

REGULAR MEETING OF THE CITY COUNCIL
OF THE CITY OF SAN ANTONIO HELD IN
THE COUNCIL CHAMBER, CITY HALL, ON
THURSDAY, MAY 26, 1977.

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The meeting was called to order at 8:00 A. M., by the presiding officer, Mayor Lila Cockrell, with the following members present: CISNEROS, WEBB, DUTMER, WING, EURESTE, ORTIZ, ALDERETE, PYNDUS, HARTMAN, STEEN, COCKRELL; Absent: NONE.

77-27 The invocation was given by Mayor Lila Cockrell.

77-27 Members of the City Council and the audience joined in the Pledge of Allegiance to the flag of the United States.

77-27 The minutes of the Regular Meeting of May 19, 1977, were approved with a correction on page 9 as noted by Councilman Pyndus.

The minutes of the Special Meeting of May 19, 1977, were approved.

77-27 Item VI being an Ordinance by the City Council of the City of San Antonio, Texas, approving and authorizing the giving of Notice of Intention to issue \$75,000,000 "City of San Antonio, Texas, Electric and Gas Systems Revenue Bonds, New Series 1977-A"; and declaring an emergency; and

Item VII being an Ordinance by the City Council of the City of San Antonio, Texas, approving the "Official Notice of Sale" and "Official Statement" prepared in connection with the issuance of the proposed \$75,000,000 "City of San Antonio, Texas, Electric and Gas Systems Revenue Improvement Bonds, New Series 1977-A"; authorizing execution of said documents and the publication of said "Official Notice of Sale"; and declaring an emergency;

were postponed at the request of the City Council.

77-27 The following Ordinance was read by the Clerk and after consideration, on motion of Mr. Steen, seconded by Mr. Pyndus, was passed and approved by the following vote: AYES: Webb, Dutmer, Ortiz, Pyndus, Hartman, Steen, Cockrell; NAYS: None; ABSENT: Cisneros, Wing, Eureste, Alderete.

AN ORDINANCE 48,054

GRANTING A PERMIT TO THE ALAMO COUNCIL OF
CAMP FIRE GIRLS, INC., TO HOLD THEIR ANNUAL
CEREMONIAL BONFIRE ON FRIDAY, JUNE 3, 1977,
AT 7:30 P.M. AT SAN JOSE MISSION.

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77-27 The Clerk read the following Ordinance:

AN ORDINANCE 48,055

1 AMENDING CHAPTER 38 (TRAFFIC REGULATIONS) OF THE
CITY CODE: SETTING FORTH LOCATIONS AT WHICH
ELECTRIC TRAFFIC CONTROL SIGNALS ARE IN FULL
SIGNAL OPERATION; DESIGNATING ONE-WAY STREETS;
DESIGNATING STOP SIGN LOCATIONS; DESIGNATING
YIELD RIGHT-OF-WAY SIGN LOCATIONS; ESTABLISH-
ING PARKING METER ZONES; PROHIBITING PARKING
AT ALL TIMES ON CERTAIN STREETS; PROHIBITING

STOPPING, STANDING OR PARKING DURING CERTAIN HOURS ON CERTAIN STREETS; PROHIBITING RIGHT TURN ON RED LIGHT; PROHIBITING LEFT TURN ON RED LIGHT; AND PROVIDING THAT VIOLATIONS HEREOF BE PUNISHABLE BY A FINE OF NOT LESS THAN \$1.00 NOR MORE THAN \$200.00.

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Mr. Hartman asked that in the future an inventory of the locations be included in the Council's packet along with the summary material for the Ordinance.

After consideration, on motion of Mr. Pyndus, seconded by Dr. Cisneros, the Ordinance was passed and approved by the following vote: AYES: Cisneros, Webb, Dutmer, Ortiz, Pyndus, Hartman, Steen, Cockrell; NAYS: None; ABSENT: Wing, Eureste, Alderete.

77-27 The following Ordinances were read by the Clerk and after consideration, on motion made and duly seconded, were each passed and approved by the following vote: AYES: Cisneros, Webb, Dutmer, Eureste, Ortiz, Alderete, Pyndus, Hartman, Steen, Cockrell; NAYS: None; ABSENT: Wing.

AN ORDINANCE 48,056

AUTHORIZING EXECUTION OF AN AGREEMENT WITH BEXAR COUNTY FOR INSTALLATION AND MAINTENANCE FOR ONE YEAR OF TWO HIGH SPEED TELETYPE UNITS IN THE SAN ANTONIO POLICE DEPARTMENT CENTRALIZED COMMUNICATIONS CENTER FUNDED THROUGH A GRANT TO BEXAR COUNTY FROM THE CRIMINAL JUSTICE DIVISION; ESTABLISHING A GRANT FUND AND BUDGET; AND AUTHORIZING A CONTRIBUTION FROM THE GENERAL FUND IN THE AMOUNT OF \$3,032.10 TO PAY BEXAR COUNTY FOR THE CITY'S SHARE OF THE TOTAL COST TO THE COUNTY OF \$20,214.00.

* * * *

AN ORDINANCE 48,057

AUTHORIZING THE CITY TO SUBMIT AN APPLICATION FOR A GRANT IN THE AMOUNT OF \$51,266.00 FOR THE PURCHASE OF 490 "SICOMS" NECESSARY TO ADD TWO ADDITIONAL CHANNELS TO EACH OF 490 RADIO UNITS.

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77-27

MRS. RUDY ORTIZ

Mayor Cockrell recognized and welcomed to the meeting Mrs. Rudy Ortiz, wife of Councilman Ortiz of District 6.

77-27

REVEREND CLAUDE BLACK

Mayor Cockrell recognized and welcomed to the meeting former Councilman Reverend Claude Black who was visiting the meeting.

77-27 The following Ordinances were read by the Clerk and after consideration, on motion made and duly seconded, were passed and approved by the following vote: AYES: Cisneros, Webb, Dutmer, Eureste, Ortiz, Alderete, Pyndus, Hartman, Steen, Cockrell; NAYS: None; ABSENT: Wing.

AN ORDINANCE 48,058

ACCEPTING THE LOW QUALIFIED BID OF E. N. DEAN SHEET METAL & ROOFING COMPANY TO FURNISH THE CITY OF SAN ANTONIO PARKS AND RECREATION DEPARTMENT WITH LABOR AND MATERIALS TO REDECK THE BUILDING ROOF OF THE WESTEND RECREATION CENTER FOR A NET TOTAL OF \$3,656.00.

* * * *

AN ORDINANCE 48,059

ACCEPTING THE PROPOSAL OF MILLER BRODY TO FURNISH THE CITY OF SAN ANTONIO PUBLIC LIBRARY WITH FILMSTRIPS AND CASSETTES FOR A TOTAL OF \$4,615.50, F. O. B. SHIPPING POINT.

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77-27

The Clerk read the following Ordinance:

AN ORDINANCE 48,060

ACCEPTING THE PROPOSAL OF AMERICAN CYANAMID COMPANY TO FURNISH THE CITY OF SAN ANTONIO PUBLIC WORKS DEPARTMENT WITH MAGNIFLOC #2535-C TO BE USED AT THE RILLING ROAD SEWAGE TREATMENT PLANT FOR A TOTAL OF \$7,392.00.

* * * *

In response to Mr. Pyndus' question, Mrs. Dutmer explained that the hydrogen peroxide was used to abate the odor at the Rilling Road Plant. This ordinance provides for the purchase of a chemical to separate the solids from the liquids for aeration purposes.

After consideration, on motion of Mr. Steen, seconded by Mr. Hartman, the Ordinance was passed and approved by the following vote: AYES: Cisneros, Webb, Dutmer, Eureste, Ortiz, Alderete, Pyndus, Hartman, Steen, Cockrell; NAYS: None; ABSENT: Wing.

77-27

The following Ordinance was read by the Clerk and after consideration, on motion of Dr. Cisneros, seconded by Mr. Pyndus, was passed and approved by the following vote: AYES: Cisneros, Webb, Dutmer, Eureste, Ortiz, Alderete, Pyndus, Hartman, Steen, Cockrell; NAYS: None; ABSENT: Wing.

AN ORDINANCE 48,061

AUTHORIZING THE PAYMENT TO IBM CORPORATION FOR THE MAINTENANCE OF IBM TYPEWRITERS LOCATED THROUGHOUT THE CITY OFFICES DURING THE 1976 CALENDAR YEAR FOR A TOTAL OF \$12,086.08.

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77-27

The Clerk read the following Ordinance:

AN ORDINANCE 48,062

ACCEPTING THE LOW QUALIFIED BIDS OF VARIOUS COMPANIES TO FURNISH THE CITY OF SAN ANTONIO WITH VARIOUS SUPPLIES AND SERVICES FOR THE FISCAL YEAR 1977-78; AND AUTHORIZING THE CASTING OF LOTS TO DETERMINE THE SUCCESSFUL BIDDER FOR TIE BIDS ON CERTAIN SUPPLIES AND SERVICES; AND AUTHORIZING CONTRACTS FOR A PERIOD LONGER THAN ONE FISCAL YEAR.

* * * *

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The bids of the bidders listed below, wherein said bidder offers to furnish the City of San Antonio with the certain parts and services specified in its bid proposal for a one year period commencing August 1, 1977 and terminating July 31, 1978, are hereby accepted. The bids accepted in this section are single source of supply items. The bid documents from such bidders are attached hereto and incorporated herein, under Attachment I, Single Source of Supply Items.

<u>COMMODITY</u>	<u>VENDOR</u>
1. Communications Equipment Parts - General	Com-Supply, Inc.
2. Pipe - Clay	W.S. Dickey Clay Mfg. Co.

SECTION 2. The low bids of each of the bidders listed below, wherein said bidder offers to furnish the City of San Antonio with the certain parts and services specified in its bid proposal for a one year period commencing August 1, 1977, and terminating July 31, 1978, are hereby accepted. The bid documents from such bidders are attached hereto and incorporated herein under Attachment II, Contracts Awarded To the Low Bidders.

<u>COMMODITY</u>	<u>VENDOR</u>
1. Asphaltic Materials - Cut-Back Asphalts, Asphalt Cements & Emulsions Items a & c Items e, f & g Items h, i, j, k, l, m & n	Wright Asphalt Products Gulf States Asphalt Co., Inc Texas Emulsions, Inc.
2. Auto & Truck Brake & Wheel Parts and Service Item I Item II	San Antonio Brake & Clutch Service, Inc. Southwest Wheel & Mfg. Co.
3. Ballasts - Fluorescent Lamp	Westinghouse Electric Supply Company
4. Batteries - Storage	Reliable Battery Company
5. Belts, Radiator Hose, Heater Hose, All Types & Hose Clamps (Automotive)	Reliable Battery Company
6. Brick, Concrete Building	Barrett Industries
7. Carburetor and Starter Parts & Service	Alamo Auto Electric Brake Co.
8. Car & Truck Parts & Service - Ford Passenger Car & Light & Medium Duty Truck	Hemphill-McCombs Ford
9. Cement, Portland Items a, c (bulk), d & f (bulk) Items b, c (bags), e & f (bags)	Barrett Industries Olmos Building Materials Co.
10. Ceramic Pavement Marking Buttons	American Clay Forming Plant
11. Concrete Aggregates	Vulcan Materials Company
12. Concrete - Ready-Mix	Vulcan Materials Company
13. Engine Rebuilding - Machine Shop Service	H.H. Roper Auto Parts
14. Floor Finish	Davis Mfg. Company, Inc.

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| 15. Fusees, Red Burning | Olin Corporation |
| 16. Glass Replacement, Automotive | Thad Ziegler Glass, Inc. |
| 17. Janitorial Service | Pat's Janitorial Service |
| 18. Knife and Saw Sharpening | Moreno Carbide Company |
| 19. Lamps - Standard | Summers Electric |
| 20. Lamps - Traffic Signal | Verd-A-Ray Corporation |
| 21. Maintenance of Lubrication Equipment
at Various Locations in the City of
San Antonio, Including Parts & Labor | Alemite Company of San
Antonio |
| 22. Manhole Rings and Covers
Items 1, 2, 3, 4, 5, 6, 8, 9, 10
and 11
Items 7 & 12 | Trans-Tex Supply Company
Alamo Iron Works |
| 23. Materials and Labor to Maintain Central
Heating & Air Conditioning Systems at
Various City Parks and Golf Courses | Gillette Air Conditioning
Co. |
| 24. Mufflers, Tail Pipes, Exhaust Pipes &
Related Items | Ackerman Auto Supply |
| 25. Offset Supplies - 3M Camera Plate | Thompson Litho Supply,
Inc. |
| 26. Oxygen, Acetylene & Welding Supplies | Big Three Industries,
Inc. |
| 27. Paint - Street Marking | Standard Paints, Inc. |
| 28. Pipe, Concrete Storm & Sanitary Sewer | C.M.C. Concrete Pipe
Company |
| 29. Pipe, Galvanized Corrugated Steel | Mid-Tex Metal Products |
| 30. Pipe, P.V.C. & Fittings | Rohan Company |
| 31. Shock Absorbers - Automotive Type | Chapman Parts Warehouse,
Inc. |
| 32. Spark Plugs | Automotive Truck Parts Co. |
| 33. Toilets - Portable Chemical | ABC Service Company, Inc. |
| 34. Transmission Parts - Manual | Nogalitos Gear Company,
Inc. |
| 35. Wiping Rags | Houston Wiper & Mill
Supply Co. |
| 36. Hand Wipers | Nationwide Papers |
| 37. Work Uniforms | Kline's of San Antonio,
Inc. |

SECTION 3. The low qualified bids of each of the bidders listed below wherein said bidder offers to furnish the City of San Antonio with the certain parts and services specified in its bid proposal for a one-year period commencing August 1, 1977, and terminating July 3, 1978, are hereby accepted. The bid documents from such bidders are attached hereto and incorporated herein under Attachment III, Contracts Awarded To the 5 Low Qualified Bidders.

<u>COMMODITY</u>	<u>VENDOR</u>
1. Asphaltic Materials Items 1(a) & 4(c) Item 1(b) Items 2(a), 2(b), 3(a), 3(b), 5(a) & 5(b) Items 4(a) & 4(b) Item 4(d)	Uvalde Rock Asphalt Company White's Uvalde Mines McDonough Brothers, Inc. Vulcan Materials Company Delta Transport, Inc.
2. Offset Supplies - Miscellaneous Items 1, 2, 5, 11, 13 & 23 Items 6, 7, 8, 14, 15, 16, 17, 18, 19, 29, 21 & 22 Items 9, 10 & 12	Addressograph Multigraph Corp. Texas Type, Inc. A.B. Dick Company
3. Sweeper Brooms Items I(a) & II(a) Items I(b) & II(b)	Plains Machinery Company Girard Machinery & Supply Co.

SECTION 4. The low qualified bids of each of the bidders listed below, wherein said bidder offers to furnish the City of San Antonio with certain supplies and services specified in its bid proposal on a contract basis for a period longer than one fiscal year, are hereby accepted. The bid documents from such bidders are attached hereto and incorporated herein under Attachment IV, Contracts Longer Than One Year.

<u>COMMODITY</u>	<u>VENDOR</u>
1. Linen Supply and Service	Main Linen Service
<u>Term of Contract:</u> The term of this contract shall commence on August 1, 1977 and terminate on July 31, 1979, a period of two (2) years.	

SECTION 5. The casting of lots, in a manner acceptable under Chapter 116, S.B. 129 - Casting of Lots, a copy of which is attached hereto as Attachment VI, is hereby authorized to determine the successful bidders from the low tie bids listed below, wherein said bidders offer to furnish the City of San Antonio with the certain parts and services specified in its bid proposal for a one year period commencing August 1, 1977 and terminating July 31, 1978. The bid documents from such tie bids are attached hereto and incorporated herein under Attachment V, Tie Bids.

<u>COMMODITY</u>	<u>VENDOR</u>
1. Base Materials and Coverstone Item I(a) Items I(b), I(c), II(a), II(b), III(a), & III(b) Item II(c)	Vulcan Materials Company McDonough Brothers, Inc. Tie Bid: a. Acme Gravel Company b. McDonough Brothers, Inc.
Item III(c)	Tie Bid: a. Acme Gravel Company b. McDonough Brothers, Inc.

Mr. John Brooks, Director of Purchasing, explained that this Ordinance accepts the low bids on all items except Item No. 5 where there is a tie bid between McDonough Brothers, Inc. and Acme Gravel Company. He explained the procedure by where a casting of lots will determine the award of the bids.

Mayor Cockrell then announced that the low number drawn would be awarded the bid. For Item I(a), Items I(b), I(c), II(a), II(b), II(c), III(a) and III(b); Mayor Cockrell first drew for Acme Gravel Company the number 29 and for McDonough Brothers she drew number 15. For Item III(c), she drew number 61 for Acme Gravel Company and number 20 for McDonough Brothers. McDonough Brothers, Inc. was declared the winner in both ties.

After consideration, on motion of Mr. Steen, seconded by Mr. Hartman, the Ordinance was passed and approved by the following vote: AYES: Cisneros, Webb, Dutmer, Eureste, Alderete, Pyndus, Hartman, Steen, Cockrell; NAYS: None; ABSENT: Wing, Ortiz.

77-27 The Clerk read the following Ordinance:

AN ORDINANCE 48,063

AUTHORIZING THE CITY MANAGER TO EXECUTE AN AMENDMENT TO THE CURRENT AGREEMENT WITH BARRIO BETTERMENT AND DEVELOPMENT CORP., A SOCIAL SERVICE AGENCY; AND AWARDING THE ADDITIONAL AMOUNT OF \$68,896.00 IN FEDERAL REVENUE SHARING FUNDS IN SUPPORT OF THE OPERATION OF THE AGENCY'S PROGRAM THROUGH SEPTEMBER 30, 1977.

* * * *

Dr. Cisneros moved the adoption of the Ordinance. Mr. Webb seconded the motion.

Mr. Pyndus stated that he would like to make a statement to be included in the minutes as follows:

We have deliberated long and hard with reference to dispensing Revenue Sharing Funds and many worthwhile organizations were eliminated because we didn't have sufficient funds to go around. And during the last two weeks, this organization has been picked to receive the reprogramming funds and I think the method that we have used to give these funds is not equitable. I would like to utilize the staff background information in which the statement was made, "as a result of staff's recommendation this project has not been included in the original Revenue Sharing budget recommendation for the period May 1 through September 30, 1977." I think that with that recommendation that these funds should not be dispensed to this organization, and I'd like for that to go in the record.

On Roll call, the motion, carrying with it the passage of the Ordinance, was passed and approved by the following vote: AYES: Cisneros, Webb, Dutmer, Eureste, Alderete, Hartman, Steen, Cockrell; NAYS: Pyndus; ABSENT: Wing, Ortiz.

77-27 The Clerk read the following Ordinance:

AN ORDINANCE 48,064

ACCEPTING A GRANT OF \$94,512.00 FROM THE CRIMINAL JUSTICE DIVISION OF THE GOVERNOR'S OFFICE FOR FUNDING THE SECOND YEAR OF OPERATION OF THE PROJECT KNOWN AS "ACCEPTANCE BY LEARNING AND EARNING (PROJECT ABLE)," ESTABLISHING ACCOUNTS, APPROPRIATING FUNDS, AND AUTHORIZING EXECUTION OF AN AGREEMENT FOR OPERATION OF THIS PROJECT.

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Mr. Webb moved the adoption of the Ordinance. Dr. Cisneros seconded the motion.

Mr. Pyndus then stated he would like to make a statement to be included in the minutes as follows:

The conclusions from an evaluation report from the staff said that there is insufficient reliable information from which to determine whether the project is achieving the goals and the objectives of the project as stated in the first year approved grant agreement. "This project is not being managed in an efficient manner so as to assure maximum results of the planning goals and objectives." Last year I saw where we had given funds to this organization, and there was an increase in staff and there was an increase in pay for staff without an accorded increase in the amount of clients helped. I do not think that this is a proper use of Criminal Justice Department funds, and I would like that for the record.

MAYOR LILA COCKRELL: As I understand it, this project was recommended by the Criminal Justice Council which reviews the projects and comes to us with their recommendation.

MR. PHIL PYNDUS: I'm very disturbed with their recommendations, Mayor, based on our staff comment, and based on my observation in the last several years with reference to the effectiveness of this program.

MAYOR COCKRELL: Dr. Cisneros.

DR. HENRY CISNEROS: Question for Mr. Pyndus. He reads from the evaluation report and obviously reads the conclusions but has neglected to read the staff's recommendations. I just wonder, in his analysis, to what degree he found that Project ABLE had pursued these recommendations and acted upon them.

MR. PYNDUS: The observation that I made last year. My observations are...

DR. CISNEROS: I am talking about these specific recommendations, about how far they have been successful in obtaining...

MR. PYNDUS: There has been an increase in staff; there was an increase in salary for staff and the benefits and car allowances. There was an increase in administrative expense without an increase in clientele.

DR. CISNEROS: I am asking a specific question though that you read the conclusion but refused to read the recommendations which would have changed those conclusions; and I want to know, in your investigations, have they met these recommendations or did you even bother to determine whether they had tried.

MR. PYNDUS: My observation is that, if conclusions show that the program is not being properly administered, the money should not be allocated, particularly \$95,000. The program has been running for three years and, if this observation is made, the conclusion is made that it is not being run effectively, the funds should not be expended.

DR. CISNEROS: Again, sir, there are recommendations. You know whether they have made changes in accordance with those recommendations. Yes or no?

MR. PYNDUS: I do not know; but I do believe in staff comments, and they are in black and white.

MAYOR COCKRELL: We do have five citizens. Yes, Mr. Webb.

MR. JOE WEBB: I just wanted to say that, Mr. Pyndus, I called for a review of this item, and I also reviewed and...did you get my letter on the recommendation that I made--there should have been a letter to each, a memo--so I do recommend. This is in my district, and...

MAYOR COCKRELL: You have reviewed this?

MR. WEBB: The evaluation...I went out with John Small and Bob Fisher to the operation and I found it to be okay.

MAYOR COCKRELL: We do have five citizens who are registered, the first of whom is Eugene Coleman. Mr. Coleman is the Executive Director of Project ABLE.

MR. EUGENE COLEMAN: Mr. Pyndus, I really am disappointed that you have never been in this side of the game. You know, from time to time, I report to you. I know exactly how you have always felt about it; but I said, if I could only get you in the place once, maybe, I could change your mind; but, if I don't ever get you there and let you see exactly what I am doing...We have had open house and we have other Council members who have come in and looked it over and it appears that those that actually looked it over were actually satisfied and, of course, now, you made one mistake there. Project ABLE, under Criminal Justice, has not been operating for three years--only one year, not three years. So far as meeting our goals, we...the Criminal Justice set that at 100, and we had a gentleman out of TDC said that it is a shame that you have been limited to \$94,000 to do the type of job that you are attempting to do with drug addicts. And he said that it was a shame that Criminal Justice will not allow more funds to be channelled into this type of program. He said, at 100, you do not have enough money to do adequately what you are supposed to be doing. Now this is out of the Executive Committee out of Criminal Justice. Instead of us actually taking care of 100, we exceeded 200, not 100. Of course, we have a City staff who will back this up. It is documented; we are not talking about something that is out in the air. They came out, they checked everything, they checked the records. We had a little hassle with the City because we figured that this was a confidential report, and that they should not come and look until we checked with Austin. Austin told us, "O'k, if you intend to get your funds, they must check those records." So we laid the records out to them. I think they stayed there something like, maybe, a week, or two weeks, checking everything and everything was strictly...I think it was pretty well together. If you have any doubts about it; I would be too happy to take you to Project ABLE and let you take a look at the records. All you have to do is call Criminal Justice and tell them you are a Councilman, and I would like to take a look at the project records to be sure that what he is saying is absolutely true. So now, I can't do it, really can't see how we can do it any better. Just before we came down, today, we decided that we could go back and check and see just how many that we could put our hands on as of today that's actually on jobs for the last year. Remember, that we were only responsible for 100 and, out of that 100, we can give you an earning power of more than \$220,000 that these folks are on jobs.

Now, better than that, we would like for you to check with Judge Barlow, Judge Benavides, check with other District Judges to see how many clients that they gave us that had to go back through that court. We would also like you to check with the probation department, check and see how many times that they gave us that had to go back through there. When you check these records, I think you will find that not another organization in the State of Texas will have the type of records that we have. Now, we can't do it, really can't do it any better. I don't see how we can do it.

MR. PYNDUS: If I may ask a question? You said that this was a one-year program.

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MR. COLEMAN: No, you said that we were operating for three years; it is a three-year grant, and we only have been operating for one year. One thing that I want you to keep in mind also, even though it is a one-year program, it took us until January 15 before we could even get set up, you know what you have to go through in order to get bids and everything for your equipment.

MR. PYNDUS: Mr. Coleman, what was the budget for your first year?

MR. COLEMAN: \$106,000.

MR. PYNDUS: And what is your budget for this year?

MR. COLEMAN: Well, hold it, that is \$94,000.

MR. PYNDUS: Ok. That is \$200,000.

MR. COLEMAN: Yes.

MR. PYNDUS: All right, sir, and you are serving 100 to 150 clients.

MR. COLEMAN: No, we actually serve more than 300.

MR. PYNDUS: All right, sir, in a two year period; but, if I may ask the question. If you increase your staff, I notice that you increased your salaries last year. I noticed that your administrative expenses and your car allowances increased for this project without an increase in clientele.

MR. COLEMAN: I can't agree with that. We did not get an increase; we got the original grant.

MR. PYNDUS: You got the grant, but I noticed what you used the grant monies for.

MR. COLEMAN: Yes, but you remember this now--we were operating strictly on a volunteer basis. I mean we were actually called a "self-help" type of program, the kind of program that we were understaffed and could not render the type of service, we could not keep a proper record. Now, if you want to go back and ask what did we do year before last, we can't tell you because we didn't have proper staff in order to document everything. Now we have a staff where we can document it, and we have a record of it. We did not increase staff; we received our first staff as of the first year that we have had a regular staff to run Project ABLE. Any other question?

MAYOR COCKRELL: Yes, Mrs. Dutmer.

MRS. HELEN DUTMER: Gene, I am not particularly hitting at Project ABLE; but, Phil, I wish more people would delve into the operations of some of these narcotics centers and find out just what is going on. If you can claim this many, this percentage of cure or abstinence and a few others that we have in the City are running around saying they have 87%, and the last one I heard was 84% cured, heavens, we shouldn't have any walking the streets, really. But, when it comes down to documentation in the courts, none of them can document.

MAYOR COCKRELL: Dr. Cisneros.

DR. CISNEROS: Two questions. I have two points I want to make. The first one is a question, Mr. Coleman. Mr. Pyndus read a report that showed some conclusions as of January 27, 1977, that referred to the insufficiency of reliable measurement data and to a certain inefficient operation. There are also, however, recommendations dated January 27, 1977. Have these recommendations been carried out?

MR. COLEMAN: Yes, they have been corrected. We didn't say that we operate a perfect organization.

DR. CISNEROS: The point is you have instituted these administrative recommendations.

MR. COLEMAN: Right.

DR. CISNEROS: And, as of May 24, then a memorandum to the City Council, signed by the City Manager, reads as follows:

In light of the severity of the narcotics addiction problem and the improvement demonstrated by the program to date, the City should continue with the C.J.D. funded operation with Project ABLE for the second year to determine whether the approach employed by the Project is working.

and it says "recommended approved" and is signed by the City Manager. So, Mayor, if there is not a motion, I believe there is a motion.

MAYOR COCKRELL: There is a motion and a second. Thank you, Mr. Coleman. Mr. Eureste. Oh, excuse me, Mr. Hartman, I had overlooked you. Ok, you go ahead, Mr. Eureste, and we will get back to Mr. Hartman.

MR. BERNARDO EURESTE: I was just trying to get the point that Councilman Pyndus was trying to make. What is the objection? Are you concerned about the administration, the bad administration of the program or the fact that monies are being expended to pay for personnel to run programs like this, and they are not doing enough. What is the problem?

MR. PYNDUS: I am uncomfortable with the fact that we are spending taxpayers' dollars without results. This is an experimental program. We have over \$200,000 involved with a large portion of the budget going to staff and to administrative expense. I looked at the figures last year. They were out of proportion to what a staff, if you would say that we have 100 people that we serve for \$100,000, you are serving a person for every \$10,000. This, to me, or \$8,000 or \$9,000, without proof of the effectiveness of the program. The people involved, Mr. Coleman's staff, are not experts. They are not psychologists. The follow-up to these individuals as they are returned to life or returned to working careers is not known. The record keeping has been shown by the staff itself. I am not making accusations out of the air; I am utilizing some of the staff's investigation and review. I think that, if we, more Criminal Justice Funds are used to prevent crime that we should use them effectively. If you notice we use these funds to buy police equipment, a lot of it. If we're going to use monies that are desperately needed; we should use them effectively, and I am concerned about the effectiveness.

MR. EURESTE: If you want to start knocking programs because of their efficiency or lack of efficiency or whatever; you know, I think you should apply that equally. Okay? Because, then, there in the newspaper over the past few months about the corruption that exists right now in the San Antonio Police Department...about the selling off of automobiles and the buying back of automobiles...about policemen engaged in planting of drugs on people that they have arrested...and there is one after another. If you are interested in the administration of a program, apply equally. Don't go after programs like this, that are trying to extend an arm out there in the community.

MR. PYNDUS: Mr. Eureste, I read the results in concrete black and white. This comes to me from staff efforts. I know nothing of the charges that you make about the police, I have no proof. This is, as far as looking at the cost of the program and the effectiveness of the program, I know.

MAYOR COCKRELL: All right, may we...

MR. EURESTE: You don't know anything about the program because you don't know anything about the per-capita cost of the start-up of this type of program, sir.

MAYOR COCKRELL: All right, gentlemen. At this point...

MR. EURESTE: (Inaudible)

MR. PYNDUS: According to what you get for your dollar...

MAYOR COCKRELL: All right, let me say gentlemen, we in this Council try to give each of the different points of view an opportunity to be heard; and we'll hear from each of you individually. Mr. Hartman.

MR. GLEN HARTMAN: Thank you, Madam Mayor. The point I was going to make within the various drug programs. I know by some degree; I'm familiar with this by virtue of being on the Mental Health-Mental Retardation Board. The problem is, the fact that you, that it's probably one of the most imprecise areas to know and deal with. You never really know what you're doing because you may feel that you're doing fine and then things reverse themselves. I'm sure that's the frustrations that relate in your program, Mr. Coleman. And I can fully recognize that aspect of it. I guess the...from the standpoint of what this program does, is it true, is it not true, that this is the only type of program where you actually have this kind of recycling through the job learning process?

MR. COLEMAN: It's the only one located on the east side of town and the one thing that I would like to point out is that we are operating under per capita. I think Criminal Justice had us at \$12,000. Another reason why we were able to get Criminal Justice for the third year is because of the built-in mechanism we have...inaudible... and I am happy to know that we have an organization called Project ABLE that is worth at least \$100,000 as of the first year and at the rate we are going after three years over. I think we'll be ready to be self-supporting and the amount of money that you've spent would not have gone down the drain.

DR. CISNEROS: I move the previous question.

MR. HARTMAN: Second.

MAYOR COCKRELL: All right. We have a motion for the previous question. Mr. Euredsted wanted to say something.

MR. EURESTE: I want to just say a few things as a social worker. I'm a social worker. I was trained as a social worker. I've been teaching as a social worker five years now and I handle 200 students as the Director of Admissions there. We have students that are coming from the field that have been working in agencies and, let me tell you, one of the most difficult things when we begin to talk about program evaluation, and we all know that it's needed, is coming up with common variables that we are having to evaluate. For example, a program that might be doing outreach cannot just be assessed on the per-capita costs of dealing with clients because you don't know what the outreach is about. You have to take into consideration the distance the number of people that are engaged in the outreach, etc., etc., etc. I say that, if you look at some of these programs that are going in San Antonio, each one is doing something a little bit different. If you look at the alcoholism programs, each one is doing something a little bit different. It's very difficult then, in the comparison or in the evaluation, to make comparisons between one program and the other. It's almost totally impossible. I think if you talk to your staff in evaluations they will tell you that it's very difficult to assess the impact that this program has made. I mean it's one thing to counsel somebody, but it's another to determine what impact you have had on that person's life for 30 minutes, for one hour, for two days, for the rest of their lifetime. It is almost impossible, and, perhaps, there's a research going on in this area trying to assess the impact. When we will be able to get that, heaven knows. But we're not dealing with parts and products; we're not dealing with industry. We're not even dealing with producing a certain number of beer cans or anything like that. We're talking about affecting people's lives with programs like this.

MAYOR COCKRELL: All right. We do have a motion for the previous question. Is there a second? It's been moved and seconded. Those in favor of closing debate say "aye."

AYES: Cisneros, Webb, Dutmer, Eureste, Ortiz, Alderete, Pyndus, Hartman, Steen, Cockrell.

NAYS: None.

ABSENT: Wing.

MAYOR COCKRELL: Motion carried. Those in favor of the motion for approval of Project ABLE grant, please say "aye." Any opposed, "no."

AYES: Cisneros, Webb, Dutmer, Eureste, Ortiz, Alderete, Hartman, Steen, Cockrell.

NAYS: Pyndus.

ABSENT: Wing.

MAYOR COCKRELL: Motion is carried, we do have one "no" vote. Excuse me, there were several other persons to be heard. May we ask the group to come forward and just be recognized. We will take note of those persons in support. Mr. Andrews Smith, won't you come forward, sir? You are the Chairman of the Board, are you not, Mr. Smith? And Mr. Hudspeth and, fine, Rev. Rector and Rev. Claude Black and Mr. McFadden. We appreciate the delegation being here. Would you like to make a comment, Rev. Black?

REV. CLAUDE BLACK: I would like to say this. I recognize the position that Councilman Pyndus has presented; but I would like for you to look carefully at this program because I think it provides a model that might be of significance for the whole area of the kind of behavior that is reflected in this, in narcotics, in other things. Number one--it tends to build a community, a supportive community, around the victim. You can't isolate a narcotic addict and say that's all he's got, a narcotics problem, he's got all kinds of problems. Mr. Coleman serves as an advocate before judges which continues the activity, keeps the person out of jail, helps them continue to work on his problem. I think the problem with some of the programs is the fact they attempt to isolate the problem of his just having a problem in addiction; but you can't. The man is a total man, and this is a realistic approach to the problem of the man. I certainly would like for you to give it as careful an examination as you can because I think that ultimately it would prove to be. And it's extremely difficult as Mr. Eureste has said to simply evaluate this because when does a man stop, when does he decide not to break into a place. You talk about stopping crime; you don't know whether or not you stopped him that day by counseling with him or stopped him another day. So, I would certainly suggest you look at it with great care. It might be that we have discovered in this a model by which we might evaluate other programs. Thank you.

MAYOR COCKRELL: Thank you, very much. All right.

77-27 The following Ordinance was read by the Clerk and after consideration, on motion made by Dr. Cisneros, seconded by Mr. Hartman, was passed and approved by the following vote: AYES: Cisneros, Webb, Dutmer, Eureste, Ortiz, Alderete, Pyndus, Hartman, Steen, Cockrell; NAYS: None; ABSENT: Wing.

AN ORDINANCE 48,065

ESTABLISHING ADDITIONAL POSITIONS IN THE PUBLIC WORKS EMPLOYMENT ACT (PWEA) OF 1976 PERSONNEL COMPLEMENT, AND REVISING THE BUDGET IN ORDER THAT SEASONAL EMPLOYEES MAY BE EMPLOYED TO ALLOW THE PARKS AND RECREATION DEPARTMENT TO CONDUCT THEIR SUMMER RECREATION PROGRAM; AND ACCEPTING AWARD OF THE SUM OF \$457,008.00 FROM THE OFFICE OF REVENUE SHARING IN ANTIRECESSION FISCAL ASSISTANCE UNDER THE SAID ACT, SUCH SUM CONSTITUTING AN ALLOCATION TO THE CITY FOR THE CALENDAR QUARTER BEGINNING APRIL 1, 1977.

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77-27 The following Ordinance was read by the Clerk and after consideration, on motion of Dr. Cisneros, seconded by Mr. Hartman, was passed and approved by the following vote: AYES: Cisneros, Webb, Dutmer, Eureste, Ortiz, Alderete, Pyndus, Hartman, Cockrell; NAYS: None; ABSENT: Wing, Steen.

AN ORDINANCE 48,066

AUTHORIZING APPLICATION TO THE TEXAS PARKS AND WILDLIFE DEPARTMENT FOR A PUBLIC OUTDOOR RECREATION FACILITY PROGRAM GRANT FOR DEVELOPMENT OF GILBERT GARZA PARK SWIMMING POOL.

* * * *

77-27 The Clerk read the following Ordinance:

AN ORDINANCE 48,067

ACCEPTING A GRANT OF \$64,000.00 FROM THE BUREAU OF OUTSIDE RECREATION IN SUPPORT OF THE COST OF DEVELOPMENT OF JOHN JAMES PARK; ESTABLISHING A FUND AND ACCOUNTS; ESTABLISHING A BUDGET OF \$142,159.00 FOR THE TOTAL PROJECT COST; AND AUTHORIZING A CONTRIBUTION OF \$78,159.00 FROM 1970 PARK IMPROVEMENT BONDS AS THE CITY'S SHARE OF THE PROJECT COST. (Formerly Fort Sam Houston Park)

* * * *

Mr. Pyndus stated that the City Council had approved an archaeological study at this park and would like a report on the results of the study.

City Manager Huebner stated he will report on the results of the study to the Council.

Mr. Karl Wurz spoke to the Council regarding the fact that this money is coming from 1970 Park Bond Funds and wanted the Council to note the time lag involved. He stated that this further emphasizes the benefits of pay-as-you-go funding. (A copy of Mr. Wurz' statement is filed with the papers of this meeting.)

After consideration, on motion of Mrs. Dutmer, seconded by Dr. Cisneros, the Ordinance was passed and approved by the following vote: AYES: Cisneros, Webb, Dutmer, Eureste, Ortiz, Alderete, Pyndus, Hartman, Steen, Cockrell; NAYS: None; ABSENT: Wing.

77-27 The following Ordinance was read by the Clerk and after consideration, on motion of Mr. Pyndus, seconded by Mr. Webb, was passed and approved by the following vote: AYES: Webb, Dutmer, Eureste, Ortiz, Alderete, Pyndus, Hartman, Steen, Cockrell; NAYS: None; ABSENT: Cisneros, Wing.

AN ORDINANCE 48,068

AUTHORIZING APPLICATION TO THE TEXAS PARKS AND WILDLIFE DEPARTMENT FOR A PUBLIC OUTDOOR RECREATION FACILITY PROGRAM GRANT FOR DEVELOPMENT OF MILLER'S POND COMMUNITY PARK.

* * * *

77-27 The Clerk read the following Ordinance:

AN ORDINANCE 48,069

AUTHORIZING APPLICATION TO THE TEXAS PARKS AND WILDLIFE DEPARTMENT FOR A PUBLIC OUT-DOOR RECREATION FACILITY PROGRAM GRANT FOR DEVELOPMENT OF CUELLAR PARK SWIMMING POOL.

* * * *

Mr. Pyndus moved for approval of the Ordinance. Mr. Webb seconded the motion.

In response to Mr. Steen's question, City Attorney Parker stated that this Ordinance authorizes submission of an application to the Bureau of Outdoor Recreation for a matching grant to construct the Cuellar Park Swimming Pool.

Also, in response to Mr. Steen's question about the operating budget, Mayor Cockrell explained that once the pool or any park facility is constructed, the operating and maintenance of same becomes part of the City's on-going budget.

Mr. Steen stated that he noticed a number of pools which are not properly maintained and stated that, perhaps, some of these funds be used to repair and maintain existing pools rather than building new ones.

Mrs. Dutmer stated that part of the problem of maintaining these pools was caused when the City discontinued the admission fees to the pools.

Mr. Pyndus asked for a report from the City Manager on the number of pools the City has, the usage, operating and maintenance costs and the geographical distribution of the pools.

In response to Mr. Steen, City Manager Huebner stated that the City's biggest problem is the financing necessary for the operation and maintenance of the City's pools and he will report back to the Council on the question raised by Mr. Pyndus.

On roll call, the motion, carrying with it passage of the Ordinance, was passed and approved by the following vote: AYES: Webb, Dutmer, Eureste, Ortiz, Alderete, Pyndus, Steen, Cockrell; NAYS: None; ABSENT: Cisneros, Wing, Hartman.

77-27 The Clerk read the following Ordinance:

AN ORDINANCE 48,070

AUTHORIZING THE EXTENSION OF THE OPERATING PERIOD OF THE ALCOHOL SAFETY ACTION PROGRAM FROM JUNE 30, 1977 TO MARCH 30, 1979 FOR THE PURPOSE OF CARRYING OUT DATA GATHERING AND EVALUATION BY SOUTHWEST RESEARCH INSTITUTE; AND AUTHORIZING AN AMENDMENT TO THE AGREEMENT WITH SWI FOR PERFORMING THIS WORK AT AN ADDITIONAL COST OF \$22,849.00.

* * * *

Mr. Pyndus asked that this item be postponed pending a report on the expenditure of these funds.

Mr. Bob Ray, Traffic Safety Coordinator, explained that the Alcohol Safety Action Program has been in existence since 1971 and has been funded by the Department of Transportation. The program is scheduled to cease operation on June 30, 1977. He further stated that in final accounting an under-run of \$22,957 has been determined. To

insure that these funds are spent locally, this Ordinance will allow an extension of time of the contract with Southwest Research for the gathering and assimilation of data through March 30, 1979. No city funds will be involved.

In response to Council's question, Mr. Ray explained in detail the procedure which was used by the Alcohol Safety Action Program and the Southwest Research Institute.

Mr. Pyndus stated that he would like to see the Council review the results of the program and make its recommendations to the Federal Government as to the effectiveness of the program.

Mr. Ray stated that many aspects of the program have been adopted by certain entities.

Mr. Ray stated that police officers were used to avoid traffic problems.

Mr. Eureste stated that he had strong reservations about using the police force on this type of experimental program.

After consideration, Mr. Steen moved to approve the Ordinance. Mrs. Dutmer seconded the motion. On roll call, the motion, carrying with it passage of the Ordinance, was passed and approved by the following vote: AYES: Cisneros, Webb, Dutmer, Wing, Ortiz, Alderete, Pyndus, Hartman, Steen, Cockrell; NAYS: Eureste; ABSENT: None.

Mr. Pyndus requested that the City Council be furnished with a final report on the program.

77-27 The following Ordinance was read by the Clerk and after consideration, on motion of Mr. Pyndus, seconded by Mr. Eureste, was passed and approved by the following vote: AYES: Dutmer, Eureste, Ortiz, Alderete, Pyndus, Hartman, Steen, Cockrell; NAYS: None; ABSENT: Cisneros, Webb, Wing.

AN ORDINANCE 48,071

AMENDING SECTION 38-95.1(a) OF THE CITY CODE (UNAUTHORIZED PARKING IN CITY-OWNED PARKING LOTS PROHIBITED) BY ADDING A SUBSECTION (6) TO PROVIDE ADDITIONAL RESERVED PARKING FOR OFFICIAL VEHICLES.

* * * *

77-27 PARKING FOR COUNCIL MEMBERS

Mr. Pyndus stated that he would think it appropriate for Council members to have stickers on their cars enabling them to park in commercial zones when attending City functions.

Mayor Cockrell stated that it has always been informal policy that Council members are allowed to park on commercial zones when on official City business. She then asked the Manager to review the status of this policy. City Manager Huebner then stated that the staff will report back on this.

77-27 The Clerk read the following Ordinance:

AN ORDINANCE 48,072

REPEALING ARTICLE III OF CHAPTER 28 OF THE CITY CODE AND ENACTING A NEW ARTICLE III REGULATING ITINERANT VENDORS; REQUIRING REGISTRATION AND LICENSING AND ESTABLISHING MINIMUM REQUIREMENTS FOR OBTAINING A LICENSE,

INCLUDING THE POSTING OF A BOND; PROVIDING FOR A LICENSING FEE TO DEFRAY THE CITY'S EXPENSES FOR SERVICES PROVIDED; PROVIDING A PENALTY FOR ANY VIOLATION BY FINE OF NOT MORE THAN \$200.00 AND BY REVOCATION OF LICENSE; AND PROVIDING FOR SEVERABILITY.

* * * *

Mr. Hartman mentioned the serious traffic hazards caused by flower vendors in the middle of the street.

Mayor Cockrell asked that the staff report on the safety hazards caused by these vendors.

After consideration, Mr. Hartman moved to approve the Ordinance. Mr. Steen seconded the motion. On roll call, the motion, carrying with it passage of the Ordinance, was passed and approved by the following vote: AYES: Webb, Eureste, Alderete, Pyndus, Hartman, Steen, Cockrell; NAYS: Dutmer; ABSENT: Cisneros, Wing, Ortiz.

77-27 The following Ordinance was read by the Clerk and after consideration, on motion of Mr. Pyndus, seconded by Mr. Steen, was passed and approved by the following vote: AYES: Webb, Dutmer, Eureste, Alderete, Pyndus, Hartman, Steen, Cockrell; NAYS: None; ABSENT: Cisneros, Wing, Ortiz.

AN ORDINANCE 48,073

ACCEPTING THE LOW QUALIFIED BASE BID OF LOYD ELECTRIC CO., INC., IN THE AMOUNT OF \$123,362.00 PLUS ALTERNATE NO. 1, IN THE AMOUNT OF \$28,234.00 FOR A TOTAL BID OF \$151,596.00 FOR CONSTRUCTION ON THE SOFTBALL FIELDS LIGHTING PROJECT; AUTHORIZING THE CITY MANAGER TO EXECUTE A STANDARD CITY PUBLIC WORKS CONSTRUCTION CONTRACT COVERING SAID WORK; APPROVING BUDGET REVISIONS AS HEREIN STATED; APPROPRIATING THE AMOUNT OF \$159,596.00 AND AUTHORIZING PAYMENT AS HEREIN PROVIDED.

* * * *

77-27 The Clerk read the following Ordinance:

AN ORDINANCE 48,074

APPROPRIATING THE PAYMENT OF \$14,922.52 FROM THE WALTERS MOORE OVERPASS FUND TO SOUTHERN PACIFIC TRANSPORTATION COMPANY AS REIMBURSEMENT FOR PROVIDING FLAGGING PROTECTION AND ADJUSTMENT OF VARIOUS RAILROAD FACILITIES IN CONNECTION WITH THE WALTERS MOORE OVERPASS PROJECT.

* * * *

Mr. Webb stated that the Railroad should pay for some of this type of equipment.

Mayor Cockrell stated that this has always been a problem and asked the City Attorney to comment.

City Attorney Parker stated that this problem will not be resolved until there is actually a court determination that will adjudicate what the obligations and the positions of each party are. He then explained the different instances when the railroad pays and when the City is obligated to pay.

¹⁷ Mr. Steen then moved to approve the Ordinance. Mr. Pyndus seconded the motion.

In response to Mr. Eureste's comment about calls from citizens, Mayor Cockrell stated that the City, through the Traffic Department, submits a list to the railroad from time to time of railroad crossings that are in need of repair.

On roll call, the motion, carrying with it the passage of the Ordinance, was passed and approved by the following vote: AYES: Cisneros, Webb, Dutmer, Eureste, Ortiz, Alderete, Pyndus, Hartman, Steen, Cockrell; NAYS: None; ABSENT: Wing.

77-27 The following Ordinance was read by the Clerk and after consideration, on motion of Mr. Steen, seconded by Mr. Pyndus, was passed and approved by the following vote: AYES: Cisneros, Webb, Dutmer, Eureste, Ortiz, Alderete, Pyndus, Hartman, Steen, Cockrell; NAYS: None; ABSENT: Wing.

AN ORDINANCE 48,075

ACCEPTING THE LOW QUALIFIED BID OF ACE CLEANING CO., INC., IN THE AMOUNT OF \$6,990.00 FOR CLEANING AND PAINTING OF WATER TANK AT LEON CREEK WASTEWATER TREATMENT PLANT; AUTHORIZING THE CITY MANAGER TO EXECUTE A STANDARD CITY CONTRACT COVERING SAID WORK; AND APPROPRIATING THE AMOUNT OF \$7,350.00 FOR PAYMENT TO THE ACE CLEANING CO., INC., AND TO THE CONTINGENT CONSTRUCTION EXPENSES FUND.

* * * *

77-27 The Clerk read the following Ordinance:

AN ORDINANCE 48,076

AMENDING ORDINANCE 47118, PASSED AND APPROVED AUGUST 30, 1976, TO PROVIDE FOR ADDITIONAL ELECTRIC RATE APPLICATIONS FOR CERTAIN NEW STREETLIGHTING STANDARDS.

* * * *

In response to Mr. Alderete, City Manager Huebner stated that these high pressure sodium street lights provide a brighter atmosphere at less cost than the older mercury vapor fixtures.

Mr. Pyndus suggested that, due to the increased brightness of these lights, some of the poles could be deactivated to conserve energy.

City Manager Huebner stated he would check with the City Public Service Board on Mr. Pyndus' suggestion.

Mr. Hartman also mentioned the lighting along a portion of the McAllister Freeway along the interchange of Jones Maltsberger to Loop 410 which is not in operation and suggested that the lights be deactivated to conserve energy.

After consideration, on motion of Mr. Pyndus, seconded by Mr. Steen, the Ordinance was passed and approved by the following vote: AYES: Cisneros, Webb, Dutmer, Eureste, Ortiz, Alderete, Pyndus, Hartman, Steen, Cockrell; NAYS: None; ABSENT: Wing.

77-27 The following Ordinance was read by the Clerk and after consideration, on motion of Dr. Cisneros, seconded by Mr. Hartman, was passed and approved by the following vote: AYES: Cisneros, Webb, Dutmer, Eureste, Ortiz, Alderete, Pyndus, Hartman, Steen, Cockrell; NAYS: None; ABSENT: Wing.

AN ORDINANCE 48,077

GRANTING THE PETITION OF MS. JOSEFINA ZERMENO TO MAINTAIN AN EXISTING AWNING OR CANOPY, A PORTION OF WHICH OVERHANGS CITY PROPERTY, AND TO CONSTRUCT AN ADDITIONAL AWNING OR CANOPY OVERHANGING CITY PROPERTY, ALL AT 701 S. W. 24TH STREET.

* * * *

77-27 . The following Ordinances were read by the Clerk and after consideration, on motion made and duly seconded, were passed and approved by the following vote: AYES: Cisneros, Webb, Dutmer, Wing, Eureste, Ortiz, Alderete, Pyndus, Hartman, Steen, Cockrell; NAYS: None; ABSENT: None.

AN ORDINANCE 48,078

MANIFESTING A PERMIT TO BEXAR PIPELINE COMPANY (A WHOLLY OWNED SUBSIDIARY OF SAN ANTONIO PORTLAND CEMENT COMPANY) FOR CONSTRUCTION OF A PIPELINE UNDER A PORTION OF SUNSET ROAD.

* * * *

AN ORDINANCE 48,079

APPROPRIATING THE SUM OF \$11,042.00 OUT OF VARIOUS FUNDS FOR THE PURPOSE OF ACQUIRING TITLE AND/OR EASEMENTS TO CERTAIN LANDS; ACCEPTING THE DEDICATION OF EASEMENTS TO CERTAIN LANDS; ALL TO BE USED IN CONNECTION WITH CERTAIN RIGHT-OF-WAY PROJECTS.

* * * *

AN ORDINANCE 48,080

APPROPRIATING FROM CERTAIN FUNDS AMOUNTS IN THE TOTAL SUM OF \$3,433.50 IN PAYMENT FOR EXPENSES INCURRED IN CONNECTION WITH WEIR AVENUE DRAINAGE PROJECT #39G, RIVER BEND PARKING STRUCTURE, KINGSTON DRAINAGE PROJECT #92, ARANSAS STREET DRAINAGE 14A, 14B, 14C, YOLANDA DRAINAGE PROJECT #58G, OLMOS CREEK DRAINAGE #88-87, BROADWAY DRAINAGE #75F-75G, KENNEY ROAD SANITARY SEWER RELIEF MAIN, SALADO CREEK TRIBUTARY SANITARY SEWER MAIN, UNSEWERED AREA #62 SANITARY SEWER SYSTEM (AUSTIN OVERLOOK), UNSEWERED AREA #52 SANITARY SEWER SYSTEM, MONACO SANITARY SEWER OUTFALL, HEIDELBERG STREET OUTFALL LINE, HEIMER ROAD LIFT STATION & FORCE MAIN, AND NORTH CASTLE HILLS UNIT II OFF-SITE SANITARY SEWER MAIN.

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77-27

The Clerk read the following Ordinance:

AN ORDINANCE 48,081

CREATING A NEW ACTIVITY CODE TO FUND THE CARVER COMMUNITY CULTURAL CENTER, PRESENTLY REVENUE SHARING ACTIVITY NUMBER 38-01-07, TO ONE WITHIN THE GENERAL FUND FOR THE PERIOD MAY 1, 1977 THROUGH JULY 31, 1977; TRANSFERRING FUNDS BETWEEN VARIOUS ACCOUNTS; ALLOCATING PERSONNEL POSITIONS; TRANSFERRING CERTAIN PERSONNEL AND REVISING THE BUDGET AND PERSONNEL COMPLEMENT OF THE DEPARTMENT OF HUMAN RESOURCES; AND CREATING THE SOCIAL SERVICES PLANNING DIVISION TO REPLACE THE HUMAN RELATIONS DIVISION.

* * * *

Dr. Cisneros moved to approve the Ordinance. Mrs. Dutmer seconded the motion.

Mr. Pyndus stated that there was a budget reduction in the Social Services Planning Department and wanted to know if their function which is to look into all of the social services which are City-funded would be hindered.

City Manager Huebner replied that the \$14,000 is for an interim funding period and that is why it appears small.

Later in the meeting, Mr. William Donahue, Director of Human Resources, stated that the Ordinance is needed because previous funding sources were discontinued. The Ordinance will re-allocate under-run funds with the Department of Human Resources' budget to provide continued funding for the Carver Cultural Center and the Social Services Planning staff through August 1, 1977.

Mr. Pyndus stated that he would like to see more reprogrammed funds go to the Social Services Planning staff and less to the Carver Cultural Center.

In response to Mr. Pyndus' question on the function of the Social Services Planning Division, Mr. Donahue stated that in San Antonio \$35,000,000 is spent in social services. The City of San Antonio is involved in \$15,000,000 of these funds. The budget of the Social Services Planning is \$70,000 which is used to get a better system and avoid overlapping and duplication of services, etc.

In response to Mr. Webb, Mr. Donahue stated that the Carver Cultural Center is involved in this budget to be submitted to the City Manager.

Mr. Pyndus asked of the Council if there are reprogrammed funds from Revenue Sharing available that the Social Services Planning be given a priority rating.

After consideration, on roll call, the motion, carrying with it the passage of the following Ordinance was passed and approved by the following vote: AYES: Cisneros, Webb, Dutmer, Wing, Ortiz, Alderete, Pyndus, Steen, Cockrell; NAYS: None; ABSTAIN: Eureste; ABSENT: Hartman.

77-27

The Clerk read the following Ordinance:

AN ORDINANCE 48,082

AUTHORIZING THE CANCELLATION OF ALL PROPERTY TAXES AGAINST GOODWILL INDUSTRIES OF SAN ANTONIO, INC., AND AUTHORIZING THE PLACEMENT OF GOODWILL INDUSTRIES OF SAN ANTONIO, INC. ON THE TAX EXEMPT ROLL OF THE CITY.

* * * *

In response to Mayor Cockrell, City Attorney Parker stated that state laws provide for certain exemptions and a ruling from his office has determined that Goodwill Industries qualifies for tax exempt status.

Mr. Ortiz stated that he is very concerned with the City's declining tax base and he has determined that 50 of the properties in the City are tax exempt. He said that this places an unfair tax burden on individual property owners. He requested that the Council make an investigation of the status of tax exempt properties in the City.

Mayor Cockrell asked that the City Manager prepare a report on tax exemption to include the percentage of total property which is tax exempt and the dollar value of this property.

After consideration, on motion of Mr. Steen, seconded by Mr. Webb, the Ordinance was passed and approved by the following vote: AYES: Cisneros, Webb, Dutmer, Wing, Eureste, Ortiz, Alderete, Pyndus, Hartman, Steen, Cockrell; NAYS: None; ABSENT: None.

77-27 The following Ordinance was read by the Clerk and after consideration, on motion of Mr. Steen, seconded by Mr. Webb, was passed and approved by the following vote: AYES: Webb, Dutmer, Wing, Eureste, Ortiz, Alderete, Pyndus, Steen, Cockrell; NAYS: None; ABSENT: Cisneros, Hartman.

AN ORDINANCE 48,083

AMENDING PARAGRAPH THREE OF THE PRO-FORMA AGREEMENT, INCORPORATED BY REFERENCE IN SECTION FIVE OF ORDINANCE NO. 47981, PASSED MAY 5, 1977, BETWEEN THE CITY OF SAN ANTONIO AND THE SAN ANTONIO RIVER AUTHORITY, WHEREBY THE COST TO THE RIVER AUTHORITY UNDER SAID AGREEMENT WILL BE RESTATED TO REFLECT THE ACTUAL INTENT OF THE AGREEMENT.

* * * *

77-27 The following Ordinance was read by the Clerk and after consideration, on motion of Mr. Pyndus, seconded by Mr. Steen, was passed and approved by the following vote: AYES: Cisneros, Webb, Dutmer, Wing, Eureste, Ortiz, Alderete, Pyndus, Hartman, Steen, Cockrell; NAYS: None; ABSENT: None.

AN ORDINANCE 48,084

AMENDING ORDINANCE NO. 47969, OF APRIL 28, 1977, MODIFYING THE METHOD OF PAYMENT OF FUNDS TO THE SAN ANTONIO RIVER AUTHORITY FOR CONSTRUCTION OF UNIT 6-1, EAST FORK OF MARTINEZ CREEK, SAN ANTONIO CHANNEL IMPROVEMENT PROJECT.

* * * *

77-27 The Clerk read the following Ordinance:

AN ORDINANCE 48,085

AUTHORIZING THE CITY MANAGER TO EXECUTE A MODIFICATION OF A CONTRACT FOR SALE AND REDEVELOPMENT OF THE ARCINIEGA TRACTS EXECUTED PURSUANT TO ORDINANCE NO. 45803.

* * * *

Mrs. Dutmer moved to approve the Ordinance. Mr. Webb seconded the motion.

Mr. and Mrs. Pepe Lucero, the developers in the construction of the property, appeared to speak before the Council. They stated that they have settled the details for long-term financing and expressed their appreciation to the Council and staff for all their cooperation.

On roll call, the motion, carrying with it passage of the Ordinance, was passed and approved by the following vote: AYES: Cisneros, Webb, Dutmer, Wing, Eureste, Ortiz, Alderete, Pyndus, Hartman, Steen, Cockrell; NAYS: None; ABSENT: None.

77-27

ALAMO PLAZA AREA

Mr. Hartman expressed concern over the fact that the Alamo Plaza area is being developed into one big parking lot. He mentioned the demolition of certain buildings in the area. He then stated that he had a draft ordinance which he would like for the Council to consider at a special session later on in the day regarding a moratorium on demolition permits.

The Council concurred with Mr. Hartman's request that a special meeting be held to consider the Ordinance.

Mr. Pyndus asked that the proper persons be notified.

77-27

The Clerk read the following Ordinance:

AN ORDINANCE 48,086

PROVIDING FOR THE SALE AND CONVEYANCE OF CERTAIN PROPERTY IN BEXAR COUNTY, TEXAS TO ANTHONY SEKULA. (27.24 acres out of County Block 5149)

* * * *

In response to Mrs. Dutmer's question, Mr. Cecil Henne, Engineering Design Department of the City Public Service Board, explained that this parcel and the following two parcels are surplus land in the vicinity of Calaveras Lake and Elmendorf which are being sold to the highest bidders.

In response to Mr. Pyndus' question as to the use of this land for park purposes in the future, Mr. Henne stated that these parcels are not contiguous to the Lake and does not lend itself to the best park use.

In response to Mr. Ortiz, Mr. Henne stated that there are grazing leases in the area and this revenue goes into the City Public Service Fund.

To a question by Mr. Eureste about the percentage of land the area represents of all land owned by the City Public Service Board that is not being utilized, Mr. Henne stated he will investigate and report back to Council. He will also report on the original purchase price of this land by the City Public Service Board.

After consideration, on motion of Mr. Steen, seconded by Mrs. Dutmer, the Ordinance was passed and approved by the following vote: AYES: Cisneros, Webb, Dutmer, Wing, Eureste, Ortiz, Alderete, Pyndus, Hartman, Steen, Cockrell; NAYS: None; ABSENT: None.

77-27 The following Ordinance was read by the Clerk and after consideration, on motion of Mr. Steen, seconded by Mr. Pyndus, was passed and approved by the following vote: AYES: Cisneros, Webb, Dutmer, Wing, Eureste, Ortiz, Alderete, Pyndus, Hartman, Steen, Cockrell; NAYS: None; ABSENT: None.

AN ORDINANCE 48,087

PROVIDING FOR THE SALE AND CONVEYANCE OF CERTAIN PROPERTY IN BEXAR COUNTY, TEXAS TO RICHARD L. BALL, JR. (16.06 acres out of County Block 4045)

* * * *

77-27 The following Ordinance was read by the Clerk and after consideration, on motion of Mr. Steen, seconded by Mr. Pyndus, was passed and approved by the following vote: AYES: Webb, Dutmer, Wing, Eureste, Ortiz, Alderete, Pyndus, Hartman, Steen, Cockrell; NAYS: None; ABSENT: Cisneros.

AN ORDINANCE 48,088

PROVIDING FOR THE SALE AND CONVEYANCE OF CERTAIN PROPERTY IN BEXAR COUNTY, TEXAS TO RALPH E. JOSEPH. (27.226 acres out of County Block 5165)

* * * *

77-27 The following Ordinance was read by the Clerk and after consideration, on motion of Mr. Pyndus, seconded by Mr. Webb, was passed and approved by the following vote: AYES: Cisneros, Webb, Dutmer, Wing, Eureste, Ortiz, Alderete, Pyndus, Hartman, Steen, Cockrell; NAYS: None; ABSENT: None.

AN ORDINANCE 48,089

ACCEPTING A GRANT OF \$197,675.00 FROM THE BUREAU OF OUTDOOR RECREATION THROUGH THE TEXAS PARKS & WILDLIFE DEPARTMENT AWARDED IN PARTIAL SUPPORT OF THE COST OF ACQUIRING THE LAND FOR KENNEDY PARK IN THE SOUTHWEST SECTION OF THE CITY; ESTABLISHING A FUND AND ACCOUNTS AND PROVIDING FOR A CONTRIBUTION OF \$212,975.00 TO THE PROJECT FROM COMMUNITY DEVELOPMENT PROGRAM - YEAR TWO GRANT FUNDS.

* * * *

77-27 The following Ordinance was read by the Clerk and after consideration, on motion of Mr. Pyndus, seconded by Mr. Webb, was passed and approved by the following vote: AYES: Webb, Dutmer, Wing, Eureste, Ortiz, Alderete, Pyndus, Hartman, Steen, Cockrell; NAYS: None; ABSENT: Cisneros.

AN ORDINANCE 48,090

AUTHORIZING APPLICATION TO THE TEXAS PARKS AND WILDLIFE DEPARTMENT FOR A PUBLIC OUTDOOR RECREATION FACILITY PROGRAM GRANT FOR DEVELOPMENT OF KENNEDY PARK.

* * * *

77-27

MAINTENANCE COSTS OF PARKS

Several Council members expressed concern over the escalating costs of maintaining and operating park facilities.

City Manager Huebner stated that this Council will probably be the Council to approve the Recreation and Park Master Plan and will have to make judgments about the type and number of recreational facilities to be operated by the City. The whole concept of delivering park services and at what level will have to be discussed thoroughly by Council, staff and citizens.

77-27 The Clerk read the following Ordinance:

AN ORDINANCE 48,091

ACCEPTING THE LOW QUALIFIED BID OF JOHN A. ALBERT COMPANY TO FURNISH THE CITY OF SAN ANTONIO WITH A CLEANING CHILL WATER FAN AND COIL UNITS AT HEMISFAIR PLAZA FOR A NET TOTAL OF \$15,832.00.

* * * *

Mr. Pyndus moved to approve the Ordinance. Mr. Steen seconded the motion.

Mr. Eureste asked if this action will assist the individual from Villa Fontana who appeared at last week's meeting regarding his high air conditioning costs at HemisFair Plaza.

Mr. Mel Sueltenfuss, Director of Public Works, explained that this action provides for the cleaning of the fans and coil units past the meter side. The Water Board's obligation stops at the meter. He explained that this is being done to eliminate the problem of line losses.

Mr. Hartman expressed concern over the fact that the City Water Board's obligation did not include this aspect.

Mayor Cockrell explained that the City Water Board developed the Chilled Water Plant at HemisFair at the urging of the City.

Mr. Eureste asked what relief can be provided to the tenant at Villa Fontana.

Mayor Cockrell suggested that the Council be briefed on new utility policies within HemisFair Plaza and also for a briefing by the City Water Board on the chilled water facility at the same time.

Dr. Cisneros suggested that the HemisFair Development Plan also be included at that briefing.

After consideration, on roll call, the motion, carrying with it passage of the Ordinance, was passed and approved by the following vote: AYES: Cisneros, Webb, Dutmer, Wing, Eureste, Ortiz, Alderete, Pyndus, Hartman, Steen, Cockrell; NAYS: None; ABSENT: None.

77-27 SALE OF \$7,000,000 WATER REVENUE BONDS, SERIES 1977

At 11:00 A. M., the bids received for the sale of \$7,000,000 Water Revenue Bonds, Series 1977, were opened and read as follows:

FIRST BOSTON CORPORATION

Total interest from May 1, 1977 to maturity	\$6,275,862.50
Less: Premium	64.75
Net interest cost	<u>\$6,275,797.75</u>

Effective Interest Rate 5.3376%

DONALDSON, LUFKIN & JENRETTE
SECURITIES CORPORATION

Total interest from May 1, 1977 to maturity	\$6,338,625.00
Less: Premium	955.38
Net interest cost	<u>\$6,337,669.62</u>

Effective Interest Rate 5.39032%

BACHE, HALSEY, STUART, INC.

Total interest from May 1, 1977 to maturity	\$6,358,887.50
Less: Premium	2,100.00
Net interest cost	<u>\$6,356,787.50</u>

Effective Interest Rate 5.4065%

BLYTH EASTMAN DILLON & CO., INC.

Total interest from May 1, 1977 to maturity	\$6,375,625.00
Less: Premium	-0-
Net interest cost	<u>\$6,375,625.00</u>

Effective Interest Rate 5.4226%

SALOMON BROTHERS AND ASSOCIATES

Total interest from May 1, 1977 to maturity	\$6,394,500.00
Less: Premium	248.50
Net interest cost	<u>\$6,394,251.50</u>

Effective Interest Rate 5.4384%

KIDDER, PEABODY & CO. INCORPORATED
DREXEL, BURNHAM, LAMBERT, INC.
FIRST SOUTHWEST COMPANY
& ASSOCIATES

Total interest from May 1, 1977 to maturity	\$6,437,937.50
Less: Premium	62.25
Net interest cost	<u>\$6,437,875.25</u>

Effective Interest Rate 5.47554%

THE NORTHERN TRUST COMPANY

Total interest from May 1, 1977 to maturity	\$6,319,656.25
Less: Premium	8,260.00
Net interest cost	<u>\$6,311,396.25</u>

25 Effective Interest Rate 5.36797%

UNDERWOOD NEUHAUS & CO., INC.

Total interest from May 1, 1977 to maturity	\$6,337,237.50
Less: Premium	-0-
Net interest cost	<u>\$6,337,237.50</u>

Effective Interest Rate 5.38995%

WHITE, WELD & CO., INC.
 MERRILL LYNCH, PIERCE FENNER & SMITH, INC.
 GOLDMAN, SACHS & CO.
 DEAN WITTER & CO., INC.
 ROWLES, WINSTON DIVISION COWEN & COMPANY
 HORNBLOWER & WEEKS-HEMPHILL, NOYES, INC.
FRED BAKER & ASSOCIATES, INC.

Total interest from May 1, 1977 to maturity	\$6,344,175.00
Less: Premium	-0-
Net interest cost	<u>\$6,344,175.00</u>

Effective Interest Rate 5.395854%

The following discussion then took place:

MAYOR LILA COCKRELL: Excuse me just a minute. I think there may be some members of the Council who do not understand fully just where we are and what we're doing. There had been previous action by the Council in authorizing the taking of bids for the sale of the bonds, and we are having the official bond opening at this time. Mr. Shields, do you just want to give us a brief statement as to the background.

MR. RUDY C. ORTIZ: Madam Mayor, before that proceeds I am thoroughly confused about this item. This is the first I've seen of it, and have we discussed this before - the new Council?

MAYOR COCKRELL: Let me ask Mr. Shields to give the background and the timing.

MR. JOHN SHIELDS: Mayor Cockrell, Members of the Council, I am John Shields, Controller for the City Water Board. In early 1976, we proposed a \$15,000,000 bond issue for the City Council. At that time because of the law bond coverage that we had, it was elected to split the issue into an \$8,000,000 issue and a \$7,000,000 issue. The \$8,000,000 issue was issued in September of 1976. This is the second increment of the financing. I believe all of you were provided a bond prospectus, which is the official statement of the City in regard to these bonds.

Basically, the bonds are to be used for the following purposes. This is including the total \$15,000,000.

For the Replacement Program of Sub-standard Mains	\$4,990,000.00
For the Government Relocation Program in conjunction with City drainage projects primarily	\$4,061,000.00
Capital Improvement Program from Bond Funds	\$4,449,000.00
Surface Water Program	\$ 500,000.00
Heating and Cooling Facility Program from Bond Funds primarily with the hopeful anticipated construction of hotels in the downtown area	<u>\$1,000,000.00</u>
TOTAL BOND PROGRAM	\$15,000,000.00

This is the program that was approved by the previous Council, and we are hopeful that it will be carried through by the issuance today.

MAYOR COCKRELL: And the bond sale was set for today?

MR. SHIELDS: The bond sale was set for today, Mayor, by the previous Council.

MAYOR COCKRELL: All right, the previous Council had taken action in working with the Water Board on separating that bond sale in two increments as you have pointed out because it was too large an amount to have issued at one time. It had been set at \$8,000,000 and \$7,000,000. So this is the second portion and we are having the opening of the bids now relative to the interest rate for those bonds.

MR. SHIELDS: This is the actual bid by the Syndicates from New York as to the interest rates that they will charge us.

MAYOR COCKRELL: Mr. Hartman.

MR. HARTMAN: Mr. Shields, at the time that the last Council decided to set aside into a "kitty" the.....inaudible..... I say for water resource development, we can use the word surface water, although I don't like to get into that. I thought at that time the decision to put away a \$1,000,000 a year ²⁷ for water resource development was to be taken out of revenue and that

that was one of the reasons why the rates were adjusted the way they were.

MR. SHIELDS: Mr. Hartman, you're exactly correct. We did set aside \$1,000,000 from the revenues of 1976 for the surface water or water resource development program. The budget for 1977 also contains an additional \$1,000,000 for water resource development.

MR. HARTMAN: Why are we taking this additional \$500,000 out of bond money on which we will be paying interest to put into a "kity" and wait for the day when we need it in order to develop our water resources?

MR. SHIELDS: Well, I will say this, that if the money is not used for water resource development within a period of three years it will be reallocated to other programs - to other programs such as the replacement program. In the meantime we will be attaining an interest rate which, hopefully, based upon the bids that I have heard so far will be in excess of what we are presently getting, but under the arbitrage laws of the country we cannot maintain that indefinitely. And so that this money would be reallocated if we do not see a need for it in the water resource development within the time period allotted to us.

MAYOR COCKRELL: But due to the fact that the interest rates you'll be getting on the money is presumably less than you would be paying

MR. HARTMAN: Excuse me, Madam Mayor. This sort of reminds me when my wife tells me that although we didn't need this, it was on sale and, therefore, it was bought. I have difficulty, Madam Mayor, the last Council directed the City Water Board to put aside a "kitty" of a million dollars a year for water resource development and that was after the turn down of the Guadalupe Blanco River Authority contract which out of operating revenue which I think an argument could be made for that. But now to go to the point of setting aside half a million dollars of bond money on which we will be paying interest to put into a "kitty" to be used someday for water resource development while we pay interest on it just doesn't make sense to me.

MR. SHIELDS: This would only be for a very limited time and if it is used for that purpose within that time constraint, it will be reallocated to other water projects of the system.

MR. HARTMAN: But I guess the question still remains. I see no justification for putting aside an additional amount for water resource development when we don't have any requirement toinaudible.....

MR. SHIELDS: Well, Mr. Hartman, I think the City has received a very comprehensive plan that would envision that the need for water resource development funds is far in excess of anything that we will be able to set aside either out of bond funds or revenues in the very near future.

MR. HARTMAN: My point remains, Mr. Shields, until such time as there is a verified plan that delineates what our resource development requirements are that to put aside half a million dollars that we'll be paying interest on in anticipation we may need for water resource development to me is just not good business.

MR. SHIELDS: Mr. Hartman, may I just reiterate that the amount of money that we will gain from our interest earned on this \$500,000 will be greater than the interest we will be paying on the \$500,000.

DR. HENRY CISNEROS: Madam Mayor, may I suggest that we have really a two part action here. One is to receive the bids and the other one then is to act on an ordinance later in the day when these are all processed. It is at the latter point when the Council is asked to vote that we should consider the broad range of policy questions. And for the moment that we just continue with the acceptance of the bids.

MAYOR COCKRELL: Good. Let's proceed with the opening of the bids and then when they are received and there is an analysis of what the low qualified bid is and prior to taking the action we can again review any comments from the Council.

(At this point, the remainder of the bids were read by the Clerk which were all included at the beginning of the discussion).

At this point, the bids were referred to the Director of Finance to review and verify the interest rates.

Dr. Cisneros suggested that Mr. John Schaefer, Chairman of the City Water Board be present when the bids are brought back to discuss any questions which the Council may have.

Mr. Sam Maclin, President of Rusk Securities, and Financial Consultant for the City, stated that the bids are submitted for immediate acceptance or rejection by the Council. He then explained that as is the custom comparisons are made among the bidders in order to minimize market risks, they are already reoffering the bonds subject to the award of the Council. He said that if there is a long delay in taking some action it can have a detrimental effect on the City of San Antonio insofar as the bidders are concerned.

Mr. Paul Horton, Bond Counsel, stated that the bonds are issued for the broad statutory purpose, that is, the improvement of the system. There is no allocation in the document.

77-27 The discussion resumed as follows:

MR. HARTMAN: I fully appreciate Mr. Maclin's statement with regard to the fact that this prospectus which I very candidly did not read word per word, and I simply don't have the time for it, and if I read everything I got I'd spent 24 hours doing nothing but reading, and it may well be in there, it may well have been in the previous issue, but my concern very simply is the fact that here we have a policy question, a policy question that involves the expenditure of bond funds to be put into a "kitty" in anticipation of someday being used. That is a policy question; it is not a financial question, it is not a management question. It is a sheer policy question which I think that the Council has to have a certain concern over.

MAYOR COCKRELL: So, in relation to that the Council could still have the opportunity to review that area and the bonds. Once the bonds are sold the only disposition would be at this point of putting it in the bond and then it could be reallocated at the request of the Council and the action of the Water Board.

MR. HARTMAN: You see, Madam Mayor, the problem that I have with that is the fact that here we have a total amount of bond money to be used theoretically based upon requirements. In other words, requirements of bonds come first and if we have no requirements for a half a million dollars to put into a "kitty" in effect an escrow account, if you will, then that is that much less bond money that has to be spent on which interest has to be paid. It's just that simple, and I don't see why we keep going backwards. We say we have this much money now, let's figure out how we're going to spend it.

MR. MACLIN: Mr. Hartman, I appreciate your position entirely, and I think it's essential that real care be given to borrowing and allocation of borrowing. In this instance as it was pointed out, there will not be any net interest lost. The real thing that concerns me and that I must tell you is that there is no problem in postponing a sale or cancelling a sale in advance. The problem is when you ask for bids, you put, well in this case hundreds of water firms all over the country to the trouble and to the expense in thousands of dollars to prepare bids. So if there's any question on the program or acceptance of the bids on that date, well then, as I have said before then the sale date should not be established. It can be cancelled. It could have

been cancelled yesterday, the week before, any other time. But in the 25 years that I have been in the business I have never seen one where the bids were asked for, and the people were put to the expense of preparing the bids and then have them rejected for some problem of allocation of funds or something of this sort. I will say this and perhaps Mr. White should be saying this. The reason I'm compelled to point this out is because in my opinion it would have very harmful affects on future bond sales in San Antonio.

MR. HARTMAN: I just wish the point had been pointed out before.

MR. MACLIN: I don't think you should borrow at all if you can get away from it.

MR. ORTIZ: Madam Mayor, am I hearing correctly that this Council has no choice but to go ahead and approve the Ordinance that will be coming up later on today?

MAYOR COCKRELL: Virtually, that's correct.

MR. ORTIZ: We have no choice.

MAYOR COCKRELL: Unless you wish to have the very deleterious affect upon our financial rating.

MR. ORTIZ: May I ask this question. Who ultimately pays for these bonds?

MAYOR COCKRELL: They're paid for out of - by the users of the Water System.

MR. ORTIZ: Our citizens.

MAYOR COCKRELL: The customers of the Water Board.

CITY MANAGER TOM HUEBNER: Madam Mayor, I would like to make a comment. I hope we don't get a couple of issues mixed up. What the financial adviser said, I believe, I would like to second because you know people have gone to a lot of work. You noticed one of those White, Weld bids for instance, involved 6 or 7 different firms. People went to a lot of expense in anticipation of us opening the bonds and awarding the bid to the lowest bidder. That is terribly important, and to jeopardize the award of the bid would, I'm sure our citizens would pay for the affect that that has on our bond market for a long, long time to come. If you have any problems with the contents of the bond program, the sheet that's been handed out to you or policies of the Water Board, or anything else to do with the Water Board that ought to be separated from the award to the low bidder.

MAYOR COCKRELL: That's correct. Fine, now, if we may now then ask the staff to review the bids and bring back the recommendation. The Council certainly has the opportunity, and I would recommend that we do have another review of the proposed expenditure again if the Council would like to make any comment relative to the proceeds of the bond sale.

DR. CISNEROS: Madam Mayor, I'll request again that Mr. Schaefer be notified that the Council Members have questions that they would like to have answered at the time that we consider the Ordinance that is before us for action later in the day. Probably in an hour, an hour and a half, or two. Whenever they are finished with their work. But that we have an opportunity to hear from Mr. Schaefer directly on those points that he has made in the past which to me seem to be relevant in this specific case. He has said in the past the City Water Board will track City Council policy and then when pushes come to shoves the Water Board has refused to do so.

Secondly, it has been indicated that there could be changes made in the allocation distribution of funds that would be different than what's proposed. We need to hear that not from a member of the staff of the Water

Board but we need to hear that from the Chairman of the Water Board who is a voting member of the Water Board. Those sort of things are policy questions, as Mr. Hartman has properly said. Having Mr. Schaefer here to answer questions has absolutely no deleterious affect on the bonds. There is no suggestion that the bonds will not be passed. We just need to hear from the Chairman of the Water Board on some of these policy questions.

Mayor Cockrell then advised the staff to proceed with the tabulation and contact Mr. Schaefer to be available to speak to the Council on these questions.

Mr. Pyndus requested that the City Manager consider a position of Utility Supervisor to be included so that the Council may be properly guided on programs of this nature.

Mr. Karl Wurz then read a prepared statement (a copy of which is included with the papers of this meeting) in opposition to the sale of Water Revenue Bonds. He stated that the pay - as - you - go method should be implemented.

Mayor Cockrell stated that the Council approves bond sales because the facilities built through bond funds are to be used over a period of some years and therefore, the debt is retired through the years with a payment back of the principal and interest by the person using the facilities. Otherwise, we would have to pay in advance the full cost if you go on a cash basis and the user of today would have to pay the full cost for a facility that will be used for many years into the future.

(At this point the Council considered Item 39 on the agenda pending the verification of the bids. See page 46 of these minutes).

Later in the meeting Mr. John Shields reported that the verification of the bids received were completed and their recommendation to the City Council was to accept the low interest bid of the First Boston Corporation.

Mr. George Mead, of the Frost National Bank representing the low interest bidder stated that he has been in contact with the First Boston Corporation and they have agreed to hold their bid until 4:00 P. M. San Antonio time which is closing time in New York.

77-27 The meeting was recessed at 12:10 for lunch and reconvened at 1:05 P. M.

At this point the discussion of the University Hills development continued. See page 46 of the minutes.

Later in the meeting the discussion on the Water Bonds continued as follows:

MAYOR COCKRELL: At this time I would like to again call Mr. John Shields back first. Mr. Shields, will you repeat your report again just briefly.

MR. SHIELDS: Madam Mayor, Members of the Council, we made the evaluation of the bids and we do recommend the award of the bond contract to the First Boston Corporation at an effective interest rate of 5.3376%.

MAYOR COCKRELL: All right, has the caption been read? In order to lay out the debate we will have the caption read.

AN ORDINANCE 48092

AUTHORIZING THE ISSUANCE OF WATER
REVENUE BONDS (\$7,000,000 SERIES
1977 TO FIRST BOSTON CORPORATION).

* * * *

Mr. Steen moved the adoption of the Ordinance. Mr. Pyndus seconded the motion.

The following discussion then took place:

MAYOR COCKRELL: Mr. Schaefer, as you may know, the original action that had started this particular bond issue had been taken in the last City Council, and this City Council had not had a catch-up briefing. I know you can understand when a new City Council, they would like to get caught up on many items that had been started by action of a previous Council.

In particular a question had been raised relative to the allocation in these bond funds of \$500,000 on the surface water. Will you review again the action that had been taken in setting aside the \$1,000,000 for surface water and where that issue stands at the moment relative to the overall Water Board fund allocations.

MR. JOHN SCHAEFER: I'll be happy to. First, I would like to say that this bond issue was approved April 21, of this year to advertise for bids. This normally would be a procedural matter at this point, if the bonds were to be postponed or cancelled, it should have been done prior to the taking of bids.

However, since the question has come up regarding the surface water, I'll very briefly outline the past history of that. The Water Board was successful in arriving at a contract with Guadalupe Blanco River Authority for 50,000 acre feet of water from that water shed with the proviso that certain funds be paid to GBRA and that certain of these funds be set aside for future water development which in the long run would probably provide the City of San Antonio some 200,000 plus or minus acres of water from that water shed. This particular contract was rejected by the previous Council. At that point there was to be from that Council just short of a \$1 million per annum, \$996,000 paid to GBRA for the storage of this water. These funds it was felt by the previous Council and concurred in by the Board should be set aside for the study and development of surface water, either from GBRA or through other sources such as the Cuero Reservoir, Cibolo Reservoir, Applewhite Reservoir, or other sites such as the Colorado River, etc. That's what these funds are for; they're for preliminary study and work. They will be accumulated if they are not spent on the engineering and preliminary work they will be set aside so that at the time the Water Board needs surface water and if it's not by contract with GBRA we will have the start of the funds, for instance, for the condemnation of property to acquire site. That briefly is it. I'll answer any questions.

MAYOR COCKRELL: Mr. Hartman.

MR. HARTMAN: Thank you, Mayor. Mr. Schaefer, this particular bond issue which apparently I understand is the same as the one we undertook several months ago approving the first half of this or I think it was actually the same thing.

MR. SCHAEFER: Right, it was approved \$15,000,000 bond issue and this is the second issue of the bonds.

MR. HARTMAN: All right, sets aside in this particular portion \$500,000 for the surface water development which I do choose to call water resource development, and I presume that something similar to this amount was put

into the last issue which I will just candidly agree that I was not aware of the time that was passed.

MR. SCHAEFER: No, there was not, this is the total amount set aside for service water.

MR. HARTMAN: Oh, is this the first time. Okay, then I feel much better. Inasmuch as this is then \$500,000 that is being set aside from this issue for water resources development. Now, as you have recounted, the Council together with the City Water Board concurred in the setting aside of a million dollars a year equating roughly or relating to the amount of \$991,000 that would have gone to the GBRA contract with the idea of future water resource development. That was as that time discussed in a policy perspective. In other words, the fact that this was a matter of policy that that amount should be set aside. I guess the difficulty I have then in seeing \$500,000 of this bond money being set aside falls into two areas.

Number one, the matter of setting aside money into a fund for future use for water resources development seems to be pretty much a policy question and one that would seem to also, at least for advisory purposes fall within the realm of the Council.

Secondly, the standpoint of the business wisdom of doing that, here we have bond money on which we will be paying interest which we will take half a million from and put into a fund for future use. It just doesn't seem to be economically desirable to do that. I think that would be, at least that's the concern that I have about this particular amount of money. First the policy question and secondly, the business wisdom of doing it.

MR. SCHAEFER: All right, to answer the first question as to policy, it has been the policy of the previous Council as stated and the policy of the City Water Board to seek surface water. This follows that policy. As to the expense of the \$500,000 it will be put aside, we will draw interest on the money until it is spent so that there will be off-setting interest income against interest expense until the money is spent.

MR. HARTMAN: Well, on the policy response, Mr. Schaefer, I believe the policy question was to decide on the basis of a million dollars a year, it would seem that any increase in that amount, in other words, or at least I recall this having been a policy decision in the contract of a million dollars a year any change in that would seem to have been a policy change.

MR. SCHAEFER: Well, this is no policy change. This, Mr. Hartman, as you will recall has been in this proposal since its inception some year ago. This was in all of the information that you've been given over a year ago and all the subsequent updates including the April 21 information that you were given so there's no change whatsoever.

MAYOR COCKRELL: This is in lieu of, I believe, the million dollars from operating it, isn't that the difference that it was shifted over into bond money rather than being kept in operating.

MR. SCHAEFER: That's correct. There still is operating money, I don't have the statements with me. I didn't realize we were going to get into these various policy decisions. I was called at a quarter to 12 P. M. to come down here and explain these bonds and as far as I - historically bonds after the bids have been taken they have only been rejected if there was an upsurge in the market or a litigation or otherwise. But I'm happy to answer in the limited capacity that I can without having these specific figures and so forth, but this is a part of it. It is not a matter that this will be a \$500,000 or we're going to come back each year for \$500,000 of the million. This is following the policy of the previous Council as stated and the policy of the Water Board to seek surface water to augment our ground water supply.

MR. HARTMAN: Now I'm getting confused because in this morning's discussion I was told, I believe it was Mr. Shields, that the \$500,000 was, in fact, the additional amount in addition to the \$1,000,000 per year in operating revenues that is to be put aside for water resource development. Isn't that right, Mr. Shields?

MR. SHIELDS: Yes, sir. I did inform you this morning that we did set aside \$1,000,000 in 1976 from operating revenues and it's put into a separate account in the bank at the going interest for \$1,000,000.

MR. HARTMAN: And that this was in addition to that.

MR. SHIELDS: We have budgeted \$1,000,000 in our operating budget this year excluding the bond funds, another \$1,000,000 has been budgeted for the same purpose, from operating revenue this \$500,000 is in addition to that.

MR. HARTMAN: Okay, so in addition to the \$1,000,000 a year in operating revenues, that's my point. So, this represents a half million dollars beyond \$1,000,000 in operating revenues. That's my point.

MR. SCHAEFER: No, that's not correct.

MR. HARTMAN: Well, I get some differences in view point here.

MR. SCHAEFER: You're going into what is a matter of Water Board policy, and if you want to ask me the question rather than answer the question I'll be happy to discuss it.

MR. HARTMAN: All right, Mr. Schaefer, I'll ask you directly. Is it the policy of the Water Board to track the policy of the Council?

MR. SCHAEFER: In what regard?

MR. HARTMAN: In this regard in the matter of a policy of the decision as to putting away, putting aside a certain amount of revenue income or water revenue for the purpose of looking forward to future water development.

MR. SCHAEFER: It is the Water Board's policy to track the City Council policy in trying to attain surface water. Now, as to the City Council dictating where the revenue dollars for the Water Board is spent I don't believe that has been established.

MR. HARTMAN: Let me state that at the time that the Council decision was made on this issue we were discussing a rate increase and there was a development. At that time referred to as surface water development. The rate reflected that amount of money to be set aside and that was the agreement of this City Council. That was the policy of the City Council which as I recall at that time the City Water Board said it would track. Now, we see an additional amount, a half million dollars being taken from bond funds that in my view is above and beyond the decision of the City Council last year and, therefore, it's contrary to Council policy.

MR. SCHAEFER: You're memory is incorrect, Mr. Hartman.

MR. HARTMAN: Tell me where it's wrong.

MR. SCHAEFER: At the time that the rate increase was approved by the Council the bond program was also approved by the Council. At that time there was a \$1,000,000 to be set aside - proposed by the Water Board to be set aside from revenue for surface water. At that time there was also this exact \$500,000 in the proposed bonding so it's been in there from the word go. This is not anything that has been put in. I believe that if you'll go back and read what was given to you a year ago, you'll see that it's in there.

MR. HARTMAN: I recall, excuse me, one last point. I recall very precisely the discussion about the \$1,000,000 because of the fact that the Council had chosen not to go along with the GBRA contract, but it did thereby agree to put that amount back, I think, at the suggestion of the Mayor. That we set aside that amount of money, \$1,000,000 from operating revenue to put into a kitty for a surface water development. That was the sum total of that discussion and if the \$500,000 was already in the bond issue before hand it was not pointed out to the last Council. I certainly do not recollect that that point was ever raised.

MR. SCHAEFER: I'll have to again refer you to the information you were given at that time. If your memory is vague on it I suggest that you refresh your memory by looking at the material that you were given but at that time you're correct in that there was \$1,000,000 but that was from revenue. At that time there was also this same \$500,000 in the proposed bond issue. There's no way to get around it, Mr. Hartman, it was in there. It's in there now. It was in there then. If you don't recall it, I can't help you.

MR. HARTMAN: Mr. Schaefer, isn't it true that if we had a \$500,000 less in the bond issue, and we had that much less to content with in terms of total money we're dealing with here, that the rate increase could have been kept low?

MR. SCHAEFER: That is why I am explaining to you that it was in there at the time the rate increase was discussed because this was in the bond proposal that the rate increase was required for. Now, if it were to be taken out at that particular time certainly the rate would have been at a small amount less but it was not taken out at that time neither by the City Water Board nor by the City Council, which you're a member.

MR. HARTMAN: That's right, but the fact that the half million dollars is in there is that much of an impact in terms of additional rates.

MR. SCHAEFER: There is no additional rate from this \$500,000 because it's the same \$500,000 that was in a year ago.

MR. HARTMAN: But if it were not there the rate would be that much more.

MR. SCHAEFER: If none of this were there the rate would be different.

MR. HARTMAN: \$500,000 that would be that much less in rate increase.

MR. SCHAEFER: No question about it.

MR. HARTMAN: Okay, thank you.

MAYOR COCKRELL: All right, let me get to this question, Mr. Schaefer. Should the Council desire to recommend to the Water Board that this \$500,000 of bond money be reprogrammed or be considered for reprogramming to some other usage would the Water Board, in your opinion, be willing to such a recommendation.

MR. SCHAEFER: We certainly would review the request. Yes.

MAYOR COCKRELL: All right. Mr. Steen.

MR. STEEN: Madam Mayor, thank you very much. Mr. Hartman is real concerned about the \$500,000 for surface water project. He was on the City Council a year ago. I know this \$3 million water bond project was perhaps explained very thoroughly to all the members of the City Council at that time. I know that you couldn't come along a year later and just think that \$500,000 in there, and I think what you're trying to say, Mr. Schaefer, is that the \$500,000 was in there from the inception of all this.

MR. SCHAEFER: That's correct, sir.

MR. STEEN: And if Mr. Hartman wanted to complain he should have complained at the inception but not on the day that we're trying to accept the low bids for the bonds. Because if we don't accept this low bond bid today, we're doing at least two things. We're going to make ourselves the laughing stock of the country and the other is we're going to subject ourselves to perhaps a liability suit.

MR. HARTMAN: Mr. Steen, if I may, Madam Mayor, respond to that and draw a very precise picture of what my concern is, which is inaccurate to what you stated.

Number one, anytime there's \$500,000 involved in terms of public money I'm concerned about I don't care where it is. Whether it's in a bond issue or it's in somebody's budget or anything else.

Number two, it represents the deviations of policy of the City Council, and I'm even more concerned because we have an entity of the City that is not following the City Council's policy.

Third, as far as the efficacy of this arrangement. To me, I can't see we're making good business sense to have to put in an additional half a million dollars into a bond issue when the specific point was raised that this was to come out of operating revenue.

MAYOR COCKRELL: All right, Dr. Cisneros.

DR. CISNEROS: I am the one who asked that Mr. Schaefer come here today for a very specific reason and that is because I wanted the new Council members to be apprised of what Councilman Hartman has touched on so accurately. And that is the Water Board's seeming inability to do at other time than when they are asking for a rate increase or when they're asking for additional bonds. What they say they will do at those times which is to track Council policy.

Now we, for example, have had over the course of the last two years a running debate about the extension policy. The City Council after some very careful work with the assistance of citizen's organization had come up with a series of extension policies. We have yet to see those implemented at the City Water Board. Although Mr. Schaefer standing just as he is here today on a previous occasion when they either wanted a bond issue or when they wanted a rate increase said, we will track Council policy. The relevant question at this point is, will the City Water Board track Council policy with respect to extension policy, with respect to replacement and relocation concerns and with respect to the kind of issues that Mr. Hartman has raised relevant to allocation for surface water.

The City Council passes on City Water Board's rates and City Water Board bonds and it's the only time that the officials of the City Water Board seem to hear what we're concerned about. At other times, once the bonds are passed, tomorrow or this afternoon as soon as these bonds are passed, then the Water Board officials have no concern at all about the City Council policy. And I want the new councilman to hear what Mr. Schaefer has to say about that at this point.

MR. SCHAEFER: At this point, the last remark you made, Councilman, that after we get the bonds we don't care, that's horse manure. Just plain horse manure. I'll say that that is not true. You know it's not true. We have in the policy that this previous Council adopted so far as main replacement, main extensions we have tracked that policy. We have tracked it as far as we legally can track it. We have put aside over 12 million dollars for main replacements. We have done away with providing the material for on-site mains. The only place that we did not, if you would quote "track" the resolution of the City was in denying main extensions outside the city limits which according to our legal counsel would leave us in a position to be sued and untenable legal position.

DR. CISNEROS: I just want the record to show you were here today and indicated once again what the City Water Board's receptivity is to Council's policy. Let the performance over the course of the next two years show who is more right in.....inaudible.....with their relationship to the City Water Board.

MR. SCHAEFER: I would also like to - while we're on this question of tracking policy, this bond issue does track the policy that was approved by the previous Council at the time that they passed the rate increase and at that time they approved this bond issue. I've in all difference to you gentlemen, I would like for you to show me where this is anything, any deviation from what was presented to you at that time. I mean, call a spade a spade, but if you're saying that this is anything other than what was presented previously I frankly challenge you to show me where it is.

MAYOR COCKRELL: All right, apparently there was at least on the one part a misunderstanding as to the fact that the million dollars was thought to be coming out solely operating and - but it was also paralleled in the bond issue. I think that may not have been understood by all Council Members. Mr. Pyndus.

MR. PYNDUS: It wasn't understood by myself, Mayor. I feel that it was brought on rather quickly this morning, Mr. Schaefer. The thing that I would like to get to the heart of is, we find we have \$500,000 more in the surface water fund. That doesn't dismay me even though I hadn't planned on that additional half million dollars. As we stand now, my understanding is we took out of operating revenues one million dollars or \$900,000 in 1976. It's my understanding now that we're taking a million dollars out of the 1976 revenue of the Water Board, too.

MAYOR COCKRELL: 1977.

MR. PYNDUS: 1977. I'm sorry. It is my understanding that we've added to that with this bond issue another half million dollars.

MR. SCHAEFER: That's correct.

MR. PYNDUS: That these bonds cannot be touched for any purposes except for surface water projects?

MR. SCHAEFER: Not without board approval.

MR. PYNDUS: How about City Council approval?

MR. SCHAEFER: Well, the Council could recommend to the Board and we would certainly consider.

MR. PYNDUS: Mr. Schaefer, the City Council is passing approval on the bond issue to set money aside for a specific purpose. If you tell me that you will consider it after we pass this bond issue for that particular purpose, that is not satisfactory to me. I have to have promise that if approval is given to use funds for certain purposes that they, sir, will be used for that purpose. I cannot take a compromise.

Now, are you telling me that if this Council passes that bond issue, that we will not have a say as to where those funds are used?

MAYOR COCKRELL: I'd like to ask the audience to please be quiet.

MR. SCHAEFER: Legally and technically that's correct. You would not have a say. Morally the Board and in past instances, the Board has always followed the program as outlined in their bond prospectus as to where the money was to be spent. But I believe and I'll defer this to our legal counsel and to your legal counsel, but it's my understanding that legally and technically, not morally, that certainly once these bond funds become funds of the City Water Board, you at that point do not have any direction

as to where they are spent.

MAYOR COCKRELL: If I may clarify something here. I think there are two things the Council needs to keep in mind. First of all, is the legal position under terms of the Indenture and so forth for setting up the Water Board which are one thing.

The second thing would be as a policy matter the inclination of the Board to be guided by Council policy. Now, on the second issue the statement had been made that the Board would be guided by Council policy. But, as a legal matter the Board states that it cannot deviate from its legal position under the Indenture and abrogate those responsibilities assigned to it, and I think that's the problem. I think we might ask the City Attorney to clarify the issue.

CITY ATTORNEY PARKER: That's correct under the Trust Indenture. The operation and management of the system is under the City Water Board. The problem, as I recall correctly before, was that it had something to do with the out of town or out of City limits mains and that thing was brought up before as to why it has not been implemented and the reason it has not been implemented and the reason is because it was not part of subdivision regulations and the subdivision regulations have to be changed. To my knowledge I don't know where they are. They would be in the Planning Commission and the Planning Commission was supposed to review them and then bring them to Council and they would be implemented in that manner and then they would become effective and be binding upon the City Water Board at that point of time.

MR. PYNDUS: Clarification please, Mr. Parker. We approve a bond issue with funds set aside for surface water use.

CITY ATTORNEY PARKER: They are set aside from certain purposes that are enumerated within the improvement of the Water Works System, as I

MR. PYNDUS: No, sir. For surface water is a subject that was on this.....

CITY ATTORNEY PARKER: That is one of the things that said it could be used for.

MR. PYNDUS: It could be used for?

CITY ATTORNEY PARKER: They could and it would be within their discretion at that point in time - as to how those funds.....

MR. PYNDUS: They could use these funds for salary or for operation and not for surface water. Is that what you're telling me?

CITY ATTORNEY PARKER: I don't think salary. I think they have to go to the capital improvement of the system, Mr. Pyndus.

MR. PYNDUS: This is a point of clarification.

CITY ATTORNEY PARKER: Operational expense is covered in your rates; these are for capital improvements as I recall correctly.

MR. SCHAEFER: I believe that's correct.

CITY ATTORNEY PARKER: I think the funds are limited for capital improvement type construction. They are not operational funds.

MR. PYNDUS: Could I have that clarified on this page number 38.

MAYOR COCKRELL: Mr. Maclin, could you clarify the stated purpose as in the prospectus.

MR. MACLIN: This morning I pointed out that the budgeted expenditures are the ones that have been approved by the City Council and by the Water Board. These were approved last year. I have with me last year's prospectus. It's the same, there's no change. The money, in fact, can be spent for any capital improvement for the improvement of the system. It doesn't have to be spent according to this budget. This was the budget that the City Council approved and the Water Board approved. But it could be rearranged. It could be all spent for certain slot or for main replacements.

MAYOR COCKRELL: Mr. Hartman.

MR. HARTMAN: Yes, Madam Mayor. I would like to come back at this legal point that Mr. Parker has addressed. First of all, Mr. Parker, I will recognize the fact that when this last Council passed the 8th July resolution that perhaps it should have addressed the subdivision regulations. I wish the Council had had that advice in time, perhaps we would have pursued that. Be that as it may, my concern now with regard to what you're saying, does the City Council have or does it not have the right to set rates of the City Water Board.

CITY ATTORNEY PARKER: Yes, sir.

MR. HARTMAN: Number two, is it not true in those - in determining that level of rates that we included one million dollars set aside for water resource development.

CITY ATTORNEY PARKER: Your amount set aside in that rate was - that was one of the intended purposes that it would provide that much funds that could be set aside for that purpose, yes.

MR. HARTMAN: Okay, but the point is the rate was depended upon that amount of money having to come in from operating revenues in order to be set aside, right?

CITY ATTORNEY PARKER: The funds have to be there before they could be set aside.

MR. HARTMAN: Secondly, our third point is the fact that the bonds that were subsequently sold then further at an addition had an amount of a half million dollars to be set aside for surface water which also has an impact on the rate set.

CITY ATTORNEY PARKER: Well, it would have to be part of the rate set, part of the normal rate of any utility is to pay off bond indebtedness, and I would presume that part of the rate would include a sum that is sufficient to pay whatever the authorization of the bonds is.

MR. HARTMAN: Okay, so setting the rate as the Council did, that rate was based upon the amount of revenue that would have to be generated to do certain things in which at least a million was for surface water.....

CITY ATTORNEY PARKER: It's based on assumption that, yes, that there is a certain amount of consumption, amount of consumption at a certain rate will produce a certain amount of revenues which would then be sufficient to meet certain operating expense and debt retirement.'

MR. HARTMAN: That's right. So, legally, then the City Council did indeed have and does now have an interest in that million dollars of operating revenue as a part of its function.

CITY ATTORNEY PARKER: I'm not following you. Have an end

MR. HARTMAN: Well, it's a factor in the rate.

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CITY ATTORNEY PARKER: Yes, but the operational control and maintenance of the system once if the funds go to the system are within the purview of the Water Board.

MR. HARTMAN: I'm talking about where you set that rate level.

CITY ATTORNEY PARKER: The rate level? This Council can set the rate level of the City Water Board at any point it wants to.

MR. HARTMAN: But it was done on the basis of the fact that there's a million dollars a year included in that for surface water.

CITY ATTORNEY PARKER: That would be - That's what I understood.

MR. HARTMAN: That rate was set on that basis by the Council.

CITY ATTORNEY PARKER: That's just what I understood.

MR. HARTMAN: So, if that were to be used for any other purpose, then that would not be within the policy of the Council?

CITY ATTORNEY PARKER: No, sir, that would be one that would allow that sufficient funds to be accumulated for that purpose.

MR. HARTMAN: If it could not have been that amount the rate could have been set lower?

CITY ATTORNEY PARKER: That certainly - there would be a million dollars less revenue.

MR. HARTMAN: So, I think it's a matter of policy with the Council involved.

DR. CISNEROS: Certainly the matter of

MAYOR COCKRELL: Dr. Cisneros.

DR. CISNEROS: If not, if not a legally definable relationship between rate and what one says it's going to be used for then at least there is what Mr. Schaefer has chosen to call a certain moral commitment on the part of the management of the Water Board, the policy officials of the Water Board to guide it in that direction. That's why it's important that when a man like Mr. Schaefer who is Chairman of the Water Board comes before the Council that there be the kind of understanding between the Council and the Water Board so that when he says we will track Council policy that, in effect, will happen. Because City Council is the chief policy body for the City, the City Water Board, the CPS and the Transit System or functioning entities of this City. There needs to be at the minimum of good faith relationship. So, if there's not a legally definable relationship, as Mr. Parker has indicated, then at a minimum we ought to have a good faith relationship and that needs to exist, and I just want to make - I really believe that we have serious failings in that area. I want to at the start of the new Council term highlight that before we take our part of the action and act on the bonds.

MR. SCHAEFER: Madam Mayor, in regard to the good faith and that's why I took such strong exception to Mr. Cisneros' remarks that we have not had good faith from the Water Board.

Mr. Cisneros, if we have not had good faith I would like for you at this point to explain to me where we have not had good faith. We followed the policy as far as it was legally possible to follow as far as the million dollars that's referred to here. We've set it aside for surface water as we said we would. To cast dispersions on not myself, but the other members of the Water Board who are acting in good faith, who are doing a job for the citizens of San Antonio of supplying the amount of water needed at the lowest possible cost which is our stated policy, to say that they're

not acting in good faith I just have to ask you to outline that and be specific because these general charges, these shotgun charges are certainly unfair to the Board members.

DR. CISNEROS: To try to define, to try to define the relationship between the Water Board and the policy of the City Council over the last few years as good faith efforts is so ludicrous that one should not even try. But in order to give you specifics, I'm talking about the incredible relationship we've had over the last two years relative to the extension policies which are not yet implemented.

MR. SCHAEFER: The only part of that that is not yet implemented, your City Attorney has said it is in your ballgame. It's up to you to implement it. We are, our hands are tied, now let's get that, let's get this straight. You're making accusations here that we're not following your policy, that we're not acting in good faith. You say, well, it's ludicrous to talk about it, well, let's talk about it.

Now, you say we haven't followed your main extension. We followed every bit of that ordinance that you passed or the resolution that you passed that we can legally follow according to your own counsel and to our counsel. Now, let's - do you agree with that or do you disagree? If you disagree, where do you disagree?

MR. PYNDUS: I disagree.

MAYOR COCKRELL: All right, just a moment. Let's - let me make some suggestions to the Council at this point. I think we're getting into some very involved areas of policy that are going to take a long session with the Council and the Water Board. I think what we have to decide now is on the basis of the need to make a decision of these particular bonds to narrow the issues. I think first of all the Council has stated that it feels that the, its desire for the City Water Board in general to track the policies of the City Council. We recognize that legally the City Water Board has the responsibility under the Indenture to make the operating decisions, the management decision for the system but at the same time we recognize the responsibility of the Council to set overall policy for the City and certainly state our desire that the operating boards of the City have the boards operating in such a manner that conforms and is consistent with overall the general policy of the City. And in that area the policy area, I think, it becomes a matter of good faith relationships between the bodies.

Now, whatever has gone in the past, there may be areas of misunderstanding on both sides and that could be resolved in further working sessions between the Council and the Board. But at any rate on the specific matter of say, the \$500,000 that was the issue was raised in this bond issue. Should the City Council desire to make a recommendation to the Water Board you've stated that the Water Board would certainly give it consideration.

MR. SCHAEFER: No question about it.

MAYOR COCKRELL: That is, in other words, the capital needs of the Water Board are far in excess of the \$15 million in this particular bond issue. I know, for example, that replacement of substandard mains are just one item is a very large item that we're all concerned with trying to address and so there are other places where the dollars could be very easily transferred or allocated, should that be a decision.

MR. SCHAEFER: That's correct. I might also just give you some idea of the magnitude of surface water excluding the storage of surface water assuming that we were to buy surface water from GBRA. Just the pipeline and filter plan alone for the surface water, would be \$35 million. So you can understand that \$500,000 front money is really a drop in the bucket.

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MAYOR COCKRELL: We understand that. I think Mrs. Dutmer was next and then Mr. Eureste.

MRS. DUTMER: All right, I was beginning to wonder if I was to be the minority to be ignored. The thing that upsets me, and I'm not even trying to be diplomatic about it, Mr. Schaefer. The thing that upsets me is the fact that the \$500,000 is entered here under a surface water program, not surface water resources to findings thereof. You used in your talk to us two words that scare me. You mentioned GBRA five times and condemnation twice for the use of this money. As of last year there was, and I'm going to be very blunt, there was quite a Donny Brook and Round Robin over a treatment plant and the condemnation of a piece of land north of our City. The \$500,000 would secure that piece of land under condemnation. Now, very frankly, it scares me, and if I could have your word, and I know that you're a man of your word that when it comes to a vote that you would vote no, we will not use this \$500,000 to secure the land for a treatment plant at that site. Then I could go along.

MR. SCHAEFER: Well, I can certainly give you that assurance, but I would not assure you that the land would not be condemned because it could be condemned from the other funds that have been put aside for surface water. I'll be as honest and blunt as you are. Now, when you mention condemnation scares you, what I'm looking at is the practicality that if we do not purchase surface water from GBRA, we're going to have to get it somewhere else. I don't think there's anyone on this Council that would disagree with that. We've got to have surface water in the relatively near future. If we get it from GBRA we, nevertheless, would have to have a pipeline. The City actually, has the condemnation authority. But, if someone did not want to sell us a stretch of pipeline, we would have to condemn it. I've been on both sides of that table and it's not fun. Let's go further and say that we did not buy surface water from GBRA. If we were to develop, for instance, the Applewhite Reservoir or the Cibolo Reservoir, that's not to say that those people down there are going to willingly give up their land so that San Antonio could have a surface water reservoir. We may have to condemn them. And I'm merely being realistic about this in - certainly if we don't have to condemn, we're not going to, but if it comes to it, the welfare - health and welfare of the citizens of San Antonio require a water facility, we would have to - we would be forced to or you as a City Council would be forced to condemn their property.

MRS. DUTMER: I would go surface water without a question of it, but where we would get the surface water from would be an entirely different question...

MR. SCHAEFER: This has been a debate that has been going on in San Antonio for some 20 years.

MAYOR COCKRELL: Mr. Eureste.

MR. EURESTE: Yes Madam Mayor. Mr. Schaefer and I think I would like after I finish this statement, perhaps some interpretation from legal counsel, about the effects on future bonds, if I was to vote or if we were to vote no on this particular matter. I don't know if that's the opinion of the Council, but I would at least like that question to be answered.

The other one is that much like the City Public Service Board, much like the presentation that we had by Mr. Van Dyke, the General Manager of the City Water Board. Your presentation or your presence here before us is again much like theirs. It's very demanding, I don't know what purpose you have in using words like horse manure, you know, in the Chamber.

MR. SCHAEFER: That's because I don't believe in using four letter words, sir.

MAYOR COCKRELL: May I ask if the Council and the speaker before it return to the quorum. I don't think there's anything to be gained by this kind of thing. I'm sorry the room will come to order.

MR. EURESTE: Madam Mayor, I will vote no regardless, but I do want this as far as the other Council Members as far as the legality is concerned and our rating in the future because I feel that you, sir, and what you've been doing in terms of not being able to track Council policy in the past deserve some kind of reprimand. And if this is the way I can cast my reprimand on what you do and what you represent, then this is what I'm going to do.

MR. SCHAEFER: Mr. Eureste, if my presentation has not met with your approval, I'm sorry. But to say that you're going to vote against this bond issue regardless only shows your ignorance.

MAYOR COCKRELL: Mr. Schaefer, at this time I would like to suggest that the Council take the matter under advisement. Mr. Schaefer, I think at this time we'll excuse you.

MR. SCHAEFER: Thank you.

MAYOR COCKRELL: Thank you. All right, will the room please come to order. Now, then at this time I would like to say a few things to the Council. I know that the City Council has continuing policy issues that it wishes to discuss with the Water Board. Let me tell you, though, that as Council members we have a very great responsibility for the financial responsibility of our City, and I think you all recognize that. Our policy issue dispute with the Water Board is one thing: our responsibility for the financial future of our City is another thing. It would be my very strong advice to the Council that regardless of any area that you wish to continue discussing with the Water Board, that we not let it prejudice our financial future as a City. I say that just in the strongest possible terms. I would like to add just two comments and I would like, again, to ask for the financial consultant, Mr. Maclin to come forward. I would like to ask him to state again for the Council. This is one bond issue, but we've got lots of bond issues down the road affecting the credit of our City. Mr. Maclin, will you state for the Council the effect of having opened the bonds, having a recommendation on the qualified bid, the effect on the future financial status of our City of a rejection of the bond.

MR. MACLIN: Yes, thank you. As I pointed out this morning, there is no problem at any time in withholding a bond sale until all matters have been resolved, until the Council is certain their policy, if there is any dispute, will be followed and that you have agreement on every point. This bond issue could have been cancelled yesterday without difficulty in the market. The problem arises when in the first place the program, including the \$500,000 that I had no - personally I think that borrowing is an awesome responsibility and deserves every attention and should be avoided if it can. But this program was cleared with the rating agencies including the \$500,000 and with the Council last year. It's in the other prospectus which I gave to the City Manager. This is in the market place, with the rating agencies, with the borrowers. There have been no new developments insofar that the market would consider warranted not acting on the bond issue once they had been put to the expense and the trouble of preparing the bid. These bids involve hundreds of people. It is their money. We rely on them, the citizens of San Antonio for giving us a minimum interest rate which is reflected in all of our utility rates and our tax rates. In this instance we recommended and the Council approved, the Council approved the \$15,000,000 bond sale. We recommended that it be broken into two stages to minimize the impact on the City. This was done and it has been fortunate because this interest rate is lower than the original rate. So, the thing that concerns me as a citizen in working for the City that I must point out, I'm compelled to point out is damage, really damage, monetary damage would be done to the City, and it would be, even if it's inadvertant it would be considered a capricious act in the market place because these people would have considered that they have been used in this instance. I would regret it, I'm sorry that in all these matters

have not been worked out, I pray that they will, but please in the future do not approve an expenditure, a budget, or a bond issue unless it is the intention to accept a bid that is responsive and that represents expenditure of substantial time and money, or it will be deleterious to the City of San Antonio.

MAYOR COCKRELL: I think the problem came in that the program had been started by the last Council and that the call for this sale had been approved by the last Council.

MR. MACLIN: I think it was unfortunate that it was approved, the sale date, this sale date was approved last September, and it was this sale date and it was reconfirmed on April 21, 1977. The same prospectus, the same construction budget used in both instances.

MAYOR COCKRELL: So, by now another Council that has not had all the background. So, we do have the issue before us and we have a motion and a second on the sale of the bond. I do pledge to the Council, hopefully, that this issue will pass. But, I do pledge to you that you will have a full opportunity for a working session with the Water Board on all the issues that are of concern to you. Yes, Dr. Cisneros.

DR. CISNEROS: I also want to indicate the importance that I think surrounds passing this particular bond issue today in light of the financial situation which has been described to us, but more importantly, because we as Council members in this new City Council will prove as responsible and enlightening as any type of City Council San Antonio has had and the production coming out of this City Council is going to be just as high as any type of City Council San Antonio has seen. But, I also think it served a very useful purpose to have Mr. Schaeffer here today because as we go about with what we want to do in this Council, relative to a master plan and rational program of growth, etc., that it's going to be very clear that our relationship with the Water Board, for example, will dictate our success to the extent that we're not able to get a handle very early on a strong and firm and very well understood relationship with that subordinate board of the City of San Antonio. Then we will not be successful in the final analysis. So it served a very useful purpose, I think, to begin to show the new City Council the magnitude of the task and the obstacles before us. But, I, too, would urge that we move with the financial decision that we have to make today.

MAYOR COCKRELL: Yes, Mr. Webb.

MR. WEBB: Madam Mayor, I'd like to go on record for saying this and there is a minor point. If I wasn't so well aware of the business world and the business sector being in business I would vote no on this bond issue. But in the light of the fact and in view of the fact that I've known Mr. Schaeffer a long, long time. But, I feel that his act today is deplorable, and I hope that this never happens again as long as I'm a member of the Council. I will never be able to see myself vote for anything for the City Water Board in the future if this is the trend that they're going to establish with the Water Board. So, I just wanted to go on record for that.

MAYOR COCKRELL: Mr. Hartman.

MR. HARTMAN: Yes, Madam Mayor, I also want to say that I will, indeed, vote on the bond issue simply because of the fact that I view that issue and the other issue, the arrogance of the City Water Board, particularly the Chairman being a total separate and distinct issue, And I will vote for the bonds but again I deplore the complete arrogance, insolence, and lack of respect displayed here today.

MAYOR COCKRELL: We have aMr. Ortiz.

MR. ORTIZ: If I'm asked to vote on this issue today, I'm going to have to vote no. I cannot in good conscience. I saw Mr. Schaeffer here and he told us in no unclear terms that this Council and citizens of San Antonio can go very much to Hades, and I don't think that that's the proper attitude, and I feel that this entire issue is being ram-rodged through this City Council. I feel that I am being blackmailed and threatened. I don't think that this is setting the proper and right precedence, so I will have to vote no on this particular issue.

MAYOR COCKRELL: Yes, we will have...Call the roll.

AYES: Webb, Dutmer, Wing, Alderete, Pyndus, Hartman, Steen, Cockrell, Cisneros.

NAYS: Eureste, Ortiz.

ABSENT: None.

CITY CLERK: The motion carried.

MAYOR COCKRELL: The motion carries and the sale of the bonds has been approved.

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University Hills Development

The Clerk read a proposed ordinance authorizing the City Manager to execute a contract agreement with Kuper Properties, Inc., relative to the installation and operation of sewer mains and appurtenances for servicing the University Hills development.

77-27 The following discussion then took place:

MR. MEL SUELTFUSS: Members of the Council, this is a request for sewer regional boundaries. I might just take a minute to explain what the City's regional boundaries are for those of you who may be new in the Council.

The Texas Water Quality Board has designated with the City's consent or actually request that a certain area of the City be designated as a regional sewer boundary. We did that for two reasons. Number one, this gives us the exclusive authority to provide sewers in this area and precludes the formation of private companies and private utilities. The second one was to assist us in our planning of the sewer system.

From time to time we have received requests for service outside of the regional boundaries. There is nothing to preclude us from serving outside the regional boundaries as far as the Texas Water Quality Board is concerned because nobody else has claimed these areas. I just mention that in passing.

This particular subdivision request lies both outside the City limits and outside the regional authority, and this is why we're here because a special contract would have to be entered into. The development lies north of the University of Texas area and in 1972 the developer filed a Master Plan with the Planning and Zoning Department and this is part of that told Master Plan. In October of 1976, the developer obtained approval from the Texas Water Quality Board because it does lie, I failed to mention it does lie over the Recharge Zone, received approval from the Texas Water Quality Board because of the fact that it was over the recharge zone, approving his subdivision plans. One of the provisions was that he connect to an organized sewer collection system. So, immediately after that he came to the City of San Antonio and requested that this area be served. Basically, the contract that we have before you today would require that the developer pay all of the costs in connection with providing the sewer service to the area. Number two, he would pay an additional \$30,000 to be put in escrow and interest therefrom be used for lift station maintenance if any lift station is constructed; and number three, he pays a platting fee for each acre and each house he plats for anything that's platted. So the basic question is do we want this to be part of the City's sewer system or don't we? The question really is that basic.

I might also tell a little bit of the other side of the fence. If we don't serve the area there are several things that can happen. Number one, the developer can provide a private sewer system. There's nothing to preclude him from putting in a private sewer system. This can be accomplished by an outright sewer system or through a utility district. This would have one disadvantage in that if the City ever annexed it that if it was a Municipal Utility District, we would have to assume the bonded indebtedness of that entire sewer system including the on-site mains. Or obviously if it's a private system, we don't have condemnation power for private utilities so those people would be hooked on a different sewer system.

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Under this program he would also install all the sewer lines and dedicate them to the City and each resident would pay an outside the City limit sewer rate. That's just a general overview and I'd be happy to...

MAYOR COCKRELL: Would you discuss the action by the Planning Commission?

MR. SUELTFUSS: As Council will recall some six or eight months ago it was requested that all sewer line extensions outside the regional, outside the City be referred to the Planning Commission, and the Planning Commission has considered this and has recommended that the area be served by the City's sewer system.

MAYOR COCKRELL: All right, was that based on staff's recommendation or evaluation or hearing or what?

MR. SUELTFUSS: Yes, we did present-the entire matter was presented at a regular meeting of the Planning Commission and the staff does recommend that we provide service because of the fact that we feel that the optional results of a private sewer system could probably be more detrimental than providing the sewer to the area.

I might just mention one other thing, there is some precedent for this. The City has previously entered into a contract with a subdivision known as Encino Park which also lies over the Recharge Zone which is outside the City and outside the regional boundaries, and in that case the developer had actually obtained a permit for a sewer plant.

MAYOR COCKRELL: All right, let me ask this, relative to the Texas Water Quality Board as I understand it, their approval of the subdivision was based in their getting this sewer contract with the City, did they indicate that they would entertain alternatives such as private sewer plants or...

MR. SUELTFUSS: First of all, the Order said "through an organized collection system," it did not specifically say City of San Antonio, I want to clarify that. But it did mean some type of sewer collection that had a sewage treatment plant as opposed to septic tanks. Now, I would say that possibly the question wasn't passed, the developer may have said, this is what we want to do and this is what was approved but the representative is here and may be able to answer that question.

MR. HARTMAN: Mel, you have a pretty good knowledge and understanding of economics having dealt with this sort of thing for some period of time. Do you feel that is's economically feasible to establish a private sewer system?

MR. SUELTFUSS: That depends and let me qualify to this basis, I guess it depends on the number of acreage that are involved. Large acreage actually can afford one. And you have to remember, too, first of all how much investment do you have in the land to start with, that has to be a factor because and then secondly, what is the market for the land and what is the cost per lot. Actually, establishment of a private sewer system in terms of cost except possibly over the Recharge Zone and if you could get it off but very much more than our cost of our sewer platting fee. The big thing is nobody wants to get in that business and that's why they generally avoid putting in a sewer system. It's not entirely a matter of economics. It's just because of all the regulations and everything that they have to put up with.

MR. HARTMAN: There would be in your estimation, some degree at least of discouragement of a private sewer system.

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MR. SUELTFENFUSS: The fact that the requirements over the Recharge Zone in particular are much more rigid than they are -- I think that it's not as easy to put in as a private sewer system.

MR. HARTMAN: We are talking about rock basically.

MR. SUELTFENFUSS: That's right.

MR. HARTMAN: That probably is the big factor that would have a strong impact on the economics.

MR. SUELTFENFUSS: Well, the rock excavation would be about the same though, whether they go this route or to a plant. You are talking about plant construction. That would be your big factor because the outfall in the collection system would be about the same.

MAYOR COCKRELL: All right, are there other questions of Mr. Sueltenfuss? Mr. Pyndus.

MR. PYNDUS: Mel, if the highest priority the City has was to protect the Aquifer, would the option of supplying the sewer lines be best for the City to do it or for the City not do it?

MR. SUELTFENFUSS: I would say it would be best for the City to do it because the other two options would be possibly a plant discharging on the Recharge Zone or septic tanks.

MR. PYNDUS: All right, sir, then if it is the best option for the protection of the Aquifer for the City to extend the lines, the questions I have would be what would be the consequences. The question that I would have does the City have the capacity to handle this project with its current lines?

MR. SUELTFENFUSS: Yes, we do.

MR. PYNDUS: There would be no parallel outfall lines to be created?

MR. SUELTFENFUSS: That's right.

MR. PYNDUS: There would be no additional costs to the City if these lines were extended?

MR. SUELTFENFUSS: No, that's correct.

MR. PYNDUS: Would there be a precedent set that would affect us in the future?

MR. SUELTFENFUSS: Well, we have, like I mentioned, one previous plat that has already been approved in this manner, and this would be the second one. We do have some others that are outside the region but not over the Recharge Zone.

MR. PYNDUS: If I would go into the operational area and say there is an oversize requested in this application and the cost will not be to the City, but what will the commitments be as far as future tie-ins on these lines, where could they be tied in will that present a problem over the Aquifer or on recharge zone.

MR. SUELTFENFUSS: The Planning staff objected to the provision that the developer had the option oversize because it kind of created a much larger area. We have taken that provision out of the ordinance. So it does not provide for oversize at the developer's option.

MR. PYNDUS: Well, will this limit this extension to this one subdivision and what size will that subdivision be?

MR. SUELTFENFUSS: The limitation that's put on it - you're basically dealing with about 1600 acres total, and the limitation of capacity is placed on the number of gallons per acre that we allow and again at the recommendation of the Planning Commission and with our consent we reduce the normal 5000 per acre capacity to 3000 per acre capacity for two reasons. First, it was felt and we concurred that there's a lot of land that probably can't be developed because of terrain and flood plain and by having that high factor in there it did open up possibly more lands than appeared in the subdivision itself. So the limitation that comes primarily through the limitation of the total gallons that is allowed.

MR. PYNDUS: Mayor, my last question was that this subdivision ...inaudible... in two places across the Recharge Zone will that create problems?

MR. SUELTFENFUSS: What was the question, I'm sorry.

MR. PYNDUS: The subdivision is separated by the Recharge Zone right in the middle, will that give us any problems?

MR. SUELTFENFUSS: No, I don't think that has any effect.

MAYOR COCKRELL: Mrs. Dutmer.

MRS. HELEN DUTMER: Mr. Sueltenfuss, as Chairman of the 201 Waste Water Commission, which of the three plants would this be directed.

MR. SUELTFENFUSS: It will go to the Leon Plant.

MRS. DUTMER: The Leon Plant, will that have any impact on this plant being that we have to right now, we have to make some hard decisions of what we're going to do to upgrade our sewer system to meet the federal standards. Would that have any impact on the capacity, the fact that we are almost unable to handle what we have now?

MR. SUELTFENFUSS: I'd just like to say at this point that the basic decision that has to be made is where do we want our sewer system to go someday. That's going to come out of 201 and that's a very hard decision. From a staff standpoint we have a very difficult time from deciding here and here and I think the biggest chore that we have is all of us are going to have to draw some good lines because we need them for planning. We need them for the very thing you're talking about. Until we draw those lines we really are in a position to where we can't really firm anything and that has to come out of 201, and I guess what I'm saying is that we have to decide once and for all what are going to be the limits of our City's sewer system with, of course, obviously with some flexibility.

MRS. DUTMER: But my other concern here is the fact that we're going outside of the City limits and we're going beyond the regional boundary lines when I have people in my sector of the City out there who have been taxpayers of this City for 20 years through annexation and yet it is not feasible to extend to these people sewage lines and we're still on septic tanks. I have a little difficulty in reconciling this....

MR. RUDY C. ORTIZ: I have several questions if I may, please. Mr. Sueltenfuss, what percentage of this University Hills is outside the city limits?

MR. SUELTFENFUSS: Oh, I would say totally three-fourths of what I have in front of me, there may be some other properties involved.

MR. ORTIZ: What would you say would be the cost to the City of San Antonio in extending those sewer lines out there?

MR. SUELTFUSS: There will be no cost under this program.

MR. ORTIZ: Not now or at any other time.

MR. SUELTFUSS: Well, of course, we'll have the maintenance and operation of the system which will come by the monthly sewer service charge theoretically that the people pay there. In other words, they will be paying a monthly sewer service charge but as far as costs are concerned, as far as sewer collection line costs are concerned it would be self supporting.

MR. ORTIZ: If we go ahead and allow sewer lines out in that area, how about other utilities?

MR. SUELTFUSS: They are available. Yes, they have already made agreements with the City Water Board and I think the other utilities are out there.

MR. ORTIZ: Just one last question. If we go ahead and allow the extension of sewer lines out there won't that entail some re-arranging of other priorities such as replacement of worn-out water mains within the inner City?

MR. SUELTFUSS: That's Water Board policy and I'm not that familiar with their priorities on that. I just don't know how that would fit in their priorities.

MAYOR COCKRELL: In terms of sewers, what we have before us is the sewer which you said would be self-sustaining of the capital costs.

MR. SUELTFUSS: That's correct. That's right. I can speak to sewer. It would not charge any of our priorities there.

DR. HENRY G. CISNEROS: Mel, thank you, very much for your analysis. I note another City staff person who hasn't been called upon but who should be by all rights involved in this discussion and that is the City's Planning Director. I know what his recommendation was to the Planning Commission because I followed this closely, but, Bob, would you be willing to answer some questions.

Bob, from a planning point of view, not ..inaudible.. to the Planning Commission, but as a key staff expert, number one, in this area, what is your recommendation, and number two, how do you relate whatever your recommendation is to the on-going Master Plan discussion?

MR. BOB HUNTER: The Planning Department's recommendation to the Commission was not to extend services to the Western Hills area. The Public Works Department's recommendation was. In discussion with the Commission, the Commission approved it allowing a certain capacity to occur out there and then as Mel indicated, we, the Planning staff, in taking the intent of the Commission, had negotiated down the design capacity so that we did not have the capacity go through the Western Hills development further north which then further complicates the City's obligation to provide services.

DR. CISNEROS: We have not yet reached policy decisions or land use related discussions in the Master Plan discussion, but we have begun to talk in terms of a growth sketch and laid out some priorities, how do you see this issue as it relates to the Master Plan discussions?

MR. HUNTER: My recommendation was based on the standpoint that we have considerable amount of land between 410 and 1604 that has not yet developed. And we are now extending further out the City's sewer service capability and eventually that is going to mean a City obligation to provide additional municipal services to the area.

DR. CISNEROS: One final question, if I may, the whole thrust of Mr. Sueltenfuss's recommendation seems to be that if we don't provide sewer service that there are sufficient options to the developer to provide sewer services himself which would be inferior from a point of view of protection of the Aquifer, but under Mr. Hartman's question it becomes obvious that one of those options is not really an option, which is to say the development of a private system and the development of a Municipal Utility District has sufficient safeguards that it need not be an inferior mode of delivering sewer service. If the City were to effectively present the extension of the sewer line by its action today, what do you think would be the realistic and practical effect of that decision in terms of whether the developer would have any other options?

MR. HUNTER: He does have the options but I do think as Mel indicated that they are going to meet the same quality standards as the City. It would be speculating as far as the economics go of them having their own sewage treatment facility out there. But they do have that option. Now the City also has the option too when they go to obtain these permits the City can, if we were to take the actions to deny service as far as the City goes, can voice our expression concerning the creation of that utility district at that hearing, which I don't think we have ever done.

DR. CISNEROS: Madam Mayor, from two points of view, first the Aquifer Protection criteria which has lead me consistently to vote no on projects over the Aquifer and this is really no different in practical respect from a zoning decision and the effect is going to put buildings over the Aquifer; and secondly, from the point of view of a land use, growth and Master Plan and economics question, this seems to be a highly questionable proposal to extend sewer service. I just want to say that from my own personal point of view.

MAYOR COCKRELL: Mr. Webb.

MR. JOE WEBB: I'd like to address a couple of questions to Mr. Sueltenfuss, please. Why do you think that this is such a generous proposal I mean since it doesn't cost us anything?

MR. SUELTFENFUSS: Normally, we provide sewer line extensions to people based on platting fees and this sort of thing. This, all I can say is it's not going to cost us anything, I don't know if I fully understand your question except, possibly it's at no cost and I don't know that may be an interpretation of whether it's generous or not.

MR. WEBB: It seems to be that the interested parties are rather generous to us ...inaudible... what I'm trying to really say is if this happens that we extend water mains, I mean sewage lines and there, this would of course, set a precedent, don't you think?

MR. SUELTFENFUSS: Yes, as I have said we have previously done it on one other case. But, certainly...

MR. WEBB: Do you consider this move a bit premature at the present time?

MR. SUELTFENFUSS: Well, I guess the, whether it's premature or not would depend, the request is here in other words, I think is for you to act on. There's no other staff work that needs to be done on it, and I think it's just a matter of policy as far as acting on the request.

MAYOR COCKRELL: All right, let me advise the Council of a couple of time problems. We have to hear from the developers and from the citizens who are signed to speak.

(At this point Council concurred to postpone the rest of the discussion on University Hills until after lunch).

77-27 The discussion then continued as follows:

MAYOR COCKRELL: We are going to start with the item that was under discussion which was interrupted and that we did not conclude before noon, the item relative to the sewer service. So, we will now start with the developers or the representative presenting their request and then I will call on the citizens who registered on this item.

MR. CHARLES KUPER: Mrs. Cockrell, Mrs. Dutmer, gentlemen, good afternoon. My name is Charles Kuper, and I am a

MAYOR COCKRELL: Mr. Kuper, excuse me, could you pull that up. Fine, thank you, sir.

MR. KUPER: My name is Charles Kuper. I'm a resident of San Antonio. I live at 7731 Broadway. We're here today to talk to you about a proposed sewer system to an area that we have an interest in close to UTSA. If I may, Mrs. Cockrell, I'd like to pass a couple of things to the assembly.

In May of 1972 a master plan was presented to the then Planning and Zoning Commission of the City of San Antonio. A plan that was prepared by Ralph Bender. The plan at that time was approved unanimously by that group. On the 8th of June 1972, the master plan for this area was presented to the City Council of San Antonio and was approved with encouragement and enthusiasm by the Council then in office. Since that time we have proceeded as best as we could in a very businesslike procedure to install into the area the finest of equipment and development that can be had. We did this in full knowledge of the area being over the Recharge Zone, and I would like to point out to you that we were the first people in the State of Texas to take any type of request to the Texas Water Quality Board and receive their approval.

The Texas Water Quality Board instructed us as to how our sewers should be constructed and we followed those, mind you, to the tee. The picture that is circulating before you is an example of two monolithic manhole that is part of this sewer system. Those manholes are port in one piece, there's a Nedaprim Seal, there's a bolted manhole cover on it. They are not only water proof but they're air proof. Now, when I say they're air proof, these to be approved by the Texas Water Quality Board and, therefore, by the City of San Antonio and have had to have air tests and smoke tests and periodic remote television cameras down through this sewer system. We have followed the instructions of the Texas Water Quality Board and their regulations which have to be contained in this book I've got in front of me. I don't know how many of you have seen it.

We draw two monitoring wells at the request of the Texas Water Quality Board. These monitoring wells are checked and monitored continuously by the EPA, the Edwards Underground Water District, the City of San Antonio, and other agencies which may legally be involved. Based on the forth set approval of this plan as master plan, we've spend a quite bit of money in that territory and what we are presenting to you today we know that if it's going to be done under the circumstances that we have historically been listening to for the past few months about the plans of the City of San Antonio and where their funds may be spent. It is our desire to pay for this wholly and completely. It's not going to cost the City of San Antonio any money. As Mel Sueltenfuss, I think, explained it certainly in better detail than I have.

This was approved by the Planning Commission. It has been through the City Planning Director and he has made his modifications on it. The City Public Works Department, the Sewer and Water Engineering Department, the City Water Board, I understand the City Attorney and the City Manager have approved this contract. Is that correct?

CITY MANAGER HUEBNER: Contract?

MR. KUPER: Well, the proposed sewer contract agreement that is presented.

CITY ATTORNEY PARKER: I've worked the initial draft of it, the initial draft was then sent to Public Works Department which was then sent to the Planning Department. The Planning Department then made certain requests for additions to it. They were then incorporated in the present agreement and that's \$30 thousand deposit I dreamed up.

MR. KUPER: I see, all right sir. I'll hurry as fast as I can Mrs. Cockrell.

MAYOR COCKRELL: The bell rang so you do have to finish.

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MR. KUPER: I will. I'll finish right quick. There's a proposed expenditure out here of \$550,000 which we intend to do if we're allowed. We don't want any septic tanks, we're not interested in the development of our own, although may I say to you that that is a feasible operation for us to put in our own utility district. We can support it and we can pay for it and we could do it if we had to. We've rather do the best job we can for the City not only in whatever happens in the sewer system but as far as any future costs may come to the City. If we're ever annexed it would be a City cost. That's not right. What I'm saying to you is we worked too hard, we spent too much money, we don't want to do this thing half hazard, and we respectfully ask your approval of this which has been checked by so many City agencies and which has received their apparent approval. I'll answer any questions if I can.

MAYOR COCKRELL: Mr. Pyndus.

MR. PYNDUS: Thank you, Mayor. Mr. Kuper, have you seen the map that has been presented to the Council?

MR. KUPER: Yes sir.

MR. PYNDUS: The subdivision that you have is cut across kind of in a meandering sort of way by the Recharge Zone, but if you built in the area outside of the Recharge Zone, initially, how long will that take you in a matter of months? If you started on that portion that is above the Recharge area, how long will it take you before you're ready for the other portion that is within the Recharge Zone area?

MR. KUPER: Well, let me say it this way, Mr. Pyndus. First of all, this is contiguous to the City limits. There is a 70 acre area south of what we are requesting that is in the City limits that we will probably have something on very, very shortly. Everything's been in order and approved I understand. It may take a little time, the market will have to go but to do that you've got to plan. You don't just put in a sewer line today and have it ready for tomorrow. It takes time to get those things in and all we're trying to do is properly prepare and do it right to begin with.

MR. PYNDUS: Yes. I was trying to get a time frame, Mayor. I'm sorry. That first portion of your development, how long will it take you to develop this area?

MR. KUPER: The whole area?

MR. PYNDUS: Yes, sir.

MR. KUPER: Oh, I imagine it will take quite a bit of time, Mr. Pyndus. Probably to develop the whole thing maybe 2½ years. That's just a rough guess on my part, please don't hold me to it, sir.

MAYOR COCKRELL: Mr. Steen.

MR. JOHN STEEN: Mr. Kuper, I know you have thousands of dollars, maybe hundreds of thousands of dollars invested in your project, in your complex, would you if the City does turn you down on this sewer service, would you definitely go ahead and have to built your own sewer treatment plan? What would you do, or have you thought about it?

MR. KUPER: I'd thought about it, I don't - it's a matter of business and economics for one thing. You have land, you have holding costs, it costs money, you can't - when the land cost gets above what its normal use would be, single family development is what we're talking about here, you've got to do something before that happens. We may be conceivably forced into

something we would not like to do. I would prefer to go with the City. I think it's the best thing for the Aquifer. I think it's the best thing for the City in the long run. We plan to spend all the money to do it. It's not going to cost the City.

MR. STEEN: Yes, I agree with that but what I'm getting at is if you are turned down I think you will almost be forced into the other way.

MR. KUPER: That's exactly right. We would somewhere, we'd have to find some method of relief. Yes sir.

MR. STEEN: You can't just delay your complex forever and ever.

MR. KUPER: No, sir. We've had a 2 year delay because the school is 2 years late in opening which was very costly. We would have to do something for the pure economics of the situation.

MR. STEEN: Thank you.

MAYOR COCKRELL: Mrs. Dutmer.

MRS. DUTMER: Mr. Kuper, am I correct in that the rezoning set out in this document that you gave us is still in force?

MR. KUPER: Yes, madam.

MAYOR COCKRELL: That is on the first portion, is that correct?

MR. KUPER: That's all that's in the City is covered by this project is all zoned and has been platted. Yes, madam.

MRS. DUTMER: That encompasses a vision of 8 thousand dwelling units or 25 to 30 thousand

MR. KUPER: No, no, Mrs. Dutmer. The 70 acres in the City, and that has been zoned. This other territory is contiguous just right next to it, just over the pencil line, barely on the ground that we're talking about.

MRS. DUTMER: But ultimately you envision 30 thousand - 25 to 30 thousand people, right?

MR. KUPER: Well, I think that at one time that was the market, it just depends on what happens in there. I think that was Mr. Bender's maximum. I think what we would consider would be much less than that because we found that the topography and the rock out there is not conducive to large scales in development as we originally thought.

MRS. DUTMER: Thank you, sir.

MAYOR COCKRELL: Mr. Ortiz.

MR. ORTIZ: Yes, sir. Will you clarify something for me. I think Mr. Pyndus raised the question or Mr. Steen, but you said that if we were to go ahead and deny this request you would have to seek some other kind of relief.

MR. KUPER: We would have to seek relief, Mr. Ortiz, as a purely business economic matter.

MR. ORTIZ: What do you mean by relief?

MR. KUPER: Well, we would have to consider a MUD or septic tank or something that we're reluctant to do. But if we've got money invested and the costs are going or the interest continues, we've got development costs which have to be amortized in some form.....

MR. ORTIZ: It's not a threat, is it?

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MR. KUPER: No, sir, I don't threaten anybody. We never have, Mr. Ortiz. I'm just telling you the position we'll be put in is not going to be very comfortable for us and like any businessman, if you've got a problem in your business or whatever you do you try to come to the best solution you can.

MR. ORTIZ: Thank you.

MAYOR COCKRELL: Mr. Steen.

MR. STEEN: Let me clarify something, Mr. Ortiz. I didn't mean to put Mr. Kuper in that position. He's not like that. He's not that type of man. He wouldn't do that. He's not a threatening type of man and besides that he's just trying to show everybody a little bit of the business world. He's part of it. He'll cooperate in every way possible with the City Council, there's no question about that in my mind.

MR. KUPER: We make no threats. We make nothing. I just hope we won't be put in a tough situation.

MAYOR COCKRELL: Mr. Webb.

MR. WEBB: Mr. Kuper, you mentioned single family dwellings?

MR. KUPER: In the area we're talking about it's primarily single family dwelling. There are schools included, there are, I think, some minor long, long range small convenient shopping centers in the program. Some of this property - when you sell a piece of property we don't have all the complete control, which you must understand, but that which we have planned.....

MR. WEBB: I beg your pardon, you don't have control?

MR. KUPER: No, if I were to sell you a piece of property or a house or a car, if you wanted to paint the car red I would have no control over that. I'm only saying that the City Council has control over it on how it's zoned for the future, but we're talking about primarily and I would say 95% of what is to be out there would be in the single family dwellings. I can't have that tattooed and say that's true.

MR. WEBB: But there will be some commercial development to accompany your complex?

MR. KUPER: The primary commercial development is one that is already in the City limits. No, sir, it would not be in this part we're talking about right now. We have all these sewer systems, we have all the utilities, they're all in. We acted on the authority that was given us by the City Council prior.

MR. WEBB: You mentioned some major hotels coming in.

MR. KUPER: That would depend on the market, Mr. Webb. I'm not sure at what time it will be right for the school to have something out there for the convenience of those visiting the schools and professors, etc. I would have no forecast of when that might come. I would think that if it did it would not be back in that area. It would probably be on I.H. 10 where they get the traffic.

MR. WEBB: Let me read something to you since you don't have any idea. This is on a paper that was handed Friday, June 9, 1972. It says, "Future plans call for major hotels, motels to be included in the shopping facility along with stores and other commercial property to serve the new area".

MR. KUPER: Yes, sir, that's right, but we have no plans for that in the area that is directly served by this. This is - the people we have talked to in the hotel business have been talking about I.H. 10. They do not want back

in 1604, they want where the regular ordinary traffic can supplement their income and fill out...

MAYOR COCKRELL: Mr. Kuper, I think that perhaps it might help, there's a little confusion, I think, among some of the Council members as to the separation of that that has already been zoned and on which you have services that which is in the City limits and then that portion that is outside of the City limits from which you're asking for the sewer service today. So, would you explain a little about the background.

MR. KUPER: Thank you, Mrs. Cockrell. I'd like very much to do that because I see the confusion and, maybe, I think everybody is aware of the situation as I am.

We have sewer and all utilities on the 200 acre tract, the primary tract there at this particular moment. It's already in and installed and operating. When we ask for the extension to the property immediately north to the City limits contiguous for single family homes, then our engineers in working with the City say if we're going to do this, let's do it right and let's take in this area once and for all so that when we lay the line we won't be charged--facing the prospect of coming back and re-going through that rock and putting in another line because that's extremely costly installation. So working with the City and their Public Works, this plan which you see before you was evolved. They thought that the thing to do for the long range of the City and all concerned was that it be done now and be taken care of rather than forcing us or anybody else into some other type of water treatment or septic tanks or whatever, which we really, honestly don't want. We want to do it in the first-class manner.

MAYOR COCKRELL: I just want to explain that there was--a portion was already in the City limits and had already been approved the service and a portion and this portion is outside the City limits.

MR. KUPER: Yes, madam, thank you.

MAYOR COCKRELL: Are there questions of Mr. Kuper. If not, then, thank you, sir. We'll call on the citizens who are registered.

MR. KUPER: Thank you, very much.

MAYOR COCKRELL: Mr. Lanny Sinkin.

MR. LANNY SINKIN: My name is Lanny Sinkin. I am here today representing the Aquifer Protection Association. I am also here today to ask you to vote "no" on this contract.

First of all, this item, as posted on the bulletin board, contains the statement that it is necessary in the protection of the public health and welfare that this project not be delayed, particularly for the benefit of the citizens in this subdivision. Since there is no subdivision and there are no citizens, the reason given on the notice for consideration of the contract, at this time, is really no reason at all.

In fact, a sewer line of this magnitude at this time is a premature and possibly dangerous installation. The 201 planning process, the 208 planning process, and the Metcalf and Eddy study are all relevant to the question of how much and under what conditions development will take place in the University Hills area and Western Hills subdivision. Contracting to build a sewer line for 19,000 people in Western Hills before the results of these studies are in is to act in a premature fashion.

In the last report from Metcalf and Eddy, a member of the study team spoke of newly developed sewer lines which leak far less than sewer lines presently used. It is easily conceivable that the City Council will eventually adopt a policy of constructing only such lines in the Recharge and Drainage Zones of the Edwards Aquifer.

Another decision facing the City Council after Metcalf and Eddy finish is the amount of pollution loading which will be permitted over the Aquifer.

To contract for this sewer line might well be to build a line below the standards finally adopted. Such a line will use up more of the pollution loading permitted than a better line and therefore reduce the chances for other developments to take place within those limits. The pollution produced by such a sewer line might well constitute a health hazard.

In addition to being premature and possibly dangerous this sewer line makes a mockery of the growth sketch. This growth sketch shows total developments housing 10,000 people in the Recharge and Drainage Zones in the next 23 years. Those 10,000 people represent just over 3% of the total projected growth for Bexar County from April, 1975, to the year 2,000.

One goal stated in the growth sketch text is to encourage "steady, contiguous development."

This sewer line has a capacity of 19,000 people living on 15,000 or 1,600 acres of the 81,000 acres of Bexar County Recharge Zone land. This one development would house 6% of the total growth projected for the county and almost twice the growth projected for the entire Recharge and Drainage Zones--all on less than 2% of the total land in the Recharge and Drainage Zones. To contract for sewers to this subdivision reduces the growth sketch to a meaningless exercise.

Furthermore, this sewer line is for a development at the northern edge of the City, hardly compatible with the growth sketch goal of steady, contiguous development. Expanding the capacity at the northern end of the system reduces the capacity available for more contiguous development.

This particular sewer line is for a development so far north that it lies outside the sewer service area boundaries. To expand service outside your boundaries while areas within the boundaries are still unsewered and other areas have substandard sewers seems to us unreasonable. Then the expansion also happens to be into the Recharge Zone, the proposed line only adds insult to injury. We urge a "no" vote.

I'd be happy to answer any questions.

MAYOR COCKRELL: Thank you. Mr. Pyndus.

MR. PYNDUS: Mr. Sinkin, I am looking at the options and the situation that I feel the Council faces is the fact if we do nothing or if we reject this request for sewer service that Mr. Kuper can set in septic tanks if he wishes. You had made the statement that newly developed sewer lines leak far less than sewer lines presently used. I have the fear that septic tanks leak far greater than any sewer lines that we might put to that subdivision.

MR. SINKIN: If I might interrupt for just one second. If I heard correctly earlier, the Texas Water Quality Board's approval of this particular subdivision was conditioned upon hooking up to an organized sewage collection system, that is not a septic tank system.

MR. PYNDUS: Now, Mr. Sueltenfuss had made the statement that septic tanks could be installed outside the City under the Texas Water Quality Board order, is that correct or incorrect?

CITY ATTORNEY PARKER: I think what...under the proposed subdivision I think it was submitted the lot sizes were such that it would not go with the septic tanks concept. In other words, under the Texas Water Quality Board order, you take a one acre per size, per septic tank; therefore, I would presume, I don't know but I presume, under the plan that was submitted the lot sizes were somewhat less than one acre; therefore, under that concept they could not use septic tanks on that particular size. That is not to say that a resubmittal on one-acre size lots would not then--it complies with all the Texas Water Quality Board order, and I would suspect that at that point in time would be issued on that basis, you know for clarification point.

MR. PYNDUS: Knowing your feeling on the protection of the Aquifer and having that as the highest priority and having the recommendation of the Public Works Director that this would perhaps be the best way to protect the Aquifer, what would your response be with reference to your vote, "no."

MR. SINKIN: Well, I also take note of the Planning Director's recommendation that this not be done. I think that balances out to some extent the Public Works Director's recommendation that it be done. In terms of the protection of the Aquifer, I think you're narrowing the option a little bit. I present the concept of complicity. If there is going to be pollution of the Aquifer through development, let it not be with the complicity of the City Council. Let the developers go out there and do it if they insist, but let's not have our elected representatives making it easy for them. I think, if you deny this sewer line, you create an economic pressure. Mr. Kuper has stated there be an economic pressure to go another route; I think you'd create an economic pressure not to have it built.

MR. PYNDUS: I cannot agree with that reason to let him pollute without doing anything about it. I think it's my duty to protect the water supply of San Antonio, and as I understand the best option is to furnish him this best sewer service as recommended and this would be a better protective element than letting him go ahead on their own.

MR. SINKIN: Well, pass the moratorium and you won't have any of those problems.

MAYOR COCKRELL: The City Attorney...

CITY ATTORNEY PARKER: There is under the Texas Water Quality Board Order...those lines are, in effect, pressure lines. They're air tested and smoke tested. There's another in the Texas Water Quality Board Order, as I recall correctly and you correct me if I'm wrong, a provision for monitoring of flows within the system that would show up if there are any leaks within the pipe system between...

MR. SINKIN: Well, we not only talk about leaks; we also should talk about worse care situations--ruptures. A ruptured sewer line from a division of 19,000 people could do a tremendous amount of damage in a very short period of time.

MAYOR COCKRELL: Mr. Steen.

MR. STEEN: Thank you, Madam Mayor. Mr. Sinkin wants, I think that Mr. Pyndus is talking about...do you think it would be better, and Mr. Kuper has already stated that had to do something if the City doesn't cooperate within the City Council. Do you think it would be better for the City to cooperate with him in the sewage business or do you think it would be better for him to go out on his own and do whatever he wants to with reference to his complex?

MR. SINKIN: I understood that that was Mr. Pyndus' observation. I'll try to answer it. Let me try again.

MR. STEEN: All right, I'd appreciate it.

MR. SINKIN: The first point I offer is complicity of the City. Should the City be encouraging development in the Recharge and Drainage Zones for the Edwards Aquifer while the Metcalf and Eddy study is going on, returning to our statement? When you've adopted a growth sketch that shows 10,000 people in a very large area, do you then approve a sewer line for 19,000 people in a tiny, little part of that area and say you're doing planning? I think it's harmful to the City process to approve this sewer line. In terms of direct protection of the Aquifer, I don't believe this subdivision will come to fruition as quickly as it will if you build the sewer line. If you do not build the sewer line, I think it will delay the subdivision while they regroup and decide exactly what they want to do. By the time they take action, we may well have in place policies, standards and protections that are far stronger than what we now have and we'll get a better subdivision.

MR. STEEN: Yes, I see what you mean. Let me say this. I wasn't a member of the City Council that passed the growth sketch.

MR. SINKIN: That's true.

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MR. STEEN: So, I think only four people that were members of the present City Council perhaps passed on the growth sketch, and I'm not sure all of those four people voted for it. I don't know the vote. But, the whole trouble with all of this argument is that we have some people that have the thousands of dollars invested out there in that property. Hundreds of thousands of dollars invested in that property. And they have to take action. There's no question in my mind about that because every day that goes by, they're paying interest on their money, and they just have to do something. And to me just looking at it, I certainly don't want to pollute the water supply because I believe in that as much as you do, Mr. Sinkin, but I still believe that it would be better for the City to cooperate, be sure that we do have good sewage lines out there rather than letting Mr. Kuper go off on his own and maybe develop something out there that wouldn't be as good as what you'd have if the City went along with his thoughts.

MAYOR COCKRELL: All right, I think we understand that point then. There are several other speakers. Are there any other new points or questions of Mr. Sinkin?

MR. PYNDUS: The legal - the legal point of the moratorium outside the City limit...

MAYOR COCKRELL: That will be discussed in the "B" Session and I don't want to introduce a whole new discussion at this time.

MR. ORTIZ: Madam Mayor, Madam Mayor.

MAYOR COCKRELL: Yes, Mr. Ortiz.

MR. ORTIZ: Anyway, it seems to me that this is a question of the public good and the public wellbeing versus, you know, the several thousand dollars of developers. I am not anti-developer, I know they've invested money, and they were going along on the good faith of commitments and actions that were taken by the previous City Council. And yet, you know, you're saying here to us, well if you don't go ahead and cooperate with them, give them what they want you're going to be responsible for their moral actions, for their moral responsibility as far as whether they'll go on ahead and put in their own system, sewer system and whatever pollutes the area. And I just don't - I can't follow that argument that we're morally responsible for what they should be morally responsible for.

MAYOR COCKRELL: All right, thank you. I do point out, do call the Council's attention to the date of the newspaper article that was circulated - 1972 when the original commitment was given. There is no member of the present City Council who served on that particular City Council. There has been several City Councils since then. I would like now to call on Beatrice Gallegos.

BEATRICE GALLEGOS: My name is Beatrice Gallegos, President of COPS, Communities Organized for Public Service. Our position is against consideration of the University Hills sewer contract. University Hills subdivision is owned by Mr. Charles Kuper. This is the developer whose first step to acquire this sewer extension was to donate land for UTSA. And now this subdivision is requesting for consideration of this sewer contract which open the doors for growth outside the City limits. We're already committed to the Master Plan for the City of San Antonio. You must be consistent with your decisions.

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The issue here is not the creation of a new subdivision, but the future survival of the City of San Antonio. For once the utilities are put in, they serve as generators for more growth to the Northside. To approve this sewer extension would be contradicting our position and would undermine the Master Plan. This would mean growth on the Aquifer, endangering the water, polluting the water. It would mean taking away from our neighborhoods, our inner City which is to the Aquifer, the only source of pure, pure water.

The City has no legal obligation to provide service outside the City limits. We are not against the inside service. We are against the request of serving services outside the boundaries. So, we are speaking against the University Hills requesting installation of sewer mains, requesting the service outside the boundaries. The City by law must service inside, not outside. So, this line extension goes on to service the Western Hills - the University Hills, so if you vote on this you are encouraging growth on the Aquifer. So, we ask you to vote against it. This is an old, old, old argument. You will be endangering the Aquifer. So, our strong feelings are that we are opposing it. Because what we are saying, you develop in our interest inside the City, not outside, do not force the growth out. So, vote no for the University Hills sewer contract.

MAYOR COCKRELL: Thank you. Mr. Pyndus.

MR. PYNDUS: Thank you, Mayor Cockrell. I had supported your position in the last Council with reference to growth outside the City limits. And this particular project there is no cost to the utility users in this instance, it has been stated very simply by several individuals, it is no cost to the City and so to me the economics of having growth outside the City is not detrimental to the people within the City limits. The other point that you made, and I agree with you only I disagree on the manner in which you protect the Aquifer. As I understand from conversation today, the best way to protect that Aquifer is to have our sewer system carry the line to the subdivision, and I think that point should be made. That, that is a better way of protecting the Aquifer than allowing the subdivision to be built by the developer without having the City have a legal word about how he does it. And I think that we differ with reference to the best way to protect the Aquifer.

MAYOR COCKRELL: Dr. Cisneros.

DR. CISNEROS: Madam Mayor, I just want to make several points in reply to Mr. Pyndus, because that's not exactly what we have heard when you combine, not only Mr. Sueltenfuss' testimony but also that of Bob Hunter, the City Planning Director. It is not clear that the Aquifer is better protected only if the City Council ...inaudible... but, in fact, the testimony earlier before had suggested that. Number one: it's probably not economically feasible on the present site of development proposed to a private sewage system. Therefore that option is probably not going to see friction which is not likely to be pursued.

Secondly, that if there was a Municipal Utility District that was pursued as a way to do, the City would have a voice at the appropriate time formation of that Municipal Utility District. So, in fact, what we're learning then is that though the Public Works Director said that the Aquifer would be better protected by either a private utility system or by a Municipal Utility District that is to say that the City would be - the Aquifer would be worse protected - less protected by HUD or by a private system that in fact neither one of those is not likely to occur. So that would be the best protection of all for the Aquifer if neither one of them occurred. And the City's best choice is not to act on the extension of the sewer line, but in fact deny them because to deny them is to deny the likelihood that there isn't going to be any development on that sensitive area.

MAYOR COCKRELL: Mr. Steen.

MR. STEEN: I'm not clear on one thing that you stated. Is your organization against all growth to the north, Mrs. Gallegos?

MRS. GALLEGOS: Did we make a statement to that effect, that we're against the growth? We're not against the growth. We made a statement that we're against the growth outside the boundary.

MR. STEEN: You are for growth between the inner loop and the outer loop to the north?

MRS. BEATRICE GALLEG0: We've stated developing revitalization inside Loop 410, so what is the issue right now. The organization's, our constitution, our position, or the issue of Charles Kuper and the sewer contract. What is it that you're asking?

MR. STEEN: Well, what I'm asking is, is your organization against growth to the north between the inner loop and the outer loop?

MRS. GALLEG0: We're not against the growth. We're not against the growth, all right.

MR. STEEN: All right. That's what I want to know.

MRS. GALLEG0: But we are against this sewer contract beyond the boundary.

MR. STEEN: Thank you.

MAYOR COCKRELL: Mr. Wing.

MR. WING: We keep, you know, talking about alternatives as to which would be the better protection for the Aquifer. At this point in time since we don't know the results of the study at all, it would seem to me that the best thing to do is - the best protection is not build over it at all.

MRS. GALLEG0: We do have a study that we're paying, you know, X number of dollars for it. So I don't see the rush for it.

MAYOR COCKRELL: Mrs. Dutmer. All right, fine. We do have several other speakers. I would like to, again, reiterate a point that Mrs. Dutmer has made earlier. I'd like to make it again.

There are a number of aspects to this, but one that I think needs to be taken into very careful consideration is the study on the total improvement fed into our entire system, the sewer treatment system and the capacity, the total capacity and what - what the total load factor can be.

Joann Adams of the League of Women Voters.

MS. JOANN ADAMS: I'm Joann Adams and I'm representing the League of Women Voters. We oppose the approval of Western Hills Subdivision request for extension of the present 24-inch outfall line. We understand that this zoning was approved and the developers' plans presented to the City in 1972. However, there are very important events that have occurred since that time which we consider justifiable reasons for disapproving the sewer outfall line by this present City Council at this time.

First, this property is partially on the Recharge Zone. The City has yet to satisfactorily deal with these facts. Since March of 1975 the League has asked for a moratorium on the approval of building in the Recharge and Drainage area. The previous City Council did set up a special Edwards Recharge Zone to deal with uses in this area. However, today no interim standards have been developed and the result of the Metcalf & Eddy study are not due for another year. Surely with the amount of money invested by the City in this study it would be well for the City to use this information in development of whatever policy is necessary to protect the quality and quantity of our sole source of water before encouraging growth in the Recharge area.

Another important consideration is the fact that growth, the growth that the sewer extension will encourage is not reflected by the San Antonio Growth Sketch.

63 The previous City Council and the Planning Commission spent a great deal of its time and energy on this plan encouraging citizen and

group response in every way. We think your action today is critical. Will you honor the intent of the Growth Sketch? May we remind you that one premise of the Growth Sketch is that the City needs to consider its limited resources when providing an infrastructure for its citizens.

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Therefore, we would like to know if the following questions have fully been addressed. Does the design of the entire Leon system consider only the development up to the City limits and the urban growth line shown on the sewer master plan with the exception of the 24-inch main north of Farm to Market 1604? We need to consider what other commitments to serve and at what capacities have been in the Leon Basin based on the letters of intent to serve or other contractual agreements.

Third, what is the extent and the cost of any outfall line parallel necessitated by Western Hills as approved by the Planning Commission assuming all previous commitments of intentions to serve in the Leon Basin are met. I heard Mr. Sueltenfuss say that there would not be a need for any parallel lines. We would like to know what is the existing capacity or what capacity is being used up at this time on the lines there. We cannot get this information. We know what the size of the lines are and so we know, theoretically, what the capacity is. We'd like to know what existing conditions are in this line. Without this type of information requiring a thorough cost analysis we fail to see how you can anticipate the full future cost to the City.

Every time you add on to something, and we've heard it saying it won't cost the City anything. If you put in a parallel line it will cost the City. Everytime a new development to the north goes in you increase drainage problems to the south. This cost the citizens of San Antonio. Any type of - you also increase the cost of.....inaudible..... services everytime you go outside the City limits to do this kind of thing of extending a sewer main. How can you tell that if by sending your services to Western Hills you also might be preventing growth within the City limits or overflowing the system. Thank you.

MAYOR COCKRELL: Thank you. Minnie Aleman. Yes, Mr. Pyndus.

MR. PYNDUS: Mayor Cockrell, the questions that were asked by Mrs. Adams were posed from the April 12 memo from Mr. Hunter to the Director of Public Works. Some of these questions are very pertinent with reference to the design of the Leon system, consider only that development of the City limits. I had asked the question of Mr. Sueltenfuss if the sewer lines could take this added capacity and he had stated yes. Now I wonder if that answers that particular question, Mrs. Adams.

MRS. ADAMS: No, it does not. I've heard Mr. Sueltenfuss and Mr. Norris say yes to these questions and they still arise. I've also heard some answers by the consultants for 201. There seems to be a conflict between Public Works and the consultants at 201 as to what the condition of the sewer lines are in the City.

MR. PYNDUS: Mayor Cockrell, I'm wondering if after citizens to be heard whether staff could be heard on these questions.

MAYOR COCKRELL: Yes, we will certainly ask again for clarification on the Leon system. Minnie Aleman.

MRS. MINNIE ALEMAN: Mayor Lila Cockrell. My presentation is not on the Aquifer. I'm on the Citizens to be Heard.

MAYOR COCKRELL: All right, I'm sorry. We need to continue this one then so we'll call you back in just a few minutes. I didn't realize that you were not on this subject. Was there anyone else on this particular subject to be heard? All right, here's another page. All right, fine, yes, Mr. Semelsberger.

MR. PAT SEMELSBERGER: Good afternoon, Madam Mayor and Council Members. I'm here today representing VOICE, Volunteers Organized In Community Effort. I was here the last time relevant to this subject to speak before the Planning Commission. I might add, when I left I was a little bit dismayed, amused and upset from the continuous vacillation - vacillating on this subject. I spoke in opposition to it then, and I speak in opposition to it now. Having listened to many of the pros and cons this far, I'm still not convinced that the best interest of San Antonio lies in the outreach and hinterland north and west of 1604. After looking at the City's Growth Charts and Land Use Maps, I don't think we have any business there either. Either, we don't know what we're doing in Planning or we're letting someone pull our pants down and drag us around the City. In the area of annexation within the city proper already, we still have many areas that are unsewered as you probably all know in this Council. The new members probably not. I live in District 6, and I've been in the city of San Antonio four and a half years. I don't have an out house, but I have the next closest thing. A septic tank that doesn't work too well, and I don't see all that urgent concern by the City on our behalf. Leon Creek plant, by the way...

MAYOR COCKRELL: Just a minute, please. Mr. Semelsberger I want to urge the Council, I know you're very interested - the citizens, I know you're interested in this, but we have still others to be heard, and it will help us to work through the decision if we don't have interruptions and so may we continue, Mr. Semelsberger.

MR. SEMELSBERGER: The Leon Creek Treatment Plant that you've - that the other speakers addressed prior to me were talking about the capacity of this plant. It was my understanding that the Leon Creek Plant did not have the capacity to handle our subdivision of just a little over 300 connectors. It is also my understanding from Ellison Industries that he's building 12 to 15 hundred new houses over a period of the next four or five years or so, and is also going to be utilizing this plant. And Lord knows how many other people are going to be dumping into the same plant.

When this old argument comes up that it costs the City nothing, I have to take an exception to this. Processing costs money, and I'm not quite sure since the sewer plan in San Antonio and the sewerola funds are constantly in the hole why it is you can figure that processing the sewerage doesn't cost anything, and I take exception to that that the City gets something for nothing because I haven't noticed any of that in our area, and we've been paying and we've been getting nothing. I know that that's not true for the City as a whole. I'd like to know what the ramifications relevant to the Master Plan, the Growth Sketch Plan - I know we're dancing all around the subject and no one is really nailing the issue down. Staff originally recommended that this be disapproved and after a bit of haggling and vacillating as I've said before, the City seems to be getting dragged by its heels, kicking and screaming directions that the City's Growth Sketch plan doesn't intend for us to go. I can't understand that. And I can't understand all the whereas and whereofs and all that legal jargon that the lawyers use, you know, for the City. The precedent of this action bespeaks, I think, what's going to happen for the future of San Antonio. If we allow ourselves to be bound by commitments by Council of six and eights years prior to us for transactions that the present Council and some of the present City constituents such as myself have no input into. I think it's time that, there's probably no doubt in my mind that the City is going to go ahead and bail out one more developer, but I think it's time that we draw the line and say, look we can only afford to go so far and when we go that far we have to say no whether we like you, love you, hate you, regardless of our personal feelings for you because we cannot continue to take in Bexar County and go all the way to New Braunfels detrimental to the people who are in here and paying taxes now.

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I have stood up here on this subject on many occasions for water, for sewage and for many other things for our constituents in the Valley Hi area, and in District 6 and some of the older sections of the City, and by golly we don't get that kind of priority handling. We don't get special sessions put down on City Council.

I'm waiting for a staff report on water for my area now since February when the Mayor directed the City Manager to give us a report. I'm still waiting and very patiently, I might add. But the time is running out and these other people take priorities over little people. I'm only 5'10½", that's what I meant by that. But, we don't expect the City of San Antonio to bail out every developer who goes out the City limits, puts money in and then comes back in crying to be bailed out. My position is, as a representative of VOICE, we're against it. We say take care of our own and then go out and take care of the people who go out there and put in money knowing full well that they are gambling to make a buck.

MAYOR COCKRELL: All right, thank you. Mr. Pyndus.

MR. PYNDUS: Your presentation was very well made and I feel, I feel - first I'd like to get a reply from you, if possible, not to bail out a developer. The Aquifer disturbs me, the protection of the Aquifer disturbs me very much. And you've heard conversations today, and I now understand the alternate to refusing the service, and I'd like to have your responses as to what you feel that the option that we have left, what would you recommend with respects to the options we have left and the effect it would have on the Aquifer, listening to the testimony of the Public Works Director?

MR. SEMELSBERGER: Well, frankly, I heard this same argument before, Mr. Pyndus. And none of what I've heard has tended to change my mind. I'm of the opinion that when we permit ourselves these little leniencies that they come back to haunt us. And they'll come back to haunt you, and I'll be here to remind you. Because you can go over and above good common sense. Now, either we are going to develop over the Aquifer or we're not. But if we are, we've got to be fair to everybody. I think Mr. Bender said this before the Planning Commission is where I heard it last. And that if you allow a certain amount of development how are you going to tell one individual that you can develop and another you can't. The water is going to be contaminated if we don't build over it with all due care and respect for the Aquifer, but we're going ahead without any information whatsoever right now. You're being asked to make a decision on 19,000 people on a system that's the best we have to offer today. But nobody has yet said that it is infallible. That it is fool-proof. You can run cameras down my septic tank, too, but I'll guarantee you when it rains it overflows. And this is one of the biggest in the City, I'll bet on that, for it exceeds city limits. But I'm not for building over the Aquifer until we have certain standards and that the people will know beyond a reasonable doubt or beyond a factual doubt that they're not going to be polluted by a rupture or any other breakdown in the system.

MAYOR COCKRELL: All right, we have one speaker and we're calling him now, Mr. Don Green.

MR. DON GREEN: My name is Don Green. I'm the Vice President of VOICE organization in District 6. I'm afraid that my attitude toward this system is that we maybe should specify an hour each Thursday for hearing about items that are going over the Aquifer. I have in my hand the Special Referendum Election that was held in this City, 17th of January, 1976, which I think gives everybody in City government a general opinion as to how the people in this City feel about that area. And regardless of what we try to read into it and regardless of the various inch by inch snipping that I see every week in these chambers or in the paper snipping and infiltrate into that area there regardless. We are going to have problems. Now, we had 44,541 people vote against that ordinance and 12,407 for it, which would allow building on that. Now, I think that the people's voice has been heard. And I talked last week

here on responsiveness from City government, and I feel that responsiveness is the forbidden of this constant nitpicking and snipping away that what the people have already said they want you to do. Thank you.

MAYOR COCKRELL: Thank you, Mr. Green. All right, at this time are there...I think we had asked Mr. Sultenfuss could be back, and Mr. Sultenfuss one of the questions, I think one of the part of the total issue is relative to the entire capacity of Leon Plant.

MR. SULTENFUSS: Let me explain it this way. First of all, our plant capacity now is 24 million gallons per day. And the present flow is about 14, so as far as plant capacity there is still sufficient plant capacity. All of our major outfall lines for the exception of those for the Rilling Road Plant were still to be paralleled some day. We did not plan for the total water shed in this area. We do that for two reasons. First of all the sewer lines tend to deteriorate because there's not enough flow in it. In other words if you regain your capital investment that much faster. So, the question comes, of where do you actually allot this area? It wasn't set aside for any particular area, it was set aside for a certain area.

MAYOR COCKRELL: If the capacity was 24,000

MR. SULTENFUSS: 24,000,000

MAYOR COCKRELL: Excuse me, 24,000,000, and you're now using 14...

MR. SULTENFUSS: 14, Yes Ma'am.

MAYOR COCKRELL: All right, so there is, of course, ten...

MR. SULTENFUSS: Ten million gallons per day...

MAYOR COCKRELL: All right, now, how much of that capacity do you estimate that if this property, that is requested for sewage, is developed fully?

MR. SULTENFUSS: Well, if we figure in terms of the 20,000 persons, and we figure 100 gallons per capita per day, 20,000, it would be about two million if we were fully developed.

MAYOR COCKRELL: So, it would be a fifth of the available...

MR. SULTENFUSS: That's right, yes.

MAYOR COCKRELL: And then, knowing of what other development is pending in the Valley-Hi area, of those that also impact that same...

MR. SULTENFUSS: Yes, we..., a five-year forecast, a five-year plan, now foresees no real need to enlarge the plant. And, of course, that's part of the 201 and 208 study will ultimately say what size capacity you have in that area. But the, I need to finish this paralleling of the lines, like I say, the...If you put the line in big enough, ultimately say take the entire water shed, the low flow in it would deteriorate the line and then you would have no income on that large capital investment. So, it's just a matter of where you take these allocations ultimately the Leon lines are going to have to be paralleled. Now, one other thing, too, though, the developer is paying an additional \$200.00 for each residential lot that he plats into the sewer fee, which will be a contribution to any future expansion of lines, which is different from anybody that contributes inside the City limits or inside the region. They pay a platting fee, but we all also extend the line to them for that. So, that there is this added money that he's paying into some future funds that's involved. And if I might comment on one other item. I think that was very well brought out in the fact that the - Mr. Semelsberger was complaining about. I shouldn't say complaining, he and I are good friends. Mr. Semelsberger mentioned the fact

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that he's got a septic tank and now we're going to have to go and eliminate those and this is one of the real problems we would face if we did get septic tanks up there that certainly if they didn't operate or function properly or something I'm sure it would be the City that would have to go in and take care of them. This is one of the reasons for trying to avoid septic tanks in the future because a septic is not a good long range sewage treatment method.

MAYOR COCKRELL: Mr. Eureste.

MR. EURESTE: Mr. Sultenfuss, how many households do we have in San Antonio that do not have sewage, you know, treatment lines running to them?

MR. SULTENFUSS: Oh, I would guess, five or ten thousand. I'm making an estimate there. I think it's probably in that range.

MR. EURESTE: What is your department doing in terms of giving that some kind of priority, instead of going outside the City, spending your time engaging in studies with this developer?

MR. SULTENFUSS: That's strictly a matter of funding involved in this one. It's a matter of serving the unsewered areas. It's strictly a matter of funding. It requires bond funds, and we would sewer them just as fast as funds were available. But, the point there is that the City or the rest of the rate payers will have to pay for the extension of that system it comes under the funds.

MR. EURESTE: Is it projected at a certain point in time that this five to ten thousand households will establish service...

MR. SULTENFUSS: Yes, in our 201 plan we will provide full funding on a relatively short-range period for completion of sewers in all the areas.

MR. EURESTE: What year is that?

MR. SULTENFUSS: That would be 1983.

MAYOR COCKRELL: Mr. Hartman.

MR. HARTMAN: Thank you, Madam Mayor. Mel, your statement that we had a plant capacity of 24,000,000 is apparently used capacity as actually used at the present time by 14,000,000 gallons now. Perhaps, I missed it but the aspect of transportation or the line capacity, where do we stand on that?

MR. SULTENFUSS: The line capacity varies in capacity, depending on where in the system that you take it. I think, probably, if I recall the number our minimum capacity at this point is about 20 million gallons. That's on a stretch of the Leon about 20 million gallons per day. Now, in terms of - are we speaking here now of the overall...inaudible.....

MR. HARTMAN: The point in which it will be taken with this extension all the way through the system through town to a point where it's finally...

MR. SULTENFUSS: That's correct. Our limiting factor would probably be 20 million gallons.

MR. HARTMAN: So, you're saying that we have a 20 million gallon capacity of transportation?

MR. SULTENFUSS: That's correct.

MR. HARTMAN: A 24 million gallon plant capacity - Are you saying categorically, that we would be able to accept another 6 million gallons of sewage within our present capacity and have no problems?

MR. SULTENFUSS: That's basically correct, yes.

MR. HARTMAN: I find that interesting, because I tried to get that answer before...

MR. SULTENFUSS: Yes, we've done some work on that, sir.

MR. HARTMAN: Because I asked where would we have to blow the whistle in terms of additional capacity. So, you're saying that we can accept six million gallons a day additionally beyond what we have now that both transportation and...

MR. SULTENFUSS: Right, we'd have a little more capacity treatment-wise.

MR. HARTMAN: Now, in terms of the potential we are talking here in terms of potential, not only in terms of this particular development, but also the potential for what this would open the gate for. What would be your estimate as to the amount of potential that we are opening the gate to by this particular action?

MR. SULTENFUSS: I would have no estimate, no feel on that because I don't really know what the potential - do you mean as far as theoretical potential? Okay, I guess it just depends on how far north you'd ultimately go.

MR. HARTMAN: The point is though that we have a threshold here that we would be crossing by virtue of this action.

MR. SUELTFENFUSS: Well, the ironical thing is that the City limits really created a, what I would consider an artificial boundary in the sense that - if, I'll go back to the same statement, if somebody will decide, you know, if we decide once what the limits of our sewer systems are going to be. Are they, in fact, going to be our existing regional boundaries. I think that's the important thing we need to determine because we're going to have case after case after case like this come up, and I think the judgment factor involved, whether that should be part of our sewer system or not. I think the very basic question is should it be part of the City limits someday.

MR. HARTMAN: The regional extent of the reason of capacity - if we were looking at the capacity what sort of potential do you see in terms of additional requirements within the regional...

MR. SUELTFENFUSS: Within the region? Oh, if everything were filled it would exceed the capacity of the line in the plant, obviously.

MR. HARTMAN: Do you have any idea as to how much?

MR. SUELTFENFUSS: No, I sure don't.

MR. HARTMAN: Thank you.

MAYOR COCKRELL: Mrs. Dutmer.

MRS. DUTMER: Melvin, I don't want to put you on the spot. When you cited 24 million average daily flow, was that in a wet season or the dry season?

MR. SUELTFENFUSS: No, that's of course, that's dry - that's total capacity of the plant. Now 14, our average yearly flow of 14 is dry weather flow.

MRS. DUTMER: That's the dry weather flow. 24 million is the...

MR. SUELTFENFUSS: No, 24 million is the capacity of the plant.

MRS. DUTMER: All right, another thing, we haven't addressed is the cost of the collection system. You and I and as well as some of the other panel are facing, what I can see now if we go to one alternative the least \$135 million in the very near future for our sewage system having to put in Tertiary Treatment plant and whatnot. Under the ultimate, supposing taking the catastrophe side of it, supposing EPA doesn't go along with us on our idealism and we are held to alternative one. In that event, what would you say would happen?

MR. SUELTFENFUSS: Well, of course....

MRS. DUTMER: We're not enlarging....

MR. SUELTFENFUSS: We're not enlarging, the Rilling....

MRS. DUTMER: ...Leon. If you're not enlarging -

MR. SUELTFENFUSS: No, I think plan one does call for enlarging of the Leon. I think that's in all the plans. Actually larger -

MRS. DUTMER: Well, that involves putting in ...inaudible ...

MR. SUELTFENFUSS: That's right. And also some plant - another 12 million plant capacity -

MRS. DUTMER: But it also, does it not, call for something all the rest of this that comes down through the Rilling Plants if we abandon them abandon it, it goes down to the Salado Plant whereby we'll have another

Mitchell Lake, right?

MR. SUELTFENFUSS: No, I don't think so.

MRS. DUTMER: Come on, Melvin.

MR. SUELTFENFUSS: Over my dead body.

MAYOR COCKRELL: All right, are there any more questions of Mr. Sueltenfuss? Mr. Pyndus.

MR. PYNDUS: I'm wondering if you would state the options again, please. But first there was a statement made that you couldn't handle three hundred households and the - including in the Leon Creek Plant - and you have stated that you could handle, the plant could handle 24 million gallons per day. Now, the statement that you couldn't handle the three hundred in that Valley Hi area, can you correct that statement, or certify it to the statement that was made...

MR. SUELTFENFUSS: No, that's not correct. In fact, the area that Mr. Semelsberger is talking about we're presently designing an outfall area line to serve that area so we have ample capacity to handle that area.

MAYOR COCKRELL: When did you say you are designing the line....

MR. SUELTFENFUSS: Yes, it's in the design process now. We're very near the final design on that, so -

MR. PYNDUS: The statement was made this morning that it would be bad to have a septic tank and you also mentioned the fact this afternoon that you would have to clean them up later. We look into that problem if they were placed in this area. Can septic tanks be placed by the developer if the City turns this request down? Does he have that authority under the Texas Water Quality Board Order?

MR. SUELTFENFUSS: Yes, he would. I think we need to clarify the question of what are his options. His options, of course, is he has to comply with the Texas Quality Board Order. And those options are three - fold. One is obviously is to connect our collection system which we have before us. Number two would be that he could put in a private sewage treatment plant and discharge, over the Recharge Zone. Now, this is an option and there was one permit granted for that, if you will recall, the Encino Park. Now whether or not - I'm just giving the theoretical options whether or not these permits will be granted or not that's another question. I want to make that point clear. And then the third option, obviously, would be or it's four, actually, to put in a collection system and pipe the effluent off the Recharge Zone into a stream somewhere inside the City, and then the fourth option would be septic tanks.

MR. PYNDUS: May I follow up one more time. The inflow of Encino Park Plant, how long has it been in existence?

MR. SUELTFENFUSS: No, it never was built. We then agreed to connect to, let this connect to the City system.

MR. PYNDUS: And why did you do that?

MR. SUELTFENFUSS: To - so that they didn't have the discharge of the plant onto the Recharge Zone.

MR. PYNDUS: And you would recommend that we do that in this case?

MR. SUELTFENFUSS: Well, if I could stand here for sure and say that these options would come about, this is the basis for my recommendation. Now, obviously, if they didn't come about then there wouldn't be any need to connect it.

MR. PYNDUS: Thank you.

MAYOR COCKRELL: Dr. Cisneros.

DR. CISNEROS: Still on this point about septic tanks. You know, you said earlier - earlier you referred to some language that discussed organized sewage systems. Where was that from?

MR. SUELTFENFUSS: That was from the Texas Water Quality Board.

DR. CISNEROS: What did it refer to?

MR. SUELTFENFUSS: It referred to the fact - see, you've got to remember that in the case that we have before us a specific subdivision was submitted to the Water Quality Board for review. And after they looked at it because of the lot size and because of general agreement that we would tie - that they wanted to tie to a City system, that was imposed on them as a requirement for approval or condition for approval for that platt.

DR. CISNEROS: So as a condition - if that was imposed as a condition for approval then how do you say that they can still do septic tanks?

MR. SUELTFENFUSS: By replatting and going to larger lots.

DR. CISNEROS: Fine, that needs to be clarified. They'd have to go back and they'd have to change their application, Mr. Pyndus, in order for your assumption to be correct that they could, in fact, use septic tanks. Under the present permit that has been granted they cannot switch to....

MR. SUELTFENFUSS: Yes, under their present approval of their plat, they would have to vacate and replat.

MAYOR COCKRELL: All right can we - are we ready to make a decision? Yes, Mr. Pyndus?

MR. PYNDUS: Point of clarification. But they could set up their own private collection plant and discharge it over the Recharge Zone.

DR. CISNEROS: If the economics worked to....

MAYOR COCKRELL: All right, are there any other questions? All right, a motion is - have we read, we've read the caption, have we not? A motion is now in order for the Council action.

MR. STEEN: I'm going to move that we pass Item No. 39.

MAYOR COCKRELL: Is there a second to the motion?

MR. PYNDUS: I second the motion.

MAYOR COCKRELL: It has been moved and seconded that the request for the sewer service be approved.

MR. HARTMAN: Madam Mayor.

MAYOR COCKRELL: Yes, I don't know who was first. Mr. Hartman.

MR. HARTMAN: I'd like to make a substitute motion for disapproval of the item.

DR. CISNEROS: Mayor, I second the Councilman Hartman's substitute motion on the basis of at least two key criterion. One, the fact that this serious

breach of our Aquifer Protection initiatives, particularly the fact that Metcalf & Eddy study is still outstanding and that the best way to protect the Aquifer as was amply stated by Councilman Wing earlier is not to build over the Aquifer during this interim period. And not build is the route, I think, we should go during this time and second, major criterion is that as we have a Master Plan being developed, a Master Plan which continues, which stresses cutting down of unnecessary costs outside the City limits that we should not be in the business of flaunting this kind of a project.

MAYOR COCKRELL: Mrs. Dutmer.

MRS. DUTMER: I also would like to give my view points on this. I cannot vote for the original motion on two points. Number one, as I've stated before, as long as we have citizens within the City that have lived here for over twenty years, and cannot get sewage then I don't think that we should be extending sewage outside the City limits.

Secondly, I'm not satisfied as to all of the answers on our sewage problem being a part of 201 and knowing what 208 deals with. I'm not satisfied with all of the answers that were given. It's sort of the School District when you start to annex or impact an area the law states that they will take care of the school children until they're 21. And we will have to take care of the sewage of the inside of the City. The outside we are not bound, so, therefore, I cannot go along with the original motion.

MAYOR COCKRELL: All right, any other comments? Mr. Steen.

MR. STEEN: Madam Mayor, I don't want to go through all this repetition again to restate my view, I think they're well known. What I can't understand is why we have to go through a substitute motion if we're going to vote down the original motion, why don't we just vote it down rather than go through all this substitution business?

MAYOR COCKRELL: All right, I think that this has been a method the Council has chosen to employ and, yes? Dr. Cisneros.

DR. CISNEROS: Madam Mayor this is a good reason also, apart from the fact that it has simply been done. That is, that we're making a positive statement for affirmation of our intent to protect the Aquifer. And a positive statement with respect to our intent to develop a rational Master Plan for San Antonio and it's not, for those who are voting who really want to prevent the sewage extension, is not to be viewed as a negative act on their part, but as a positive affirmation, positive goal for San Antonio.

MAYOR COCKRELL: Mr. Hartman.

MR. HARTMAN: I would like to state that likewise the motion to deny I view is a positive motion that is consistent with the direction that we have set in development of policy in regard to growth management within the City, and I think to approve this would represent a significant threshold that would certainly put us into an area that I think make somewhat meaningless some of the directions we have established, not only this Council, but the previous Council in terms of growth management. I think that coupled with the uncertainties about certain capacities which I find a bit difficult to get precise answers on and the uncertainties as to the impact on the Aquifer, is for that reason I think a positive step needs to be taken to deny it.

MR. PYNDUS: I'd like to speak against the substitute motion, based on these reasons. We have a growth sketch that is in process of being completed and we have a Metcalf and Eddy Study that will give us alot of answers to the Aquifer. And these two objects are not the question today. The protection of the Aquifer to me is the first priority. There must be exceptions made, and I think that in this case to protect the Aquifer adequately that we should make the exception. I fear that this action

that we are taking will allow development in that sensitive area of which we will have no control, in an area over which we stand a greater chance of polluting the Aquifer with this action than we do if we would not extend sewer services into the area.

MAYOR COCKRELL: All right, are there any further comments?

MR. ALDERETE: I move for the question, Mayor.

MAYOR COCKRELL: All right, we have had the question called. The Clerk will call the roll. This will be on the substitute motion to deny the permit.

AYES: Hartman, Cockrell, Cisneros, Webb, Dutmer, Wing, Eureste, Ortiz, Alderete

NAYS: Steen, Pyndus

ABSENT: None

CITY CLERK: The motion carried.

MAYOR COCKRELL: The motion carried, and the request is denied. All right, at this time we have the matter of the Water Board Bonds.

MR. PYNDUS: The original motion, Mayor.

MAYOR COCKRELL: We voted in favor of the substitute motion, we do have as a technicality to approve the motion as substitute. Those in favor of the motion as substituted say Aye. Any opposed no. Two no's. Thank you.

AYES: Hartman, Cockrell, Cisneros, Webb, Dutmer, Wing, Eureste, Ortiz, Alderete

NAYS: Steen, Pyndus.

ABSENT: None.

CITIZENS TO BE HEARDMR. JOHN J. BELTRANMR. DON MARSHALL

Mr. John J. Beltran and Mr. Don Marshall, representing the Latin World Trade Center, spoke to the Council regarding the proposed use of the now vacant Stowers Building. They asked the Council to consider waiving a requirement under Sec. 15-89 (Sprinkler System) of the Fire Code. (A copy of their written presentation is on file with the papers of the meeting.)

The City Manager stated that he would set up a meeting with these two gentlemen, Fire Chief Martinez, Frank Leach, Director of the Office of Economic Development Assistance, and Mrs. Pat Osborne, Historic Planner, and will report back to Council.

MR. KARL WURZ

Mr. Karl Wurz read a prepared statement, a copy of which is on file with the papers of this meeting, against the sale of bonds. He stated that the City of San Antonio should implement the pay-as-you-go method for capital improvements and stated that this method is superior to the issuance of bonds.

MR. LAURO BUSTAMANTE

Mr. Lauro Bustamante submitted for the record letters received from the City Public Service Board, City Water Board and a report on the chilled water system at HemisFair Plaza. He again stated installing his own air conditioning system in the building which he occupies, Villa Fontana.

Mayor Cockrell stated that this matter was brought up at this morning's session and Council did approve an ordinance for the cleaning of the system within HemisFair Plaza, and at the recommendation of Councilman Eureste, the Council decided to set up a working session to cover the basis system which is now being operated by the Water Board, the contracts within HemisFair Plaza and the proposed development plan of the HemisFair area.

The City Manager stated that this working session could be scheduled as early as two weeks from this date.

MR. WAYNE POGUE

Mr. Wayne Pogue spoke in opposition to certain language used in a film now being exhibited at the Witte Museum. He read passages from the Bible against the use of blasphemy. He asked that the Council do something about this matter.

Mayor Cockrell stated that the Council will take the matter under advisement before taking final definitive action.

MR. HENRY MUNOZ

Mr. Henry Munoz, Director of Council 99, Public Employees, stated that Lo-Vaca is not sincere in their settlement proposal. He also spoke on the City Public Service's Affirmative Action Program. Mr. Munoz then spoke on the City Manager's proposed reorganization plan. He spoke against any employees being laid off particularly in the brush collection department.

Ms. Barbara Miller again spoke to the Council regarding her objection to certain sections of the Massage Parlor Ordinance. She asked the Council what the status of her request was.

Mayor Cockrell explained to Ms. Miller that the Council had advised her to submit her recommendations to the Council in writing.

A disucssion then took place between the City Attorney and the Council on the status of the pending lawsuit which Ms. Miller is involved in.

After discussion, Council concurred in placing this matter for "B" Session discussion at next week's meeting.

MRS. NANCY NEGLEY

Mrs. Nancy Negley, representing the St. Paul Square Advisory Committee, read a Resolution adopted by that Committee asking the Council's endorsement for an exit off N. IH 37 to the St. Paul Square area.

Mayor Cockrell suggested that this matter be referred to the staff's attention for their consideration and possible action.

MRS. MINNIE ALEMAN

MRS. MARGARITA ORTA

Mrs. Minnie Aleman and Mrs. Margarita Orta speaking for Edgewood Concerned Parents, spoke to the Council regarding the vacant lots in their area causing increased crime. They said that police protection needs to be tripled in this area. They also spoke of the many incidents which have occurred. They presented the Council with a list of the owners of the vacant lots and asked Council to do something to get these lots cleaned up.

They also spoke of the drainage problem at Roosevelt Elementary School and distributed pictures of same.

After much discussion, the City Manager advised the Council that he will meet with this group and personally tour the vacant lots and drainage problem at Roosevelt School on Friday.

MRS. LILLIE LANDEZ

Mrs. Landez again spoke to the Council on the request she had written to Mr. Mel Sueltenfuss, Director of Public Works regarding the construction on Burke Street.

Mr. Mel Sueltenfuss stated that the City meets monthly as part of a Utilities Liaison Committee to discuss construction projects. He then stated why there are reasons to tear up a street again even after construction is completed. Mr. Sueltenfuss also stated that he will include in the Council's packet next week a complete summary of the program which the City has which will prove very informative on this subject.

SISTER MAUREEN LARKIN

SISTER KATERI LARKIN

Sister Maureen Larkin and Sister Kateri Larkin spoke to the Council regarding a plan which has been implemented in Hartford, Conn. has reduced the sale of objectionable material.

MRS. JANIE MEDELLIN

Mrs. Janie Medellin, 109 Dunning, stated that she is again appearing to oppose the drug center which is being opened at 2500 South Presa. She spoke of the many drug centers already in the area and the many incidents which have occurred since the opening of these centers.

Mayor Cockrell asked that Mrs. Medellin contact the City Manager's staff and work with them on this matter.

MR. RAUL RODRIGUEZ

Mr. Raul Rodriguez spoke of the Fire and Police Civil Service Commission and the actions it has taken when alleged police brutality has been involved. He said that the Fire and Police Civil Service Commission is not doing an effective job.

Mr. Ortiz spoke in reference to the problems of police harrassment of citizens.

Mayor Cockrell asked for the City Attorney to make a statement on the procedures for citizens to follow when they have complaints against police officers.

City Attorney Parker then discussed the different avenues that are available to citizens. He mentioned the Police Internal Affairs Department, the U.S. Attorney, and the District Attorney's Office.

The Council then discussed the matter of police management and police policy.

MR. CARLOS MUNOZ

Mr. Carlos Munoz spoke to the Council regarding possible employment. He said he would be very glad to work in cleaning up the vacant lots that people brought to the Council's attention earlier in the meeting.

Mr. Munoz was advised that he would be contacted by a member of the staff to discuss this project with him.

MR. PETE CRAWFORD

Mr. Pete Crawford stated that he was one of the fire fighter applicants who had been accepted to begin the new class and spoke of the unfairness to him as well as the other 30 applicants when they were advised that this class would be cancelled.

City Manager Huebner stated that in going through the budget it became apparent that there would be a shortfall. He implemented a freeze on new appointments and postponed the class that was to have started July 1, in view of the financial situation.

Mr. Clyde McCollough then spoke of the many legal obstacles under the state law with keeping registers active.

After discussion, the Council asked that the City Manager for a report on the number of fire fighters, number of police officers and the areas that they cover.

In conjunction with this, Mayor Pro-Tem Cisneros asked for a briefing to the Council on the upcoming budget. 78

City Manager Huebner stated that the staff will have the budget presented to around the middle of June.

77-27 The Clerk read the following letter:

May 20, 1977

Honorable Mayor and Members of the City Council
City of San Antonio, Texas

Madam and Gentlemen:

The following petitions were received in my office and forwarded to the City Manager for investigation and report to the City Council.

May 17, 1977

Petition submitted by Mr. Forrest Dinn, Jr., requesting permission to extend the existing eight foot chain link fence with barbed wire to enclose the enlarged parking lot at the San Antonio Coca Cola Bottling Company's property.

May 19, 1977

Petition submitted by Ms. Bessie McLean, et al, opposing a bar establishment to be built at the corner of Dorris and South Zarzamora Streets.

May 20, 1977

Petition submitted by Dr. Jose San Martin, Jr., requesting the City of San Antonio designate loading zones in the 300 Block of West Houston Street.

/s/ G. V. JACKSON, JR.
City Clerk

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There being nor further business to come before the Council, the meeting was adjourned at 6:10 P.M.

A P P R O V E D

Lila Cockrell

M A Y O R

ATTEST: *G. V. Jackson, Jr.*
City Clerk

May 26, 1977
msv