

**EDDY-LEA ENERGY ALLIANCE
SPECIAL MEETING OF THE
BOARD OF DIRECTORS
FRIDAY, JUNE 15, 2018, 9:00 A.M.
CITY OF HOBBS-CITY COMMISSION CHAMBERS
200 EAST BROADWAY, HOBBS, NM**

Board members present: Ron Black, Rebecca Long, Sam Cobb, Jason Shirley, Jack Volpato, John Heaton, Susan Crocket (phone)

Board member absent: Garry Buie

Administrative Staff present: Mike Gallagher, Lea County Manager; Chip Low, Lea County Finance Director; John Caldwell, Lea County Attorney; John Waters (phone), Carlsbad Dept of Development

The meeting was called to order at 9:05 am by John Heaton.

Approval of the minutes from 3-26-2018: Motion made by Jack Volpato to approve the minutes from the 3-26-18 meeting. Seconded by Sam Cobb. Motion passed unanimously.

Voted yes: Ron Black, Rebecca Long, Sam Cobb, Jason Shirley, Jack Volpato, John Heaton, Susan Crocket

Financial Report: Chip Low reported that the year-to-date expenditures total 8124.78 with liability insurance of 4772.00 and 5321.00 going to the audit. Check received for tower rentals for a total of 11054.00, and the cash balance as of May 1, 2018, is 99010.69.

Accounts Payable: Chip Low reported that there were no Accounts Payable since the last meeting.

Discussion of Status of Lea County as Fiscal Agent & Custodian of Records: Mike Gallagher requested that Lea County Commissioners to be fiscal agent and custodian of records for the ELEA. This will involve posting the agenda for each meeting and note taking for each meeting. The posting of each meeting agenda will need to be done at each individual entity: Eddy County, City of Carlsbad, City of Hobbs, and Lea County. John Heaton mentioned that he is very appreciative of Lea County of taking on the role of Fiscal Agent and Custodian of Records for ELEA.

Approval of Regular Meeting Calendar and Approval of Meeting Locations: John Heaton discussed having regularly scheduled meetings prior to the end of the fiscal quarter, which would be March, June, September, and December. John Caldwell suggested meeting in public buildings, alternating between Hobbs and Carlsbad. Mike Gallagher suggested rotating the meeting locations between the various member entities. Motion by Ron Black to have regularly scheduled meetings at 9:00 a.m. on the 2nd Wednesday of the month prior to the fiscal end of the quarter, meeting in public buildings, and alternating between Hobbs and Carlsbad rotating the meeting locations between the various member entities. Second by Sam Cobb. Passed unanimously.

Voted yes: Ron Black, Rebecca Long, Sam Cobb, Jason Shirley, Jack Volpato, John Heaton, Susan Crocket

Discussion of Outside General Counsel: John Caldwell discussed that Lea County maintain general counsel for the ELEA. There have been discussions with four different attorneys with the different entities on transactional law. John suggested that he take the lead for temporary general counsel to ensure that ELEA is complying with administrative law in the state of New Mexico and some other items until permanent general

counsel can be retained. John Heaton asked John Caldwell to make recommendations at the next meeting. An RFP would need to be created for \$60,000/year to retain outside general counsel to advise the ELEA on items like The Open Meetings Act, The Inspection of Public Records Act, and Procedural Law. John Caldwell will draft an RFP with the list of criteria and present it at the next meeting.

Approval of Temporary General Counsel: Motion made by Ron Black for ELEA to accept John Caldwell's offer to be Temporary General Counsel for a temporary period of time until Permanent General Counsel can be retained. Second by Jack Volpato. Passed unanimously. *Voted yes: Ron Black, Rebecca Long, Sam Cobb, Jason Shirley, Jack Volpato, John Heaton, Susan Crocket*

Web Page Update-Lea County: Mike Gallagher proposed that an ELEA web page be hosted on Lea County's website. Advantages would be advertising for the meetings and putting information on Lea County's website. There will be not be a charge associated with this. If the website used in Carlsbad continues to be used, it might become problematic. Mike Gallagher suggested that consolidation would be best and just use one website. Mike suggested that if anybody on the board needs items posted on the website, they should contact the staff member responsible for maintaining the website. Links would be available to the three other member ELEA member entities, NRC, and Holtec. John Waters mentioned that there is a domain on eddyleaenergyalliance.com and asked if the board would want this transferred to the Lea County website, with Mike agreeing that this domain be transferred. Mike Gallagher suggested that the Lea County staff get together with John Waters to get the eddyleaenergyalliance.com domain transferred to the Lea County webpage and have it as an action item on the agenda for the next meeting.

Holtec Update-John Heaton and Board members

NRC Scoping Meetings: John Heaton reported that there were 5 scoping meetings held in New Mexico and 1 general scoping meeting held at the NRC nationally. The meetings were pretty well attended.

The meetings were held in:

Roswell: Most people at this meeting spoke against Holtec. Attendees included people from Texas, California.

Hobbs: Strong response from our elected officials.

Carlsbad: About 30 people spoke in favor.

Gallup: Most of the people that spoke discussed uranium mining.

Albuquerque: Large group of about 200. Most spoke against.

Most of the issues with the Holtec project seem to be the transportation system (railcars). What are the risks? Get the facts out to the public.

The NRC is anticipating having a draft of the Environmental Impact Statement (EIS) out by the end of summer. Then, there will be a 60 day hearing process for public comment, and also another 60 day public comment period. Then, a final EIS, a safety evaluation report, and another public comment period. Licensing follows. Possibly 2 years from now when a final decision will be made. Sam Cobb mention that work sessions will be held with Holtec. Holtec has hired an agenda company as a PR company. Meetings will be posted on the website.

Approval of Hiring Lobbyist for ELEA: John Heaton discussed. A Lobbyist is needed to coordinate with the Legislature to educate them and to coordinate with the agenda group and their activities. Thus, coordinating the whole effort. Maximum amount allocated to the Lobbyist is \$60,000. John Heaton suggested limiting this amount to \$50,000. Mike Gallagher suggested that the ELEA Board come up with a scope of work and create an RFP. John Heaton responded that three different groups were interviewed with a cost of \$50,000. Mike Gallagher was not aware of these interviews.

Motion made by Sam Cobb to move forward with the RFP for hiring a lobbyist. Second by Jason Shirley. Passed unanimously. *Voted yes: Ron Black, Rebecca Long, Sam Cobb, Jason Shirley, Jack Volpato, John Heaton, Susan Crockett*

Discussion of ELEA Member Financial/Other Contributions to ELEA: John Heaton suggested that members who are elected officials go back to their appropriate commissions/counsels and ask for a contribution of an additional \$15,000 to cover some of these costs that are arising. Jack Volpato suggested that each of the four entities submit their budget requests in Q1. The financial needs and obligations need to be reviewed and presented to their groups in order to build their budgets. John Heaton suggested members report back at the end of July.

Executive Session-Motion made that the Governing Board convene in closed session to discuss threatened litigation concerning administrative procedures and the acquisition and disposal of real property in west Lea County, as permitted by 10-15-1 H. (7) and (8), respectively. Second. Passed unanimously.

Susan Crockett was not involved in the closed session.

Approval of Lease/Contract with Dawson Geophysical Company for 3D Geophysical survey on Property: John Caldwell discussed. Motion by Sam Cobb to approve the Lease/Contract with Dawson Geophysical Company for 3D Geophysical survey on Property. Second by Ron Black. Passed. *Voted yes: Ron Black, Rebecca Long, Sam Cobb, Jason Shirley, Jack Volpato, John Heaton. Abstained: Susan Crockett*

Approval 2013 Annual Open Meetings Act Resolution: John Caldwell discussed. Motion by Jack Volpato to approve the 2013 Annual Open Meetings Act Resolution. Second by Sam Cobb. Passed unanimously. *Voted yes: Ron Black, Rebecca Long, Sam Cobb, Jason Shirley, Jack Volpato, John Heaton, Susan Crockett*

Approval 2014 Annual Open Meetings Act Resolution: Motion made by Ron Black to approve the 2014 Annual Open Meetings Act Resolution. Second by Jason Shirley. Passed unanimously. *Voted yes: Ron Black, Rebecca Long, Sam Cobb, Jason Shirley, Jack Volpato, John Heaton, Susan Crockett*

Approval 2015 Annual Open Meetings Act Resolution: Motion made by Ron Black to approve the 2015 Annual Open Meetings Act Resolution. Second by Jason Shirley. Passed unanimously. *Voted yes: Ron Black, Rebecca Long, Sam Cobb, Jason Shirley, Jack Volpato, John Heaton, Susan Crockett*

Approval 2016 Annual Open Meetings Act Resolution: Motion made by Jason Shirley to approve the 2016 Annual Open Meetings Act Resolution. Second by Jack Volpato. Passed unanimously. *Voted yes: Ron Black, Rebecca Long, Sam Cobb, Jason Shirley, Jack Volpato, John Heaton, Susan Crockett*

Approval 2017 Annual Open Meetings Act Resolution: Motion made by Jason Shirley to approve the 2017 Annual Open Meetings Act Resolution. Second by Sam Cobb. Passed unanimously. *Voted yes: Ron Black, Rebecca Long, Sam Cobb, Jason Shirley, Jack Volpato, John Heaton, Susan Crockett*

Approval of Disclosure Forms: John Caldwell discussed that if an ELEA board member has outside employment, it should be disclosed. Motion by Ron Black to adopt these Disclosure Forms. Second by Jack Volpato. Passed unanimously. *Voted yes: Ron Black, Rebecca Long, Sam Cobb, Jason Shirley, Jack Volpato, John Heaton, Susan Crockett*

Election of Officers: John Heaton mentioned that the election of officers is done annually.

Secretary – No nominations from the floor. Motion made by Sam Cobb to re-elect Susan Crockett for Secretary. Second by Ron Black. Passed unanimously. *Voted yes: Ron Black, Rebecca Long, Sam Cobb, Jason Shirley, Jack Volpato, John Heaton, Susan Crockett*

Treasurer – Motion made by Susan Crockett to nominate Jack Volpato. Motion make by Ron Black to elect Jack Volpato. Second by Jason Shirley. Passed unanimously. *Voted yes: Ron Black, Rebecca Long, Sam Cobb, Jason Shirley, Jack Volpato, John Heaton, Susan Crockett*

Vice Chairman – Jason Shirley nominated Jack Heaton. Second by Jack Volpato. Passed unanimously. *Voted yes: Ron Black, Rebecca Long, Sam Cobb, Jason Shirley, Jack Volpato, John Heaton, Susan Crockett*

Chairmanship – Jack Heaton nominated Sam Cobb. Motion made by Jack Heaton to elect Sam Cobb. Second by Jack Volpato. Passed unanimously. *Voted yes: Ron Black, Rebecca Long, Sam Cobb, Jason Shirley, Jack Volpato, John Heaton, Susan Crockett*

John Caldwell introduced the official note-taker – Elizabeth White

Public Input from the following:

Nick Maxwell-Discussed that there was a violation of the Open Meetings Act. Discussed the Amended Operating Agreement. Also discussed that all contracts shall be signed by the Chairperson or the Vice-Chairperson or Secretary or Treasurer. Notes that several contracts were not executed properly (only signed by the Chairperson). These contracts are Land Purchase Option Agreement, Revenue Sharing Agreement, Write-of-Way and Easement Agreement between ELEA and DCP Energy, Agreement between Lucid Energy and ELEA for a Write-of-Way Grant, First Amendment to Site Lease with Option, and Memorandum of First Amendment to Site Lease with Option with the tower company. They do not coincide with the Operating Agreement.

Mr. Maxwell opposes the project and wants the Board dissolved.

Adjournment: Motion by Jack Volpato to adjourn. Second by Jack Heaton. Meeting adjourned at 10:55 a.m.