



**CITY COUNCIL MINUTES
CITY OF ODESSA, TEXAS**

April 8, 2021

On April 8, 2021, a workshop meeting of the Odessa City Council was held at 5:00 p.m. in the Council Chambers, 5th floor, City Hall, 411 W. 8th, Odessa, Texas.

City Council present: Mayor Javier Joven; Council members: Mark Matta, District One; Steven Thompson, District Two; Detra White, District Three; Tom Sprawls, District Four; Mari Willis, District Five; and Denise Swanner, At-Large.

Others present: Michael Marrero, City Manager; Norma Aguilar-Grimaldo, City Secretary; Natasha Brooks, City Attorney; Phillip Urrutia, Assistant City Manager; Cindy Muncy, Assistant City Manager; and other members of City staff.

A quorum being present, Mayor Joven called the meeting to order and the following proceedings were held:

Discuss funding for proposed Water Treatment Plant project. David Boutin, 16 Emerald Gardens, stated that the Council was elected to serve well and understood the decisions that needed to be made including complex issues.

Council member Sprawls arrived at the meeting at 5:02 p.m.

Mr. Boutin stated that voters may not address the issues and were dependent on elected officials to make the decisions.

Council member Thompson arrived at the meeting at 5:04 p.m.

Mrs. Muncy asked for Council direction for funding the Water Treatment Plant. She provided the history of the project. The funding process began in January 2020 but due to COVID-19 in March, City management paused on the debt issuance. The City submitted a pre-application to the Texas Water Development Board to issue funding, but the board could not fund the project. She stated that George Williford, Hilltop Securities, was present for any questions. She discussed the increase of water and sewer rates last year for the deteriorating lines. She discussed the Pioneer funds which were received a year at a time. General Obligation or Revenue Bonds had an extra cost. If the bond failed, a CO Certificate of Obligation (CO) could not be issued for three years. She explained the enterprise fund which a fee was charged to the user to cover cost to operate. If a petition was received, the CO schedule would be revised. Time was needed to check the legality of the petition. The last day that the City Council could call a November 2021 election was August 16. Council member Sprawls asked about the interest rates. Mr. Williford stated that the rates were favorable, but the interest rates were going up. Mayor Joven did not support the CO. He stated that the COs was for a state of emergency or natural disaster. The project needed to move forward to address the Water Treatment Plant issues. Council member Matta asked about the previous CO funds that were not used if they could apply to the Water Treatment Plant funding. Mrs. Muncy read the purpose for the 2019 COs. Funds could not be used. With other CO funds, the funds were already committed. The interest earnings from the last water and sewer issuance were used for a clean up project and was a minimal amount. Mayor Joven stated that there may be additional costs for the rehab and extra funds may be

needed. He stated that there may be underlying damage. Mrs. Muncy stated that there were some Pioneer funds that could be used for development which were from Line P project savings. Mayor Joven stated that alternative ways to fund was considered. The use of ODC funds were considered but could not be used. Mrs. Muncy reported that the actual amount to borrow was not definite. She stated that the CO resolution could set an amount up to and a lesser amount could be issued. Council member Matta asked if the American Rescue Plan funds could be used. Mr. Marrero reported it was not known yet if the funds could be used as there was no guidance. Once the information was known, he would inform the Council. Council member Willis stated it was important to communicate to the public and help educate on the Water Treatment Plant. Council member Thompson stated that the citizens elected the Council. The Council evaluates and weigh the options and take the best avenue for the solution. He didn't want to take the risk for a bond election. Mrs. Muncy stated that if the American Rescue Plan funds allowed to be used then it could be used to pay down the debt. Council member Sprawls stated that the funds were not out of taxpayers' dollars but the user fees. Mrs. Muncy reviewed the wraparound debt with COs. Council member Swanner stated that the voters needed a say, and all know that we needed water. Council member Matta agreed that Council members were elected to represent the district but could not vote for the CO. His constituents asked that their voices be heard on large projects. Council member White respected the decisions. She stated that many were not registered voters and favored the COs. Council member Sprawls voted against the last CO as it impacted the taxpayer. He supported funding through the CO. Council member Willis supported the CO and respected all constituents, but it was a need to secure water for the future.

Motion was made by Council member Thompson and seconded by Council member White to adjourn the meeting. The motion was approved by the following vote:

Aye: Joven, Matta, Thompson, White, Sprawls, Willis, and Swanner
Nay: None

The meeting adjourned at 5:56 p.m.

ATTEST:

APPROVED:

Norma Aguilar-Grimaldo, TRMC, CMC
City Secretary

Javier Joven
Mayor