

**LINKED MINUTES OF A SPECIAL MEETING OF THE CITY COUNCIL OF THE  
CITY OF CARLSBAD, NEW MEXICO, HELD IN THE JANELL WHITLOCK  
MUNICIPAL COMPLEX BUILDING ON AUGUST 17, 2023 AT 4:00 P.M.**

Present:	Dale Janway	Mayor
	Lisa A. Anaya Flores	Councilor
	Edward T. Rodriguez	Councilor
	Jason O. Chavez	Councilor
	Wesley A. Carter	Councilor
	Jeff Forrest	Councilor
	Karla Niemeier	Councilor
	Judith E. Waters	Councilor
Absent:	Mark C. Walterscheid	Councilor
Also Present:	John Lowe	City Administrator
	K.C. Cass	Deputy City Administrator
	Ted Cordova	Deputy City Administrator
	Wendy Austin	Deputy City Administrator
	Denise Madrid-Boyea	City Attorney
	Nadine Mireles	City Clerk
	Quay Dominguez	Compliance Clerk
	Mike Abell	Director of Utilities
	Wayne Hatfield	IT Director
	Jeff Patterson	Planning Director
	Shane Skinner	Police Chief
	Patrick Cass	Public Works Director
	Maria O'Brien	City Water Attorney
	Steve McCutcheon	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**

0:00:32      Invocation – Pledge of Allegiance

0:01:06      **1. APPROVAL OF AGENDA**

0:01:07      **MOTION**

The motion was made by Councilor Carter and seconded by Councilor Anaya-Flores to approve the Agenda.

0:01:11 VOTE

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

0:01:24 **2. CONSIDER APPROVAL OF AGREEMENT BETWEEN THE CITY OF CARLSBAD AND SELECT ENERGY SERVICES, LLC**

**Mr. Lowe** said this is an agreement with Select Energy for the sale of water in the Tatum wellfield. He said this item was heard at the regular meeting of the Water and Sewer Board of Commissioners and was approved with a vote of four in favor and one absent.

**Mr. Lowe** introduced Maria O'Brien, the City's water attorney. **Ms. O'Brien** said this agreement implements a long-standing goal of the City to develop the Tatum wellfield and be able to integrate it with the City's water supplies and other wellfields. She said the City acquired rights to the Tatum wellfield in the 1970s. She said the idea was to have three different sources, Tatum wellfield, Sheepdraw and Double Eagle, to integrate, balance, and serve the City of Carlsbad's long-term needs and interests. **Ms. O'Brien** said the idea was to put out a RFP for the sale of water from the three wells to a third-party to generate revenue with the sale of water that could be put back into development of additional wells and construction of the pipeline. She said the City of Carlsbad went out for RFP in 2019 with one respondent, Select Energy Services, and since 2019 there has been negotiations with Select to come to an agreement that benefits the City and fulfill the goals of getting data and generating revenue. She said it is a five-year agreement with the ability to renew the agreement for another five years.

**Councilor Forrest** asked if there is a limit on how much water they can pump. **Ms. O'Brien** said the City is limited by the water rights. She said Select has the right to take up to 2736-acre feet per year. **Councilor Forrest** asked if the City of Carlsbad has plenty of water for its residents with Double Eagle and Sheepdraw. **Ms. O'Brien** said yes.

**Councilor Chavez** asked what is the possible generated revenue. **Ms. O'Brien** said if Select takes the full amount, the revenue would be approximately \$5.3 million. She said the pipeline estimation cost is about \$12 million. **Councilor Chavez** asked if we could develop our entire system and connect it off of Tatum. **Ms. O'Brien** said yes.

**Councilor Neimeier** said during the last Council meeting, we were informed of the watering restrictions in our town which made her believe that our water table is lower than it should be. She said she understands the revenue we would generate from this but it seems as if we do not have enough water. **Ms. O'Brien** said Sheepdraw is sensitive to drought and that is what drives the conservation Ordinance. She said selling water from Tatum does nothing to affect Sheepdraw, but what it could do in the long-term is generate revenue to connect the different water source. She said it is not sacrificing Sheepdraw at all in the short-term and what it is potentially doing in the

long-term is helping us preserve Sheepdraw by drawing on another source and balancing and managing the different sources.

**Councilor Rodriguez** said we do not have access to the Tatum well water at this time because we are not connected and selling these rights would generate the money to connect it. **Ms. O'Brien** said that is correct. She said the drought restrictions are to manage the water so we are not putting Sheepdraw in jeopardy. She said the aquifer recovers quickly because it is limestone and it gets recharged from the mountain front and the Pecos River. She said we were very conservative when we did the technical limitations for what triggers in the conservation Ordinance so we do not get to the point to where it would not recover.

**Mayor Janway** asked **Steve McCutcheon** to come to the podium and speak on this project.

**Mr. McCutcheon** said the funds that Mr. Lowe and Ms. O'Brien spoke about earlier will all go back into the water and sewer funds. He said they will allow the management of the city to develop that and utilize the water. He said the wells have been sitting there for a long time. He said it has been a project that has been in development for at least 6 years and he thinks we are fortunate to have put this together. He said the price is competitive and the water will have to be transported a long way. He said you have to use a small amount of freshwater to keep the recycle facilities operating. He said their long-term goal for this water is to use that in their recycling facilities.

**Mayor Janway** said he wants to thank **Councilor Waters** and **Councilor Carter** for their hard work and support that has gone into this project.

0:25:33        **MOTION**

The motion was made by Councilor Rodriguez and seconded by Councilor Carter to approve of the Agreement between the City of Carlsbad and Select Energy Services, LLC.

0:25:39        **VOTE**

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

0:25:55        **3. ADJOURN**

0:26:00        **MOTION**

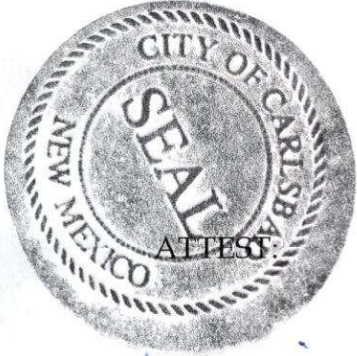
The motion was made by Councilor Anaya-Flores and seconded by Councilor Waters to adjourn.

0:26:06        **VOTE**

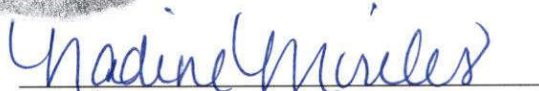
The vote was as follows: Yes - Carter, Rodriguez, Forrest, Niemeier, Anaya-Flores, Chavez, Waters; No - None; Absent - Walterscheid; the motion carried.

0:26:18 Adjourn

There being no further business, the meeting was adjourned at 6:26 p.m.



  
Dale Janway, Mayor

  
Nadine Mireles, City Clerk