Minutes of Special Meeting held April 5, 2010

Special meeting with the following present: Mayor Mark Bowen; Aldermen Jerry Stone, Ward Sanders, Kevin Keith; City Secretary Josie Campa; City Attorney Tom Cate; Gas Consultant Simon Pena.

Visitor: William Alonzo.

Mayor Bowen opened the special meeting at 6:30 p.m. and asked Simon Pena to address Council concerning the first item on the agenda.

**CONSIDER AND TAKE ACTION ON PROPOSED AGREEMENT FOR GAS OUTAGE SERVICES FROM CENTERPOINT ENERGY**

Simon Pena told Council that two proposals had been submitted for the services needed to provide Lytle with natural gas in July during the gas outage due to pipeline integrity testing. He said a meeting had been held with West Texas Gas, and city officials from Castroville, Devine and Lytle, and it was agreed that Centerpoint Energy was the most qualified provider for this project. Mr. Pena told Council that Centerpoint’s proposal totals $63,901.00, and explained how this cost was determined. He said the cities and West Texas Gas are working cooperatively to cut costs. City Secretary Josie Campa told Council that the proposal is leased on 21 days of outage and that it could be less if the testing doesn’t take the 21 days and more if the testing takes longer due to problems with the pipeline.

Mr. Pena told Council about the complaint filed by West Texas Gas with the Texas Railroad Commission against Enterprise Pipeline to see if they can possibly get out of paying for this service during the outage. Mr. Pena told Council that because of this complaint the Railroad Commission may move back this testing. Mr. Pena told Council there are a lot of things to be done to prepare for this outage and that is why Centerpoint Energy needs a commitment from all the interested parties by April 12th.

Tom Cate told Council that he has looked over Centerpoint’s proposal agreement and that they are asking for a deposit of 20% which is nearly $13,000.00.

Mr. Cate told Council that Centerpoint usually requires a performance payment bond but that they are willing to work around this depending on cities credit. Mr. Cate told Council there are a couple of things in the contract that he would like to see changed. The first thing is the indemnification clause that needs to be worded “to the extent allowed by law”, and the second item is the payment within 15 days of receipt since Council only meets once a month. City Secretary Josie Campa said Council could authorize payment as long as the invoice doesn’t exceed the quoted cost.

Simon Pena told Council that his confidence level for Centerpoint Energy is the highest and recommended Council go with their proposal.
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After discussion, Alderman Keith made the motion that Council approve the proposal from Centerpoint Energy for $63,901.00 contingent upon the amendments the City Attorney suggested be made and that Council authorize the City Secretary to pay the invoice upon receipt as long as it does not exceed $75,000.00. Seconded by Alderman Stone. Passed unanimously.

Mayor Bowen asked Mr. Pena to keep Council informed when this project starts.

**CONSIDER REQUEST FROM LYTELE YOUTH PROGRAM FOR WAIVER ON FOOD HANDLERS’ ORDINANCE FOR 2010 BASEBALL SEASON**

Mayor Bowen told Council that Pat Diver, the LYP President had asked that the LYP be granted a variance on the Food Handlers’ Ordinance for the 2010 baseball season. Alderman Stone made the motion that Council grant this waiver. Seconded by Alderman Keith. Passed unanimously.

Meeting adjourned at 7:17 p.m.