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 JUNE 23, 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
	Jeff Forrest	Councilor
	Mary Garwood	Councilor
Absent:	Jason O. Chavez	Councilor
Also Present:	Wendy Austin	City Manager
	Ken Ahrens	Deputy City Manager
	K.C. Cass	Chief of Operations
	Barbara Hodgson	City Attorney
	JoAnne Jaure	Deputy City Clerk
	Stephan Brown	Compliance Clerk
	Dina Navarrette	Community Services Director
	Angie Barrios-Testa	Director of Grant Programs
	Mike Abell	Director of Utilities
	Patrick Cass	Director of Public Works
	Melissa Salcido	Finance Director
	Tony Souza	Fire Chief
	Kyla Gonzales	HR Director
	Wayne Hatfield	IT Director
	Allan Henriksen	IT Technician
	Trysha Oritz	Deputy Planning Director
	Jessie Rodriguez	Police Chief
	Randy Galindo	Safety and Compliance Director
	Blake Hubbard	Carlsbad Medical Center
	Wayne Shokey	New Mexico State University
	Clayton Bradley	Bradley Law

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

0:00:00 **Call Meeting to Order**

0:00:13 Invocation – Pledge of Allegiance

0:00:52 **1. RECOGNITION FROM VETERANS OF FOREIGN WARS (VFW) FOR PUBLIC SERVANT AWARD PRESENTED TO CORPORAL ADRIAN GONZALES**

Chief Rodriguez recognized Corporal Adrian Gonzales to receive the Public Servant Award presented by Veterans of Foreign Wars (VFW)

0:07:48 **2. PRESENTATION FROM CARLSBAD MEDICAL CENTER**

Blake Hubbard, with Carlsbad Medical Center (CMC), reported more than 143,000 patients were served in 2025. **Mr. Hubbard** stated CMC is working to serve 12,400 new patients, modernize its 26,000-square-foot facility, and invest more than $22 million in capital improvements during 2026. He said CMC recently launched a robotics program with the acquisition of a Da Vinci Surgical Robot. He stated four surgeons have completed training and are actively using the system. He noted Dr. Petty joined CMC at the end of last year, significantly expanding urology services. He said Carlsbad has offered radiation oncology services, and CMC plans to add medical oncology and hematology. He reported a $3.5 million facility modernization project is approximately 50 percent complete. He stated improvements include remodeling the first and third floors, replacing all exterior signage, updating interior signage, and planning upgrades to the emergency department and women's services department. **Mr. Hubbard** stated inbound patient transfers have increased significantly over the past several years. He said a major project for this year is construction of a freestanding emergency department on the south side of town. He stated the facility will provide the same full-service emergency care available at the main hospital. **Mr. Hubbard** reported Becker's Healthcare, a national hospital review organization, recognized 536 hospitals with the nation's lowest Clostridioides difficile infection rates. He said two of those hospitals are located in New Mexico, including Carlsbad Medical Center.

Councilor Walterscheid asked whether the freestanding emergency department would operate 24 hours a day or close overnight like the urgent care facility on the south side of town. **Mr. Hubbard** said the freestanding emergency department will operate 24 hours a day, seven days a week.

0:16:58 **3. BRIEFING ON NEW WORLD SCREWWORM PARASITE**

Chief Souza stated the screwworm can be identified by its orange eyes and metallic green body. He said an infestation is dangerous because the insect consumes living tissue, unlike common flies, which feed on dead tissue. **Chief Souza** stated flies are attracted to warm-blooded hosts, including livestock, wildlife, household pets, and, in rare cases, humans. He stated the closest confirmed case occurred on June 8, 2026, in Eunice, New Mexico, located in Lea County just east of Eddy County, involving a domestic dog. **Chief Souza** said this detection followed the first confirmed cases in decades involving South Texas livestock on June 3, 2026. He stated traps have been placed within a 12.5-mile radius of the Eunice case, and, as of the meeting date, no additional infestations had been identified. **Chief Souza** stated the primary concern for

Eddy County is the potential impact on its ranching and dairy industries. He said an infestation could disrupt livestock auctions, increase veterinary treatment costs, and result in livestock mortality. **Chief Souza** said state and federal prevention efforts include the Sterile Insect Technique, which involves releasing millions of sterile male flies to reduce reproduction. He added the New Mexico Livestock Board will serve as the primary point of contact for reporting suspected infestations.

Wayne Shockey, with New Mexico Stated University stated the flies are capable of detecting the scent of blood from miles away, which attracts them to potential hosts.

Councilor Anaya-Flores asked how the feral dog and cat population would be managed if infestations occurred. **Chief Souza** said Animal Control will monitor the feral animal population. He said trapped animals will be screened for signs of infestation.

0:29:39 **4. UPDATE ON THE INVASIVE AQUATIC VEGETATION AT LAKE CARLSBAD**

Mrs. Austin stated the lower lake was drained in December 2024. She said since draining the lake, the city has observed a significant reduction in aquatic vegetation in the area. She stated the city commissioned Bless Bayou on August 28, 2025, to visit Carlsbad, assess the aquatic vegetation, and prepare a recommendation report. She said Bless Bayou recommended a four-pronged approach consisting of biological, mechanical, physical, and chemical treatment methods. **Mrs. Austin** stated the city also commissioned Environmental Science and Engineering Partners, LLC, environmental engineers, in September 2025 to assess the vegetation and prepare a recommendation report. She said the City began draining the river on January 2, 2026, because both consulting firms concluded it was the most effective option. She stated while the river was drained, a contractor removed dead vegetation and since refilling the river, the city has observed a significant decrease in aquatic vegetation. **Mrs. Austin** stated the City contracted with Bless Bayou on June 9, 2026, to apply an aquatic shade product to the river. She said the dark dye reduces sunlight penetration to the riverbed, helping inhibit aquatic vegetation growth. She stated a second application of the aquatic shade is planned following the Fourth of July Celebration. She said the city also continues working with Bless Bayou to obtain a permit from the New Mexico Environment Department for the potential application of herbicides.

Councilor Forrest asked whether the State had provided any assistance. **Mrs. Austin** said the city has not received State or federal assistance. She stated the New Mexico Department of Game and Fish has provided valuable support.

0:37:08 **5. CITY OF CARLSBAD FINANCIALS – MAY 2026**

Mrs. Salcido reviewed the revenues and expenditures as of May 2026, the eleventh accounting period for Fiscal Year 2026.

0:38:40 **6. ROUTINE AND REGULAR BUSINESS**

A. Minutes of the City Council Meeting held on June 9, 2026

B. City Personnel Report

C. Purchasing

1) Consider Approval to advertise Request for Proposals for the Kircher Street Affordable Housing Subdivision Project

D. Agreements and Contracts

1) Consider Approval of Agreement between the City of Carlsbad Police Department and Eddy County DWI Program for LDWI Enforcement Allocation for FY2026-27

2) Consider Approval of Agreement between the City of Carlsbad and Carlsbad Municipal Schools for Fiscal Year 2026-2027

E. Monthly Reports

1) Building Department - May 2026
2) Community Development Department - May 2026
3) Fire Department - May 2026
4) Human Resources Department - May 2026
5) Planning and Regulation Department - May 2026
6) Public Works Department - May 2026

0:38:57 **Mayor Lopez asked Chief Rodriguez to briefly discuss item D1, Consider Approval of Agreement between the City of Carlsbad Police Department and Eddy County DWI Program for LDWI Enforcement Allocation for FY2026-27**
Chief Rodriguez stated the Carlsbad Police Department requested City Council authorization to accept the LDWI Enforcement Allocation Agreement. He said, under the agreement, the Eddy County DWI Program will reimburse the Carlsbad Police Department for officer overtime associated with Teen Court and MPACT facilitation services.

0:41:02 **MOTION**
The motion was made by Councilor Garwood and seconded by Councilor Walterscheid to approve Routine and Regular Business

0:41:12 **VOTE**
The vote was as follows: Yes - Niemeier, Walterscheid, Anaya-Flores, Garwood, Foreman, Rodriguez, Forrest; No - None; Absent - Chavez; the motion carried

0:41:30 **7. DISCUSSION REGARDING A CURRENT PROPOSAL, AND ANY FUTURE PROPOSALS, TO ALLOW FOR OIL AND GAS RELATED INFRASTRUCTURE WITHIN THE CAVERN CITY AIRPORT PROPERTY BOUNDARIES**

Mrs. Austin stated the city received a proposal from NGL, an oil and gas company, to install a produced water pipeline south of town near Cavern City Air Terminal. She said the proposed pipeline would enter City owned airport property north of Runway

14L, extend east toward the airport property boundary, continue southeast along the eastern boundary, and exit near the intersection of Airway Drive and Sierra Vista Drive. She stated the total length of the pipeline on City-owned airport property would be approximately 6,000 linear feet, with about 3,400 linear feet located within the airport's fenced area. **Mrs. Austin** stated the City's Ordinances governing oil and gas infrastructure do not specifically address Cavern City Air Terminal. She explained oil and gas infrastructure on or near an airport requires approval from the Federal Aviation Administration (FAA), along with all other required federal and state regulatory agencies. She said, because of the expense involved in obtaining FAA approval, City staff believed it appropriate to present the proposal to City Council before preparing an FAA application. She stated City Council supports allowing similar permits near the airport, additional conditions could be included as part of the approval process. **Mrs. Austin** stated possible conditions could include location restrictions, infrastructure limitations, restrictions on transported products, allowing water and produced water pipelines but prohibiting high-pressure oil and gas pipelines, material and installation requirements, enhanced containment and pigging requirements, and easement limitations.

Mayor Lopez stated no oil and gas infrastructure currently crosses airport property in the proposed area. He noted airports in other oil-producing communities, including Midland, have produced water pipelines beneath airport property and, in some cases, beneath runways. He said this type of infrastructure is not uncommon in areas with significant oil and gas production. He stated high-pressure pipelines near the airport would not be in the City's best interest.

Councilor Walterscheid asked if an easement were granted and the city later needed to expand the airport, the city could require the pipeline to be relocated or removed.

Mayor Lopez said it is difficult to determine whether future airport expansion would occur in the proposed direction. He noted other airports have pipelines beneath their runways, making it uncertain whether relocation or removal would be necessary.

Clayton Bradley stated the current proposal is located in an area where airport expansion is unlikely because it is situated along the northern portion of City-owned property. He added if future proposals involve areas where expansion is more likely, requiring relocation as a condition of the permit may not be practical.
Councilor Foreman asked what operating pressure the proposed pipeline would have since the city was not supportive of high-pressure gas lines. **Mr. Bradley** said the pipeline's maximum operating pressure would be approximately 200 to 250 pressure per square inch (psi), with normal operating pressure ranging from 125 to 150 psi.

Councilor Forrest asked whether the pipeline would be buried. **Mr. Bradley** said yes.

0:54:48 **8. CONSIDER APPROVAL OF A PERMIT APPLICATION BY KINETIK NM GAS GATHERING, LLC TO CONSTRUCT AND OPERATE A 4" GAS PIPELINE REFERRED TO AS THE BEDROCK RESIDUE FUEL LINE LOCATED ON THE SOUTH SIDE OF EAST GREENE STREET**

Mrs. Austin stated the city has Ordinances governing oil and gas activities within the city limits. She explained the permit application under consideration is for a single 4-inch buried steel natural gas pipeline, referred to as the Bedrock Residue Fuel Line. She stated the pipeline will connect to an existing natural gas pipeline and supply fuel to operate a compressor station located south of East Greene Street. **Mrs. Austin** stated the proposed pipeline will be approximately 1,663 feet in length, with approximately 496 feet located within the city limits. She said the pipeline will be buried at a minimum depth of 48 inches and will operate at a maximum pressure of 285 psi.

Mr. Bradley explained the pipeline will connect to an existing New Mexico Gas Company pipeline. He said Kinetik plans to tap into the existing line and extend service to an existing compressor station located outside the city limits.

1:00:05 **MOTION**

The motion was made by Councilor Forrest and seconded by Councilor Anaya-Flores to approve a Permit Application by Kinetik NM Gas Gathering, LLC to construct and operate a 4" gas pipeline referred to as the Bedrock Residue Fuel Line located on the south side of East Greene Street

1:00:14 **VOTE**

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

1:00:34 **9. CONSIDER APPROVAL OF RESOLUTION 2026-37, A RESOLUTION TO DEEM CERTAIN UTILITY ACCOUNTS UNCOLLECTABLE**

Mrs. Salcido stated, pursuant to New Mexico Statute NMSA 3-37-7, an uncollectible account may be removed from the City's accounts receivable if it has remained uncollectible for more than four years. She said the Director of Finance, with support from the City's auditors, recommends annually identifying and writing off certain uncollectible utility accounts. **Mrs. Salcido** stated removing uncollectible accounts improves the presentation of the City's balance sheet and better aligns financial reporting with generally accepted accounting principles (GAAP). She said the city currently has 359 uncollectible utility accounts totaling $109,797.92. She said these accounts represent outstanding balances from calendar years 2020 and 2021.

1:03:37 **MOTION**

The motion was made by Councilor Niemeier and seconded by Councilor Garwood to approve Resolution 2026-37, a Resolution to deem certain Utility Accounts Uncollectable

1:03:45 **VOTE**

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

1:03:56 **10. CONSIDER APPROVAL OF RESOLUTION 2026-38, A RESOLUTION ADOPTING THE CITY OF CARLSBAD FY2028-2032 INFRASTRUCTURE CAPITAL IMPROVEMENT PLAN (ICIP)**

Mrs. Barrios-Testa stated the Resolution would approve the ICIP. She said the ICIP identifies the City's infrastructure priorities for the next five years. **Mrs. Barrios-Testa** reported no changes have been made since the plan was presented at the June 9, 2026, City Council meeting.

1:06:11 **MOTION**

The motion was made by Councilor Niemeier and seconded by Councilor Garwood to approve Resolution 2026-38, a Resolution adopting the City of Carlsbad FY2028-2032 Infrastructure Capital Improvement Plan (ICIP)

1:06:18 **VOTE**

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

1:06:38 **11. CONSIDER APPROVAL OF RESOLUTION 2026-39, A RESOLUTION AUTHORIZING THE CITY OF CARLSBAD'S APPLICATION AND PARTICIPATION IN THE NEW MEXICO DEPARTMENT OF TRANSPORTATION AVIATION DIVISION RURAL AIR SERVICE ENHANCEMENT (RASE) GRANT PROGRAM FOR THE CAVERN CITY AIRPORT**

Mrs. Barrios-Testa stated the request is for authorization to apply for and participate in the New Mexico Department of Transportation Aviation Division's RASE Grant Program. She said the program provides competitive funding for rural communities to expand commercial air service. She said Cavern City Air Terminal is eligible because it currently receives Essential Air Service (EAS). She said the grant provides up to $2.25 million annually and requires a 20 percent local match. **Mrs. Barrios-Testa** stated the Airport is seeking to maintain direct air service to Denver after Cavern City Air Terminal becomes Transportation Security Administration (TSA) compliant. She said this approach would allow the community to benefit from direct commercial service to both Denver and Dallas. She stated the grant is a two-year initiative. She said if the first year is successful, the agreement could be renewed for a second year. **Mrs. Barrios-Testa** added the required business and marketing plan is currently being prepared.

Councilor Rodriguez asked whether flights to Albuquerque would be affected. **Mrs. Barrios-Testa** said no.

Councilor Garwood asked, if the City requested the maximum grant amount, where the required $450,000 local match would come from. **Mayor Lopez** said the City would provide the required matching funds.

Councilor Forrest asked whether construction of the new terminal at Cavern City Air Terminal is still moving forward. **Mayor Lopez** said yes.

1:11:23 **MOTION**
The motion was made by Councilor Niemeier and seconded by Councilor Anaya-Flores to approve Resolution 2026-39, a Resolution authorizing the City of Carlsbad's application and participation in the New Mexico Department of Transportation Aviation Division Rural Air Service Enhancement (RASE) Grant Program for the Cavern City Airport

1:11:32 **VOTE**
The vote was as follows: Yes - Niemeier, Walterscheid, Anaya-Flores, Garwood, Foreman, Rodriguez, Forrest; No - None; Absent - Chavez; the motion carried

1:11:50 **12. PUBLIC COMMENTS AND ANNOUNCEMENTS. ALL COMMENTS MUST BE RESPECTFUL AND COURTEOUS (THREE-MINUTE TIME LIMIT PER PERSON)**
No one appeared.

1:12:03 **13. COUNCIL COMMITTEE REPORTS**
Councilor Walterscheid stated Councilor Garwood is going to be inducted as President of the local Rotary Club on June 24, 2026.

1:12:54 **14. CONSIDER APPROVAL TO CONVENE INTO CLOSED SESSION PURSUANT TO N.M.S.A. 1978 SECTION 10-15-2(H)(7), DISCUSSION OF THREATENED OR PENDING LITIGATION**

1:13:09 **MOTION**
The motion was made by Councilor Foreman and seconded by Councilor Niemeier to approve and convene into closed session pursuant to N.M.S.A. 1978 Section 10-15-2(H)(7), discussion of Threatened or Pending Litigation

1:13:24 **VOTE**
The vote was as follows: Yes - Niemeier, Walterscheid, Anaya-Flores, Garwood, Foreman, Rodriguez, Forrest; No - None; Absent - Chavez; the motion carried

1:13:50 **<u>15. CONSIDER APPROVAL TO RECONVENE INTO OPEN SESSION</u>**

1:13:55 **MOTION**
The motion was made by Councilor Anaya-Flores and seconded by Councilor Niemeier to approve and reconvene into open session

1:13:55 **VOTE**
The vote was as follows: Yes - Niemeier, Walterscheid, Anaya-Flores, Garwood, Foreman, Rodriguez, Forrest; No - None; Absent - Chavez; the motion carried

1:13:56 **<u>16. 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), DISCUSSION OF THREATENED OR PENDING LITIGATION. THIS WAS THE ONLY MATTER DISCUSSED DURING THE CLOSED SESSION</u>**

1:14:15 **MOTION**
The motion was made by Councilor Niemeier and seconded by Councilor Anaya-Flores to approve the 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), discussion of Threatened or Pending Litigation. This was the only matter discussed during the closed session

1:14:25 **VOTE**
The vote was as follows: Yes - Niemeier, Walterscheid, Anaya-Flores, Garwood, Foreman, Rodriguez, Forrest; No - None; Absent - Chavez; the motion carried

1:14:39 **Adjourned**
With no further business to discuss, the Mayor declared the meeting adjourned at 8:14 PM.

CITY OF CARLSBAD SEAL

Richard D. Lopez, Mayor

ATTEST:

Nadine Mireles

Nadine Mireles, City Clerk