The regular meeting of the Texas County Equalization Board was called to order by Shane Metcalf, Chairman. Gary Davison, Kim Humbard members and Wendy Johnson, County Clerk were present. Judyth Campbell, Assessor, Jerry Wisdom, TASC, Aimee Midkiff, Treasurer, Collete Coffey, Deputy to Assessor, Todd Kerr, Hooker School Superintendent, Jeanne Hershey, and Marsha Strong were also present.

The agenda was filed May 15, 2023, at 10:00 a.m. in compliance with the open meetings act.

Metcalf verified we were in compliance with the Open Meeting Act with all board members present. Aye: Humbard, Davison, Metcalf. Nay: none.

Jerry Wisdom with TASC was Subpoenaed to attend the meeting for his expertise.

Affidavits were collected from Scott Crisler, DCP, Collete Coffey, Deputy Assessor, Judyth Campbell, Assessor, Jerry Wisdom, witness, Wendy Johnson, County Clerk/Board Secretary, Gary Davison, Board Member, Kim Humbard, Board Member, Shane Metcalf, Board Member.

Metcalf read the Affidavit of Scott Crisler out loud as follows:

AFFIDAVIT OF SCOTT CRISLER

STATE OF COLORADO )
) ss:
COUNTY OF DENVER

Scott Crisler, being duly sworn, of lawful age, upon personal knowledge and belief states as follows:

- 1. My name is Scott Crisler. I am the Property Tax Manager for DCP Operating Co., LP ("DPC"). The statements made herein are true and correct and are based upon my personal knowledge and belief. Due to resource limitations, I am submitting this affidavit pursuant to 68 O.S. § 2877 (C) in lieu of attending today's meeting in person or by telephone. The information contained herein is confidential pursuant to 68 O.S. § 2835 (E).
- 2. DCP owns and operates gas gathering pipelines and related equipment in Texas County. DCP receives gas produced by oil and gas companies at the well head and moves the gas through its gathering lines to processing plants where the liquids are removed, and the liquids and residue gas are then sold. The long-term downturn in volumes and oil, gas and liquids prices has had a significant negative impact on DCP. This downturn has negatively impacted the fair market value of DCP's tangible personal property located in Texas County.
  - 3. In preparing our 2023 values for all DCP assets, including those in Texas

County, we've calculated a fair market value based on cost for what we've rendered for 2023. Our cost approach again this year has been impacted by economic obsolescence similar to prior years. Economic obsolescence is a form of depreciation where the loss in value or usefulness of property is caused by factors external to the property. Our rendered values have also been affected by various DCP asset sales within the Midcontinent region.

- 4. DCP believes the assessor's value exceeds the actual fair market value of the subject property and the assessor's value fails to accurately measure all forms of depreciation under the cost approach, including but not limited to economic obsolescence, and fails to reflect the decline in asset value due to DCP asset sales.
  - 5. DCP would request the Board consider DCP's valuation of \$14,859,436.

Further affiant sayeth not.

Dated this 11th day of July 2023.

DCP OPERATING CO., LP

By: ss/ Scott Crisler Scott Crisler

**Property Tax Manage** 

Subscribed and sworn to before me this \_\_\_\_\_ day of July 2023, by Scott Crisler, Property tax Manager for DCP Operating Co., LP.

ss/ Donnielle M. Parizek
Notary Public for the state of Colorado

Commission Expires 2/27/2025. Notary ID 20134012319

Metcalf asked Campbell if she would like to present her side.

Campbell asked that we let Wisdom present the information in her place due to time.

Wisdom presented the following information to the board.

2012-2022 Inside FERC Monthly Index Oklahoma Pipelines shows that in 2022 the average was \$6.25 and in 2012 it was \$2.65. That is a 170.93% year to year increase difference, that is not a decline.

On the EIA Henry Hub Average Gas Price in 2021 was \$3.91 and in 2022 it was \$6.42. 2021 vs 2022 was a 139.29% increase. The 2022 vs 2021 Commodity pricing – Enlink Midstream Natural Gas average was 160.35% year to year.

DCP Gathering and Processing revenue and expenses 2017 – 2022 General and admin expenses in 2017 were 13.60% and Year to Year EBITDA % was 194.29%

averaging \$1.32 MCF. DCP Midstream 2017-2022 EBITDA (NOI) increased by 194.29%.

The Cost Approach is defined as, "Using the cost approach, the appraiser starts with the current replacement or reproduction cost new of the property being appraised and then deducts for the loss in value caused by physical deterioration, functional obsolescence, and economic obsolescence.

The Inutility Penalty is figured in. 2023 DCP Midstream asset analysis in Texas County's variance was -554,771 making the 2022 Final Values RCN \$869,372,348 and FMV \$90,000,000 and 2023 RCN \$906,631,297 and FMV \$96,361,933 that is 10.63% of RCN.

In 2023 DCP reported an average pipeline cost compared to OTC at \$765.59 the 2023 OTC Schedule was \$1,118374 that is a ratio of 68.13% difference.

2023 DCP Oklahoma average reported costs Cost was 3,712,943,982, market value was \$286,244,452 with a ratio to cost at 7.71%.

2023 Utilized RCN Cost Schedules and value summary in Oklahoma a total RCN of \$3,712,943,982, market value of \$286,244,452 with a FMV ratio to rendered 7.71%.

2023 DCP operating TASC Schedule vs OTC Schedule values was a 110.87% difference.

2022 DCP Operating Rendered Cost vs Market Value was 6.91% across 27 counties in Oklahoma.

In 2023 vs 2022 DCP Operating reported Market Values at 112.79%. DCP recognized a 12.79% increase in value overall.

2023 DCP Operating reported values at 7.71% while recognizing a 12.79% increase in value. DCP still only reported a 7.71% of RCN to Oklahoma Assessors or salvage value.

DCP 2017 – 2022 Chilton Obsolescence Calculation for Natural Gas wellhead Obsolescence calculation was 14.24% in the region. The DCP 2023 using 2021 compressor utilization obsolescence was \$96,361,922.

Attached is an email dated March 15, 2023.

Scott,

We are starting to receive some of your renditions from the counties for 2023.

If you would please forward the excel files that correspond with the renditions as you have in the past years depicting the assets.

Additionally, I did not see any volumes, compressor utilization or EBITDA if you would proved those as well year over year so we may make adjustments.

This will assist in the valuation and correctness of the assets for 2023. On another note, we have picked up Woodward County for 2023 from VLS.

Please give me a call with any questions.

No reply!!!

Income Approach DCP Operating in Texas County 2023 \$106,055,727 and the Cost Approach is \$96,361,992.

We are asking the board to consider the Assessors FMV at \$96,361,922.

DCP's 976's was as follows:

Account 700501735, SC1 Assessor's Value was \$2,192,591, DCP's believes the correct value to be \$578,394.

Account 700501734, SC9 Assessor's Value was \$448,461, DCP's believes the correct value to be \$81,293.

Account 700501741, SC8 Assessor's Value was \$19,130,621, DCP's believes the correct value to be \$3,353,012.

Account 700501732, SC11 Assessor's Value was \$40,186, DCP's believes the correct value to be \$8,043.

Account 700501736, SC15 Assessor's Value was \$12,520,225, DCP's believes the correct value to be \$2,324,278.

Account 700501737, SC23 Assessor's Value was \$18,024,850, DCP's believes the correct value to be \$2,444,595.

Account 700501738, SC53 Assessor's Value was \$916,947, DCP's believes the correct value to be \$226,261.

Account 700501739, SC60 Assessor's Value was \$6,433,455, DCP's believes the correct value to be \$1,093,641.

Account 700501740, SC61 Assessor's Value was \$6,874,652, DCP's believes the correct value to be \$1,261,490.

Account 700501731, SC80 Assessor's Value was \$16,189,580, DCP's believes the correct value to be \$2,155,434.

Account 700501733, SC128 Assessor's Value was \$13,590,354, DCP's believes the correct value to be \$1,332,996.

Motion by Davison, second by Humbard to approve the Fair Market Value for DCP to be \$106,055,727 due to the fact that we used the income approach because it was easily justified. Aye: Humbard, Davison, Metcalf. Nay: none.

The following are the 977's to break it down by school district:

Account 700501733 SD 128 Alter Fair Cash Value to \$14,957,505.

Account 700501738 SD 53 Alter Fair Cash Value to \$1,009,188.

Account 700501737 SD 23 Alter Fair Cash Value to \$19,838,090.

Account 700501731 SD 80 Alter Fair Cash Value to \$17,818,209.

Account 700501741 SD 8 Alter Fair Cash Value to \$21,055,119.

Account 700501735 SD 1 Alter Fair Cash Value to \$2,413,146. Account 700501734 SD 9 Alter Fair Cash Value to \$493,576. Account 700501739 SD 60 Alter Fair Cash Value to \$7,080,656. Account 700501732 SD 11 Alter Fair Cash Value to \$44,229. Account 700501740 SD 61 Alter Fair Cash Value to \$7,566,239. Account 700501736 SD 15 Alter Fair Cash Value to \$13,779,770.

## Adjourned.

I, Wendy Johnson, the duly elected and qualified County Clerk in and for Texas County, Oklahoma, do certify the above is a true and complete statement of the proceedings of the Board of County Equalization held in this office on July 18, 2022.

Wendy Johnson, County Clerk Secretary to the Equalization Board Shane Metcalf, Chairman

Gary Davison, Member

Kim Humbard, Member