



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

**March 16, 2021**

On March 16, 2021, a work session meeting of the Odessa City Council was held at 3:00 p.m., Odessa, Texas. Due to the COVID-19, the meeting was teleconferenced, as allowed by the Governor's executive order. City Council was present through teleconference.

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

City Council absent: Council member Detra White, District Three.

Others present: Michael Marrero, City Manager; Norma Aguilar-Grimaldo, City Secretary; Natasha Brooks, City Attorney; Cindy Muncy, Assistant City Manager; Phillip Urrutia, 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:

**Presentation and discussion on the Water Treatment Plant Rehabilitation.** Hutch Musallam, Vice President of Carollo Engineering, provided the background of the Water Treatment Plant assessment made in 2016 and 2017. The assessment identified issues and improvements for the plant. He stated that there were Texas Commission Environmental Quality (TCEQ) regulations to be met and increase water production. He reviewed the recommended improvements for the plant.

Council member Thompson joined the meeting at 3:12 p.m.

Mr. Musallam stated that technological advance would improve the plant's performance and revitalize the aging facility. He discussed major scopes of the rehab. He stated that the filters did not meet TCEQ standard but with the renovations it would be brought up to code. Mr. Kerr explained that the filter conditions was grandfathered and not a violation. With the rehab, the filter would be upgraded to TCEQ standards. Mayor Joven asked about addendums increasing the cost. Mr. Musallam stated that TCEQ may make modifications to the plan, but the cost was figured into the cost of the rehab. Mayor Joven asked if the funds could be recaptured if there were no changes from TCEQ. Mr. Musallam stated that the design was in accordance with TCEQ requirements. Council member Thompson asked about change orders and what was the percentage for contingency. Mr. Musallam stated that the project included unidentified cost. Another major scope was to improve the chemical feed and storage buildings. He reviewed the issues with the chlorine building. Council member Thompson asked about the growth of the city and the plant capacity. Mr. Musallam stated that the plant improvements allowed to increase capacity. Mr. Kerr reviewed the demand usage. Mr. Marrero stated that there was capacity to grow. The plant was designed economically and future growth. Another major scope was to improve the pump station. Mr. Musallam identified minor improvements. The pump station was installed in the early 1980's. Other major scopes included the project rehab on electrical and improve the administrative building. Mr. Kerr provided explanation on the improvements. Mr. Musallam reviewed a proposed schedule for funding the Water Treatment Plant. Construction could be started in November 2021 with a completion in November 2024. Mr. Marrero stated that the schedule

was contingent on funding. Mr. Musallam reviewed the process for a new Water Treatment Plant. The cost of a new plant would be \$297 million with a time completion of 7 ½ years.

Mrs. Muncy stated that there were options to issue debt. She introduced George Williford with Hilltop Securities. Mr. Williford identified and reviewed the financing options available. The General Obligation (GO) was a process of an election. If the proposition failed, then the city could not do any Certificates of Obligation for three years. He reviewed tax notes, revenue bonds and public property finance contractual obligations. He identified the professionals involved with debt issuance. Different schedules were developed and reviewed for Certificates of Obligation (CO). Council member Thompson asked about the Pioneer funds and suggested to pay with a combination of debt and cash. Mrs. Muncy explained revenue bonds that would be paid from the customers. She stated that the COs was a tax guarantee and did not affect the property tax rate. She explained the interest rate and principal payments. She reviewed the Water/Sewer revenue and the Pioneer revenue funds. She stated that additional projects could use the Pioneer funds. The additional projects included Line Q, waterline, storage tank and the IH-20 corridor. She reviewed the Water/Sewer Fund Balance and the rates. A health fund balance maintained would provide for a favorable debt issuance. Mr. Williford stated that most cities use COs for utility projects. He recommended the COs. Council member Matta asked about the scenarios for a GO bond. Mr. Williford stated that the interest rates were the same. For a GO bond, the election could be held as early as November 2021. Council member Matta stated that the citizens could be educated. Mayor Joven stated that the COs removed the citizens from the process. He stated that no one was disagreeing with the projects, but the citizens wanted to be a part of the process. Council member Thompson stated that a 2021 election would be a low voter turnout. He stated that the elected officials were to make the best fiscal decisions. The City could not advertise or campaign for the bond. Mr. Williford stated that the City was precluded from advocacy but could present facts. Council member Thompson favored using some cash and COs. Council member Matta asked on implementing a Municipal Utility District. It would provide financial help for improvements of a Water Treatment Plant. Council member Willis stated that the plant was not in good condition and must be addressed quickly. The Council should be financial astute but not have the water system fail. Council member Thompson stated that there was growth, and a business decision must be made with not taking a risk of the plant failing. Mr. Marrero stated that the presentation was for the understanding of the project and get direction with the new council. Mayor Joven asked for the GO schedule for an election and discuss at the retreat. The Council had a consensus to discuss at the retreat. Mayor Joven stated that the citizens should be inclusive and allow to consider the debt issuance with an election.

Council member Sprawls left the meeting.

**Bid award for the 2021 sealcoat project.** Yervand Hmayakyan, City Engineer, stated that three bids were received. Staff recommended the lowest bidder from CK Newberry for \$643,514.15 which was less than the estimate. The sealcoat project would be for 6.6 linear miles. Mr. Kerr stated it was a smaller number of streets as other methods were also used for the streets.

**Bid award for Floyd Gwin Park Phase 2 renovations.** Steve Patton, Director of Parks and Recreation, reported that Phase 1 construction would begin March 22. Two bids were received for Phase 2. He recommended Onyx Construction for \$4,964,777 which included added alternatives. The project was under budget. Council member Wills was excited to see the renovations to the park for the citizens to enjoy. She was thankful for the project and the staff. Mr. Patton explained the features of the concession stand as it cost \$400,000. The concession stand would be two-story with restrooms and staircase. He explained in detail the lighting for the park.

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

Aye: Joven, Matta, Thompson, Willis, Swanner  
Nay: None

The meeting adjourned at 5:32 p.m.

ATTEST:

APPROVED:

Norma Aguilar-Grimaldo, TRMC, CMC  
City Secretary

Javier Joven  
Mayor