

Minutes of Special Meeting held January 22, 2018

Special meeting with the following present: Mayor Mark Bowen; Aldermen Jerry Stone, Ruble Farmer, Jamie Dahler, Ruben Gonzalez, Sam Cortez; City Secretary Josie Campa; Director of Public Works James McGrath; City Attorney Tom Cate.

Visitors: Edwin Hatcher, Jared Niermann, Philip Ruiz, Rudy Ruiz, Daniel Medina, Daniel Rios, Alex Sawicki, Wayland Simmons.

Mayor Bowen opened the Special meeting at 6:33 p.m. and led everyone in the Pledge of Allegiance. The Mayor then read the agenda item and had City Attorney Tom Cate explain matters to Council.

Mr. Cate told Council why this problem with bonding arose and then Mr. Hatcher, President of McKinley Drilling told Council that their price is much lower because they also own Peerless Equipment, which gives their company a big advantage. Mr. Hatcher told Council that since their insurance company is giving them a difficult time with bonding, he is asking the city for an "irrevocable letter of credit".

The City Attorney made Council aware of what happens if a payment and performance bond is not in place.

After further discussion, the City Attorney told Council that McKinley's bank will have to get this letter to the city. Mr. Cate told Council that Project Manager Kaveh Khavzad has worked with McKinley on other projects and recommends the city go with them as they do good work. Mr. Cate told Council this letter of credit will be alright if McKinley works with the city.

Alderman Stone made the motion that Council approve McKinley Drillings request to provide the city with an "irrevocable letter of credit" on the well drilling project contingent on their bank's letter and that McKinley works closely with the City Attorney and the Project Manager. Seconded by Alderman Cortez. Passed unanimously.

Meeting adjourned at 6:45 p.m.