

# **ENERGY ADVISORY BOARD**

## **MEETING MINUTES FOR JULY 11, 2019**

### **PRESENT:**

Valerie Murrill, City of Carlsbad Representative  
John Ross Null, Artesia School District Representative  
Lavern Shan, Carlsbad School District Representative  
Lee White, Loving School District Representative  
John Gratton, NMSU-Carlsbad Representative  
Cary Baird, Chevron – Industry Representative  
Brian Lipscomb, Marathon – Industry Representative  
Jerrod Jones, XTO – Industry Representative  
Mickey Young, Mewbourne Oil Co. – Industry Representative  
Chance Chase, Mack Energy Corporation – Industry Representative  
Hayley Klein, Artesia Citizen Volunteer  
James Mason, Carlsbad Citizen Volunteer

### **ABSENT:**

William A. Miller, City of Artesia Representative  
Poli Hernandez, Village of Loving Representative  
Stuart Mussler, ConocoPhillips – Industry Representative  
Justin Warren, WPX – Industry Representative  
Khush Ghadiali – WIPP Representative

Meeting began: 6:04 pm

Jeri Strong began the meeting welcoming everyone for coming to the first Energy Advisory Board Meeting. She thanked everyone for attending and thanked Mack Energy for hosting the meal, as well as, Henry's BBQ for providing the meal.

First item on the Agenda was reading of the mission statement, which Jeri Strong read. She then had the members introduce themselves. She stated James Mason was attending the meeting via telephone.

The first order of business was the approval of the EAB By-Laws. Jeri Strong asked if there was any discussion regarding the By-Laws and there was none. John Gratton made the motion to approve the By-Laws and Cary Baird second the motion. Motion passed with none opposing.

The next item was discussion on the Open Meetings Act Resolution. Currently the EAB doesn't have one and Jeri Strong wanted to open it up for discussion. Jeri Strong stated there had been some discussion regarding the livestreaming of the meetings, having our meetings open to the public and posting our minutes so it was open for discussion. Jeri

Strong asked if anyone had any objections to the Open Meetings Act Resolution. Jerrod Jones from XTO asked Cary Baird how the meetings were done in Garfield County. Cary Baird stated the meetings were open and were recorded on closed circuit television and broadcast later. Jerrod Jones also asked Jeri Strong if there are any requirements for their open meetings in Eddy County. She stated the meetings would have to be publicized and the minutes approved. Jerrod Jones stated he had no exception. Cary Baird stated open meeting is good. That's why we are here to be transparent and available and to communicate. John Gratton asked Jeri Strong if there would be a problem if there were only half of the board present (lack of quorum). Cary Baird interjected the EAB is not a policy-making board or a decision-making board, but rather informational and educational so she is not sure if the lack of quorum would apply. Jerrod Jones asked if there was a way to abide by the Open Meetings Act requirements without having a resolution. Cary Baird stated she didn't know why the EAB couldn't. She asked what the requirements were again. Jeri Strong stated we must provide notice of meetings and the meeting minutes be approved. Cary Baird stated she thought that was reasonable. Jeri Strong said she would put together a resolution for the next meeting. Cary Baird stated it would be beneficial to publicize these meetings. Jeri Strong asked for a motion to create an Open Meetings Act Resolution for the Eddy County Energy Advisory Board. Motion was made by Valerie Murrill and second by Lee White. Motion passed with none opposing.

The next item was an educational presentation by Lela Hunt of Stantec. She gave an explanation of the Eddy County Energy Advisory Board By-Laws. Lela Hunt stated prior to this meeting Jeri Strong, Cary Baird, and herself had met with other Eddy County personnel to determine why an energy advisory board would benefit Eddy County and what would be the goals for the board. They spoke with the EAB in Garfield County, Colorado, and brought back ideas to utilize in creating this Energy Advisory Board. After several meetings and workshops with Eddy County personnel and some stakeholders, it was determined it would be important to have goals to work towards and achieve. The goals are broad and the first goal is to support healthy development and growth. The second goal is to foster and promote unity within the county. The third goal was to foster unity with Eddy County and the industry operators in the area. Four major action items resulted in determining how the four major goals would be achieved. The first way to achieve unity is to establish communication protocols to communicate with each other and with the industry. We need to create a forum for honest resolution and focused discussion. The EAB meetings, tonight being the first, is the forum to host these discussions. The members of this board are charged with making recommendations to the Eddy County Board of County Commissioners. These recommendations will come from sub-committees. We also need to educate citizens, each other, and have the citizens educate the industry on issues that are important to them. The sub-committees would take on a task, challenge, opportunity, etc. and reach out to the experts pertaining to the task and determine what needs to be accomplished to complete the task. The sub-committee would then formulate a report to be submitted to the Eddy County Board of Commissioners. These recommendations would be non-binding and strictly advisory. Jeri Strong is the first Oil and Gas Liaison in the State. She will be the conduit between the EAB and the public regarding issues, complaints, problems, etc. She will field complaints from citizens and take them to the appropriate source to address the complaint

or complaints. She will work with the EAB to form solutions. She will field a lot of complaints and sort through what is appropriate to bring to the EAB or if the complaint is more suited to be taken to a local government entity for a solution. Cary Baird suggested that one of the sub-committees look at each month's educational programs. She asked if they have given any thought as to what the sub-committees might be. Jeri Strong stated they would take concerns she receives from citizens and public comments from the EAB Meetings determine which of those concerns stand-out the most and form a sub-committee at that time to address the concern. Educational issues would also be addressed. She has received some calls regarding code enforcement in the area and she will be putting on the agenda an educational presentation regarding code enforcement for the next meeting. Jeri Strong said she would like to have an educational sub-committee to provide educational presentations at the EAB meetings. Lela Hunt stated the EAB has a built-in educational representation as part of the EAB. The EAB, as a group, will decide what sub-committees they want. The sub-committees will evolve over time depending on the demands and needs. Jerrod Jones stated there needs to be official input or liaising with the City of Carlsbad, City of Artesia, Village of Loving and the Village of Hope. He asked if that had been considered and built into the structure of the EAB. Jeri Strong said having representation from the local government bodies is the foundation of the EAB. She said that she plans on having state and federal level presentations on a regular basis. Cary Baird stated having monthly updates from the local government bodies liaisons would be important to have so that the EAB can hear what's on their minds and be able to have discussion with those liaisons. James Mason said that as this matures and evolves, there will be a need to reach out to other counties such as Lea County, Chavez County and eventually on a State level and communicate and work on these issues on a more regional and higher level. Cary Baird and Jerrod Jones stated that was a good point. Jerrod Jones continued that we need to make a conscious effort to make sure we receive input from these entities on a regular basis. Lee White asked how often the recommendations and reports would be submitted to the Eddy County Board of Commissioners and are there any time limits established. Jeri Strong said the By-Laws state the EAB officially reports to the Eddy County Board of Commissioners twice a year, but there may be some urgent matters that would require reporting more often. Lee White said he noticed what the By-Laws states and feels that more pressing concerns may need to be submitted more often than every six months. Jeri Strong said it is open to do that.

The next agenda item was public comment. There was no public comment.

The next item on the agenda is an update from NM DOT, Mr. Tim Parker, District Engineer, with an update on Highway 285. Tim Parker introduced himself and said he is from Roswell, NM and is very familiar with some of the issues in southeastern New Mexico. He said he wanted to start his presentation with Highway 82 before updating on Highway 285. He explained that 70% of the money for the Hwy 82 project has already been spent. 100% of time was allocated yesterday, so people ask why it isn't finished yet. The answer is they have some utility issues. The same utility issues that we have on Hwy. 82, we will have on Hwy. 285, 128 and on 31. Mr. Chase has saved us months of time assisting us clearing up right-of-way issues. From now until we finish the project,

the delays will be due to utility issues and maybe 4 or 5 days because of rain. The formal deadline to have Highway 82 completed is September, 2020. He expects the project to be completed before that date. Projects take a lot of time to complete. It is important to design every bridge, crossing, etc. carefully and not rush. Endangered species, environmental issues, etc. all take time to integrate into the plan and design. The project must be fully-funded before any work begins. All these factors enter into the many years it takes to get a project done. During the legislative session, the priorities for NMDOT were set. The number one priority is Highway 285, number two priority is Hwy 31, number three priority is Hwy 128, and number four priority is Hwy 380 from Tatum to the State line. Any extra funding that has come in all goes toward the Hwy 285 project which is a \$115 to \$120 million project. There are 70 sinkholes that have to be addressed and 3 bridges will have to be replaced, which is a lot of work. There will be 3 or 4 phases on the Loving project. The first phase is 90% designed and will go to bid the first of next year. The Hwy 285 project is fully-funded. However, a BUILD grant has been submitted for a possible \$25 million dollars and another type of grant for \$67 million dollars. If we are awarded these grants, that money would then go to the Hwy 31 project. Any other possible funding received would then go to Hwy 128. Along with the priorities, the legislature gave NMDOT a completion deadline of 2024 for Hwy 285. He sees no reason not to make that deadline. He has about \$14 million in discretionary funding and he is using \$10 million to purchase much needed equipment. The Mesa rest area north of Roswell will be improved, including a water well, with some of that discretionary funding as well. \$500,000 will go towards the intersection of Hidalgo and National Parks Highway realignment. There are many more roads falling apart in the District that also need attention. Lee White asked where the Hwy 285 Project starts. Mr. Parker said it starts north of Loving and there will be some right of way takes in order to make everything ADA compliant. The project will continue through Loving to MM0. Lee White asked if it is 2-lane. Mr. Parker said it will be a mix of everything. It will contain 4 lanes, 3 lanes, 2 lanes because the study didn't show that a 4-lane road was warranted. He asked to keep in mind that one lane of new road costs \$1,000,000, so a 4 lane road costs \$4,000,000 per mile which would double the cost of the current project. The project is engineered according to what is needed at that area. There are 20 - 30 non-permitted driveways that will be shut down, which causes a lot of pressure on industry to find other roads to get to the fields. In Loving proper, the challenges will be great so that is why they are starting at the state line because they can get construction going while they continue to work on the right of way issues and driveway closures in Loving, which will take a lot of time. John Gratton asked if the 285/31 Intersection is going to be part of the Hwy 285 project or the Hwy 31 project. Mr. Parker said Eddy County has submitted a BUILD grant which is a huge accomplishment because the grant is not easy and highly competitive. The BUILD grant is for up to \$25 million and it will probably be a \$20 to \$30 million project. The Hwy 31 project is really two projects. The east bypass that Eddy County would like to complete will dead end right at Hwy 31 between MM0 and MM8 so there will be a lot of pressure put on that intersection. His recommendation is to make it all 4-lane. The intersection will need some kind of grade separated interchange and the intersection at Hwy 31 and Hwy 128 will need some kind of grade separated interchange as well for a continuous flow of traffic. The Hwy 31/Hwy 285 intersection project is part of a much bigger puzzle, but is a key part of the puzzle because if you do the wrong thing there, such as a light at

the intersection, you will have traffic coming out of Loving backed up for miles. The decisions that are being made for this project is for the bigger picture. We need to do planning for these type of projects and when federal funding is involved, you have to have a study done. Cary Baird asked if a light at the Hwy 285/Hwy 31 intersection would be too expensive as a short term solution while the long-term solution is being developed. Mr. Parker said there are five scenarios why investing \$300,000 to \$350,000 on a stop light at this intersection would not be a good idea right now. We would be ripping out this light two years after installation because at the next legislative session we may be able to secure another \$82 million. In New Mexico, if the project is a \$50 million or more project, you can design build and fast track the project. You can get the project under construction while still designing it. He would rather go the more efficient way if we are able to secure that \$82 million, which is just for 8 miles. Each of those intersections, the Hwy 285/Hwy 31 intersection and the Hwy 31/Hwy 128 intersection is a \$20 - \$30 million interchange, so that's \$60 million potentially locked up not including right of way, just to do those two interchanges. Plus you have 8 miles of 4 lane which is \$32 million. He wants to see what happens with the BUILD grant and the EMPRA grant. If we were awarded both grants, it would be 80 to 85% of the Hwy 285 project, and we could take the legislative money and put it towards the Hwy 31 project. That is why he would rather not design and invest in something that would be torn out two years later. If we are able to secure this money, which at the Legislative Finance Committee meeting recently, it sounded very promising that if we can build another convincing case that we are not going to just get the money, but we are going to spend the money, and demonstrate that by breaking ground on the Hwy 285 project the first part of next year, that will say a lot. If we can fast track the engineers, which is not the way he would like to do it, but it is the way that it's playing out, the project can be designed in phases and you can have 3 or 4 of those phases being constructed at the same time. It's almost as good as design-build, but just not as efficient. Hayley Klein said that Mr. Parker mentioned a couple of signal projects in Artesia and wanted to know where those projects are. Mr. Parker said that he can't remember at the moment. He said they are on one of Artesia's two main streets. He believes one of those projects is scheduled to begin the end of this year or sooner.

Next item on the agenda is the EAB Member Industry updates.

Industry Updates: Cary Baird stated that Chevron has a new, New Mexico Superintendent who she will bring to a future EAB meeting. His name is Nathan Carroll, and he's a great guy.

Eddy County Oil & Gas Liaison Updates: Jeri Strong said over the last two months she has responded to two noise complaints in Loving. Both parties in both instances worked very well together. One was resolved and an offer was made regarding the other one, but wasn't resolved and was amicable. Last week she had a complaint regarding a possible substance in a natural spring on Black River Village Road. The operator in that area is currently paying a third party for water testing, which is a very positive action but they have no results at this time. Yesterday, Jeri Strong had a couple in regarding a gas line on the other side of their fence that needs some brush and weeds cleaned away from the line. Some calls were made and she will be following up.

Volunteer Citizens: Jeri Strong asked if James Mason had any update, but there was not a response.

Municipalities: None

School Districts: Lee White said that the school year is right around the corner. He hopes with the growth that is going on, everyone pays close attention to school zones and crosswalks and keep the school kids safe. John Gratton said NMSU has been pretty busy working with the oil and gas industry. He said NMSU will be offering three new programs this next June. NMSU has changed a lot the way they want to work with the local communities and we are very close to announcing a Chemical Engineering Degree that will work between NMSU-Carlsbad and NMSU-Main Campus with a Petroleum Engineering Minor. This announcement is very close. He said the oil and gas industry asked for this new degree program and NMSU heard the Industry. NMSU-Carlsbad is also working with the nuclear industry and they have asked us about a radiation control program and NMSU is currently working on that program. Mr. Gratton also said they are working with Artesia, Carlsbad and Loving High Schools to provide programs that junior and senior students can start on while still in high school.

The next item on the agenda is the Nominating Committee announced. The Nominating Committee is Valerie Murrill; City of Carlsbad Representative, Lavern Shan; Carlsbad School District Representative, Lee White; Loving School District Representative. Discussion and nomination of EAB Chair and Vice Chair followed the announcement. Valerie Murrill said that there were some names on the table for discussion for Chair and Vice Chair. Jeri Strong said the names for Chair and Vice Chair are James Mason, Chance Chase and Hayley Klein. Valerie Murrill said the Nominating Committee are in concurrence on the names to offer, but are not sure how this fits in the positions. She asked Jeri Strong if she wanted to nominate by position. Jeri Strong said yes and asked if they had a nomination for Chair. Valerie Murrill said she would like to nominate James Mason for Chair. Second motion made by Cary Baird. There was no discussion. Motion passed with none opposing. Jeri Strong asked for nominations for vice chair. Valerie Murrill nominated Chance Chase for Vice Chair. Second motion made by John Gratton. No discussion. Motion passed with none opposing.

Jeri Strong said James Mason is the EAB Chair and Chance Chase is the EAB Vice Chair. She asked Chairman James Mason if he would like to adjourn the meeting. He asked if any of the other members had anything to bring up at this time before we end the meeting. No one did.

James Mason asked for the date and time of the next meeting be announced. Jeri Strong said the next meeting will be August 8 at 5:30 pm at the Artesia School Administration Board Room, 301 Bulldog Blvd. in Artesia, NM.

James Mason adjourned the meeting at 6:53 pm.