW at 10:30 a.m. Everyone should still park at Dewitt, and either meet Alice and walk to the capitol or meet in the actual hearing room. Because of the state capitol location, there will be no speaker phone available. **NOTE:** Supervisors may wish to schedule meetings with your own Senator and Representatives as long as you are in the capitol. Box lunches will be provided.

The meeting adjourned at 1:00 p.m. on a motion from Supervisor Shillin, seconded by Supervisor Spenner.

AOC: km