

## Carlsbad Brine Well Remediation Authority Meeting Minutes

April 23, 2019

City of Carlsbad Municipal Annex

### **Agenda Item 1:**

At 2:00 pm the Chair, Energy, Minerals and Natural Resources Department Cabinet Secretary Sarah Cottrell Propst called the meeting to order.

Roll call, a quorum was established with all members present.

Members of the Brine Well Remediation Authority include: Energy, Minerals and Natural Resources Department Cabinet Secretary Sarah Cottrell Propst, New Mexico Environment Department Cabinet Secretary James Kenney, New Mexico Department of Transportation Designee Tim Parker, State Engineer Designee Andy Morley, Attorney General Representation Cholla Khoury, City of Carlsbad Designee John Heaton, Eddy County Commissioner Susan Crockett, and Carlsbad Irrigation District Manager Dale Ballard.

Carlsbad Mayor Dale Janway provided welcome remarks, expressed appreciation for the work done by Jim Griswold of EMNRD and announced that former designee John Heaton will remain as the City of Carlsbad designee.

### **Agenda Item 2:**

John Heaton moved adoption of the agenda, seconded by Susan Crockett. Motion passed unanimously by voice vote.

### **Agenda Item 3:**

John Heaton moved adoption of the minutes, seconded Cholla Khoury. Motion passed unanimously by voice vote.

### **Agenda Item 4:**

The Authority considered adoption of the annual open meetings resolution.

Counsel to the Authority Bill Grantham from the Attorney General's Office explained that a new resolution must be adopted annually, and that the draft resolution under consideration today is identical to last year's except that the minimum numbers of meetings has been reduced from four to two.

Jon Heaton moved adoption, seconded by Dale Ballard. Motion passed unanimously by voice vote.

### **Agenda Item 5:**

Jim Griswold, OCD Environmental Bureau Chief, gave a presentation with Dan Kwiecinski, Project Manager at Wood Environment and Infrastructure Solutions Inc. Topics included a status update on the brine well remediation process and activities to date, including monitoring equipment, project funding, and post-remedy monitoring which will be a two-year process.

Questions:

Secretary James Kenney asked what success would mean for the project after two years of monitoring.

Dan Kwiecinski explained that a lack of significant movement and seismic activity is what the team will be looking for.

**Agenda Item 6:**

Next, Chair Cottrell Propst introduced the review of legislation creating the authority and a draft memorandum of agreement (MOA) between authority and EMNRD.

The top-level points of the MOA were presented by Authority counsel Bill Grantham. The legislation creating the Carlsbad Brine Well Authority passed in 2018 and has three sections: creates the board and administratively attaches it to EMNRD, imposes mandatory duties on the authority to set policy and administer the remediation of the Carlsbad Brine Well, and gives some authorities in fulfilling that authority which includes entering contracts and retaining property. It also outlines the reporting duty to the legislature.

The second section creates the Brine Well remediation fund that is administered by EMNRD. The money in the fund is subject to appropriation by the legislature. Finally, the third section is a sunset clause stating the authority will terminate on July 1, 2026.

Mr. Grantham explained that the purpose of the proposed MOA is to clarify the roles and responsibilities between the Authority and the Department.

Cholla Khoury recommended including a budgeting document in future meetings.

Chair Cottrell Propst explained that the EMNRD signee, on the advice of counsel, should be the Deputy Secretary since she would sign as Chair of the Authority.

Mr. Grantham explained that EMNRD and the Authority are both accountable for keeping track of the budget to meet the requirements of the New Mexico Department of Finance and Administration, and the state auditor requires both parties follow any accounting requirements the state would have.

Chair Cottrell Propst indicated that the Authority would include a budget overview on the next agenda.

Mr. Parker posed the question: do you foresee any shortages of materials?

Dan Kwiecinski responded saying that the company has additional stockpiles to keep shortages from happening and having those materials on site is part of the planning.

Secretary Kenney moved approval of the MOA, seconded by Mr. Parker. Motion passed unanimously by voice vote.

**Agenda Item 7:**

Chair Cottrell Propst proposed going into closed session to discuss Property Access Agreements.

John Heaton moved, Susan Crockett seconded. Vote taken by roll call, approved unanimously.

*Authority moved into closed session at 3:14 pm.*

John Heaton moved to return to open session at 3:51 pm and specified that in the closed session the authority only discussed potential purchase of property pursuant to NMSA 1978-15-1H8 and there were no actions taken in the closed session. The motion was seconded by Mr. Ballard. Motion passed unanimously.

Secretary Kenney moved to provide EMNRD the authority to enter into contracts for access to property or other necessities to proceed with the remediation outlined in the MOU, specifically Section 2: C and D. The motion was seconded by Mr. Heaton. Motion passed unanimously.

**Agenda Item 8:**

Chair Cottrell Propst introduced a discussion on working groups, specifying the Authority can reconstitute any working group at any time.

Mr. Heaton discussed the helpfulness of the technical work group and suggested that working group stay in place. He agreed with Chair Cottrell Propst's suggestion to dissolve the financial group and reinstitute it when and if necessary.

Mr. Ballard suggested tabling the discussion until the next meeting to have more time to discuss at that time.

Chair Cottrell Propst clarified the suggestion was to dissolve the financial group and table technical group discussion until the next meeting.

John Heaton moved to dissolve the financial working group and postpone the technical working group discussion until the next meeting, seconded by Susan Crockett. Motion passed unanimously.

**Agenda Item 9:**

Public Comment:

Member of the public: Do we know where we're at on spending and if there's been anything significant that would say that the money we have for this project is in jeopardy?

Mr. Parker answered explaining some money spent already went into monitoring equipment and everything is on track. About 4.2% has been spent of the total budget.

James Walter Shine, former County Commissioner spoke to commend our legislators who put so much work into the funding for this brine well remediation. He said that legislators went to bat for us last year and he appreciated everything they did, as well as the city of Carlsbad and Eddy County. He also commended Jim Griswold.

**Agenda Item 10:**

Chair Cottrell Propst suggested the authority targets August for the next meeting and will follow up about availability via email.

**Agenda Item 11:**

John Heaton moved to adjourn, seconded by Susan Crockett.

Meeting adjourned at 4:01 pm.