

**MINUTES OF THE REGULAR MEETING OF
THE BOARD OF WATER AND SEWER COMMISSIONERS
FEBRUARY 19, 2026 AT 8:30 A.M.,
IN THE PLANNING ROOM AT THE MUNICIPAL BUILDING, 101 N. HALAGUENO
STREET, CARLSBAD, NM**

VOTING MEMBERS PRESENT:	Craig Stephens	Chairman
	Fred Beard	Member
	Dennis Miehls	Member
	John Bowen	Member
	Robert Chavez	Member

VOTING MEMBERS ABSENT:

EX-OFFICIO MEMBERS PRESENT:	Eddie Rodriguez	Ex-Officio
	Wendy Austin	City Manager/ Secretary

EX-OFFICIO MEMBERS ABSENT:	Richard D. Lopez	Mayor
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OTHERS PRESENT:	Ken Ahrens	Deputy City Manager
	Ivan "Mike" Abell	Director of Utilities
	Barbara Hodgson	City Attorney
	Melissa Salcido	Finance Director
	Ron Myers	Environmental Permitting Manager
	Matt Warner	WWTP Superintendent
	Olga Ramirez	Assistant to City Manager
	Richard Aguilar	Environmental Superintendent
	Anthony Hernandez	Water Superintendent
	Dave Romero	Balleau Groundwater
	Clay Bradley	City's Outside Counsel
	Tyler Lane	Ridge Runner
	Austin Tramell	Ridge Runner
	Adam Doty	Select Water Solutions
	Caleb Bloyd	Select Water Solutions

1. Roll Call and Determination of Quorum

C. Stephens called roll and it was determined that there was a quorum of voting members.

**2. Consider Approval of Minutes of the Board of Water and Sewer Commissioners
Regular Meeting held January 15, 2026**

The motion was made by F. Beard and seconded by D. Miehls to approve the Minutes of the Regular Board of Water and Sewer Commissioners meeting held on January 15, 2026. The vote was as follows: Yes: F. Beard, J. Bowen, R. Chavez, D. Miehls, C. Stephens No: None The Motion passed.

3. Consider Approval of a recommendation to City Council a request from Select Water Solutions to construct a 20" Produced Water pipeline within the City Limits and the Wellhead Protection area

A. Doty and C. Bloyd with Select Water Solutions were in attendance to discuss their application for a 20" Produced Water pipeline. C. Bloyd mentioned to the board they submitted an application for a permit to construct a 20" Produced Water pipeline within the City limits and the Wellhead Protection Area. C. Bradley stated he reviewed the application and Select did meet all the requirements under City code. C. Bloyd mentioned they do have a Scada system to detect any leaks and will be deploying other leak detection methodology. C. Bradley mentioned to the board the City utilizes a third party inspector to do inspections and verify the crossings are marked correctly. C. Stephens asked if about their insurance certificate if the \$15 million was an umbrella or excessive for pollution. A. Doty said they would have to check. Councilor Rodriguez stated he also had an insurance question. He mentioned the City is listed on the certificate as additional insured and but not listed on the Named Insured List, are they all covered and can the City be covered. A. Doty stated he would have to check on that as well. C. Stephens asked what timeline they were looking at. A. Doty stated approximately two to three months.

The motion was made by D. Miehl and seconded by J. Bowen to the request from Select Water Solutions. The vote was as follows: Yes: J. Bowen, R. Chavez, D. Miehl, C. Stephens No: None Abstained: F. Beard. The Motion passed.

4. Review of NMOCD incident Reports within the Sheep Draw Wellhead Protection Area

D. Romero gave an overview of the NMOCD (New Mexico Oil Conservation Division) incident reports for the City of Carlsbad. He stated the OCD website includes incidents in two categories, venting and flaring of gas, this type of incident is something that is managed and under control and releases of liquid or gas that are unplanned. Incidents are categorized as either major or minor. When an incident occurs the operator or responsible party must notify the OCD by submitting a C-141 form. Once the form is submitted, there is a process put in place. The responsible party has to immediately have the area cleaned up, an Environmental firm comes in and clean the area, OCD oversees the clean-up. D. Romero stated the incidents are categorized into two parts. The areas that are in the critical zone, which is the area in which they estimate if any sort of issue occurred and got into the aquifer it would take about 20 years before it affected the water quality the wells. The significant zone is the area in which they estimate it would take about 100 years before it got into the wells. C. Stephens asked what the City could do in the critical zone to mitigate the leak. D. Romero responded they have a recommendation, when the C-141 form is turned into the OCD, that they inform the City.

Councilor Rodriguez asked if during the remediation it is abated does the 20 -100 year threat still exist if it's removed. D. Romero responded the 20-100 year is just the region of where they estimate the water enters the wells, that's the travel time, which will always be there. He stated when he reviewed these incidents, nothing penetrated into the aquifer. When the Environmental firms go to an area where a spill occurred, that is one of the things they look for. C. Stephens asked for clarification, if the abatement takes place the City's exposure is gone. D. Romero stated that is correct. C. Stephens stated he was concerned with the amount of incidents and the amount of multiple incidents. He asked if the City could keep them out of the wellfield. D. Romero said he didn't think the City could. Councilor Rodriguez asked about the timeline in completing the C-141 to be filed from the date of spill and is there a timeframe for the report from the Environmental on remediation. C. Bradley responded the State statute requires immediate notification upon

discovering the spill. D. Romero responded if the release is major it the OCD must be notified within 24 hours of discovery, if it's minor within 15 days of discovery. C. Bradley stated an issue is due to the area some of these wells are located there is not always a person out there. C. Stephens asked if the City should have an inspections to check on things. C. Bradley responded he has been working with City staff on performing an audit on getting a list of all the wells in the Wellhead Protection Area to document them. Councilor Rodriguez asked what is the timeframe for the Environmental clean-up report to be submitted so the City could verify everything has been addressed. C. Bradley responded once the incident is reported the Environmental and OCD take over and they establish the timeline with the responsible company on remediating the issue, there isn't a set timeline, each incident is different. Councilor Rodriguez after the remediation what is the timeline the City gets the completed report. C. Bradley stated the City should be able to get the report as soon as it's filed with the state. Councilor Rodriguez asked once the C-141 is filed can the City make a pre-empted request to be notified upon completion. C. Bradley stated yes they could.

M. Abell said the city does B-tex samples that is standard for the oil and gas industry. Some companies have updated their Scada systems, which is a high level supervisor system data system that monitors their production levels and if they have a fault they send someone out immediately.

W. Austin mentioned to the board, D. Romero would be updating the report on a yearly basis with any new incidents.

5. Consider Final Approval of Application from 3R Operating to drill a Gas Well in the City's Wellhead Protection Area

A. Tramell and T. Lane were in attendance to answer any questions from the Board. T. Lane mentioned to the board they install a poly liner in case they do have a leak to help contain it. He said they also use a Scada system to alert them of any failures. They get notified immediately and are capable of sending someone to the site immediately. He mentioned to the board they have employees who go to the sites every day or at least every other day. C. Stephens asked how many wells they had in the Basin, A. Doty responded about 280.

The motion was made by J. Bowen and seconded by D. Miehl to the request from Select Water Solutions. The vote was as follows: Yes: J. Bowen, R. Chavez, D. Miehl, C. Stephens No: None Abstained: F. Beard. The Motion passed.

6. Utilities Department Monthly Reports presented by Ivan "Mike" Abell

I. Abell reported for the month of January the Water department pumped approximately 500.80 acre-feet from the Sheep's Draw, which is 5.44 million gallons a day. This is 41.05 acre-feet less than this time last year. The City is at 5% of our Water Rights. In the Double Eagle Water System, the Double Eagle department pumped about 96.99 acre-feet or about 31.604 million gallons. He reported they pumped 96.99 acre feet of the 7648 acre feet that is available at Double Eagle. They have used about 1% of their Water Rights. Due to the meter failure in October numbers are still unavailable for the amount of water delivered to the City of Carlsbad. There was an issue with the company where they order the parts and had to order them from another company, they are still waiting for the parts to come in. Customers on the Double Eagle water system used approximately 2.27 million gallons. The WWTP treated about 2.58 million gallons of sewage and treated about 196 thousand gallons of septage. They delivered 1.22 million gallons of Effluent to

the Municipal Golf Course and sold approximately 15.70 million gallons in Effluent sales for the month of January.

Precipitation for the month of January was 0.88 inches.

7. Discussion regarding City of Carlsbad Water Rights

W. Austin reviewed the Water Rights the City currently has. She reminded the Board, Water Rights are considered real property and the City is required to get an appraisal prior to acquiring any Water Rights. W. Austin stated Maria O'Brien is still reviewing the offer to purchase Water Rights. C. Stephens stated once they receive the report from Maria, they will need to go into an Executive session for discussion.

W. Austin stated in Sheep's Draw, Mosaic is utilizing the C-110 and C-111 Water Rights. She stated in around 1999, the City and Mosaic agreed to allow Mosaic to use those Water Rights and Mosaic provided the City with the 2300 acre feet Water Rights, which the City will get back in 2039. W. Austin mentioned Mosaic has Water Rights in Lea County but don't have the infrastructure to utilize them from Lea County.

W. Austin reported the City has about 10,283 acre feet of Water Rights in Sheep's Draw. In Double Eagle the City has about 7,648 acre feet and in Tatum the City has about 10,640 acre feet. She stated the City has a significant amount of Water Rights for our community.

F. Beard asked if the City was still moving forward with the Tatum Waterline. I. Abell responded yes, the City has awarded the Request for Proposal for that waterline and are in the process of moving forward.


8. Discussion regarding the current active Oil and Gas Wells in Sheep's Draw, Double Eagle and City of Carlsbad

W. Austin reported to the Board, currently there are 45 active Wells within the City limits, there are 84 active Wells in the Sheep's Draw and 84 active Wells in Double Eagle.

9. Financial Reports presented by Melissa Salcido

M. Salcido gave a summary of the January 2026 Financials. The Water & Sewer Fund had a beginning fund balance of \$17 million. Revenues budget had a balance of \$11 million and were \$16.6 million unfavorable to the \$27.6 million budget. This unfavorable variance is related to the timing of the grants and the Water and Sewer loans. If the unfavorable variance for the grants and loans were to be removed the Water and Sewer fund would be favorable by \$1.3 million in revenues. Labor costs of \$3.1 million were \$500 thousand favorable to the \$3.6 million budget. Operating costs of \$2.2 million were \$400 thousand favorable to the \$2.6 million budget. Capital Investment of \$4.9 million was \$27.3 million favorable to the \$32.2 million budget.

C. Stephens stated the meeting is adjourned.


Chairman