

WISCONSIN COUNTIES UTILITY TAX ASSOCIATION

Two East Mifflin Street, Suite 600, Madison, Wisconsin 53703

Phone: (608) 255-8891

MEETING AGENDA

Friday May 18, 2012, 2012

WISCONSIN COUNTIES UTILITY TAX ASSOCIATION

10:30 A.M. – 1:00 P.M. (WORKING LUNCH)

NOTE: MEETING IS AT DEWITT, not STATE CAPITOL

Park at Dewitt Ross and Stevens

Address: 2 East Mifflin Street, Suite 600

Madison, WI 53703

2010-2011 Officers

President

JOHN H. TRAMBURG
(920) 484-3534
Columbia County

Vice President

LAWRENCE WILLKOM
(715) 723-5804
Chippewa County

Secretary

PAUL TITTL
(920) 682-6203
Manitowoc County

Treasurer

LINDA SINKULA
(920) 388-3251
Kewaunee County

Executive Director

ALICE O'CONNOR
Direct(608) 252-9391
aoc@dewittross.com

CALL IN INSTRUCTIONS:

Conference Dial-in Number: (218) 339-4300

Participant Access Code: 115141#

(Be sure to hit # key after you enter the number, this will take you into the conference call)

If you are having trouble connecting, please call my assistant Kathy Midak at 608-395-6709, so she can assist you.

Member Counties

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

- Call to Order - John Tramburg
- Roll Call- John Tramburg
- Approval of Minutes of February 3, 2012 (**Attached**)
 - President's report- John Tramburg
 - Status of dues paid
- Treasurer's report Supervisor Linda Sinkula
- Audit committee report: Supervisors: T ittl/Sinkula and Patcle
- Nomination Committee report: Doug Johnson
- Report of Executive Director – Alice O'Connor
- WCA Report – David Callender
- **11:00 a.m. Confirmed: Speaker: Rebecca Larson-Manager, Northern States Power d/b/a Xcel Energy to discuss how new federal orders will drive energy to be regionalized with greater emphasis on transmission of energy. (Note- her power point will be emailed in advance to help those joining by phone)**
- Old Business
- New Business
 - Next Meeting – date and location
- Adjourn

***Note: Sandwiches will be delivered at noon for a working lunch.**

Directions to DeWitt Ross & Stevens Capitol Square Office

Two East Mifflin Street, Madison, WI 53703
Tel 608-255-8891, Fax 608-252-9243

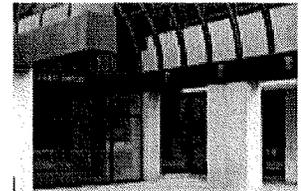


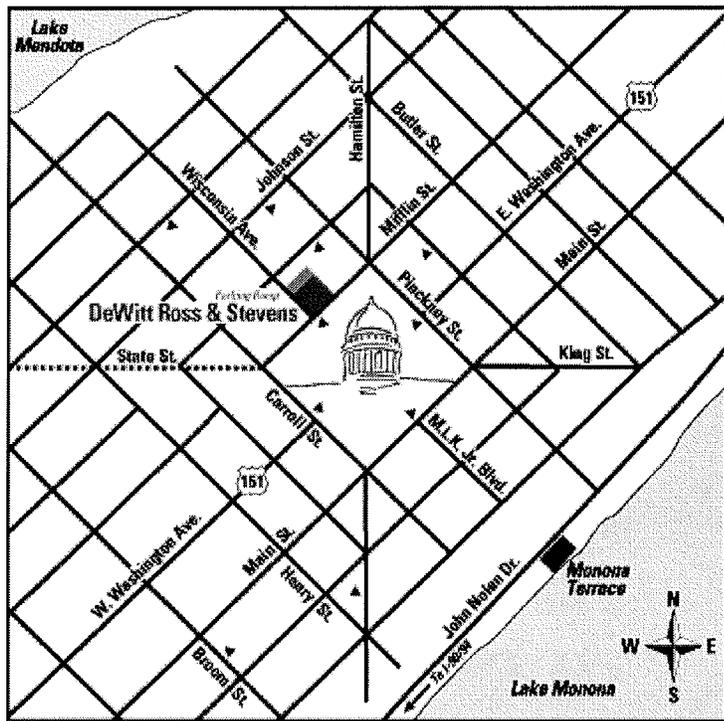
If you are coming from....

...West/North (Minneapolis): Take I-90/94 east until you get to Hwy 151. Turn right (west) onto Hwy 151/East Washington Avenue and travel about 4 miles to the Capitol Building. Turn right on Pinckney Street; travel one-half block and turn left onto Mifflin. Travel one-half block. DeWitt Ross & Stevens is in the office building on the corner of Mifflin and Wisconsin. Turn right on Wisconsin Avenue and use the parking garage to your right. Our main reception area is on sixth floor.

... East (Milwaukee): Take I-94 west until you get to Hwy 30. Take Hwy 30 until you get to Hwy 151/East Washington Avenue and travel about 4 miles to the Capitol Building. Turn right on Pinckney Street; travel one-half block and turn left onto Mifflin. Travel one-half block. DeWitt Ross & Stevens is in the office building on the corner of Mifflin and Wisconsin. Turn right on Wisconsin Avenue and use the parking area to your right. Our main reception area is on sixth floor.

... South (Chicago): Take I-90 north until you get to Hwy 30. Take Hwy 30 until you get to Hwy 151/East Washington Avenue and travel about 4 miles to the Capitol Building. Turn right on Pinckney Street; travel one-half block and turn left onto Mifflin. Travel one-half block. DeWitt Ross & Stevens is in the office building on the corner of Mifflin and Wisconsin. Turn right on Wisconsin Avenue and use the parking garage to your right. Our main reception area is on sixth floor.





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Two East Mifflin Street, Suite 600, Madison, Wisconsin 53703
Phone: (608) 255-8891

MINUTES OF THE MEETING HELD

February 3, 2012

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

2010-2011 Officers

President

JOHN H. TRAMBURG
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The following members were present:

David Callender

Ed Dorner

Steve Doyle

William Goehring

Doug Johnson

Richard Ott

John Patcle

Jan Rooou

Thomas Spenner

Herb Tennes

Paul Tittl

John Tramburg

Michael Vandersteen

Lawrence Willkom

WCA

Kewaunee County

LaCrosse County

Sheboygan County

Washington County

Rock County

Grant County

Jefferson County

Vernon County

Washington County

Manitowoc County

Columbia County

Sheboygan County

Chippewa County

Via Phone: Thomas Meaux, Steve Rasmussen, Vilas Schroeder and Del Twidt

Excused: Jim Ehram, Brad Karger, Kaye Shillin, and Linda Sinkula

Staff: Alice O'Connor, WCUTA and David Callender, WCA

The meeting was called to order at 10:30 a.m. by the Vice President Larry Willkom in the absence of Board President John Tramburg who is absent due to a recent knee surgery. Everyone wishes him a speedy recovery.

Minutes: The minutes from the October 7, 2011 meeting were approved on a motion from Supervisor Tittl, seconded by Administrator Dorner. It was noted Nick Osborne will permanently replace Phil Boutwell as the representative from the Rock County administrator's office.

Member Counties

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

President's Report

After discussion, a motion by Supervisor Paul Tittl, seconded by Administrator Dorner to increase the executive director's monthly retainer of \$1,900 per month to \$1,940 per month. It was approved for 2012.

Treasurer's Report

Absent Treasurer Linda Sinkula, Kewaunee County Administrator Ed Dorner gave the Treasurer's report. The checkbook balance as of January 31, 2012 is \$24,892.57 with a \$40,000 CD (#7379279) that matures March 31, 2012. Expenses between September 2011 and December 2011 were \$9,836.38. This leaves a balance of \$64,892.57. Alice was directed to keep a checkbook balance to cover expenses and keep the remainder in CD's, even with staggered maturity dates. The Treasurer's Report was approved on a motion by Administrator Dorner, seconded by Supervisor Rouou.

Audit Committee

Chair Willkom asked for volunteers to serve on the Audit Committee who will meet 30 minutes prior to the next Board meeting and examine the Association's bank records. The following individuals volunteered: Supervisor Tittl and Supervisor Patcle. Supervisor Sinkula was volunteered in her absence. The Audit Committee was approved on a motion by Administrator Dorner, seconded by Supervisor Spenner.

Executive Director's Report

Alice reported DeWitt Attorney Brian Anderson has received no official word yet regarding WCUTA's IRS tax status. She next reported that with the recall of Governor Walker underway and Democrats trying to find a candidate who can win, the expected recall election is likely to occur mid-June. However, the separate John Doe investigation into a variety of illegal campaign related issues and prior Walker staff is still an open investigation. Further John Doe action and could lead to more charges.

Four Republican Senators also face recall elections. The outcome of those elections could put the Democrats back in the majority in the Senate. The Assembly is expected to remain in the hands of the Republicans after the regular fall elections.

Alice said the media is reporting that independent money coming into Wisconsin will be over \$100 million dollars in the Governor's recall race alone. Both sides of the political spectrum believe they need to "win" the Governor's race as a statement to the rest of the country.

Because of all attention on recall-elections, Alice said the State Senate is afraid to take votes on much of anything so adjournment for the 2011-2012 legislative session is likely to be the week of March 15. The Governor could call a special session after adjournment but until the John Doe investigation is completed and he wins the recall, nothing is likely to happen right away.

Alice mentioned Senator Frank Lasee recently introduced Senate Bill 392 which proposes to completely destroy the proposed PSC statewide standard for setback requirements for wind

energy systems. His bill actions would allow a city, village, town or county to impose more restrictive setback requirements. Both Alice and David Callender from WCA agree the bill was likely introduced to satisfy angry constituents, but it is not likely to move forward.

Special Guest – Rick Olin, Senior legislative, Fiscal Bureau for shared revenue and utility taxes

Mr. Olin was introduced by Alice and he provided a handout (attached). He described the organization of the utility tax formula in 1977 with the creation of Chapter 29.

Thirty years later, 2003 Wisconsin Act 31 creates capacity aid for new or powers plants built after 2003. Any power plants in operation before 2004 remains on a nine mill formula (9 mills X net book value of eligible utility property that includes the production plant, substations, and office buildings associated with the production plant.)

In 2007, Wisconsin Act 20 changes the utility tax formula (thanks to the efforts of the WCUTA!) so that capacity and payment were extended to plants in operation prior to 2004 with a hold harmless clause so no one received less aid, even under the new formula.

A technical cleanup bill, Wisconsin Act 226 in 2007 extended the 1990 hold harmless provision to all Act 20 provisions.

In 2011, Wisconsin Act 32, removed duplicative language in Wisconsin statutes so all public utility and accounts were consolidation into one payment.

Mr. Olin went on to say alternative energy resource plants have additional aid payments for each municipality and each county containing a site. They also get \$50,000 per year for each storage site.

He shared information about specific plant sites. In the future, he said the legislature should consider revisiting the 50 megawatt threshold in order to generate an aid payment. If it is below that threshold the plant is locally taxed. He said seven plants are still getting utility aid payments and have not depreciated yet. They are located in DePere, Whitewater, Christiana, Wauwatosa, Combined Locks, Neenah and Lincoln plants. During the question and answer period Mr. Olin said at some point, all utilities will buy some wind and natural gas but neither form will generate sufficient power.

He said the PSC does not regulate electric coops, but it does site all new power plants with their capacity. Every plant must have a rated capacity.

Administrator Meaux asked a question specific to Port Washington. Mr. Olin provided clarification about minimal depreciation for substations.

Members asked for Mr. Olin's contact information:

Rick.Olin@legis.wisconsin.gov

His phone number is 608-266-3847.

Comparison of Selected State Utility Tax Collections and Utility Aid Payments, Most Recent Eight Years

Utility Aid	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
9 Mill Formula & Nuclear Storage Capacity Aid	\$33,805,406	\$31,720,510	\$32,431,636	\$33,269,703	\$33,733,724	\$21,689,392	\$22,931,937	\$24,190,470
Incentive Aid	N.A.	1,310,000	4,500,000	4,500,000	4,500,000	30,541,733	31,433,933	32,666,333
Per Capita Limit, Old vs New Law	N.A.	788,400	1,742,400	1,742,400	1,742,400	5,854,000	5,871,000	7,349,400
	N.A.	0	-52,383	-52,677	-51,019	-909,939	-914,085	-1,028,003
Total	\$33,805,406	\$33,818,910	\$38,621,653	\$39,459,426	\$39,925,105	\$57,175,186	\$59,322,785	\$63,178,240
Annual Change	0.0%	0.0%	14.2%	2.2%	1.2%	43.2%	3.8%	6.5%
Change Since 2004	0.0%	0.0%	14.2%	16.7%	18.1%	69.1%	75.5%	86.9%

Utility Tax Collections	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12 Est.</u>
Private Light, Heat, & Power Electric Cooperatives	\$159,573,357	\$189,063,268	\$195,428,484	\$212,126,099	\$223,470,638	\$208,616,370	\$227,317,956	\$223,703,000
Municipal Light, Heat, & Power Association of Municipal Electric	7,234,741	8,105,591	8,826,199	9,358,506	10,548,856	10,394,871	11,554,215	11,479,000
	1,948,917	2,439,336	2,294,090	2,704,450	2,747,374	2,925,384	3,190,053	3,109,000
	1,568,283	1,504,469	2,043,776	2,237,627	3,459,060	4,145,929	4,862,817	5,200,000
Total	\$170,325,298	\$201,112,664	\$208,592,549	\$226,426,682	\$240,225,928	\$226,082,554	\$246,925,041	\$243,491,000
Annual Change	18.1%	18.1%	3.7%	8.5%	6.1%	-5.9%	9.2%	-1.4%
Change Since 2004-05	0.0%	18.1%	22.5%	32.9%	41.0%	32.7%	45.0%	43.0%

New Production Plants Since 2004, Partial Listing*
generating capacity added

<u>Year</u>	<u>Developer</u>	<u>Location</u>	<u>Description</u>
2004	Calpine	T. Beloit (Riverside)	600 MW, Gas
2005	Sheboygan Power	T. Sheboygan Falls	300 MW, Gas
2005	MG&E	Madison (UW)	150 MW, Gas Cogen
2005	Fox Energy	T. Kaukauna, Unit 1	315 MW, Gas
		T. Kaukauna, Unit 2	320 MW Gas
2005	WE Power	C. Port Washington	545 MW, Gas
2008	WE Power	C. Port Washington	545 MW, Gas
2008	WPSC	Weston	500 MW, Coal
2008	WEPCO Blue Sky	Calumet County	145 MW, Wind
2008	Forward Energy	Dodge/Fond du Lac cos	129 MW, Wind
2008	WPL Cedar Ridge	Fond du Lac County	68 MW, Wind
2010	WE Power Elm Rd	C. Oak Creek, Unit 1	615 MW, Coal
2011	WE Power Elm Rd	C. Oak Creek, Unit 2	615 MW, Coal
2011	WEPCo Glacier Ridge	Columbia County	207 MW, Wind

* Docketed cases by the Public Service Commission.