

Tuesday, June 23, 2020
1:30 p.m.

Newkirk, Oklahoma

The Kay County Equalization Board met in session at 1:30 o'clock p.m. on Tuesday, June 23, 2020, in the Commissioners Court of the Kay County Courthouse in Newkirk, Oklahoma. Notice of the meeting was posted on the 18th day of June 2020, at the Courthouse front door, Commissioners Court, basement handicapped entrance of the Kay County Courthouse in Newkirk, Oklahoma, and Kay County Website.

Chairman J. C. Estes called the special session meeting to order. Those present were as follows: Joe R. Cary, Vice-Chairman; Steve Austin, Member; Brian Hermanson, District Attorney; Susan Keen, Kay County Assessor; Janell Leaming, First Deputy Assessor; Joe Molina, Representative for Thunder Ranch Wind Project, LLC and Rock Falls Wind Project, LLC; Derek DeBlois, Senior Manager, Real Estate Operations and Maintenance, Enel Green Power North America, Inc.; Jerry Wisdom, PPS with Total Assessment Solutions Corp. (TASC); Traci Thorpe, Superintendent of Pioneer Technology Center; Barbara Regier, Superintendent of Deer Creek Lamont Public Schools; Claude Williams, Taxpayers for Transparency; Tammy Reese, Secretary/Kay County Clerk.

Motion was made by Austin and seconded by Cary approving special meeting minutes of June 9, 2020. Motion carried: Cary, aye; Estes, aye; Austin, aye.

"Formal Appeal to the County Board of Equalization (BOE)" hearings with Joe Molina representing for Thunder Ranch Wind Project, LLC and Rock Falls Wind Project, LLC; Noland Williams representing for IACX Energy, LLC and Jerry Wisdom, PPS with Total Assessment Solutions Corp. (TASC) representing the Kay County Assessor's office:

Thunder Ranch Wind Project, LLC

Joe Molina, representing Thunder Ranch Wind Project, LLC, discussed each page of his eight (8) page presentation and answered questions from the BOE. Mr. Molina said he based his theory on two approaches Cost and Income. He discussed the trend factor and decline. Mr. Molina is requesting valuations be set at \$38,631,080 (Billings/Tonkawa School Districts). (Presentation and recording are on file in the County Clerk's office for review).

Jerry Wisdom, TASC, representing the Kay County Assessor provided a 15-page presentation on Thunder Ranch along with three (3) additional handouts and answered questions from the BOE. Mr. Wisdom referred to his Cost and Sales Approach and discussed the methods of measuring Economic Obsolescence Factors within the cost approach. He said he is recommending valuations be set at \$60,597,600 (Tonkawa School District-\$6,113,335/Billings School District-\$54,484,265). (Presentation and recording are on file in the County Clerk's office for review).

Wisdom talked about the ruling from District Court of Canadian County Memorandum Opinion Kingfisher Wind, LLC v. Matt Wehmuller, E AL. in Kingfisher County stating wind farms are not "intangible personal property" that is exempt from ad valorem taxation. Mr. Molina noted the court case is still active and he said wind farms are real property and tangible/intangible has not been addressed in this case. Other matters were referenced between the two.

DA Hermanson affirmed the Judge's ruling was stating wind farms are not "intangible".

Rock Falls Wind Project, LLC

Joe Molina, representing Rock Falls Wind Project, LLC read an Affidavit. The Affidavit stated the Assessor's value fails to accurately measure all forms of depreciation under the Cost Approach, and fails to reflect the decline in value as measured by the Income Approach. Rock Falls asked the BOE to consider the Fair Market Value of \$93,005,000 (Grant/Kay County). Kay County Account #91101.00 value of \$29,970,000. (Presentation and recording are on file in the County Clerk's office for review).

Wisdom, representing the Kay County Assessor on the Rock Falls Wind Project said Page 3 of his nine (9) page handout was important. EDF Renewables has sold (6/21/2018) Dutch pension group PGGM Infrastructure Fund a 50% interest in a portfolio of renewables project that include the 200-megawatt Red Pine Wind Farm in Minnesota and the 154-MW Rock Falls Wind Farm in Oklahoma. Wisdom said this wind farm has been in litigation for two years (2018-2019) and the county assessor still has not received from Rock Falls the dollar amount from the sale of this wind farm. Mr. Wisdom asked the BOE to affirm \$64,478,319 based on the fact Rock Falls has not given the sales information to the Assessor. (Presentation and recording are on file in the County Clerk's office for review).

DA Hermanson said Rock Falls has been in litigation for two years and noted counties are waiting on a ruling from Canadian/Kingfisher County. He said, meanwhile, the schools are suffering during this interim. Both Barbara Regier, Superintendent of Deer Creek-Lamont Public Schools and Traci Thorpe, Superintendent of Pioneer Technology Center expressed their concerns due to not receiving money while in escrow. DA Hermanson said trial is set for October 2020.

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IACX Energy, LLC

Nolan Williams, telephone conference, began by giving the history of the gas gathering system that was put in place in Kay County in 2010. He told the gas gathering system was dismantled in April 2014 and has been inoperable since such time. The system is 9.89 miles of 8" and 6" diameter polyethylene pipe and one mile of steel pipe. Mr. Williams said the underground pipeline in place has no salvage or resale value and the system is inoperable and has not generated any revenue since 2014. He said the Assessor and Wisdom with TASC cut the value 50% and lowered valuations to \$970,914.00. Williams said it has been rendered economically and functionally worthless and the BOE should determine the assessment against the property should be reduced to reflect the actual fair market value of the gas gathering system and set the value to be \$0.00.

Mr. Wisdom said he has issues with some of the facts Mr. Williams mentioned. Wisdom feels there is some equipment to salvage in the above ground structure and pipeline. He questioned the 6" and 8" pipe and asked how much is steel pipe and how much is polyethylene pipe. Wisdom said according to Oklahoma Tax Commission if something sits idle two or more years that determines how the 50% factor is applied. He said if it is polyethylene pipe it is not recoverable but he requested more information and verification from Mr. Williams determining whether it is polyethylene pipe or steel pipe. He told Mr. Williams to provide this information by the closing session to be held on Tuesday, June 30, 2020, 1:30 p.m.

No action was taken on the above hearings.

Motion was made by Cary and seconded by Austin tabling Appeal Decision from hearing held on June 9, 2020 on Formal Appeal to the BOE on Blackwell Wind, LLC. Motion carried: Cary, aye; Estes, aye; Austin, aye.

Motion was made by Austin and seconded by Cary to adjourn (3:04 p.m.). Motion carried: Cary, aye; Estes, aye; Austin, aye.

Approved this 30th day of June, 2020.

J. C. ESTES, CHAIRMAN

JOE R. CARY, VICE-CHAIRMAN

STEVE AUSTIN, MEMBER

ATTEST:

TAMMY REESE, COUNTY CLERK
COUNTY OF KAY, STATE OF OKLAHOMA
SECRETARY, COUNTY EQUALIZATION BOARD
(SEAL)
