

Friday, June 29, 2018
1:30 p.m.

Newkirk, OK

The Kay County Equalization Board met in Special session at 1:30 p.m. on Friday, June 29, 2018, in the Commissioners Court of the Kay County Courthouse in Newkirk, OK. Notice of the meeting was posted on the 26th day of June, 2018 at the Courthouse front door, Commissioners Court, and basement handicapped entrance of the Kay County Courthouse in Newkirk, OK.

Chairman J.C. Estes called the meeting to order. Those present were as follows: John G. Krider, Vice-Chairman; Joe R. Cary, Member; Brian Hermanson, Kay County District Attorney; Susan Keen, Kay County Assessor; Janell Leaming, First Deputy Kay County Assessor Claude Williams, Taxpayers for Transparency; Tammy Reese, Secretary/Kay County Clerk (See sign in sheet).

Motion was made by Cary and seconded by Krider approving the special session meeting minutes of June 25, 2018. Motion carried. Cary, aye; Estes, aye; Krider, aye.

Determining Appeal Decisions from hearings held on June 5, 2018 on the following Formal Appeals to the County Board of Equalization: Rock Falls Wind Farm and DCP Operating Co., LP.

Rock Falls Wind: Member Krider began the discussion by saying after the hearings with Mr. Jerry Wisdom, TASC, and the values he came up with for the Assessor, Krider stated he doesn't see a need for change. Vice-Chair Cary agreed with Krider and stated he doesn't see how we could go any other way especially after they failed to meet the criteria necessary to file and then Rock Falls came back and had a change in plans. Cary said Rock Falls may need to petition that next year (the name change). Krider said the Assessor did lower Rock Falls valuation and Cary said he would approve the amount lowered by the Assessor. DA Hermanson stated the amount was \$74,313,966. Estes said his opinion was there were two issues, one was whether or not Rock Falls should be tax exempt as BEDA or taxable. Chairman Estes told the original filing was under Rock Falls Wind and the tax-exempt status does not apply to the Board's jurisdiction. He said when Rock Falls had their initial meeting with the Assessor the valuation was lowered somewhat. Estes said there has been a great deal of discussion regarding this appeal and feels the Board is ready to make a decision.

Motion was made by Cary and seconded by Krider declining the Amended Appeal given to the Assessor because it was not filed in a timely manner and approving the Assessor's adjustment value of \$74,313,966 on the Rock Falls Wind Farm Appeal. Motion carried. Cary, aye; Estes, aye; Krider, aye.

DCP Operating Co., LP: Estes told DCP Operating Co. is a pipeline company with lines in the Ponca City School and Frontier School Districts; he noted Frontier was not in our jurisdiction. Estes said in their filings they show a copy of their financial overview showing \$245,000 valuation in 2016, 2017 and 2018 and now they are appealing the valuation and asking for the adjusted amount to be \$183,784.80. Estes said he didn't remember discussion regarding how old the lines are, etc. Cary said he didn't recall nor would he know how to evaluate an older line compared to a new line; he noted the line was still providing a function. Estes said DCP is basing this off of economic obsolescent; Cary said he viewed it as a functional obsolescent. Cary asked if economic obsolescent was being used for instances of the price of oil going down. Estes said in the present trend we have seen oil and gas prices coming back and feel like that negates any economic obsolescent. Estes said evidently the lines are functioning as viable lines carrying on with the company's ability to serve. Cary brought up some different types of scenarios that would cause fluctuation on the product. Estes asked Assessor Keen if the value could only be increased by 3%; Keen said yes valuation property can go up, but 3% only pertains to real estate. Keen said that value increase doesn't have anything to do with this because it is on real estate not on personal property and we are dealing with personal property with DCP. Cary asked if it was based off the volume that was transported, Keen answered yes. Estes stated the valuations have been consistent for the past three years. Cary discussed previous years and the values set/determined; he noted the value changes DCP requested had changed over the years, noting some years were higher than others. Cary asked if DCP was changing year to year based on the volume that is being transported. Keen said Jerry Wisdom has done the research and discussed with DCP and realized he needed to fluctuate the values and he has continuously worked with them on these valuations. Estes stated if they are using the economic obsolescent it doesn't really hold water because of the big increase between 2016 and 2017 in their operating revenues in their gathering and processing. Estes said after discussion and consideration the floor is now open to make a decision. Krider said he feels the board should take the advice of Mr. Wisdom and the values he has set forth.

Motion was made by Krider and seconded by Cary approving and accepting the Assessor's adjusted value of \$244,999.00. Motion carried. Cary, aye; Estes, aye; Krider, aye.

Motion was made by Cary and seconded by Krider approving and signing the Notice of Appeal Decisions made on Rock Falls Wind and DCP Operating Co., LP by the BOE. Motion carried. Cary, aye; Estes, aye; Krider, aye.

Motion was made by Cary and seconded by Krider to adjourn for the year (1:52 p.m.) Motion carried.
Cary, aye; Estes, aye; Krider, aye.

Approved this _____ day of _____, 20__.

J.C. ESTES, CHAIRMAN

JOHN G. KRIDER, VICE CHAIRMAN

JOE R. CARY, MEMBER

ATTEST:

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