

Martin Matson
Comptroller

John M. Egan, CPA
Deputy Comptroller



Office of the Comptroller

October 9, 2013

Glenn Steinbrecher, CPA
Special Deputy Commissioner

Toni Biscobing
Special Deputy Commissioner

Committee Members
Senate Committee on Government Operations, Public Works, and Telecommunications
State Capital
Madison, Wisconsin 53703

RE: Senate Bill 315

Dear Committee Members:

We are writing in support of Senate Bill 315 and the companion Assembly Bill 384 relating to the release of customer information by a municipal utility. This legislation allows municipalities to provide proper disclosure of information to comply with securities obligations in connection with municipal borrowing.

While in support of this legislation, we are asking Committee Members to consider amending it to do the following:

- **Further clarify that the disclosure to lenders, etc. will become available to the public.**
The current draft states that disclosure of customer information is permitted to, "...a lender or a purchaser, or potential purchaser, or of investor, or potential investor..." However, by nature disclosure documents (prospectus, official statements, etc.) are available to the public, and distribution cannot be limited only to investors or potential investors. The document is filed with the Municipal Securities Rulemaking Board (EMMA system) and is available to the public.
- **Change "...Necessary to Comply With..."**
In Line 3 of the current draft, it states that the permission to disclose is allowed when, "...the release is necessary to comply with securities disclosure obligations..." We are concerned that the word, "necessary," could expose the municipality to litigation over the definition of what is necessary. For example, a utility customer could claim that disclosure of their information was not necessary. We suggest that the word necessary be replaced with desirable, usual, and/or customary. Or, could the Legislative Council suggest a better term?

If you have any questions or need additional clarification, please do not hesitate to contact our Debt Specialist, Richard Li at 414-286-2319 or via email at: rsli@milwaukee.gov.

Sincerely,

Martin Matson
Comptroller

MM:RL
REF: PD-8050W.DOC



Algoma
Arcadia
Argyle
Bangor
Barron
Belmont
Benton
Black Earth
Black River Falls
Bloomer
Boscobel
Brodhead
Cadott
Cashton
Cedarburg
Centuria
Clintonville
Columbus
Cornell
Cuba City
Cumberland
Eagle River
Elkhorn
Elroy
Evansville
Fennimore
Florence
Gresham
Hartford
Hazel Green
Hustisford
Jefferson
Juneau
Kaukauna
Kiel
La Farge
Lake Mills
Lodi
Manitowoc
Marshfield
Mazomanie
Medford
Menasha
Merrillan
Mount Horeb
Muscoda
New Glarus
New Holstein
New Lisbon
New London
New Richmond
Oconomowoc
Oconto Falls
Pardeeville
Plymouth
Prairie du Sac
Princeton
Reedsburg
Rice Lake
Richland Center
River Falls
Sauk City
Shawano
Sheboygan Falls
Shullsburg
Slinger
Spooner
Stoughton
Stratford
Sturgeon Bay
Sun Prairie
Trempealeau
Two Rivers
Viola
Waterloo
Waunakee
Waupun
Westby
Whitehall
Wisconsin Dells
Wisconsin Rapids
Wonewoc

TO: Members of the Senate Committee on Government Relations, Public Works and Telecommunications

FROM: Zachary Bloom, Executive Director

DATE: October 9, 2013

RE: **MEUW Support Statement on Senate Bill 315**

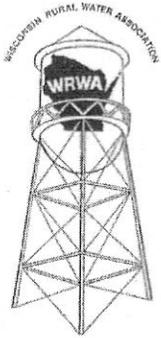
Chairman Farrow, thank you for the opportunity to appear before the committee this morning to offer MEUW's support for Senate Bill 315, relating to exceptions to the prohibition of release of customer information by a municipal utility. My name is Zachary Bloom, and I am the Executive Director for the Municipal Electric Utilities of Wisconsin, the trade association that serves all 82 municipally owned electric utilities in this state. Combined our utilities distribute about 11 percent of Wisconsin's electric load to nearly 280,000 residential, commercial, industrial and farm customers.

Originally, Act 25 addressed several key issues for MEUW member utilities. It clarified the discrepancy between PSC Administrative Code Chapter 113 and Wisconsin Open Records laws. In addition, Act 25 protects the privacy of municipal utility customers; placing MEUW member's customers on par with other regulated utilities in Wisconsin.

As with any new law, Act 25 bill has not been without growing pains. MEUW offered educational opportunities to its members on Act 25's impacts on their business practices. As a result, our members have adjusted several of their outmoded business practices to protect customer information. The municipal finance issue created by Act 25 does not relate to any business practice. It relates to our member's ability to release customer information required by Federal securities laws in conjunction with issuance of new long-term debt, a refinancing of existing debt, and annual continuing disclosure requirements.

Additionally, our members have encountered issues when dealing with landlords, title companies, and banks when properties are in foreclosure. We understand that the Chairman and the committee are considering an amendment that addresses these three issues. MEUW supports the elements of this amendment because we believe they do not dilute the intent of the law – **PROTECTING CUSTOMER INFORMATION**.

MEUW supports the current version of Senate Bill 315, and the proposed amendment, and we ask the committee to pass it as presented. I appreciate the opportunity to appear before you today and I look forward to working with you and the Committee in the future.



WISCONSIN RURAL WATER ASSOCIATION

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From: Dave Lawrence
350 Water Way
Plover, WI 54467
715-344-7778
dlawrence@wrwa.org

October 9, 2013

To: Sen. Paul Farrow
Chairman, Senate Government Operations, Public Works, and
Telecommunications Committee

Sen. Farrow,

On behalf of the Wisconsin Rural Water Association and our 586 municipal utility members, I am writing to indicate our support for Substitute Amendment 1 to SB 315.

The provisions of Act 25 have brought a great deal of confusion and unnecessary expense to the public utility industry, especially in cases where properties are in the process of closing due to real estate transactions. The provisions in the Substitute Amendment to SB 315 alleviate these problems and provide much more clarity to the process.

Thank you for your consideration of our concerns to Act 25, and we urge the Committee's support for the substitute Amendment.

Sincerely,

David Lawrence
Executive Director, WRWA

WRWA Mission:

"To assist our membership and the public they serve, improve and preserve the quality and quantity of water resources in the State of Wisconsin."



Mike Harrigan

To: Paula Czaplewski; Todd Taves
Subject: RE: List of Munis Impacted by Act 25 for Debt Issuance or Continuing Disclosure Filings

From: Paula Czaplewski
Sent: Monday, October 07, 2013 9:43 AM
To: Todd Taves
Cc: Mike Harrigan
Subject: RE: List of Munis Impacted by Act 25 for Debt Issuance or Continuing Disclosure Filings

There are 31 December disclosure deadline clients which require water and/or electric reporting...

Burlington, C. & CDA	W
Clintonville C. & RDA	E
Columbus, C.	W & E
Delavan, C.	W
East Troy, V.	W
Elkhorn, C.	W & E
Evansville, C.	W & E
Jackson, V. & CDA	W & S
Jefferson, C.	W, S & E
Lake Mills, C.	W, S & E
Little Chute, V. & CDA	W & S & Storm water

Marinette, C.	W
Marshall, V.	W
Mayville, C. & CDA	W
Mequon, C.	W
Milton, C. & CDA	W & S
Monroe, C.	W
New Glarus, V. (Due to 7/10/13 sale)	W & E
New Holstein, C.	E
New Lisbon, C. & CDA	W & S & E
Oostburg, V. & CDA	W & S
Oshkosh, C. & RDA	W & S & Stormwater
Prairie du Sac, V.	E
Saukville, V.	W
Suamico, V.	W
Union Grove, V.	W
Verona, C. & CDA	W & S

Waterford, V. & CDA	W
Waunakee, V. & Utilities	W, S & E
West Bend, C. & RDA	W
Wrightstown, V.	W

From: Todd Taves
Sent: Monday, October 07, 2013 9:26 AM
To: Mike Harrigan
Cc: Paula Czaplewski
Subject: FW: List of Munis Impacted by Act 25 for Debt Issuance or Continuing Disclosure Filings

See below for an prior e-mail I sent Curt listing the issuers we have that are immediately impacted by the Act 25 problem, either from a revenue bond issuance standpoint, or September 30 continuing disclosure filing deadline that has passed.

Paula could probably provide a list of the issuers that will be impacted as of December 31st for disclosure on water or electric revenue bonds.

Todd

Todd W. Taves, CIPFA
Senior Financial Advisor/
Principal

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Read Ehlers' bi-weekly market commentary and summary of regional bond sales at <http://www.ehlers-inc.com/resources/ehlers-commentary/>.

From: Todd Taves
Sent: Wednesday, September 25, 2013 10:49 AM
To: Curt Witynski (witynski@lwm-info.org)
Cc: Greg Hubbard (ghubbard@hwz-gov.com)
Subject: List of Munis Impacted by Act 25 for Debt Issuance or Continuing Disclosure Filings

Hi Curt,

I just spoke with Greg Hubbard and he indicated you were looking for some additional names of communities that are being impacted right now by Act 25 as it pertains to debt. The following Ehlers client communities are in the process of issuing either water or electric revenue bonds:

City of Oshkosh (Water Revenue Bonds)
Village of Gresham (Electric Revenue Bonds)
City of Elroy (Electric Revenue Bonds)

Pending the AB384 fix, these issuers will have to decide whether to disclose largest customer data or not. If not, they may experience difficulty placing the bonds. Even if they do disclose, Baird has taken the position they will not bid in the meantime so a smaller market means possible higher interest rates. Impact will be greatest on Oshkosh as the other two will likely end up being negotiated placements.

The following additional communities have continuing disclosure reports due next Monday (Sep. 30) requiring them to disclose large customer data:

Village of Genoa City
Village of Germantown
Village of North Fond du Lac
City of Plymouth
City of Waterloo
City of Wisconsin Rapids

AB384 is no help to them based on timing, but provides some additional idea on how this has impacted cities and villages. The next round of disclosure reports (many more munis on that list) is due on 12/31/13.

Todd

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Village of Blue Mounds
Village of Caledonia
City of Oshkosh

The following additional communities have the same problem as it relates to complying with their annual continuing disclosure filing requirements. These communities reports are due on September 30, 2013. Numerous others will be similarly affected if not resolved prior to the December 31, 2013 filing deadline.

Todd

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