

**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 JULY 28 2026, AT 6:00 P.M.**

Present:	Richard D. Lopez	Mayor
	Lisa A. Anaya Flores	Councilor
	Edward T. Rodriguez	Councilor
	Karla Niemeier	Councilor
	Mark C. Walterscheid	Councilor
	Jason O. Chavez	Councilor
	Mary Garwood	Councilor
Absent:	Anthony Foreman	Councilor
	Jeff Forrest	Councilor
Also Present:	Wendy Austin	City Manager
	K.C. Cass	Chief of Operations
	Barbara Hodgson	City Attorney
	Nadine Mireles	City Clerk
	Jalynn Armendarez	Open Meetings Act Manager
	Kat Davis	Deputy Community Services Director
	Angie Barrios-Testa	Director of Grant Programs
	Patrick Cass	Director of Public Works
	Melissa Salcido	Finance Director
	Tony Souza	Fire Chief
	Kyla Gonzales	HR Director
	Wayne Hatfield	IT Director
	Stormy Valenzuela	IT Technician
	Jeff Patterson	Planning Director
	Jessie Rodriguez	Police Chief
	Randy Galindo	Safety and Compliance Director
	Kevin Beardmore	Southeast New Mexico College
	Miguel Najera	City Employee
	Melissa Phillips	City Employee
	Andrew Matta	City Employee
	Michael Hernandez	City Employee
	Kent Harrington	Citizen
	Christina Mann	Citizen
	Sherly Washburn	Citizen

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**

0:00:47 **Invocation – Pledge of Allegiance**

0:01:23 **1. SOUTHEAST NEW MEXICO COLLEGE (SENMC)**
PRESENTATION BY KEVIN BEARDMORE

Kevin Beardmore, representing Southeast New Mexico College, stated within four years and three months of the College's establishment, it successfully completed the accreditation process with the Higher Learning Commission. He noted the College is now on the standard accreditation pathway followed by other colleges and universities and has no additional follow-up requirements. **Mr. Beardmore** thanked the Mayor and City Council for their partnership and continued support.

0:04:16 **2. CITY OF CARLSBAD SERVICE AWARDS**

- A. Analy Sosa, Police Department - 5 years**
- B. Joseph Florez, Construction Department -10 years**
- C. Lupe Lara, Solid Waste - 10 years**
- D. Miguel Najera, Electrical Department - 10 years**
- E. Melissa Phillips, Police Department - 10 years**
- F. Bradley Wootton, Fire Department - 10 years**
- G. Andrew Matta, Police Department - 15 years**
- H. -Joshua Asbury, Parks Department - 20 years**
- I. Isaiah Morales, Construction Department - 20 years**
- J. Michael Hernandez, Parks Department - 25 years**
- K. Ivan "Mike" Abell, Utilities Director - 30 years**

Mayor Lopez recognized city employees for their dedicated service, honoring those who have reached milestones of 5, 10, 15, 20, 25 and 30 years with the city.

0:11:23 **3. CITY OF CARLSBAD PROJECT UPDATE - GREENE**
STREET/CANAL STREET STORM DRAIN PROJECT

Mr. Cass stated the project is scheduled for completion in late November. He said, depending on weather and other unforeseen delays, completion is expected by the end of the year and that the project remains on schedule.

Councilor Walterscheid asked whether the project would extend to Mermod Street. **Mr. Cass** said it would not, explaining that the project's last drop inlet is located on Fox Street.

0:15:38 **4. CITY OF CARLSBAD FINANCIALS – JUNE 2026**

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

0:17:10 **5. CONSIDER APPROVAL OF RESOLUTION 2026-45, A RESOLUTION APPROVING THE 4TH QUARTER FINANCIAL REPORT AS OF JUNE 30, 2026**

Mrs. Salcido presented the 4th quarter Fiscal Year 26 financial reports. She said this information is the same as the June 2026 financial reports that were previously reviewed; however, the Department of Finance and Administration (DFA) requires that the City's funds be reported within its designated chart of accounts. She said DFA requires that the governing body approve the 4th quarter financial reports and submit it along with the financial budget.

0:18:00 **MOTION**

The motion was made by Councilor Chavez and seconded by Councilor Rodriguez to approve Resolution 2026-45, a Resolution approving the 4th quarter Financial Report as of June 30, 2026

0:18:19 **VOTE**

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

0:18:38 **6. CONSIDER APPROVAL OF RESOLUTION 2026-46, A RESOLUTION OF THE CITY OF CARLSBAD CITY COUNCIL AUTHORIZING THE CREATION OF FUND 780- WATER & SEWER CRITICAL MAINTENANCE ; ESTABLISHING THE PURPOSE OF THE FUND; PROVIDING FUNDING PARAMETERS; AND PROVIDING FOR RELATED MATTERS**

Mrs. Austin said this item is being presented to the City Council for approval prior to adoption of the final budget because it establishes Fund 780 – Water and Sewer Critical Maintenance Fund. She said the fund will be budgeted annually in an amount equal to the interest earned on Fund 900 – Permanent Water and Sewer Fund. She said pursuant to City Ordinance 52.1, only the interest earned on Fund 900 may be used to support the annual operations of the Water and Sewer Department. **Mrs. Austin** said the interest will be deposited into Fund 700 – Water and Sewer Fund, with an equivalent amount transferred to Fund 780 to accumulate for future critical water and sewer infrastructure maintenance projects. **Mrs. Austin** said Fund 900 was established with proceeds from the sale of Harroun Farms. She said the original principal, approximately \$7 million, must remain intact under the Ordinance, while only the interest earned may be used. She said the fund has grown to approximately \$10 million through accumulated interest over the past 20 years.

Councilor Rodriguez said the Resolution was discussed extensively by the Water and Sewer Board. He said the principal balance in Fund 900 will remain untouched and that only the annual interest earnings may be used. He said any unused interest at the end of the fiscal year is added to the principal balance and is no longer available for expenditure.

0:23:07 **MOTION**

The motion was made by Councilor Rodriguez and seconded by Councilor Garwood to approve Resolution 2026-46, a Resolution of the City of Carlsbad City Council authorizing the creation of fund 780- Water & Sewer Critical Maintenance ; establishing the purpose of the fund; providing funding parameters; and providing for related matters

0:23:17 **VOTE**

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

0:23:30 **7. CONSIDER APPROVAL OF RESOLUTION 2026-47, A RESOLUTION APPROVING THE CITY OF CARLSBAD 2026-27 FISCAL YEAR FINAL BUDGET**

Mrs. Salcido reviewed the final budget for Fiscal Year 27, highlighting increases in revenue and labor costs, including the addition of a Project Superintendent and a Technical Services Manager in the Projects Department, increased operating and capital expenditures, and decreased carryover capital.

0:25:36 **MOTION**

The motion was made by Councilor Chavez and seconded by Councilor Rodriguez to approve Resolution 2026-47, a Resolution approving the City of Carlsbad 2026-27 Fiscal Year Final Budget

0:25:47 **VOTE**

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

0:25:58 **8. ROUTINE AND REGULAR BUSINESS**

A. Minutes of the City Council Meeting held on July 14, 2026

B. City Personnel Report

C. Monthly Reports

- 1) Building Department - June 2026
- 2) Community Development - June 2026
- 3) Fire Department Monthly Report - June 2026
- 4) Planning & Regulation Department - June 2026
- 5) Public Works Monthly Reports - June 2026
- 6) Utilities Department - June 2026

0:26:27 **MOTION**

The motion was made by Councilor Anaya-Flores and seconded by Councilor Garwood to approve Routine and Regular Business

0:26:36 **VOTE**

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

0:26:50 **9. CONSIDER APPROVAL TO ACCEPT THE FY27 CLEAN AND BEAUTIFUL GRANT PROGRAM AGREEMENT FROM THE STATE OF NEW MEXICO TOURISM DEPARTMENT**

Councilor Garwood recused herself from this item due to a potential conflict of interest because she will be managing this grant.

Mrs. Barrios-Testa said the City submitted the grant application in April 2026 and was awarded \$24,953 for FY 2027. She said the grant is administered through the New Mexico Tourism Department and requires a 25% local match. **Mrs. Barrios-Testa** said the funding will support several City initiatives, including River Blitz advertising, the Community Mural Project, youth group stipends, Keep America Beautiful membership dues, and conference participation.

0:28:27 **MOTION**

The motion was made by Councilor Niemeier and seconded by Councilor Anaya-Flores to approve to accept the FY27 Clean and Beautiful Grant Program Agreement from the State of New Mexico Tourism Department

0:28:36 **VOTE**

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

0:28:48 **10. CONSIDER APPROVAL TO ACCEPT A NEW MEXICO ANIMAL WELFARE FUND GRANT AGREEMENT FROM THE STATE OF NEW MEXICO DEPARTMENT OF FINANCE AND ADMINISTRATION'S LOCAL GOVERNMENT DIVISION FOR IMPROVEMENTS TO THE NOAH'S ARK ANIMAL SHELTER**

Mrs. Barrios-Testa stated the City applied and was awarded \$203,500 through the New Mexico Animal Welfare Fund (House Bill 113) for infrastructure improvements at the City's animal shelter. She said the project will enhance shelter operations through lobby renovations and facility expansion. **Mrs. Barrios-Testa** said the shelter is operated through the City's partnership with Noah's Ark Animal Refuge, which provides animal adoption services as well as high-volume spay and neuter programs. She said this is the first time the City has applied for and received funding through the New Mexico Animal Welfare Fund program.

0:30:46 **MOTION**

The motion was made by Councilor Anaya-Flores and seconded by Councilor Garwood to approve and accept a New Mexico Animal Welfare Fund Grant Agreement from the

State of New Mexico Department of Finance and Administration's Local Government
Division for Improvements to the Noah's Ark Animal Shelter

0:30:54 **VOTE**

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

0:31:04 **11. CONSIDER APPROVAL OF RESOLUTION 2026-48, A
RESOLUTION APPROVING THE PARTICIPATION IN THE FY2027 LOCAL
GOVERNMENT ROAD FUND PROGRAM ADMINISTERED BY THE NEW
MEXICO DEPARTMENT OF TRANSPORTATION FOR MAIN STREET**

Mrs. Barrios-Testa stated the City applied and was awarded \$409,000 through the FY 2027 Municipal Arterial Program (MAP) for the Main Street Rehabilitation Project. She explained the project will improve Main Street from East Greene Street to East Roosevelt Street and requires a 25% local match, which has been included in the budget.

Mrs. Barrios-Testa stated the project will restore the pavement and enhance a key transportation corridor that serves as an important connection between the state highway system, downtown, and surrounding areas. She said approval of the agreement will authorize the City to enter into a cooperative agreement with the New Mexico Department of Transportation (NMDOT) and require compliance with all applicable terms and conditions. She said the grant is a reimbursable grant, meaning project costs must be incurred and submitted for reimbursement.

0:32:30 **MOTION**

The motion was made by Councilor Niemeier and seconded by Councilor Garwood to approve Resolution 2026-48, a Resolution approving the participation in the FY2027 Local Government Road Fund Program administered by the New Mexico Department of Transportation for Main Street

0:32:39 **VOTE**

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

0:32:49 **12. CONSIDER APPROVAL OF RESOLUTION 2026-49, A
RESOLUTION APPROVING THE PARTICIPATION IN THE FY2027 LOCAL
GOVERNMENT ROAD FUND PROGRAM ADMINISTERED BY THE NEW
MEXICO DEPARTMENT OF TRANSPORTATION FOR CAESAR ROAD**

Mrs. Barrios-Testa stated the City applied and was awarded a \$95,000 Local Government Road Fund (LGRF) Program grant for the rehabilitation of Caesar Road. She said the project will improve Caesar Road from East Fiesta Drive to East Wood Avenue and requires a 25% local match, which has been included in the City's budget.

Mrs. Barrios-Testa said the project will include surface preparation, an asphalt overlay, and the removal of the existing speed bump, which will not be replaced. She stated, if

approved, the City will enter into a cooperative agreement with the NMDOT and will be required to comply with all applicable terms and conditions of the agreement.

Councilor Walterscheid thanked Mrs. Barrios-Testa for including the removal of the speed bump as part of the project.

0:34:35 **MOTION**

The motion was made by Councilor Chavez and seconded by Councilor Walterscheid to approve of Resolution 2026-49, a Resolution approving the participation in the FY2027 Local Government Road Fund Program administered by the New Mexico Department of Transportation for Caesar Road.

0:34:48 **VOTE**

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

0:35:02 **13. PUBLIC COMMENTS AND ANNOUNCEMENTS. ALL COMMENTS MUST BE RESPECTFUL AND COURTEOUS (THREE-MINUTE TIME LIMIT PER PERSON)**

Kent Harrington stated that he lives in Happy Valley, where oil and gas operations are occurring near his residence. He said wells are being drilled approximately 500 feet from his home, with additional wells planned within about 400 feet. **Mr. Harrington** stated that the drilling and related operations have created significant noise and said some residents have chosen to sell their homes because of the conditions.

Christina Mann reported concerns about a colony of bees located in a mulberry tree on Lincoln Street. She said the colony had swarmed into a nearby residential area and noted that a previous bee attack in the area resulted in an individual sustaining approximately 150 stings to the face and scalp. **Ms. Mann** stated that the matter had been reported to the Fire Chief and was referred to Code Enforcement. She expressed concern about the potential presence of Africanized bees and the public safety risk they may pose.

Sherly Washburn stated she is a Happy Valley resident and attended the City Council meeting at which drilling in the area was approved. She said residents expressed concerns during that meeting and were assured that the drilling operations would have minimal impact. **Mrs. Washburn** stated residents are now experiencing significant noise from the drilling operations, which she said continues around the clock. She expressed concerns about air quality due to increased truck traffic associated with the operations, including sand trucks used for hydraulic fracturing. **Mrs. Washburn** said heavy truck traffic continues during late hours. She said trucks are using residential streets to access the drilling sites rather than the designated access road that was constructed for that purpose.

0:47:04 **14. COUNCIL COMMITTEE REPORTS**

None to report.

0:47:15 **Adjourned**

With no further business to discuss, the Mayor declared the meeting adjourned at 6:47 PM.

Richard D. Lopez, Mayor

ATTEST:

Nadine Mireles, City Clerk