



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

MARCH 12, 2019

On March 12, 2019, a workshop meeting of the Odessa City Council was held at 3:00 p.m., in the fifth floor conference room, City Hall, 411 West 8th Street, Odessa, Texas.

City Council present: Mayor David R. Turner; Council members: Malcolm Hamilton, District One; Dewey Bryant, District Two; Detra White, District Three; Mari Willis, District Five; and Peggy Dean, At-Large.

City Council absent: Council member Tom Sprawls, District Four.

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

Mayor Turner called the meeting to order and the following proceedings were held:

Council member Bryant gave the invocation.

Update and discussion of Water Quality Improvements RO Project. Tom Kerr, Director of Public Works/Utilities, reviewed the project objectives. Objectives included attracting new businesses, improving the quality of life and better quality of water. He explained the hardness of the water. The City's water has a lot of calcium and limestone that created the hardness of the water. He reviewed the high total dissolved solids (TDS) levels. Matt Irvin, former Director of Utilities, provided the history of Lake Spence that had high total dissolved solids. The hardness was the single largest component of Odessa raw water. The hardness affected stained glassware, scaled piping, scaled appliances and difficulty of lathering soap.

The project was divided into four phases. An assessment evaluated the plant conditions. It identified areas requiring rehabilitation and improvement. There were improvements needed for reaching its useful service life, meeting TCEQ standards and structural and safety related improvements. The plant was built in 1958. The improvements were needed for the water and wastewater plants. The existing plant improvements cost was \$65 million, which was needed even if the RO project was not done. A SCADA master plan was developed on the process. SCADA was a system that showed the systems control signals.

The water quality goals were reviewed. He reviewed the TDS compared to other cities. Council member Hamilton asked how Odessa compared with the revenue of other cities. Mr. Kerr stated Odessa compared ourselves with other cities but the other cities have a better quality of water. The City has only one source of water. He stated that with the RO system, the TDS would be between 300 and 450. He reviewed model scenarios. He discussed the RO plant capacity related to hardness.

Mr. Kerr stated that Phase II was the pilot testing. The objective was to select a robust system that confirm sizing, performance and estimate operation and maintenance. He explained the two treatments that were tested. He explained cleaning the system. There would be less water smell. The process was selected for the filtration and reverse osmosis.

He showed an RO facility location and its system.

He reviewed the brine pipeline. He explained the brine stream and its uses including deep well injection, spray irrigation, and evaporation ponds. The economical process was to discharge to the Water Reclamation facility. There was an opportunity to sell the water to pay for the plant. The RFP can be a take or pay, whether the vendor used it or not. The contract must demonstrate a stable business to use the water. He stated that the RFP would provide options with money up front and options to pay for water. The options were left open to find the best option for the City. The gallons would be sold that correlate with barrels. Council member Dean asked how much to sell. Mr. Kerr stated it would be 20% or better. He stated that the significant part of the cost was the pipeline from one area to another. The project cost with plant improvements only was \$65 million. The plant improvements plus the RO facility was \$145 million. He reviewed the operations and maintenance costs. He stated that it would have an effect of 10% increase to the water portion of the customers' bill.

A survey was done with almost 1,600 responses. He reviewed the responses of conditioning the water. There would be a cost savings with the RO system. The improved water quality would extend the life of appliances. It would also provide a residential savings with the increased lifespan of household appliances. Residents could have a savings of \$577 annually by reducing the hardness of the water. The RFP would be sent out next week.

Council member Bryant stated it was a \$65 million project that had to be done. He stated that the water rate must be considered to compensate the improvements. He explained that the Pioneer was revenue that was guaranteed but not assigned to any project at this time. The Pioneer was an 11-year contract. The water was selling to Pioneer at more than 20%. There was an option to extend two five years to the contract.

Mr. Kerr stated that selling the brine was a huge factor and could pay for itself. If sold for an appreciable amount, it was a great opportunity. Council member Dean concern was without the sale of the brine water or contractually selling, it becomes a want rather than a necessity. There were other needs such as fire stations, parks, roads and animal shelter. She stated that the \$80 million was a want. If someone else pays for it, that was good, but if City had to finance it, it was very daunting. Council member Bryant stated if the option was available to sell the brine water, it was great opportunity.

If the RO project was not approved, then the process of proceeding would stop. The preliminary engineering would be completed in June, which will be after the RFP submissions. Council member Dean asked about the fees. Mr. Kerr stated that there would be a portion of fees not required if the RO project was not developed. The cost included contingency funds.

Council member White asked if our plant was able to provide water with the growth of Odessa. Mr. Kerr explained the capacity of the water plant. The demand was increased by 20% over the last few years due to new development and Industrial District clients. The demand increased our revenues. Mr. Kerr stated that the design for the project was 25 months, which was less than two years to start construction. The construction time was three years.

Mr. Kerr stated pipeline testing was done on corrosion, which would blend back into the water. The design would be developed to condition the pipeline.

The water quality should improve but would there would be some rust with the older pipes in the city. The water would acclimate. There was no other business, the meeting adjourned at 4:26 p.m.

ATTEST:

APPROVED:

Norma Aguilar-Grimaldo, TRMC, CMC
City Secretary

David R. Turner
Mayor