

**FINAL COPY  
TORRANCE COUNTY BOARD OF COMMISSIONERS  
COMMISSION MEETING  
JUNE 24<sup>th</sup>, 2020**

**COMMISSIONERS PRESENT:** RYAN SCHWEBACH -CHAIRMAN  
KEVIN MCCALL –DISTRICT 1  
JAVIER SANCHEZ –DISTRICT 3

**OTHERS PRESENT:**

WAYNE JOHNSON-COUNTY MANAGER  
JOHN BUTRICK-COUNTY ATTORNEY  
JANICE Y. BARELA- DEP. COUNTY MANAGER  
YVONNE OTERO-ADMIN. ASST.

**1.) CALL MEETING TO ORDER**

Chairman Schwebach calls the June 24<sup>th</sup>, 2020 Commission Meeting to order at 9:08 A.M.

**2.) Invocation and Pledge of Allegiance**

**Pledge lead by Chairman Schwebach**

**Invocation lead by Commissioner McCall**

**3.) Changes to the Agenda**

County Manager Johnson states that the auditors asked if they could give their presentation sooner, so County Manager Johnson is requesting that they be moved from item 12-A and allow them to give their presentation after the approval of the Consent Agenda.

County Manager Johnson also states that there is a revenue report that he has requested Jeremy Oliver to present to the Commission during item #7. This report is to give us information concerning GRT's & property tax in regards to the employee raises.

**4.) PROCLAMATIONS**

There were none presented.

**5.) CERTIFICATES AND AWARDS**

There were none presented.

**6.) BOARD AND COMMITTEE APPOINTMENT**

There were none presented

## 7.) PUBLIC COMMENT and COMMUNICATIONS

**County Manager Johnson** states that he has requested that Mr. Oliver give a brief update on where we are with implementing the raises for the employees. At first it was going to be staggered but with the GRT collection we will be able to proceed with raises for everyone during the full pay period in July.

**Jeremy Oliver** states that 99% of our predictions from property taxes have been collected. Federal PILT is the only thing that is outstanding. Mr. Oliver goes over some GRT's when the wind farms are being built. One year there was a \$100,000.00 uptick in GRT's for the calendar year.

Historically May, June, and July have not been the best collection month. However, we have beat that average the last two months and the amount continues to rise. We are on track to easily break \$400,000.00 if this rise continues. Mr. Oliver goes over a few other GRT numbers and explains the handouts various departments and their GRT's. Charts hereto attached.

**Chairman Schwebach** asks a question about the difference in 2018 and 2019. He states that in 2018 things seemed to be well above average and then in 2019 it was well below average. Chairman Schwebach asks Mr. Oliver if he has an explanation for that change.

**Jeremy Oliver** states that it may be from the closure of the prison and no projects being built but is not completely sure as to why there is such a significant drop.

**Chairman Schwebach** would like more analysis as to why there is such a difference in 2019.

**Jeremy Oliver** states that he will look further into it and get something to present to the Commission.

**County Manager Johnson** states that there is no way they can get the revenue from what the prison would have brought because of Taxpayer Privacy, Tax & Rev will not release that information. A lot of this is guess work on what is going on with the GRT's.

**Commissioner McCall** states that he can understand Chairman Schwebach's concern and would also like to see more information as to why there is such a change in GRT's. We do not want to implement these raises and then later realize it was too much and then the budget can't handle it because there isn't enough money coming in.

**Tracy Sedillo**, Treasurer, states that when she attended an affiliate meeting, everyone noticed an influx in their GRT's because more people are shopping locally than they are out of county. Most people don't want to go into Albuquerque because of the virus so they are staying in the county and doing everything they can here.

**County Manager Johnson** states that they are seeing a shift. People still must buy things. It is a matter of what and where you are making that purchase. County Manager Johnson would also

like to point out that the GRT we built this on was about \$212,000.00. The GRT that we are going to receive is about \$350,000.00. So, even if this fluctuates to about 50% of what we projected, we will still be above our budget number. He believes that from a GRT standpoint and tax payments we are ok. Then the PILT payments will start coming in from the windfarms.

**Commissioner McCall** is concerned that we are going to see a huge influx but does not want to get out to far from when all the construction is over, and the true Covid-19 hits us. Commissioner McCall believes that we have yet to see the worst of Covid-19. He thinks that in a year we are going to see a major downturn. We need to proceed with caution, as he is viewing this on a personal standpoint with his business and finances that he relies on.

**County Manager Johnson** states that he completely understands where Commissioner McCall is coming from. He hopes that Covid-19 will be gone by next year and things will get back on track for the future.

## 8.) APPROVAL OF MINUTES

a.) **COMMISSION:** Motion to approve the June 10<sup>th</sup>, 2020 Torrance County Board of County Commission Minutes.

**ACTION TAKEN:** **Chairman Schwebach** makes a motion to approve the June 10<sup>th</sup>, 2020 Torrance County Board of County Commission Minutes. **Commissioner McCall** seconds the motion. No further discussion, all Commissioners in favor. **MOTION CARRIED**

## 9.) APPROVAL OF CONSENT AGENDA

a.) **FINANCE:** Approval of Payables

**ACTION TAKEN:** **Commissioner McCall** makes a motion to approve the Consent Agenda: Approval of Payables. **Chairman Schwebach** seconds the motion. No further discussion, all Commissioners in favor. **MOTION CARRIED**

## 10.) ADOPTION OF ORDINANCE/AMENDMENT TO COUNTY CODE

There were none presented

## 12.) DISCUSSION

a.) **FINANCE:** Presentation of 2019 Audit Report by Hinkle & Landers

**Farley Vener**, President for Hinkle & Landers, is here today to present the 2019 Audit to the Commission. Mr. Vener states that he will be showing a PowerPoint presentation that summarizes the result of the audit. Mr. Vener goes over how they do the audit and what departments are involved with the audit.

Mr. Vener speaks about the scope of the audit. Their job is to determine if the financials are correct. In this process they would propose adjusting journal entries when needed. Torrance

County, as well as a few other entities, maintain their books monthly. The audit has to be on an accrual basis. There are a lot of cash to accrual adjustments, otherwise known as a non-attest service. The auditors can do this as long as everything is properly set up.

The auditors also investigate the internal structure and are required to report any deficiencies to the governing board. Another thing that is investigated is fraud, but there is not very many that are found in the audit. Mr. Vener goes over a few other steps on what goes on and what was done on the audit. There were 9 findings, 3 were resolved from last year, and 1 that repeated.

Mr. Vener states that one new thing that will be coming and will need a lot of attention are the lease's, or anything that the county is renting. This will all be moving to the balance sheet. Mr. Vener states that the audit is complete and would like to thank everyone for their help.

**Chairman Schwebach** asks Mr. Vener if he could go back to the information on leases.

**Farley Vener** states that the leases will affect all entities, for-profits, non-profits, and governmental entities. All leases will move to the balance sheet, using a vehicle is considered an asset and then it will be offset with a liability. **DISCUSSION ONLY, NO ACTION TAKEN.**

## **11.) ADOPTION OF RESOLUTION**

**a.) MANAGER:** Motion to approve Resolution No. 2020-21, the reorganization of the County Fairboard and defining its authority and obligations.

**County Manager Johnson** states that this is a resolution that has been in the works for a long time. This began when there was a need to change the timing of the appointment of the Fairboard members. The appointment was usually done right before the county fair, now the appointments will happen at a later part in the year.

Along with the change of appointment a few other areas needed to be changed as well as responsibilities of the members. The board needed a cleaner structure. Everything relating to contracts and responsibilities are now all organized in one location with this resolution

**Marcie Wallin** states the Fairboard had a meeting which was also discussed with County Manager Johnson and he clarified some points for the board. Ultimately the board did consider and approve support for the proposed reorganization. One question that was answered was the duties and responsibilities of the treasurer and the secretary. After a conversation with County Manager Johnson that has since been cleared up.

**County Manager Johnson** states that they chose to leave out the duties of the secretary from the resolution so that there was no confusion on his/her duties.

**ACTION TAKEN:** **Chairman Schwebach** makes a motion to approve Resolution NO. 2020-21, the reorganization of the County Fairboard and defining its authority and obligations. **Commissioner McCall** seconds the motion. No further discussion, all Commissioners in favor.  
**MOTION CARRIED**

**Commissioner McCall** asks Ms. Wallin if she can give him an update on how they are planning to conduct the fair this year with the issue of the Covid-19 pandemic.

**Marcie Wallin** states that they are working on the plans for the fair and how to keep everything safe. Most of what will happen depends on what the Governor will allow. We may have people come and set up their art to be judged but not allow any public in, and as far as the livestock show they may have the kids come in the day they are showing instead of being here the day before.

**b.) FINANCE:** Motion to approve Torrance County updated Purchasing Policy, Resolution No. 2020-22

**Noah Sedillo** states that there have been some updates made to the Purchasing Policy. On page 6 2.6 Purchase Voucher, the last sentence now reads that no reimbursement shall occur unless a Purchase Order has been issued to the employee seeking reimbursement prior to the purchase.

Some other changes that have been made are those to the threshold amount that is required for quotes. The previous amount was anything above \$2,499.99 would require 3 quotes, that is now raised to \$4,999.99 before an employee is required to get 3 quotes.

The threshold for what is required before going out for bid has also been increased. The previous amount was \$25,000.00 and that is now raised to \$30,000.00 before an employee is required to enter into the bid process.

**County Manager Johnson** states that none of the department heads will be losing control this will offer more flexibility, there has been some issues in the past by either going over the amount of the PO or hindering a department from obtaining supplies.

**ACTION TAKEN:** **Commissioner McCall** makes a motion to approve the Torrance County updated Purchasing Policy, Resolution No. 2020-22. **Chairman Schwebach** seconds the motion. No further discussion, all Commissioners in favor. **MOTION CARRIED**

**c.) FINANCE:** Budget Increase, PILT to school, Resolution No. 2020-23

**Jeremy Oliver** states that he is requesting a budget increase in the amount of \$239,200.00. The reason for this request is because the High Lonesome Mesa, LLC Wind Farm sent the entire distribution payment to Torrance County and did not send Estancia Public School Portion separately. Once this increase is made Torrance County will send the money to the school as stated in the bond agreement.

**ACTION TAKEN:** **Commissioner McCall** makes a motion to approve Resolution 2020-23 Budget Increase. **Chairman Schwebach** seconds the motion. No further discussion, all Commissioners in favor. **MOTION CARRIED**

## 12.) DISCUSSION

**b.) COMMISSION:** Proposal to the USDA on renewable energy and rural farms. (McCall)

**Commissioner McCall** states that he was approached by Mr. Lanard with some interesting information, he has done a lot of research on energy and water.

**Roger Lanard** states that he works on high-tech R & D for Department of Defense and NASA. He flies for Civil Air Patrol. He recently completed a low-level survey and noticed that one of the large windfarms is not on the map. This can cause problems for people that are flying low in the vicinity. This was mapped out and will be sent to the 27<sup>th</sup> Special Operations.

The reason Mr. Lanard has brought this is up is because while he was flying, he noticed a lot of geological formations in the area. These lend themselves uniquely to energy storage. Mr. Lanard states that he came up with a method for creating reservoirs with existing technology and using pumped hydro to store energy. This is the cheapest form of energy storage on the planet. Mr. Lanard is proposing to the Commission a request just for moral support to the Department of Agriculture for a small business innovative research program to study a pilot project here in Torrance County. Mr. Lanard explains how the pumped hydro works and how it will be used to provide energy. Dams are normally used for this but obviously in this area there are no dams. The evaporation is an issue, so there would need to be a top placed on the reservoir. Mr. Lanard states that brackish water may be used for the test projects.

Mr. Lanard states that he is planning on submitting to the 2020 USDA small business innovative research program, due in October, a request for the pilot project. Mr. Lanard is also going to try to get a proposal done so that the USDA can send it to the Washington Office.

**Commissioner McCall** states as he understands it the water will circulate from the top reservoir to the bottom reservoir, and with the cover it will not evaporate, and the electrical system is already present because of the wind turbines. Is that correct?

**Roger Lanard** replies, yes, that is correct.

**Chairman Schwebach** states that since the turbines began being built there has always been talk about these hydro storage units. This has always been scoffed at because this is not what you use the water for in the Western United States. You use the water to provide to the people and for agricultural use. The two things that caught Chairman Schwebach's eye was fixing the evaporation problem and the use of brackish water. Because of this, he is willing to endorse this. Chairman Schwebach states that this will eventually come to play, and he would like to be ahead of the game.

**Roger Lanard** states that he is not asking for money, he is just asking for the support of the county.

**Commissioner Sanchez** asks Mr. Lanard how many acre feet of water should be stored here in Torrance County. Commissioner Sanchez asks if there was a facility built with the capability of housing there 18,000-acre feet of water, where would it come from?

**Roger Lanard** states that in the Capitan's, if you excavated a portion totaling 18,000-acre feet you would store 150 gigawatt hours of electrical energy. Mr. Lanard states that if we can get this

going and operational this would make Torrance County the energy storage capital of the state possibly even the world. Simply because of the topography in this area.

Mr. Lanard states that from what he understands about the sub-surface water in the area, which is brackish water, it is very large. He is just wanting to do a pilot project here and show that it can be done.

**Commissioner McCall** states that this is worth looking into.

**County Manager Johnson** states that if the Commission would like they can draft something more formal so that the Commission can show their support. This would then be placed on a future agenda for approval. **NO ACTION TAKEN, DISCUSSION ONLY.**

### **13.) APPROVALS**

There were none presented.

### **14.) EXECUTIVE SESSION**

**ACTION TAKEN: Chairman Schwebach** makes a motion to enter into executive session to discuss the following items:

**A.) COMMISSION:** Discuss County Manager position, closed pursuant to Section 10-15-1(H)(2).

**B.) MANAGER:** Purchase of the County Fairgrounds, closed pursuant to Section 10-15-1(H)(8).

**Commissioner McCall** seconds the motion. Roll Call Vote: District 1-Yes, District 2-Yes, District 3-yes. No discussion, all Commissioners in favor. **MOTION CARRIED.**

### **EXECUTIVE SESSION ENTERED INTO at 10:31 am**

**ACTION TAKEN: Chairman Schwebach** makes a motion to return from executive session. **Commissioner McCall** seconds the motion. Roll Call Vote: District 1-Yes, District 2-Yes, District 3-yes. No discussion, all Commissioners in favor. **MOTION CARRIED.**

### **RETURN FROM EXECUTIVE SESSION AT 12:00 PM**

**Chairman Schwebach** states the following items were discussed in Executive Session.

**A.) COMMISSION:** Discuss County Manager position, closed pursuant to Section 10-15-1(H)(2).

**B.) MANAGER:** Purchase of the County Fairgrounds, closed pursuant to Section 10-15-1(H)(8).

**B.) MANAGER:** Purchase of the County Fairgrounds, closed pursuant to Section 10-15-1(H)(8).

**Commissioner McCall** seconds the motion. Roll Call Vote: District 1-Yes, District 2-Yes, District 3-yes. No discussion, all Commissioners in favor. **MOTION CARRIED.**

**Chairman Schwebach** states that no action was taken during executive session.

**15.) Announcement of the next Board of County Commissioners Meeting.**

**Chairman Schwebach** states that the next commission meeting will be held on July 8<sup>th</sup>, 2020 at 9:00 am at the Torrance County Administrative Building. Chairman Schwebach asks if the Special Meeting for July 13<sup>th</sup>, 2020 has been published.

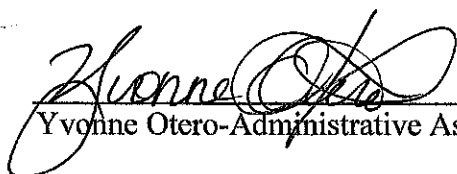
**County Manager Johnson** states that it was not added to this agenda, but on July 13<sup>th</sup> at 9 am there will be a special meeting to discuss the variance that has been appealed for the Homestead Estates and the county's project for a shelter. This will be the only item on the agenda. This is a public hearing in a quasi-judicial setting.

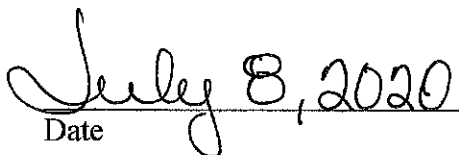
**ADJOURN**

**ACTION TAKEN:** **Chairman Schwebach** makes a motion to adjourn the June 24<sup>th</sup>, 2020 Commission Meeting. **Commissioner McCall** seconds the motion. No further discussion, all Commissioners in favor. **MOTION CARRIED**

**MEETING ADJOURNED AT 12:01 PM**

  
Chairman Ryan Schwebach

  
Yvonne Otero-Administrative Assistant

  
Date

**The video of this meeting can be viewed in its entirety on the Torrance County NM website, Audio discs of this meeting can be purchased in the Torrance County Clerk's office and the audio of this meeting will be aired on our local radio station KXNM.**