

July 11, 2018

Carlsbad Brine Well Remediation Authority Meeting Minutes

City of Carlsbad Municipal Annex

Agenda Item 1: Chair Ken McQueen called the meeting to order on July 11, 2018 at 1:37 p.m. at the Carlsbad Municipal Annex, 114 South Halagueno Street, Carlsbad, New Mexico. Mayor Janway stated the City of Carlsbad will continue to serve as the host the Authority and John Heaton will serve as his designee. Mayor Janway thanked EMNRD and Jim Griswold.

Agenda Item 2: Chair McQueen asked Kyle Marksteiner to confirm the requirements of the Open Meetings Act and Mr. Marksteiner did so, saying requirements had been met through advertising and web pages.

Agenda Items 3 & 4: A quorum was established with the following Authority members present: Energy, Minerals and Natural Resources Department (EMNRD) Cabinet Secretary Chair Ken McQueen, Mayor of Carlsbad Dale Janway, City of Carlsbad Designee John Heaton, Eddy County Commissioner Susan Crockett, Carlsbad Irrigation District Manager Dale Ballard, NM Dept of Transportation designee Tim Parker, NM Dept of Environment Secretary Butch Tongate (via telephone), State Engineers Office designee Andy Morley (via telephone), NM Attorney General Office designee P. Cholla Khoury (via telephone).

Agenda Item 5: - John Heaton moved to approve the agenda, Ms. Crockett seconded the motion and the agenda was approved.

Agenda Item 6 - John Heaton moved to approve the April 18, 2018 meeting minutes as amended after two misspellings were noted – “Jurva” and “opening”. Ms. Crockett seconded the motion and the minutes were approved.

Agenda Item 7 – Brine Well status change: Oil Conservation Division’s Jim Griswold reported the monitoring system remains fully functional and need to be upgraded and will be through Wood. Biweekly status reports required under the contract to EMNRD are on the BWA’s website. At the end of June, the draft design report was delivered by contractor and being reviewed. About 500 gallons of brine water needed to be purged out of the brine well (Eugenie #1) causing a drop in cavern pressure which is stabilizing.

Mr. Heaton asked why 500 gallons of brine was removed. Mr. Griswold said the contractor needed samples to adjust grout chemistry for the backfill portion of the project.

Agenda Item 8 –Media coverage: Mr. Marksteiner said in preparation for the meeting, the Carlsbad Current Argus, the Albuquerque Journal, both television stations were contacted. Also, two articles were written in advance; information was presented to the LFC in June 5th, covered by several media outlets. The City of Carlsbad and the Roadway Safety Integrated program are happy to assist getting the word out.

Secretary McQueen said it's worth noting Wood is required to provide progress reports every two weeks.

Agenda Item 9 - Committee Reports:

Technical Work Group: Dr. Lewis Land gave an update for the technical committee saying he and Dr. Veni had two minor comments on Wood's report: they requested written justification from Wood on why they are recommending continuing regular traffic flow on US 285 with water flow in the south canal. Suggested Wood provide justification for recommendation. Both liked Wood's strategy of drilling injection wells that spiral in to the center but are asking if Wood has a backup plan in case their conceptual model isn't what they expected.

RFP/Liability Work Group: Nothing to report from Mr. Matthias Sayer.

Agenda Item 10 – Unfinished Business: Chair McQueen said there was no unfinished business.

Agenda Item 11 – New Business:

Adoption of Open Meetings Resolution: A motion was made and seconded and the Open Meetings Resolution, a yearly requirement, was approved.

Certification of Need: Chair McQueen stated the Authority needs a Certification of Need from both the County and City and provided them for signature.

Detour Report: Timothy Parker said it's important to note that more than 40,000 vehicles a day travel the "South Y", and that what's being presented is geometrically basically staying the same. The ramp that goes from northbound US 62-I80 to southbound US 285 is going to go away for construction staging and inner-project movement and move it further to the north for a healthy radius. It's a good compromise.

Chairman McQueen said it was important to maintain four lanes of traffic, commended NMDOT and introduced Deputy Secretary Anthony Lujan who was in the audience.

Progress Report:

Vickie Maranville of Wood plc introduced Dan Kwiecinski, Project Manager with Wood.

Ms. Maranville said that Amec Foster Wheeler officially changed its name on April 16, 2018 to Wood Group still specialized team of contractors capable of implementing all aspects of the project. To date, Wood has gathered and evaluated data from site monitoring instruments for the last five years; reporting slight pressure increases and a decrease in microseismic activity. Wood completed a feasibility study from 2012 - 2014 to confirm size, shape and mechanical parameters. In situ filling was selected. Ongoing methods of site monitoring Wood briefed on were micro seismic, with four monitoring stations, one below the cavity and three above the roof; and an Atlas monitoring system, the early warning system, also looking for ground movement.

Wood plans a series of town hall meetings to convey accurate information to all stakeholders as well as convey project information at milestones. A project fact sheet is being developed for all stakeholders, residents, businesses and media.

Mr. Kwiecinski said the proposed solution is to install a series of 26 wells to extract brine and inject high mobility and low mobility grout.

Based on extensive research, seismic work and sonar activity research, Wood prepared a conceptual site model, depicting an oblong shape with void space across the top with rock mass along the edges. Wood's approach is to do 26 wells intending to fill void space with high mobility grout. Wood will re-enter the same wells and drill them out; and then place columns of low mobility grout underneath the cap to help densify the material. Safety is paramount, he said, so they're doing it in at least six phases. Wood will work to stay on solid ground while doing it.

Mr. Kwiecinski then briefed on the projected timeline of the project, saying some changes to the site include installing security fencing (completed), adding signage, installing additional site instrumentation and monitoring sights. He stated the City of Carlsbad is leading the effort to relocate effected neighbors. Wood also plans to install more microseismic monitoring sites. Wood is working with the NM Department of Transportation regarding traffic control planning.

The milestone schedule is as follows:

- June 11-22, 2018 – Site Maintenance, Site Survey, Brine Well Sampling and Security Fence Installation (Completed)
- June 30, 2018 – Phase 1a Preliminary Design (Completed)
- July 11, 2018 – Presentation on Traffic Control to Brine Well Authority
- September 2018 – Proposed Public Informational Meeting
- September 2018 – Upgrades to Monitoring and getting a baseline
- December 2018 – Complete Draft Design and Refine Cost Estimate for Phase 2
- January 30, 2019 – Field Mobilization and Site Preparation Begin Phase 2 – Implementation
- February 20, 2019 – Final Design Deliverable Report

Mr. Heaton suggested the City of Carlsbad have a link to EMNRD's website which houses the biweekly reports.

Mr. Kwiecinski said the grouting will take about two years.

Mr. Evangelista, traffic control engineer for the project, said Wood is responsible for coordinating with NMDOT on project-related traffic control; preparing traffic control plan to allow for safe access and egress from the project site; providing traffic-related signage and barriers; and conducting monitoring and maintenance during construction of all signage, barriers.

Mr. Evangelista said the draft traffic control plan was submitted to the NMDOT with comments and Wood has modified the plan per the recommendations. Coordination is ongoing. The Traffic Control Plan allows for two lanes of traffic in both Northbound and Southbound directions on US 285. Traffic flow will be modified to allow continued success and will be implemented until January 2019.

Property Access Report: Carlsbad City Councilor Eddie Rodriguez stated within the last four months they've met with the four entities involved in the project on the south side of U.S. 285: Kingdom Hall, I&W site location, Circle S Feed Store, and the Jenkins family property. Actively pursuing means to addressing needs of these businesses. Mr. Heaton stated there are viable paths forward and thanked Councilor Rodriguez.

Public Comment:

Elizabeth Shields representing Eldorado Estates RV Park stated they are happy to begin conversations and open lines of communications on behalf of her client and has reached out to the city. Long term tenants would be hard to move in.

Larry Pardue said the two southernmost wells appear to be in the canal. Dan Kwiecinski said the intent is not to install wells in the canal. Wells 25 and 26 will be installed on the bank. The bottom of the cavity is confident material.

Dean Cruse with the local congregation of Jehovah's Witness asked about scheduling and the last day before his congregation has to evacuate the building. Mr. Kwiecinski said the intention was to mobilize and install fencing, so the end of January 2018. Wood plans to install monitoring systems this year. Mr. Kwiecinski said utilities will be shut off and the building will be secured.

Is there access for routine observation? Will they be allowed in on an escorted basis? Mr. Kwiecinski said that is possible. After 6 months to a year they will assess the risk. Mr. Cruse asked about further damage to the building and who would be responsible for the repairs. Mr. Kwiecinski said part of the contract is for maintenance grouting which allows for structural assessments and grouting.

Mr. Heaton thanked the Jehovah's Witnesses. Mr. Kwiecinski agreed.

Ms. Maylee Soto on behalf of the Roadway Safety Integration Project, a coalition of industry and individuals who want to improve roadway information and infrastructure and offer their assistance.

When does Wood expect to have the Phase I report available? Answer; December. Chair McQueen said we should hold off on the next meeting. Stay tuned for next meeting which will be published in Current Argus.

Mayor Janway moved to adjourn. Seconded by unidentified member.

The meeting was adjourned.