

**LINKED MINUTES OF A REGULAR MEETING OF THE CITY COUNCIL OF THE
CITY OF CARLSBAD, NEW MEXICO, HELD IN THE JANELL WHITLOCK
MUNICIPAL COMPLEX BUILDING ON MAY 26, 2026, AT 6:00 P.M.**

Present:	Richard D. Lopez	Mayor
	Lisa A. Anaya Flores	Councilor
	Edward T. Rodriguez	Councilor
	Karla Niemeier	Councilor
	Anthony Foreman	Councilor
	Mark C. Walterscheid	Councilor
	Jason O. Chavez	Councilor
	Jeff Forrest	Councilor
	Mary Garwood	Councilor

Absent:

Also Present:	Wendy Austin	City Manager
	Ken Ahrens	Deputy City Manager
	K.C. Cass	Chief of Operations
	Barbara Hodgson	City Attorney
	Nadine Mireles	City Clerk
	Jalynn Dominguez	Open Meetings Act Manager
	Dina Navarrette	Community Services Director
	Angie Barrios-Testa	Director of Grant Programs
	Mike Abell	Director of Utilities
	Melissa Salcido	Finance Director
	Tony Souza	Fire Chief
	Kyla Gonzales	HR Director
	Allan Henriksen	IT Technician
	Jeff Patterson	Planning Director
	Jessie Rodriguez	Police Chief
	Randy Galindo	Safety and Compliance Director
	Patrick Brownfield	Police Officer
	Clayton Bradley	Bradley Law Office

Time Stamps and headings below correspond to recording of meeting and the recording is hereby made a part of the official record.

0:00:02	Call Meeting to Order
0:00:55	Invocation - Pledge of Allegiance
0:01:34	<u>1. CITY OF CARLSBAD FINANCIALS - APRIL 2026</u>

Ms. Salcido reviewed the revenues and expenditures as of April 2026, the tenth accounting period of Fiscal Year 2026.

0:03:05

2. ROUTINE AND REGULAR BUSINESS

A. Minutes of the City Council Meeting held on May 12, 2026

B. City Personnel Report

C. Purchasing

1) Consider Approval for Invitation to Solicit Bids for a Zacklift Vehicle Towing System

2) Consider Approval for Invitation to Solicit Bids for Annual Pest Control Services for City Facilities

3) Consider Approval to Award RFP 2026-05 to Life Extension Clinics d/b/a Life Scan Wellness Centers for Comprehensive Health Evaluations for the Carlsbad Fire Department

D. Agreements and Contracts

1) Consider Approval of Agreement between the City of Carlsbad and Public Consulting Group (PCG) for participation in the Ambulance Supplemental Payment Program (ASPP)

2) Consider Approval of Lease Agreement between the City of Carlsbad and Corporate Flight Management, Inc. d/b/a Contour Airlines (Contour), for a Portion of the Cavern City Air Terminal

E. Monthly Reports

1) City Clerk Department Monthly Report - April 2026

2) Community Development Department Monthly Report - April 2026

3) Fire Department Monthly Report - April 2026

4) Planning & Regulation Department Monthly Report - April 2026

0:03:23

Mayor Lopez asked Chief Souza to briefly discuss item C3, Consider Approval to Award RFP 2026-05 to Life Extension Clinics d/b/a Life Scan Wellness Centers for Comprehensive Health Evaluations for the Carlsbad Fire Department

Chief Souza presented a request to award a contract to Life Extension Clinics, doing business as Life Scan Wellness Center, for comprehensive health evaluations for the Carlsbad Fire Department. He explained the nature of firefighting exposes personnel to elevated risks of cardiovascular disease and cancer, and annual physical and preventive health screenings can significantly improve early detection and reduce line-of-duty injuries and fatalities. **Chief Souza** noted the City solicited proposals and received one response, from Life Scan Wellness Center.

Mayor Lopez asked whether the provider currently serves other departments in the region. **Chief Souza** said Life Scan provides services to Eddy County Fire and Rescue, the Hobbs Fire Department, and will soon serve the Roswell Fire Department, adding that coordinating services with other agencies helps reduce costs associated with travel.

Councilor Rodriguez inquired about the term of the agreement. **Chief Souza** stated the contract would be structured as a one-year term with the option for annual renewals for up to five years.

0:06:29 **Mayor Lopez** asked **Chief Souza** to briefly discuss item D1, **Consider Approval of Agreement between the City of Carlsbad and Public Consulting Group (PCG) for participation in the Ambulance Supplemental Payment Program (ASPP)** **Chief Souza** said the Fire Department is requesting approval to enter into a professional services agreement with Public Consulting Group (PCG) to administer the Ambulance Supplemental Payment Program (ASPP), which allows the City to recover additional federal Medicaid funding based on the actual cost of Emergency Medical Services (EMS). He said the current Medicaid reimbursement rates do not cover the City's operational costs for advanced life support and basic life support transports. He said based on projected transport volumes, the City anticipates receiving approximately \$1.38 million in supplemental funding, with nearly \$1 million available for reinvestment into frontline equipment and EMS operations. He said PCG will manage all required reporting and compliance services and will be compensated at 15% of recovered federal funds, estimated at approximately \$148,000.

Mayor Lopez asked whether the agreement would impact patients in any way. **Chief Souza** said the agreement would not affect patients or pass any additional costs onto them, but instead allows the City to recover the difference between Medicaid reimbursement rates and the actual cost of providing EMS services through federal supplemental funding.

Mayor Lopez asked if the program operates on a reimbursement basis, meaning the City must initially fund participation in the program before receiving reimbursement. **Chief Souza** said while the City pays upfront costs to participate, the City is assured reimbursement of those funds through the program.

Councilor Rodriguez asked whether the 15% fee was a negotiated amount or a standard rate. **Chief Souza** said the 15% is the consulting group's standard rate for administering the program. **Councilor Rodriguez** asked if the fee would be paid from the federal matching funds recovered through the program rather than from additional City funds. **Chief Souza** said the City would receive the federal reimbursement amount with the 15% deducted.

0:11:06 **Mayor Lopez** asked **Ms. Navarrette** to briefly discuss item D2, **Consider Approval of Lease Agreement between the City of Carlsbad and Corporate Flight Management, Inc. d/b/a Contour Airlines (Contour), for a Portion of the Cavern City Air Terminal**

Ms. Navarrette presented a request to enter into a lease agreement with Corporate Flight Management, doing business as Contour Airlines, for the use of a portion of the Carlsbad Cavern City Air Terminal. She explained the U.S. Department of

Transportation selected Corporate Flight Management to provide Essential Air Service at Carlsbad, New Mexico (CNM) for a two-year term beginning March 1, 2026, through February 28, 2028, with an option to renew for one additional two-year term. She said under the agreement, the City would provide the airline with counter space, administrative office space, and an area designated for baggage.

Mayor Lopez asked if this was on their current terminal and asked if we would have to renew this agreement when the new terminal is built. **Ms. Navarrette** said it is included in the agreement for both terminals.

0:12:19 **MOTION**

The motion was made by Councilor Rodriguez and seconded by Councilor Garwood to approve Routine and Regular Business

0:12:28 **VOTE**

The vote was as follows: Yes - Niemeier, Walterscheid, Anaya-Flores, Chavez, Garwood, Foreman, Rodriguez, Forrest; No - None; Absent - None; the motion carried.

0:12:41 **3. CONSIDER APPROVAL OF A PERMIT APPLICATION BY PLAINS ORYX DELAWARE OIL TRANSPORT LLC TO CONSTRUCT AND OPERATE A 6 INCH OIL PIPELINE REFERRED TO AS THE WATER BUFFALO OIL PIPELINE**

Mr. Patterson stated Plains Oryx Delaware Oil Transportation LLC submitted an oil and gas permit application to construct and operate a buried 6-inch steel oil gathering pipeline known as the Water Buffalo Oil Pipeline. He said the pipeline will connect the Permian Resources central tank battery (CTB), referred to as the Water Buffalo (CTB), to a collection and processing location for transportation to downstream markets. He said the proposed pipeline will extend approximately 5.3 miles in length, with approximately 0.42 miles located within City limits. **Mr. Patterson** stated approximately 1.36 miles of the pipeline will be constructed within the Significant Impact Zone of the Wellhead Protection Area, with the remaining portion located in Eddy County. He said the pipeline will be buried at a minimum depth of 36 inches and will operate at pressures not exceeding 740 pounds per square inch (PSI). **Mr. Patterson** said the request was previously presented to the Water and Sewer Commissioners, who approved the permit for construction within the Wellhead Protection Area.

Councilor Chavez asked what additional measures would be taken for the portion of the pipeline located within the Wellhead Protection Area and whether construction standards would differ in that area. **Mr. Patterson** said the pipeline would be installed in accordance with all applicable City regulations and requirements for construction within the protected area.

Councilor Niemeier asked whether the Water and Sewer Board's approval of the permit application was unanimous. **Mrs. Austin** said the board voted unanimously in favor of approving the permit application.

Councilor Forrest asked whether the proposed pipeline would run along the border of the Bob Forrest Youth Sports Complex. **Mr. Patterson** said the pipeline would be located along the property boundary and would not encroach onto the Bob Forrest Youth Sports Complex.

0:16:57 **Mayor Lopez** asked if anyone with an interest in this property would like to address Council. No one appeared.

0:17:04 **MOTION**

The motion was made by Councilor Forrest and seconded by Councilor Foreman to approve of a permit application by Plains Oryx Delaware Oil Transport LLC to construct and operate a 6 inch oil pipeline referred to as the Water Buffalo Oil Pipeline

0:17:14 **VOTE**

The vote was as follows: Yes - Niemeier, Walterscheid, Chavez, Garwood, Foreman, Rodriguez, Forrest; No - Anaya-Flores; Absent - None; the motion carried.

0:17:33 **4. CONSIDER APPROVAL OF RESOLUTION 2026-35, A RESOLUTION ADOPTING A DESIGNATED METHOD OF DESTRUCTION FOR ELIGIBLE MUNICIPAL RECORDS**

Mrs. Mireles said this is a request for approval to destroy City records that have satisfied the legal retention requirements established under the approved records retention schedule. She said various City departments identified records eligible for destruction and that each department director reviewed and approved the records pertaining to their respective departments. **Mrs. Mireles** said the City Clerk's Department is requesting authorization to apply the approved retention schedules and proceed with the destruction process in accordance with State requirements. She said all records will be securely destroyed through shredding. **Mrs. Mireles** said this process is part of the City's ongoing records management program and helps ensure compliance, organization, and the proper maintenance of municipal records.

Councilor Rodriguez asked where the records would be shredded. **Mrs. Mireles** said the records will be delivered to Carc, and Carc will shred them.

0:19:11 **MOTION**

The motion was made by Councilor Rodriguez and seconded by Councilor Forrest to approve of Resolution 2026-35, a Resolution adopting a designated method of destruction for eligible Municipal records

0:19:23 **VOTE**

The vote was as follows: Yes - Niemeier, Walterscheid, Anaya-Flores, Chavez, Garwood, Foreman, Rodriguez, Forrest; No - None; Absent - None; the motion carried.

0:19:55 **5. CONSIDER APPROVAL OF ORDINANCE 2026-22, AN ORDINANCE AUTHORIZING THE GRANTING OF AN OIL AND GAS LEASE FOR CERTAIN MINERAL INTERESTS OWNED BY THE CITY OF CARLSBAD, IN CERTAIN PORTIONS OF SECTION 1, TOWNSHIP 23 SOUTH, RANGE 26 EAST, N.M.P.M., TO BLAZE INTERESTS, LLC FOR A \$15,574.00 PER NET ACRE LEASE BONUS AND A ONE-FOURTH (1/4TH) ROYALTY**

Mrs. Austin said the City of Carlsbad offered certain City-owned oil and gas mineral rights for lease through a closed bid process coordinated by Clayton Bradley, Esq. of Bradley Law Offices. She said Blaze Interest, LLC submitted the highest of two bids received, from a total of four entities that were invited to participate. She said the proposed lease includes a 25% royalty to the City, which is equal to or greater than standard royalty rates typically received by the New Mexico State Land Office, as well as a lease bonus of \$15,574 per net mineral acre, resulting in a total bonus payment of \$116,805. She said Mr. Bradley reviewed the lease agreement on behalf of the City and recommends approval.

0:21:57 **A. Public Hearing**

0:22:07 **Mayor Lopez asked if anyone would like to speak regarding the Ordinance. No one appeared and the Mayor declared the public hearing closed and reconvened the Council into regular session**

0:22:12 **B. Consider Approval of Ordinance 2026-22**

0:22:25 **Councilor Garwood** asked if the consultant that the City will use would be Clayton Bradley. Mrs. Austin said the City has been working with a consultant in Lubbock, TX. Mr. Bradley said the company that has previously done a full mineral title report for the City is Sims Land Company out of Lubbock, TX.

0:23:16 **MOTION**

The motion was made by Councilor Rodriguez and seconded by Councilor Foreman to approve of Ordinance 2026-22, an Ordinance authorizing the granting of an Oil and Gas lease for certain Mineral Interests owned by the City of Carlsbad, in certain portions of Section 1, Township 23 South, Range 26 East, N.M.P.M., to Blaze Interests, LLC for a \$15,574.00 per net acre lease bonus and a one-fourth (1/4th) royalty

0:23:29 **VOTE**

The vote was as follows: Yes - Niemeier, Walterscheid, Anaya-Flores, Chavez, Garwood, Foreman, Rodriguez, Forrest; No - None; Absent - None; the motion carried.

0:23:44 **6. PUBLIC COMMENTS AND ANNOUNCEMENTS. ALL COMMENTS MUST BE RESPECTFUL AND COURTEOUS (THREE-MINUTE TIME LIMIT PER PERSON)**

0:23:57 **7. COUNCIL COMMITTEE REPORTS**

Councilor Garwood reported that she will be attending the New Mexico Recycling Coalition Annual Meeting in Albuquerque, New Mexico, where she will be presenting the results of the recycling study that was conducted.

0:24:41 **8. CONSIDER APPROVAL TO CONVENE INTO CLOSED SESSION PURSUANT TO N.M.S.A. 1978 SECTION 10-15-1(H)(7), DISCUSSION OF THREATENED OR PENDING LITIGATION**

0:24:57 **MOTION**

The motion was made by Councilor Niemeier and seconded by Councilor Anaya-Flores to approve to convene into closed session pursuant to N.M.S.A. 1978 Section 10-15-1(H)(7), discussion of Threatened or Pending Litigation

0:25:23 **VOTE**

The vote was as follows: Yes - Niemeier, Walterscheid, Anaya-Flores, Chavez, Garwood, Foreman, Rodriguez, Forrest; No - None; Absent - None; the motion carried.

0:25:26 Stop Audio Recording Paused

0:25:26 Start Audio Recording [07:07:18 PM]

0:25:27 **9. CONSIDER APPROVAL TO RECONVENE INTO OPEN SESSION**

0:25:29 **MOTION**

The motion was made by Councilor Niemeier and seconded by Councilor Anaya-Flores to approve to reconvene into open session

0:25:35 **VOTE**

The vote was as follows: Yes - Niemeier, Walterscheid, Anaya-Flores, Chavez, Garwood, Foreman, Rodriguez, Forrest; No - None; Absent - None; the motion carried.

0:25:47 **10. CONSIDER APPROVAL OF STATEMENT REGARDING CLOSED SESSION. PURSUANT TO THE REQUIREMENTS OF THE OPEN MEETINGS ACT, THE CLOSED SESSION WAS HELD TO DISCUSS MATTERS PURSUANT TO N.M.S.A. 1978, SECTION 10-15-1(H)(7), N.M.S.A. DISCUSSION OF THREATENED OR PENDING LITIGATION. THIS WAS THE ONLY MATTER DISCUSSED DURING THE CLOSED SESSION**

Mayor Lopez said Pursuant to the requirements of the Open Meetings Act, NMSA 1978, as amended, Section 10-15-1(H)(7), the closed session held on May 26, 2026, was to Discuss Threatened or Pending Litigation.

0:26:27 **MOTION**

The motion was made by Councilor Anaya-Flores and seconded by Councilor Niemeier to approve the statement regarding the closed session. Pursuant to the requirements of the Open Meetings Act, the closed session was held to discuss matters under NMSA 1978 Section 10-15-1(H)(7), discussion of threatened or pending litigation; this was the only matter discussed during the closed session

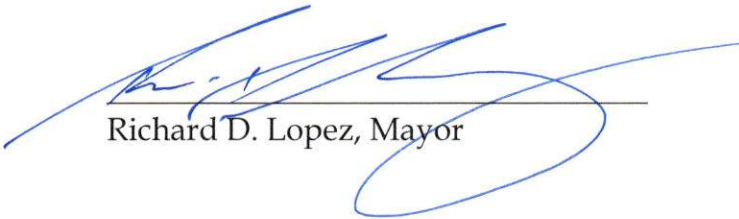
0:26:34 **VOTE**

The vote was as follows: Yes - Niemeier, Walterscheid, Anaya-Flores, Chavez, Garwood, Foreman, Rodriguez, Forrest; No - None; Absent - None; the motion carried.

0:26:56 **Adjourned**

With no further business to discuss, the Mayor declared the meeting adjourned at 7:08 PM.




Richard D. Lopez, Mayor


Nadine Mireles, City Clerk