

REGULAR MEETING OF THE CITY COUNCIL
OF THE CITY OF SAN ANTONIO HELD IN
THE COUNCIL CHAMBER, CITY HALL, ON
THURSDAY, JULY 19, 1979.

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The meeting was called to order at 1:00 P.M. by the presiding officer, Mayor Pro-Tem Joe Webb, with the following members present: CISNEROS, WEBB, DUTMER, WING, EURESTE, THOMPSON, ALDERETE, CANAVAN, ARCHER, STEEN; Absent: COCKRELL.

79-35 The invocation was given by the Reverend Michael L. Buford, Hot Wells Baptist Church.

79-35 Members of the City Council and the audience joined in the Pledge of Allegiance to the flag of the United States.

79-35 CORRECTION TO MINUTES

Mrs. Dutmer referred to typographical errors that appeared on pages 8, 9, and 15 of the minutes of July 12, 1979. She stated that "East" should read Ames, "sixth" should read sixed, and "ballon" should read balloon. With these corrections, the minutes of the meeting of July 12, 1979, were approved.

79-35 ALCALDE PRESENTATION TO
MRS. CARMEN WINNIER

Mayor Pro-Tem Joe Webb and Councilman Cisneros presented Mrs. Carmen Winnier with a proclamation naming her an "Honorary Mayor" of the City. Councilman Cisneros stated that Mrs. Winnier is the Sister of the Mayor of Guatemala and is in the City working out details on a training program that is being coordinated by the Institute of the Americas, and Texas A & M Skills Center.

Mrs. Winnier thanked the Council for the Proclamation and extended greetings on behalf of the Mayor of Guatemala.

79-35 ZONING HEARINGS

6. CASE 7631 - to rezone Lots 19 thru 24, Block 4, NCB 2922 in the 1500 Block of Tampico Street from "J" Commercial District to "B-1" Business District, located northwest of the intersection of Tampico Street and Sabinas Street, having 223.98' on Tampico Street and 160' on Sabinas Street; Lots 19, 20, 21, and 22, Block 6, NCB 6032, 1011 - 1013 S. Trinity Street; Lot 11, Block 8, NCB 6034 in the 500 Block of San Patricio Street; Lots 9 and 10, Block 7, NCB 6033, 602 San Patricio Street from "J" Commercial District to "B-2" Business District, Lots 19, 20, 21, and 22 are located northwest of the intersection of S. Trinity Street and San Patricio Street, having 74.5' on S. Trinity Street and 92' on San Patricio Street; Lot 11 is located southwest of the intersection of San Patricio Street and S. Trinity Street, having 32' on San Patricio Street and 74.5' on S. Trinity Street, Lots 9 and 10 are located southwest of the intersection of San Patricio Street and S. Nueces Street, having 62' on San Patricio Street and 74.5' on S. Nueces Street; NCB's A-35, 2919, 2920, 2921, 2922, save and except Lots 19 thru 24, 3757, 3758, 6113, 6114, 6115, 6117, 6029, 6030, 6031, 6032, save and except Lots 9, 10, 11, 19, 20, 21 and 22, 6033 save and except Lots 9 and 10, 6034, save and except Lot 11, 6711 and

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the remaining portions of Lots 58 through 82, NCB 6311 from "J" Commercial and "M" Second Manufacturing District, subject properties are bounded by the Apache Creek on the south, Montezuma Street on the north, S. Trinity Street on the east and S. Navidad Street on the west, save and except those properties requesting for commercial zoning.

The Zoning Commission has recommended that this request of change of zone be approved by the City Council.

No citizen appeared to speak in opposition.

After consideration, Dr. Cisneros moved that the recommendation of the Zoning Commission be approved. Mr. Steen seconded the motion. On roll call, the motion, carrying with it the passage of the following Ordinance, prevailed by the following vote: AYES: Cisneros, Webb, Dutmer, Wing, Thompson, Alderete, Canavan, Archer, Steen; NAYS: None; ABSENT: Eureste, Cockrell.

AN ORDINANCE 50988

AMENDING CHAPTER 42 OF THE CITY CODE THAT CONSTITUTES THE COMPREHENSIVE ZONING ORDINANCE OF THE CITY OF SAN ANTONIO BY CHANGING THE CLASSIFICATION AND REZONING OF CERTAIN PROPERTY DESCRIBED HEREIN AS LOTS 19 THROUGH 24, BLOCK 4, NCB 2922 IN THE 1500 BLOCK OF TAMPICO STREET FROM "J" COMMERCIAL DISTRICT TO "B-1" BUSINESS DISTRICT; LOTS 19, 20, 21, AND 22, BLOCK 6, NCB 6032, 1011 - 1013 S. TRINITY STREET, LOT 11, BLOCK 8, NCB 6034 IN THE 500 BLOCK OF SAN PATRICIO STREET, LOTS 9 AND 10, BLOCK 7, NCB 6033, 602 SAN PATRICIO STREET FROM "J" COMMERCIAL DISTRICT TO "B-2" BUSINESS DISTRICT; NCB's A-35, 2919, 2920, 2921, 2922, SAVE AND EXCEPT LOTS 19 THROUGH 24, 3757, 3758, 6113, 6114, 6115, 6117, 6029, 6030, 6031, 6032, SAVE AND EXCEPT LOTS 9, 10, 11, 19, 20, 21 AND 22, 6033, SAVE AND EXCEPT LOTS 9 AND 10, 6034, SAVE AND EXCEPT LOT 11, 6711 AND THE REMAINING PORTIONS OF LOTS 58 THROUGH 82, NCB 6311.

* * * *

7. CASE 7752 - to rezone a 0.718 acre tract of land out of Lots 1 and 2, Block 2, NCB 13802 being further described by field notes filed in the Office of the City Clerk in the 5100 Block of Crestway Drive from Temporary "R-1" Single Family Residential District to "B-3R" Restrictive Business District, located northeast of the cutback between Randolph Blvd. and Crestway Drive, having 335.44' on Randolph Blvd., 129.55' on Crestway Drive and 52.70' on the cutback between Randolph Blvd. and Crestway Drive.

The Zoning Commission has recommended that this request of change of zone be approved by the City Council.

Mr. Canavan moved to approve the rezoning provided that proper platting is accomplished. Dr. Cisneros seconded the motion.

Mr. Howard Mosher, representing the applicant, Mrs. Virginia Cervenka, stated that the owner wishes to sell the property for a "7-11" convenience store. The facility will be attractive and will improve the area. They are requesting a "B-3R" in order that they can have three gasoline pumps also erected.

Mrs. Virginia Cervenka stated that she did not understand why anyone would oppose the rezoning. She feels that the "B-3R" will enable her to sell her property with greater ease.

Mr. John Meleky, representing the City of Windcrest, read a letter from the Mayor of Windcrest opposing the rezoning to "B-3R" because of the uses allowed under this classification. He said that a compromise might be arrived at to grant a variance.

Mr. Camargo, Planning Administrator, in response to Council, stated that the zoning ordinance was amended to provide for 2 gasoline pumps in "B-2". A 3 pump station is allowed in "B-3R". He then proceeded to explain the manner in which to rezone just that tract of land where the 3 gasoline pumps would be located.

Mr. Wing then moved to approve the rezoning of "B-3R" on that portion where gasoline pumps would be placed and the remainder of the tract be rezoned "B-2". Mr. Archer seconded the motion.

Mr. Mosher said that this would be amenable to the prospective purchaser of the property. However, the owner, Mrs. Cervenka, spoke against the motion. She said that there is already property in the area zoned "B-3".

Mr. Wing then withdrew his motion and said he would be voting against the rezoning.

Mrs. Dutmer then explained to the applicant that "B-3R" would allow the 3 gasoline pumps she is requesting.

Mr. Mosher then stated that the applicant and the owner are agreeable to the "B-2" with the "B-3R" on a certain tract for the gasoline pumps.

Mr. Canavan then explained why he felt that "B-3R" was the highest and best use for the property.

Mrs. Dutmer then moved to rezone "B-3R" on the tract of land to be used for the gasoline pumps and the approach to the pumps and the remainder of the land "B-2".

A discussion then took place on the substitute motion which had been made by Mr. Wing, and it was determined that his substitute motion still stood since Mr. Archer had not withdrawn his second.

Mr. Don Rausch, attorney for Mrs. Cervenka, then spoke to the Council insisting that "B-3R" would be the zoning they required.

Mr. Wing and Mr. Archer then withdrew their substitute motion.

On roll call the main motion carrying with it the passage of the following Ordinance, prevailed by the following vote: AYES: Cisneros, Webb, Dutmer, Eureste, Thompson, Canavan, Steen; NAYS: Wing, Alderete, Archer; Absent: Cockrell.

AN ORDINANCE 50989

AMENDING CHAPTER 42 OF THE CITY CODE THAT CONSTITUTES THE COMPREHENSIVE ZONING ORDINANCE OF THE CITY OF SAN ANTONIO BY CHANGING THE CLASSIFICATION AND REZONING OF CERTAIN PROPERTY DESCRIBED HEREIN AS A 0.718 ACRE TRACT OF LAND OUT OF LOTS 1 AND 2, BLOCK 2, NCB 13802, BEING FURTHER DESCRIBED BY FIELD NOTES FILED IN THE OFFICE OF THE CITY CLERK, IN THE 5100 BLOCK OF CRESTWAY DRIVE FROM TEMPORARY "R-1" SINGLE FAMILY RESIDENTIAL DISTRICT TO "B-3R" RESTRICTIVE BUSINESS DISTRICT, PROVIDED THAT PROPER PLATTING IS ACCOMPLISHED.

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8. CASE 7735 - to rezone Lot 17, Block 11, NCB 368, 300 Cypress Street from "E" Office District to "B-2" Business District, located southwest of the intersection of W. Cypress Street and Lewis Street having 120' on Cypress Street and 167.7' on Lewis Street.

Mr. Gene Camargo, Planning Administrator, explained that the rezoning approval would require nine votes since there is 20 percent opposition to the rezoning.

Mr. Robert Ritter asked that this case be postponed due to the fact that only ten Council members were present.

Mrs. Dutmer moved to postpone the case. Mr. Steen seconded the motion.

Mr. Wing and Mr. Alderete spoke against the postponement because of the citizens already present in the audience on this case.

Mr. Ritter stated that he had wanted this case postponed not only because of the fact that only ten members were present but also due to the fact that his client, Mr. Arthur Chapa, was out of town and the fact that there is a legal dispute on the subject property.

On roll call, the motion to postpone failed by the following vote: AYES: Dutmer, Thompson, Steen; NAYS: Cisneros, Webb, Wing, Eureste, Alderete, Canavan, Archer; ABSENT: Cockrell.

Mr. Robert Ritter, representing Mr. Arthur Chapa, the president and owner of Teka Molino, stated that they are planning to erect a restaurant on the subject property. The property at the present time is tied up in litigation. If the zoning is approved then they will proceed with the purchase of the property. He stated that some of the people in opposition are not in the 200' area. Mr. Ritter said that the restaurant will be first class and enhance the neighborhood.

Mr. Canavan stated that if commercial zoning is granted, then it could set a precedent and infringe on the residential character of the neighborhood. He also spoke about the revitalization of the neighborhood.

Mr. Robert Cutting, 215 W. Poplar, stated that they are residents of the 200' area and are very much in opposition to the proposed rezoning. He stated that the zoning should not take place because the estate case has not yet been settled. He then spoke about the uses allowed in "B-2" and spoke about the need to revitalize the downtown area and needed housing.

Mr. W. B. Stutts spoke against the erection of a Mexican restaurant on the premises.

Mrs. Gwen Huebner, 316 W. Cypress, also spoke against the building of a restaurant on the subject tract.

In rebuttal, Mr. Ritter stated that restaurants must abide by the Health Department's regulations. They feel that the area warrants it, and it would be a good location for the restaurant.

After discussion, Mr. Alderete moved to deny the request for rezoning because of the infringement on the residential character of the neighborhood. Mr. Cisneros seconded the motion.

Mr. Thompson stated that he would have liked to have heard from the applicant and explained his reasons for opposing the rezoning.

On roll call, the motion to deny the request for rezoning prevailed by the following vote: Cisneros, Webb, Dutmer, Wing, Eureste, Thompson, Alderete, Canavan, Archer, Steen; NAYS: None; ABSENT: Cockrell.

CASE 7735 was denied.

9. CASE 7742 - to rezone Lots 15, 16, 17, and 21, Block 7, NCB 6795, 806 E. Myrtle from "D" Apartment District and "J" Commercial District to "I-1" Light Industry District, located southeast of the intersection of Euclid Avenue and E. Myrtle Street, having 132.45' on Euclid Avenue and 150' on E. Myrtle Street.

The Zoning Commission has recommended that this request of change of zone be approved by the City Council.

Dr. Cisneros moved to approve the request for rezoning. Mr. Thompson seconded the motion.

Mr. Horst G. Fleck, the applicant, stated that they are wanting to expand their business and are needing a change in zone. They recently purchased this property and will utilize it for their business.

Mr. Gabe Menchaca speaking on behalf of his father, spoke against the rezoning change. He feels that there will be additional traffic generated and also noise that will disturb the neighbors. He also spoke against rezoning of a certain tract of land located to the rear of the subject property.

Mr. Gene Camargo, Planning Administrator, explained that the zoning being considered at this meeting has been amended to only include Lots 15, 16, 17, and 21, Block 7. The tract that Mr. Menchaca is referring to is not considered at this time. The staff recommended denial of these lots and it was explained to the applicant that he could appeal to the Board of Adjustment for a variance to use that portion for parking.

Mrs. Dutmer spoke against the motion to rezone the property. She said that they want to keep this area as non-commercial because of their plans with the River Corridor Advisory Committee.

Mr. Camargo explained what had been considered by the Zoning Commission at its meeting. A discussion then took place on the vehicular traffic on that tract which was not up for consideration at this meeting.

In response to Mr. Thompson, Mr. Fleck stated that he had withdrawn his request of that particular section of property because of the objections of the Zoning Commission.

In response to Dr. Cisneros, he explained the plans that they have for that particular tract of land if they get the variance from the Board of Adjustment.

Dr. Cisneros explained to Mr. Menchaca the procedure to follow if they are against the use of the tract of land for parking. He asked Mr. Camargo to send Mr. Menchaca a notification of any meeting with the Board of Adjustment on this case.

In response to Mrs. Dutmer, Mr. Camargo explained the uses permitted in this category and the fact that the zoning stays with the land.

After discussion, and on roll call, the motion, carrying with it the passage of the following Ordinance, prevailed by the following vote: AYES: Cisneros, Webb, Wing, Thompson, Canavan, Steen; NAYS: Dutmer, Eureste, Alderete, Archer; ABSENT: Cockrell.

AN ORDINANCE 50990

AMENDING CHAPTER 42 OF THE CITY CODE THAT CONSTITUTES THE COMPREHENSIVE ZONING ORDINANCE OF THE CITY OF SAN ANTONIO BY CHANGING THE CLASSIFICATION AND REZONING OF CERTAIN PROPERTY DESCRIBED HEREIN AS LOTS 15, 16, 17, and 21, BLOCK 7, NCB 6795, 806 E. MYRTLE FROM "D" APARTMENT DISTRICT AND "J" COMMERCIAL DISTRICT TO "I-1" LIGHT INDUSTRY DISTRICT.

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10. CASE 7748 - to rezone the north 50' of Lot 220, Block 17, NCB 11116, 700 Block of Gillette Blvd., from "B" Two Family Residential District to "B-1" Business District, located southeast of the intersection of Gillette Blvd., and the Missouri Pacific Railroad R.O.W. having 417.9' on Gillette Blvd. and 50' on the Missouri Pacific Railroad R.O.W.; to rezone Lot 220, save and except the north 50', Block 17, NCB 11116, 700 Block of Gillette Blvd., from "B" Two Family Residential District to "B-3R" Restrictive Business District, located 50' southeast of the intersection of Gillette Blvd., and Missouri Pacific Railroad R.O.W. having 384.7' on Missouri Pacific Railroad R.O.W. and a depth of 400'.

The Zoning Commission has recommended that this request of change of zone be approved by the City Council.

No citizen appeared to speak in opposition.

After consideration, Dr. Cisneros moved that the recommendation of the Zoning Commission be approved. Mr. Wing seconded the motion. On roll call, the motion, carrying with it the passage of the following Ordinance, prevailed by the following vote: AYES: Cisneros, Webb, Dutmer, Wing, Eureste, Thompson, Alderete, Archer, Steen; NAYS: Canavan; ABSENT: Cockrell.

AN ORDINANCE 50991

AMENDING CHAPTER 42 OF THE CITY CODE THAT CONSTITUTES THE COMPREHENSIVE ZONING ORDINANCE OF THE CITY OF SAN ANTONIO BY CHANGING THE CLASSIFICATION AND REZONING OF CERTAIN PROPERTY DESCRIBED HEREIN AS THE NORTH 50' OF LOT 220, BLOCK 17, NCB 11116, 700 BLOCK OF GILLETTE BLVD., FROM "B" TWO FAMILY RESIDENTIAL DISTRICT TO "B-1" BUSINESS DISTRICT; LOT 220, SAVE AND EXCEPT THE NORTH 50', BLOCK 17, NCB 11116, 700 BLOCK OF GILLETTE BLVD., FROM "B" TWO FAMILY RESIDENTIAL DISTRICT TO "B-3R" RESTRICTIVE BUSINESS DISTRICT.

* * * *

11. CASE 7750 - to rezone Lots 1, 2, and 3, Block 20, NCB 7789, in the 800 Block of Pleasanton Road, from "D" Apartment District, "J" Commercial District, and "I-1" Light Industry District to "R-3" Multiple Family Residential District, located on the east side of Pleasanton Road, being 183' south of the intersection of Pleasanton Road and Beatrice Avenue, having 281.4' on Pleasanton Road and a depth of 599'.

The Zoning Commission has recommended that this request of change of zone be approved by the City Council.

No citizen appeared to speak in opposition.

After consideration, Mr. Wing moved that the recommendation of the Zoning Commission be approved provided that proper platting is accomplished and that a six foot solid screen fence is erected and maintained along the north property line. Dr. Cisneros seconded the motion. On roll call, the motion, carrying with it the passage of the following Ordinance, prevailed by the following vote: AYES: Cisneros, Webb, Dutmer, Wing, Eureste, Thompson, Alderete, Canavan, Archer, Steen; NAYS: None; ABSENT: Cockrell.

AN ORDINANCE 50992

AMENDING CHAPTER 42 OF THE CITY CODE THAT CONSTITUTES THE COMPREHENSIVE ZONING ORDINANCE OF THE CITY OF SAN ANTONIO BY CHANGING THE CLASSIFICATION AND REZONING OF CERTAIN PROPERTY DESCRIBED HEREIN AS Lots 1, 2, and 3, Block 20, NCB 7789, IN THE 800 BLOCK OF PLEASANTON ROAD, FROM "D" APARTMENT DISTRICT, "J" COMMERCIAL DISTRICT, AND "I-1" LIGHT INDUSTRY DISTRICT TO "R-3" MULTIPLE FAMILY RESIDENTIAL DISTRICT, PROVIDED THAT PROPER PLATTING IS ACCOMPLISHED AND THAT A SIX FOOT SOLID SCREEN FENCE IS ERECTED AND MAINTAINED ALONG THE NORTH PROPERTY LINE.

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12. CASE 7756 - to rezone the north 105' of Lot 1, Block 2, NCB 8331, 2146 - 2152 Cincinnati Avenue, from "F" Local Retail District to "B-3R" Restrictive Business District, located southeast of the intersection of Cincinnati Avenue and Epworth Street, having 75.11' on Cincinnati Avenue and 105' on Epworth Street.

The Zoning Commission has recommended that this request of change of zone be approved by the City Council.

No citizen appeared to speak in opposition.

After consideration, Mr. Canavan moved that the recommendation of the Zoning Commission be approved provided that street dedication as per the Traffic Department recommendation is accomplished. Mr. Wing seconded the motion. On roll call, the motion, carrying with it the passage of the following Ordinance, prevailed by the following vote: AYES: Cisneros, Webb, Wing, Eureste, Thompson, Alderete, Canavan, Archer, Steen; NAYS: Dutmer; ABSENT: Cockrell.

AN ORDINANCE 50993

AMENDING CHAPTER 42 OF THE CITY CODE THAT CONSTITUTES THE COMPREHENSIVE ZONING ORDINANCE OF THE CITY OF SAN ANTONIO BY CHANGING THE CLASSIFICATION AND REZONING OF CERTAIN PROPERTY DESCRIBED HEREIN AS THE NORTH 105' OF LOT 1, BLOCK 2, NCB 8331, 2146 - 2152 CINCINNATI AVENUE FROM "F" LOCAL RETAIL DISTRICT TO "B-3R" RESTRICTIVE BUSINESS DISTRICT, PROVIDED THAT STREET DEDICATION AS PER THE TRAFFIC DEPARTMENT RECOMMENDATION IS ACCOMPLISHED.

* * * *

13. CASE 7692 - to rezone Lots 24 through 27, Block 11, NCB 3112, 1002 - 1004 W. Hildebrand Avenue, from "F" Local Retail District to "B-3R" Restrictive Business District, located southwest of the intersection of Hildebrand Avenue and Grant Avenue, having 145' on Grant Avenue and 100' on Hildebrand Avenue.

The Zoning Commission has recommended that this request of change of zone be approved by the City Council.

No citizen appeared to speak in opposition.

After consideration, Mr. Steen moved that the recommendation of the Zoning Commission be approved provided that a six foot solid screen fence is erected and maintained along the south property line and that street dedication is given in accordance with the Major Thoroughfare Plan and the Traffic Department. Dr. Cisneros seconded the motion. On roll call, the motion, carrying with it the passage of the following Ordinance, prevailed by the following vote: AYES: Cisneros, Webb, Dutmer, Wing, Eureste, Thompson, Alderete, Canavan, Archer, Steen; NAYS: None; ABSENT: Cockrell.

AN ORDINANCE 50994

AMENDING CHAPTER 42 OF THE CITY CODE THAT CONSTITUTES THE COMPREHENSIVE ZONING ORDINANCE OF THE CITY OF SAN ANTONIO BY CHANGING THE CLASSIFICATION AND REZONING OF CERTAIN PROPERTY DESCRIBED HEREIN AS LOTS 24 THROUGH 27, BLOCK 11, NCB 3112, 1002 - 1004 W. HILDEBRAND AVENUE, FROM "F" LOCAL RETAIL DISTRICT TO "B-3R" RESTRICTIVE BUSINESS DISTRICT, PROVIDED THAT A SIX FOOT SOLID SCREEN FENCE IS ERECTED AND MAINTAINED ALONG THE SOUTH PROPERTY LINE AND THAT STREET DEDICATION IS GIVEN IN ACCORDANCE WITH THE MAJOR THOROUGHFARE PLAN AND THE TRAFFIC DEPARTMENT.

* * * *

14. CASE 7755 - to rezone a 27.281 acre tract of land out of Block D, NCB 14656, being further described by field notes filed in the Office of the City Clerk, from "R-3" Multiple Family Residential District to "R-1" Single Family Residential District, located 135' north of the intersection of Wellesley Manor Drive and Welles Dale Drive also having approximately 400' southeast of Holly Hock Road, having a length of 2485' and a maximum width of 1050'.

The Zoning Commission has recommended that this request of change of zone be approved by the City Council.

No citizen appeared to speak in opposition.

After consideration, Mr. Canavan moved that the recommendation of the Zoning Commission be approved. Dr. Cisneros seconded the motion. On roll call, the motion, carrying with it the passage of the following Ordinance, prevailed by the following vote: AYES: Cisneros, Webb, Dutmer, Wing, Eureste, Thompson, Alderete, Canavan, Archer, Steen; NAYS: None; ABSENT: Cockrell.

AN ORDINANCE 50995

AMENDING CHAPTER 42 OF THE CITY CODE THAT CONSTITUTES THE COMPREHENSIVE ZONING ORDINANCE OF THE CITY OF SAN ANTONIO BY CHANGING THE CLASSIFICATION AND REZONING OF CERTAIN PROPERTY DESCRIBED HEREIN AS A 27.281 ACRE TRACT OF LAND OUT OF BLOCK D, NCB 14656, BEING FURTHER DESCRIBED BY FIELD NOTES FILED IN THE OFFICE OF THE CITY CLERK, FROM "R-3" MULTIPLE FAMILY RESIDENTIAL DISTRICT TO "R-1" SINGLE FAMILY RESIDENTIAL DISTRICT.

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15. CASE 7745 - to rezone Tract K, Block 63, NCB 11147, 700 Block of Moursund Blvd., from "B" Two Family Residential District to "B-2" Business District, located on the east side of Moursund Blvd., being 93' north of the intersection of Chavaneaux Road and Moursund Blvd., having 124.54' on Moursund Blvd., and a depth of 347.4'.

Dr. Cisneros moved to approve the request for rezoning provided that proper platting is accomplished. Mr. Wing seconded the motion.

Mr. George Williams, 4126 Barrington, speaking on behalf of the prospective purchasers of the property spoke on behalf of the rezoning. They feel that the proposed use of the property for a convenience store and car wash would be the best and highest use of the property.

Mr. Walter Koenig stated that he is opposed to the rezoning change and feels that it would be detrimental to his mother's home.

Mr. Wing stated that he is very familiar with the area and there is a lot of vacant land in the vicinity that is used as a dumping ground. He feels that if this property is occupied it would not be used as such.

Mrs. J. J. Koenig stated that there is so much trash dumped on their property. She then stated that they did not really object to the proposed use.

Mr. Williams again spoke to the Council urging them to approve the rezoning.

Mr. Wing stated that Moursund Road has just been widened and improved and the sooner this area is developed, the sooner the problem with the trash will be addressed.

On roll call, the motion, carrying with it the passage of the following Ordinance, prevailed by the following vote: AYES: Cisneros, Webb, Dutmer, Wing, Eureste, Thompson, Alderete, Canavan, Archer, Steen; NAYS: None; ABSENT: Cockrell.

AN ORDINANCE 50996

AMENDING CHAPTER 42 OF THE CITY CODE THAT CONSTITUTES THE COMPREHENSIVE ZONING ORDINANCE OF THE CITY OF SAN ANTONIO BY CHANGING THE CLASSIFICATION AND REZONING OF CERTAIN PROPERTY DESCRIBED HEREIN AS TRACT K, BLOCK 63, NCB 11147, 700 BLOCK OF MOURSUND BLVD., FROM "B" TWO FAMILY RESIDENTIAL DISTRICT TO "B-2" BUSINESS DISTRICT, PROVIDED THAT PROPER PLATTING IS ACCOMPLISHED.

* * * *

79-35 The Clerk read the following Ordinance:

AN ORDINANCE 50997

AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH JAMES MADISON HUNNICUTT & ASSOCIATES TO PROVIDE PARKING AND TRAFFIC CONSULTANT SERVICES FOR THE INTERNATIONAL AIRPORT TERMINAL DEVELOPMENT PROGRAM; ADOPTING A BUDGET; AND AUTHORIZING TEMPORARY LOANS TO THE PROJECT FROM THE INTERNATIONAL AIRPORT REVENUE FUND.

* * * *

Dr. Cisneros moved to approve the rezoning. Mr. Wing seconded the motion.

In response to Mr. Archer's questions, Mr. Tom Raffety, Director of Aviation, explained the scope of services that will be performed by the consultant in this case. He will also prepare a financial feasibility analysis for the airport.

Mr. Archer spoke against many of the studies done by consultants for the City. He asked if the Traffic Department could accomplish this same type of study.

Mr. Raffety explained that if the Traffic & Transportation Department would be assigned this task they would have to take on an additional workload and more personnel would probably have to be added. He then suggested that Mr. Stewart Fischer speak to this matter.

Mr. Stewart Fischer, Director of Traffic & Transportation stated that they are not recognized by Standard & Poors, and Moody's bond agencies as is the consultant that will do the necessary work in connection with the airport revenue bond sale. He then explained that the consultants are experts in this field and explained what type of work his department is involved in at the present time.

Mr. Thompson spoke on behalf of the motion and said that implementation of the recommendations from this study are needed at the Airport. He also stated that this will be a long term study.

On roll call, the motion, carrying with it the passage of the Ordinance, prevailed by the following vote: AYES: Cisneros, Webb, Dutmer, Wing, Eureste, Thompson, Alderete, Canavan, Steen; NAYS: Archer; ABSENT: Cockrell.

79-35

MR. TOM RAFFETY

Councilman Frank Wing greeted Mr. Tom Raffety, Director of Aviation, who had been out recovering from an operation.

79-35

3:00 P.M. PUBLIC HEARING - CITIZENS PARTICIPATION PLAN

Mayor Pro-Tem Webb explained that a public hearing had been called for in accordance with the guidelines of the Community Development Block Grant Program. He then declared open the public hearing.

No citizens appeared to speak on this matter.

Mayor Pro-Tem Webb declared closed the public hearing.

The Clerk read the following Ordinance:

AN ORDINANCE 50998

AMENDING THE CITY'S CITIZEN PARTICIPATION PLAN
PREVIOUSLY APPROVED BY ORDINANCE NO. 49641.

* * * *

Mr. Steen moved to approve the Ordinance. Dr. Cisneros seconded the motion. On roll call, the motion, carrying with it the passage of the Ordinance, prevailed by the following vote: AYES: Cisneros, Webb, Dutmer, Eureste, Thompson, Alderete, Canavan, Archer, Steen; NAYS: Wing; ABSENT: Cockrell.

PUBLIC HEARING
REGARDING ALLEGED CHARTER VIOLATION

MAYOR PRO-TEM JOE WEBB: As you know the Mayor is out of the City at the present time, and she left a statement that I'd like to read to the Council at the present time. Would you please pass these copies of the Mayor's statement. This is concerning City Councilman Bernardo Eureste and City Manager Tom Huebner. Mr. Eureste is wishing a public hearing at this time on the allegations by the Manager.

A statement by the Mayor, July 18, 1979.

"City Councilman Bernardo Eureste, City Manager Tom Huebner and I met last night and jointly issue the following statement:

1. We agree that the City Charter specifically forbids a City Council Member from interfering with the hiring or firing of city employees.

2. We agree that comments made by Councilman Bernardo Eureste were perceived by staff member Karen Davis and City Manager Tom Huebner to be an attempt to influence the hiring of four individuals.

3. We agree that Councilman Bernardo Eureste has affirmed that it was not his intent or desire to interfere with the City Manager's responsibilities.

4. Based on the above statement, the City Manager withdraws his memorandum on the subject and Councilman Eureste withdraws his request for a hearing."

Since that time, Councilman Bernardo Eureste still wishes to have a public hearing. At the absence of the Mayor, we shall hold that public hearing in the interest of Councilman Eureste. The ground rules that will be used today, and I'd like to pass these out, it should be one hour in duration. Only the parties involved in City Council may call witnesses to participate in the hearing. Only City Council parties involved may ask questions of the witnesses. Each party may make a statement uninterrupted. All parties will refrain from personalities. The hearing shall be conducted as a legislative hearing, with the Mayor Pro-Tem serving as the chairman.

I already have talked with the City Manager Tom Huebner, and he indicates that he has no one speaking in his behalf except himself. I have also talked with Mr. Bernardo Eureste and he has indicated that he has one witness in his behalf, Mr. Remigio Valdez. In the interest of the matter being aired, we shall also say that only the allegations at this time shall be brought into this hearing. Any other allegations other than those pertaining to the one that's subject shall not be heard at this time. Mr. Wing.

MR. FRANK WING: I will wait until the folks have finished their statements.

MAYOR PRO-TEM WEBB: Okay, Mrs. Dutmer.

MRS. HELEN DUTMER: Yes, Mr. Mayor, I would like a legal opinion as to the proper procedures on this hearing. Whether the hearing being held is proper or not. And that is, in view of your just reading the Mayor's statement, the signatures acquired by Councilman Eureste requesting a hearing, I was one of the signers, and I question now whether those signatures are still valid in light of the fact that the matter was aired in the Mayor's office and the Manager agreed to withdraw his allegations.

Mr. Eureste agreed to drop his hearing cause. I have not heard of either of them being reinstated. Is it proper for the old signatures allowing the hearing to remain valid?

MAYOR PRO-TEM WEBB: Mrs. Macon, would you please?

MRS. JANE MACON: The memorandum that we have received from Mr. Eureste does not indicate any change as to that memorandum itself. If there are members here who wish to withdraw their names at this time, then that can be so done because of the issues and questions raised by Mrs. Dutmer. As it stands now, we only have the memorandum and the signatures. We also have the statement by Mayor Cockrell, but no indication from Mr. Eureste that this memorandum has been rescinded. That does not mean, however, that this Council cannot remove names from that memorandum if there are such members who wish now to change their positions on that memorandum.

MRS. DUTMER: Your answer is a separate point, Madam Attorney. Apparently, the agreement was made, the three-way agreement was made in the Mayor's office or else she would not have issued such a public statement. And with that statement, I think that it indicates that the point is moot. That both of them have withdrawn. Now, if it's your ruling other than that, then we'll just go ahead.

MRS. MACON: It is up to this Council whether they have a public hearing or not and this Council can terminate that hearing as posted or post another hearing as they see fit.

MRS. DUTMER: I'm sorry, Madam Attorney, but that still is not the answer to my question. Do the signatures remain valid in light of the fact that it was made public that both of the people involved in this hearing agreed to a point of withdrawal and I have not heard another reinstatement of their wishes.

MRS. MACON: The memorandum of July 17 has seven signatures in addition to Mr. Eureste, and that memorandum, we have no additional information that has rescinded that memorandum. There is a statement by Mayor Cockrell in which the City Manager and Bernardo Eureste and the Mayor have indicated that the request for the hearing has been withdrawn. But that is the extent of what we have, and we have no additional signatures. If the Council at this time feels that those signatures are no longer valid, then it's at this time that that indication should be made.

MRS. DUTMER: The fact that the Manager and Councilman Eureste both appeared publicly on public television and affirmed the Mayor's memorandum has no legal standing?

MRS. MACON: It has legal standing, Mrs. Dutmer, but the memorandum still has the same number of signatures and what I'm saying is the memorandum can certainly be withdrawn and those signatures can be withdrawn. All that has happened at this point is a posting pursuant to that memorandum.

MAYOR PRO-TEM WEBB: Mr. Eureste.

MR. BERNARDO EURESTE: The accused wants a hearing. Now, I would like you to honor that request. I am defending my integrity. I am defending my future, really. The allegations have been made against me. I did make phone calls last night. With the exception of Councilman Wing, I talked to the other parties involved and I told them that I was going to go ahead with the hearing for certain reasons that I will mention in a little while and they gave me their continued, at least, support with their signature. If they wish to withdraw at this time, I have no problem. I do want a public hearing.

MAYOR PRO-TEM WEBB: Mr. Thompson.

MR. BOB THOMPSON: Thank you, Mayor Pro-Tem. I will make the statement short. I will withdraw my signature from that memo. I am not in favor of a public hearing at this time. I think the matter has been addressed. It was an agreement. There was a public acknowledgment of the agreement. I think the issue is now moot. And because of that conviction, I withdraw my support for any public hearing at this time. I don't think it's necessary nor warranted.

MAYOR PRO-TEM WEBB: Councilwoman Dutmer.

MRS. DUTMER: Yes, I want to express to Mr. Eureste that this is not the reason I asked the question. I like to always be sure of my legal grounds before I go into anything as serious as what we're undertaking now.

MAYOR PRO-TEM WEBB: Okay, well then the board was lit up for a moment now. I guess it must be my turn since there's no one on the board. According to what I've learned from the legal advice just a few minutes ago, if we do not have proper signatures to hold a public hearing, then I think that we will not have a hearing if that is the case. There are still six signed to have the hearing. Would you please - do you have a record of those six. Would you read them, please? Mrs. Macon are there still six signatures for the hearing?

MRS. MACON: Yes, there are.

MAYOR PRO-TEM WEBB: All right. That will be fine. Okay, then we shall proceed. The allegations were brought by the City Manager, and we shall hear from the City Manager.

CITY MANAGER TOM HUEBNER: This latest incident, in order to be viewed in its proper context, must be viewed in reference to two similar incidents which have happened in the past. The first incident..

MR. EURESTE: Point of order, sir.

MAYOR PRO-TEM WEBB: State your point.

MR. VAN ARCHER: I'd like a point of order, too.

MR. EURESTE: The allegations that we're dealing with here today are what is on the floor for discussion. At least, that's what I understood.

MAYOR PRO-TEM WEBB: That's correct. Your point.

MR. ARCHER: I've got a point of order, too. We've got some ground rules and I think we ought to stick by them. I'm talking about Rule No. 4 which I didn't make it out, but I just looked at it. It says that each party will make a statement uninterrupted.

MAYOR PRO-TEM WEBB: The parliamentary procedure is such that any time you have a point of order just as you did, just then, see I -

MR. ARCHER: When it is only used to just interrupt somebody's train of thought I think that we ought to show both people fairness in letting them say what they want to say.

MAYOR PRO-TEM WEBB: The Chair overrules you, Mr. Archer. We pointed out the ground rules at the beginning. We're going to be on the allegations that were pursuant to the allegations made by, the other day, by Mr. Huebner and anything preceding that wouldn't be valid.

MR. EURESTE: Point of personal privilege, Mr. Webb. One more point, and I promise not to bother you again.

MAYOR PRO-TEM WEBB: Mr. Wing? You're off. Mr. Eureste, if you have a point of -

MR. EURESTE: Personal privilege that I do have two individuals here who are monitoring the hearing. Both of them are attorneys. One is Mr. Guillermo Flores and the other one is Clyde Morrow. I just wanted the record to reflect that.

MAYOR PRO-TEM WEBB: You may proceed, Mr. Huebner.

MR. JOHN STEEN: Mr. Mayor Pro-Tem.

MAYOR PRO-TEM WEBB: Unless you have a point of order or....

MR. STEEN: It is a point of personal privilege. I'd like to hear from Mrs. Macon about the ruling that you just made. I'm not sure whether you made the correct ruling or not.

MAYOR PRO-TEM WEBB: All right, Mrs. Macon.

MRS. MACON: Uninterrupted generally means that you do not interrupt one to ask questions or to cross examine. Now, we have not addressed the point of order. Generally speaking, point of order takes precedence.

MAYOR PRO-TEM WEBB: Thank you. You may proceed Manager Huebner.

CITY MANAGER HUEBNER: What I was about to speak is not an allegation. It is an acknowledged fact. It's been in the newspapers. There were quoted statements that were never challenged by this Council regarding these incidents and one cannot accurately evaluate my actions in this latest incident without putting them in the context of what has happened before. These are not allegations. These are facts. Now, if you deny me the right to do that then I can't present my case fairly.

MAYOR PRO-TEM WEBB: Proceed, Mr. Huebner.

CITY MANAGER HUEBNER: In the summer of 1977 I had the opportunity to make an appointment of the City Attorney. It is well known that during that appointment process Councilman Bernardo Eureste attempted to influence me in the appointment. He did not want Jane Macon appointed as City Attorney. He wanted some other person whom I don't know. He made statements to the effect that he would fire me if he could get the other votes. Now, that clearly is an instance where he was violating the Charter. The Charter clearly prohibits him from influencing me in any appointment, but he did so openly.

In the summer of 1978 during the garbage workers' strike Councilman Eureste, accompanied by Rudy Ortiz and Councilman Henry Cisneros came to my office after the workers were fired and, in the case of Henry Cisneros, he did not threaten to fire me, he simply pleaded a case for the fired workers and their families and asked me to give full consideration to the rehiring of these workers. In the case of Rudy Ortiz, he simply said that he would get me sooner or later on the Council or off. Councilman Eureste said someday he would find five votes to get me dismissed if I did not rehire the workers. Clearly, this is a case where the Councilman again violated the Charter in attempting to influence me in the rehiring of workers.

Now, for the third time in the summer of 1979, the same Council member has attempted to cause four fired BBDC employees to be hired by the City. This is not an inquiry which is permitted under the Charter. He made the statement to Karen Davis that we need to make a special effort to hire these employees. One can only view the "special effort" as something other than the normal personnel practices of the City. In this instance, it wasn't public as it was in the garbage worker's strike and in the case of City Attorney Jane Macon. This action was taken in the privacy of a staff member's office. Under the past practices of this Council member, I cannot interpret "special effort" to mean anything other than an attempt to influence the appointment of these people as rapidly as possible.

Karen Davis reported this incident to me on Friday morning. It happened on the previous Thursday evening. I asked her if she was sure whether or not Councilman Eureste was attempting to influence her. And she unequivocally said yes. I thought about this incident for a whole weekend. There are no rules established for a City Manager to deal with this kind of conduct. So, I could only let my own conscience be my guide.

After talking with Karen again on Monday morning, I concluded that I needed to take an action which would focus attention on the conduct of this particular Council member. I did so by sending a memorandum to all Council members, to all department heads to remind them of what the rules were and to the media because they were going to get it anyhow. The most important thing in my objective in doing so was to focus attention on a Charter violation by a Council member. I have no apologies for exposing this conduct by a person who has a past track record of violating the charter in terms of interfering with appointments or removals.

While I did agree to the statement that the Mayor released on Wednesday morning, it did not sit well with my conscience. Agreeing to that statement was an error on my part. It gives too much benefit of the doubt to the Council member who violates the Charter. The plain and simple truth is the Councilman got caught violating the Charter and his only defense is to say "I didn't mean it." In the light of his past experiences there is not one centilla of evidence to support such a statement. Keeping political favoritism out of the City personnel system is of primary importance. It is the very cornerstone of good government and of the Council-Manager system. I am prepared to defend my rights to make unfettered appointments regardless of what risks I must have to take. Thank you.

MAYOR PRO-TEM WEBB: All right, that concludes the statement of Mr. Huebner. And he has already indicated that that would be the only statement coming from his side and now then we shall have a statement by Councilman Eureste in whatever order that he perceives. He has one other witness also in whichever order that you - would you have yours first or Mr. Valdez first?

MR. EURESTE: I need to ask some questions.

MAYOR PRO-TEM WEBB: You may.

MR. EURESTE: I'd like to ask one question. On the first noted allegation or what you call fact, where I interfered on the Jane Macon appointment. Was I the only Council member that was involved in that controversy?

CITY MANAGER HUEBNER: No.

MR. EURESTE: Would you identify the other Council members?

CITY MANAGER HUEBNER: I'm not sure who all was involved. I do know that Rudy Ortiz and, at that time, Councilman Henry Cisneros were involved in it. The roles of the other individuals, I do not know.

MR. EURESTE: Were there allegations that perhaps the Mayor might have attempted to influence you at the same time?

CITY MANAGER HUEBNER: The Mayor hadn't.

MR. EURESTE: I'm asking were there - those allegations made at that time?

CITY MANAGER HUEBNER: I think there were by some party.

MR. EURESTE: So there were allegations that I attempted to influence you. Also other Council members attempted to influence you. There's also allegations that the Mayor also attempted to influence you. Is that correct?

CITY MANAGER HUEBNER: Those allegations were made.

MR. EURESTE: Never tried in a court of law, never proven up or down, correct?

CITY MANAGER HUEBNER: That's right.

MR. EURESTE: On the garbage strike, you indicate that I met in private with your vis-a-vis the garbage strike and the garbage workers. That it was me, Councilman Ortiz and Councilman Cisneros, and Councilman Cisneros was pleading basically out of humanitarian position, perhaps, and that Councilman Ortiz said that he would find the votes to fire you or get you outside and that I said that I was going to find the votes to fire you. Is that what you just said? Did any other members of the City Council talk to you in private vis-a-vis the garbage strike?

CITY MANAGER HUEBNER: I think practically all of them did.

MR. EURESTE: Okay, sir. Am I privy to what went on in those conversations?

CITY MANAGER HUEBNER: No, but I can assure you none of them threatened to fire me.

MR. EURESTE: Were any of them involved in reinstating some of the fired garbage workers?

CITY MANAGER HUEBNER: Not to my knowledge. That was done by a panel.

MR. EURESTE: Were any of them processed through any Council member?

CITY MANAGER HUEBNER: Not that I know of.

MR. EURESTE: Well, I am at the second floor, and I tend to know what goes on at the second floor. On point No. 3, were you in the meeting that occurred in Karen Davis' office on Thursday of last week?

CITY MANAGER HUEBNER: No. I was not.

MR. EURESTE: Do you know first hand what went on in that room?

CITY MANAGER HUEBNER: No, I know it from her.

MR. EURESTE: Is there any recording instruments in that room?

CITY MANAGER HUEBNER: No.

MR. EURESTE: So there's no way that you can (inaudible) other than those people that were there that can testify to what happened that we can factually say what happened in that room. No one can factually conclude what happened in that room.

CITY MANAGER HUEBNER: Karen is an honest professional with a sense of ethics, and she reported it to me and I'm sure she did so accurately.

MR. EURESTE: Are you saying that the other three individuals are less capable of telling the truth?

CITY MANAGER HUEBNER: I said nothing about them.

MR. EURESTE: Well, I'm just wondering - those are questions that I have. I think they're important questions because the Jane Macon affair, the garbage strike, and what we have today are not incidents that I started. We were drawn into those incidents. I was a member of that controversy involving Jane Macon. I was one council member, not the council member, but one of them. There were allegations thrown all over the place.

I was also involved in the garbage strike business. I was one council member, there were others. Now, I would assume that if this is my track record then this is the track record for the other council members involved. That is the end of whatever questions I have.

I would simply like to state for the record that the meeting that the alleged incident occurred was on Thursday of last week at or about eight o'clock, I think or perhaps a little after eight o'clock at night - might've been a little later than that. We had just come out of an executive session on the BBDC investigation, had gone into "B" session and I went outside to go to the restroom. As I was moving out towards the hallway of the "B" room I was signaled by Mr. Remigio Valdez. He made a hand motion to come over and I moved over towards him and I asked him what he wanted and he said, "we're going to be talking to Karen Davis and I'd like you to come into that room with us," and I said that as soon as I get out of the restroom I'll join you. When I finished my business, I went on to Karen Davis' room. There was a meeting already in progress, some discussion already in progress. The subject of the discussion had to do with TEC, the Texas Employment Commission. It also had to do with the creditors that were on the backs of these four individuals. In that meeting was Mr. Roy Salazar and Mr. Remigio Valdez. Mr. Roy Salazar was a person who was fired by BBDC, one of the four. There are three others that were not in that meeting.

I had joined that meeting coming out of a session in executive session of the City Council in which the BBDC matter was discussed, Karen Davis being the prime investigator perhaps of that particular incident. She reported out her findings. The Council was not totally satisfied and basically asked her to go back and redo the business. As has happened in other meetings of the Council in executive session with regards to the BBDC matter and the firing of these four individuals questions as to the hiring of these four individuals have been brought up. Can the City hire them? Is there any special process that the City can provide for these four individual? Those are questions that have been addressed and the basis for this type of questioning or inquiry in executive session with regards to the four individuals is that there is in the memory of some of us council members a special process that was used for the EODC employees not that we wanted the same quid pro quo process but that the Council had somehow or another directed the managers to engage in a special process.

I understand from the Civil Service rules of the City, personnel rules of the City, the Charter itself that positions of the City are competitive. EODC employees that were working in the central office were brought on board without having to go through the competitive process, they

were brought on board at the direction of the City Council that they gave to the manager. A sheer violation of the Charter because no council member is supposed to give direction as to who is hired and who is not hired. Even extra direction was given as to who would not be brought on board. Top administrative people of EODC were not to be brought on board. That was the direction that was given to the manager.

Now that is blatant direction, that is blatant violation of the Charter if we are to talk about this very important document that all of us are trying to live up to but somehow or another we had a special process - that process had been addressed in executive session with regards to the four BBDC employees. We would get responses from staff as far as the four BBDC employees such as - we understand what you want, we understand what you need. My understanding from that that they would be given a chance. I don't know if they would be given an extra chance to compete or what. I don't know what was meant by that. Prior to - well continuing on then, at the meeting in Karen Davis' office the specifics on TEC had to do with the four individuals had filed claims to the Texas Employment Commission because they were no longer employed. They were concerned about getting their benefits. They understood from TEC there would be a holdup because of the investigation that the City was conducting. The point that we wanted to address in that meeting with Karen Davis was our understanding was that the investigation on the BBDC employees that were fired, the four individuals was not going to affect whether or not they would be turned back to BBDC, that the City had determined basically that we could not reinstate those individuals with the BBDC Corporation. Therefore, that Karen should be ready to respond perhaps on an inquiry that is made by TEC as to the effect of the investigation on the claims that these individuals are making from TEC and that the investigation would have no effect on whether or not those people should be processed through TEC for their claims leaving them the matter entirely in the hands of the Texas Employment Commission, the four grieved individuals and the BBDC Corporation. That is if TEC rejected the claims that the four individuals could appeal to TEC without having to worry about whether or not the City's investigation was going to have a bearing on those claims and that the parties that would be brought into the matter would be TEC, the four individuals and BBDC. If, however, TEC agreed to the claims then they would be put on the unemployment compensation immediately.

The other point that was addressed had to do with creditors of the four individuals. This was just a general discussion and what we were asking was whether or not Karen Davis could verify that there was an investigation pending on BBDC that an outcome, a final outcome of the matter would be known - within a few weeks possibly up to 30 days and that was it. In other words, the City was to verify to the creditors that there was an investigation pending that had not been closed.

The other point had to do with these four individuals being employed by the City. The question was asked by Mr. Valdez was - what do they do for employment? Miss Karen Davis said to go to the Personnel Office. Given all of the background of EODC I asked "Is there any special process that can be worked out for these four individuals? She said, "Not that I know of. They would have to go to the Personnel Office of the City and complete like anybody else." Which is fine with me. I understand that that is the process. But knowing what we had done with EODC and that we had worked out a special process for an untold number of EODC employees I was wondering whether such a process could be worked out for these four individuals. When I said that we might have to work out a special process does not mean that Karen Davis has to work out a special process. I was telling this to Mr. Valdez and Mr. Salazar and saying we might have to go back to the Council and ask them if there's any way that they can look at a special process much like what we did with EODC. It was at that time that I told Ms. Davis, "You're new to the City, you don't know the bureaucracy here." I also advised the four individuals, no, the two individuals who were there that they might want to talk to the Mayor and that they might want to talk to the Manager which I would assume is the right of any citizen of the City of San Antonio, of this country, be it rich or poor, to have an audience with the Manager or with the Mayor of the City.

Now, a meeting with the Mayor of the City had already occurred the prior week. At that time, Mr. Valdez, the four individuals, plus a child of one of the four individuals went into the Mayor's Office for a meeting. This is a week prior to all this happening. So my advise that they talk to the Mayor is something that had already occurred and they could have gone back to the Mayor, if the Mayor wanted to give them that audience. The Mayor suggested that we talk to the Manager about dealing with the creditors of the four individuals. The Mayor suggested that we talk to somebody in the Manager's Office about the PC problems that they were experiencing. We went to see the Mayor because she is the representative of the whole city, she is elected at large. She recommended that we talk with the Manager's Office because that is an office that was handling, you know, the problem that was confronting us with regards to BBDC and these four individuals.

Now, never in that conversation did I give directions to Karen Davis. I might have wanted those individuals to be employed by the City, I might have, but I'm not crazy enough, you know, to go around to a junior executive who can't differentiate between the gray and the black and the white areas of the relationship of City, Council, and Manager and ask her or direct her, direct her, let's put it that way, to see that these four individuals got hired. I have never gone to any member of your staff, with the exception of the controversies that you have alleged where myself and other members of the Council have been involved in very controversial matters. But I have never gone to one department head, one assistant department head, to Mr. Bono, to Mr. Briseno, to no member of your office, to no member of the department heads of the City of San Antonio, and told them or even asked them to hire somebody, not even inquiry to hire somebody. I never do that. I have told people who put me into office, my supporters, that my office is not an employment office. As much as people would want the prize that comes with winning political elections to place people in employment, that my office is not for that. And I have told them and sometimes it has been tough but I have told them outright. My office is not a place to fix tickets. I don't fix tickets in my office; I don't hire people in my office, I don't call department heads to hire anybody that comes to talk to me for a job. If they want a job with the City they go talk to Personnel.

These four individuals, however, there is a very peculiar situation. There has been discussion in the City Council that if the City were to take over BBDC's Rat Control Program, what would happen to the employees of BBDC under this program? The suggestion has been that they would be brought on board. Not a final decision but a suggestion or perhaps even a question. The question has been, "Well, how about the four individuals? Should they wait to apply now or should they apply after the City takes over this program, if we do in fact take over the program? Can they be given any favored status?" Those are questions that have been raised in Executive Session. So my inquiry as to the employment of those four individuals is not in insulation. Rather it tracks a series of events that have occurred with these four individuals.

So I think you restated your, that is the allegation has been restated and it has not been withdrawn. The reason that I decided to bring this matter before the Council was because yesterday after we signed or at least allegedly signed a document of agreement in which I was very happy with. I get reports later from other colleagues of mine, from friend of mine, from the media that one of the parties to the statement and not the one in Chicago and not me was saying to the media, "Well, I accomplished what I wanted to accomplish. I did what I wanted to do, and I signed the statement or agreed to the statement out of charity. The Mayor when she left here yesterday told Shirl Thomas and Shirl Thomas relayed this to me. She asked that we not escalate this matter further. In my responses to the media, I lived up to the spirit of that agreement. The responses of the other party to the media, you cannot call statements as those that I just mentioned, living up to the spirit of the agreement.

Now, the reason I felt that this matter needed to come before Council was because there is an allegation that is made that I tried to influence member of the manager's staff, i.e., Karen Davis, to hire four

individuals. That statement is backed up by the Manager who was not present in the room. So be it. When you say that you wanted to - that you had accomplished what you set out to accomplish on what I view to be false allegations. So if you have accomplished something it should be noted that it is a hollow accomplishment because to taint and to rip apart one's reputation is too easy without the base of that tainting or the base of that ripping apart of somebody's reputation means actual and having merit and having substance. Your allegations do not have substance and that needs to be clarified because if it is not clarified I'm afraid that we're going to have this scenario for several years and I promised that I was going to be here for, you know, until 1989 and I'd hate for this thing to be going on for that many years.

MAYOR PRO-TEM WEBB: Mr. Eureste.

MR. EURESTE: One other point

MAYOR PRO-TEM WEBB: Mr. Eureste, may we have order, please. Mr. Eureste, that concludes your statement. Are you going to hear from your witness?

MR. EURESTE: My witness, please.

MAYOR PRO-TEM WEBB: Okay, you've taken already thirty-five minutes and we need to wind it down. We're already forty-five minutes into the hearing.

MR. EURESTE: Mr. Valdez, would you care to - Remigio Valdez.

MR. REMIGIO VALDEZ: Mayor Pro-Tem, Mrs. Dutmer, Members of the City Council, Mr. Huebner, and the legal staff. My name is Remigio Valdez, Jr. I am the President of the Mexican Betterment Organization, an organization that does not receive any City funds, that does not receive any federal funds. All we do is try to help the people when they ask us to help them. We were asked by these individuals to help them to the best of our abilities and this is what we're trying to do.

On July 12, 1979, B Session at approximately 9:00 P.M. which was on a Thursday, I motioned to Councilman Eureste with the purpose of talking to him regarding the four terminated city rat surveyors of BBDC. Mr. Salazar, who is here in the audience, one of the terminated city rat surveyors was with me. Mr. Eureste stated that he would be right back. Mr. Roy Salazar went into Miss Karen Davis' office while I waited for Councilman Eureste. After a few minutes Mr. Eureste came back and we both walked into Miss Karen Davis' office, where Miss Karen Davis and Roy Salazar were in conference. The memo by Mr. Tom Huebner, City Manager, as to what was told to him by Miss Karen Davis is inaccurate. The memo to Councilman Bernardo Eureste does not mention that there were two witnesses present. This is in interest to the memo dated July 16, 1979, from the City Manager Tom Huebner to Councilman Eureste, copies to all Council members and department heads. Subject: Charter Violation 47. I do not see anything wrong with asking the possibility of employment for persons that suffered enough agony in respect to their livelihood after the BBDC Executive Director refused to honor the suspension with pay status from our City Manager.

What Miss Karen Davis failed to report and there was no mention on the City Manager's memo to Councilman Eureste concerning creditors being on the backs of these four terminated BBDC employees and the fact that they cannot get unemployment compensation because of the City's investigation.

On unemployment Miss Davis did mention proper procedures had to be followed. I then mentioned that employment by the City should be made in the form of an application through Mr. McCollough's Personnel Office. Miss Davis told me that I was right. Miss Davis went on to mention that the food stamp program had called in regard to Rudy Valdez, one of the terminated rat surveyors of the BBDC asking about the City's investigation. A letter was also brought out to show to their creditors at which point Miss Davis said, "It would be better if they contacted her."

On a special effort remark that was made for these people as mentioned in the City Manager's memo there was no mention that Councilman Eureste explained to Miss Karen Davis that this had been done by the City on terminated personnel of the Economic Opportunities Development Corporation. Miss Karen Davis told all of us that were present the report she gave to the Council and that was in reference to the B Session Council, was not in the proper form. Miss Davis told us that she was sorry but now I know what the Council wants. Councilman Eureste did mention that Miss Karen Davis was new at City Hall and the remark was made. Thank you, Mr. Mayor.

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MAYOR PRO-TEM WEBB: Thank you, Mr. Valdez. We've had the public hearing, the statements coming from the City Manager, the statements coming from Councilman Bernardo Eureste and the witness by Remigio Valdez has been made. I'd like to point out that what would be the pleasure of the Council at this point. Just one moment we have the City Manager...

CITY MANAGER HUEBNER: Yes, just very briefly, I think that the Council should be sensitive to the very great distinction between situation on EODC and the present one with BBDC. The Council de-designated EODC as a community action agency. When we took over that agency we had an official Council policy adopted. It was not directed to hire any individual. I had freedom to not hire anyone. That was understood. I also had the Council approve that I did not have to hire those higher administrative positions which would be duplications of current City positions. In the case of BBDC we simply have four fired employees. The City Council has taken no action to take over BBDC and therefore the situations are not similar at all.

MAYOR PRO-TEM WEBB: Question, Manager Huebner, What can we do with those fired employees? And I don't mean that; order, please. I'm only mentioning the fact that we've talked in executive session about these four employees, and what is the bottom line here? You know we're...

CITY MANAGER HUEBNER: They can go to Personnel like everybody else and be considered.

MAYOR PRO-TEM WEBB: Wasn't that stated in the meeting.

MRS. DUTMER: Point of order.

MAYOR PRO-TEM WEBB: Mrs. Dutmer.

MRS. DUTMER: This had no relevancy to the hearing that we're taking up right now, we can discuss this matter later in the executive session where it belongs.

MAYOR PRO-TEM WEBB: Okay, point well taken, Mrs. Dutmer.

MR. EURESTE: Yes, sir. The matter perhaps is even more similar to the EODC situation, the contract with BBDC is a contract that goes directly through the Metropolitan Health District. We are not governed on that contract by the strict rules of the Community Services Administration so even more so that program is considered much closer to the City than EODC was. When the National Center for Health Statistics made that grant, the grant was made to the City. The City in turn subcontracted out to BBDC. We are not governed in that contract by CSA. EODC was governed very, very strictly by CSA regulations and I would venture to say that although you might sit there and say that the Council never gave you direction on the EODC employees, they gave you direction, and you wound up hiring most of the people that were up - that were on line to be transferred to the City. You rejected very few. We also even told you who not to bring on board which I think violates perhaps the rights of those individuals, because they were excluded by a political process and in violation of the City Charter. So it's very interesting how with four individuals, three of them who are not even in that room the accuser who is not even party to the meeting how we can come up with such a heavy scenario on violation of the City Charter and yet we have the full Council engaged in giving you direction on the EODC employees that were to transfer to the City and how that might not be a heavier charge of Charter violation than the one that I am here before you - that is here before you.

MAYOR PRO-TEM WEBB: Councilman Frank Wing.

MR. WING: Mr. Webb and members of the Council, at this particular time for your consideration, I'd like to state that I would like to have the statement of Mayor Cockrell, 18th of July memorandum deleting point No. 4 which speaks about the withdrawal of the memorandum and the withdrawal of the hearing since both the hearing and the memorandum are already been made public, I would still like the Council to consider making the statement of July 18th, by the Mayor as part of the record, and in addition to that request that the legal staff through the City Manager make memorandum available to each and every member of the Council delineating the position of the Council in respect to personnel hiring and firing practices with the exception of the City Manager, and the City Attorney and the City Clerk and thirdly that the Council give the Mayor direction for a memorandum to the City Manager that in cases where allegations of Charter violations will be brought in the future that the matter be brought up before the full Council before being made public or to the press.

MAYOR PRO-TEM WEBB: There's been a motion and a second. Mr. Steen.

MR. STEEN: Thank you, Mr. Mayor Pro-Tem. You know, when all of this happened, Bennie and I talked about it a little bit I think that same night. Bennie said you know what should we do about it? I said Bennie this is just an expression I said you gotta go find Karen Davis and the City Manager and kiss and make up. He said well I don't know whether the City Manager wants to kiss and make up or not, and I said well, I think what would be best if you can come to some sort of compromise so that we wouldn't have to have a public hearing on this situation because I don't think we would get anywhere with the public hearing. But events happened and things went wrong and I really believe now that it's a good thing that Bennie did go on back and say that I want a public hearing and let's have a public hearing.

The reason that I say I think it's a good thing is that this particular problem seems to me to come up time and time again and has many many years, ever since we've had this type of government in this City. What I'm saying now has nothing to do with Bennie, has nothing to do with the present City Manager, it's just a statement, but I'm glad that it did come up because I know we've had problems like this before. I can even remember back years ago when a couple of departmental heads were fired because they were in a dispute with some of the City Council members, and the City Manager at that time fired the department heads, I guess because some of the Council members wanted them fired. But I think we have to go back and remember that Article V Section 47 of the City Charter is the whole gut of the City Charter. If we don't respect and if we don't live up to it, we have nothing; we have no city government in this City. I want to read part of that Article again, because I've read it several times since this came up, and it says in part, "Members of the Council shall not direct or request the City Manager or any of his subordinates to appoint or to remove from office or employment, or in any manner take part in the appointment or removal of officers or employees in the administrative service of the City, except for the purpose of inquiry. The Council and its members shall deal with the administrative service solely through the City Manager, and neither the Council nor any member thereof shall give orders to any subordinates of the City Manager, either publicly or privately", and so on. I just hope that after this is all over, and I think you've had the public hearing, I hope all of us will remember not in this instance this just brings it to light, but we remember - we will remember that the primary function of the City Manager is to manage and how in the world is he going to manage the City of San Antonio and all its employees and all its problems and all its troubles, if the eleven members of the City Council interfere with the administrative part

he's supposed to be doing. So, I just hope that hereafter all of us will remember that - that we will remember that the City Manager is to manage and that if we have anything to say about anything, of course, we go through the City Manager, but let's not interfere with his work. He has a tough job - I think he's doing a good job. I think he's, perhaps, the best City Manager we've ever had here in this City. And I like what he does because I think he's honest - I think he's straightforward. He works hard, and we do have a good City as far as I'm concerned. But I will say once again I hope this is an example for all of us to follow and from here on all of us will follow Article V, Section 47 of the City Charter.

MAYOR PRO-TEM WEBB: Councilman Canavan.

MR. GENE CANAVAN: I was just going to comment - I agree with Councilman Wing's statement. However, in addition I'd like to point out one other thing that I've noticed. Among the Council in the past three months that I've been a member of the Council there's a lot of really allegations and statements and just to give you an inference, or an instance of one where we say, "Well, I found where the Manager was hiding a million dollars or located a million dollars which was hidden". I think there's a lot of that that goes on that really shouldn't - I think the entire Council is going to have to start working together as a team. And the one thing that I said in discussion with Bennie on this is that I feel like this is an opportunity to really unite the Council and kind of get our boundaries in order, and I think we can look forward to a strong remaining two years and to do something for the City of San Antonio now and instead of just for the Council. That's going to be my effort in the future.

MAYOR PRO-TEM WEBB: Councilman Alderete.

MR. ALDERETE: Yes, I just want some clarification from Councilman Wing. Are you clarifying then that it was not Councilman Eureste's intention to interfere? Because that's what I'm gathering from the point.

MR. WING: That is part of the statement of July 18 by Mayor Cockrell. The only deletion would be item No. 4 which has already been extensively aired out.

MR. ALDERETE: But you are saying that you intend to ...

MR. WING: To reaffirm the three points.

MR. ALDERETE: Which means...

MR. WING: Which is that the reaffirmation that it was not the intention of Councilman Eureste to ...

MR. ALDERETE: To interfere.

MR. WING: To lean on anybody.

MR. ALDERETE: It says to interfere. That's what I ...

MR. WING: Yes.

MR. ALDERETE: Okay, I think that's a critical point in the situation because Councilman Eureste was, and in a sense, both the City Manager and Councilman Eureste were in a sense tried in the media. And unfortunately sometimes the media can taint the situation one way or the other.

But, I think it is - I shouldn't chastise the media in general - just some particular media. Okay? And there are headlines that infer very strongly that Councilman Eureste was violating the Charter of the City of San Antonio. And I think it is imperative that they note that in this motion that is being made he's being absolved of that interference. I think that is - well that is what I'm reading here and that's what I understood in the motion. And that's why I asked Councilman Wing for clarification. If that's the case, fine and good I can support the motion. The other point is if Councilman Wing is asking to establish a procedure so that whenever there are arguments back and forth between either a Council member and a management person that they be handled in a different manner other than putting them before the press.

MR. WING: I said before the full Council.

MR. ALDERETE: Before the full Council?

MR. WING: Any allegation.

MR. ALDERETE: Is that executive session or are you talking about open session?

MR. WING: Whatever Legal deems it necessary. Whether it's executive or public.

MR. ALDERETE: Okay, fine.

MAYOR PRO-TEM WEBB: Councilman Eureste.

MR. EURESTE: Yes, I can live with that statement. I think it's a good statement. Really, I don't know if I should even be discussing the matter at this point. Should I postpone myself or excuse myself from the discussion?

MAYOR PRO-TEM WEBB: We may need a legal interpretation on that, but I don't think so. I think you're as much as party to this as the City Manager, and you can say whatever you want. Now the motion, and we've already taken an hour - Mr. Eureste.

MR. EURESTE: I did want to make one more statement. I appreciated what Mr. Steen said, and I hope that by having excluded me from the fine point and the complimentary points that he was not excluding me intentionally but that I hope that you see me also in the same light that you see the Manager - as an upright person, as a person of integrity and a person of my word.

MAYOR PRO-TEM WEBB: Okay, Council please come to order. We've got more conversations than one. Mrs. Dutmer.

MRS. DUTMER: No, that's all right.

MAYOR PRO-TEM WEBB: In view of the Mayor's statement that was issued at the beginning of this hearing, public hearing - I read the Mayor's statement and the three points - and the Council members have indicated that they can live with the three points, and we're now prepared already to vote on the motion made by Councilman Wing, and was seconded by Councilman Cisneros I believe - Thompson? Okay. Is there discussion on the motion? Mrs. Dutmer.

MRS. DUTMER: Yes, a point of inquiry here. I hadn't even thought about it, until Mr. Alderete interjected it.

This statement does not place blame nor does it exonerate; it is merely a statement of policy that the Council will follow in the future, and that the Manager will follow in the future. Now, if it means anything else, I'd like to know it now.

MAYOR PRO-TEM WEBB: I've read the statement. And I've read them over several times upon it being given to me by the Mayor, and if you would like, you know we could read them again. I think they're clearly understood by this Council, and I think there's a fine line between management and Council as far as policy and as far as management. I think there is a pretty close line, and we recognize that. I think the Manager recognizes that. He knows his clear cut duty. And the Council, I think, know as a policy board or a policy body, we know what our duties are. So, in view and based upon that, and we fully discussed this matter, and I submit to you that I understand it completely, and I'm willing to abide by it as well as the rest of the members of this Council. And if that is the intent as Councilwoman Dutmer has stated that these three points here will be taken into consideration in the future by this Council, we're ready to move and to vote on that question. Mr. Archer.

MR. ARCHER: Mr. Eureste said that he could live with this right here. I'd just like to know if, Mr. Huebner, if it's agreeable with him, too.

MAYOR PRO-TEM WEBB: Is that a question to Mr. Huebner?

CITY MANAGER HUEBNER: Of course.

MAYOR PRO-TEM WEBB: Councilman Wing.

MR. WING: I just want the Council to go on about the business that is at hand to do and quit focusing on one issue that is not doing the City of San Antonio any good.

MAYOR PRO-TEM WEBB: Thank you. We're ready for the vote, finally.

AYES: CISNEROS, WEBB, DUTMER, WING, EURESTE, THOMPSON, ALDERETE, CANAVAN, ARCHER, STEEN;

NAYS: None;

ABSENT: COCKRELL.

MAYOR PRO-TEM WEBB: Thank you. The hearing is closed.

DISCUSSION ON CITY PUBLIC SERVICE BOARD'S
REQUEST FOR A RATE INCREASE

The Clerk read the following Ordinance:

AN ORDINANCE 50,999

REGULATING THE RATES FOR ELECTRIC AND
GAS SERVICE THROUGH THE SAN ANTONIO
ELECTRIC AND GAS SYSTEMS OPERATED BY THE
CITY PUBLIC SERVICE BOARD OF SAN ANTONIO.

* * * *

Dr. Cisneros moved to approve the Ordinance. Mr. Steen seconded the motion.

The following citizens then spoke to the Council:

Mrs. Rebecca Martin Menke, representing Mothers and Others Mobilizing for Survival (MOMS) spoke against the passage of this ordinance because they feel it will be used to support the South Texas Nuclear Project. (A copy of Mrs. Menke's statement is on file with the papers of this meeting.)

* * * *

Mr. Karl Wurz read a prepared statement against the rate increase. He stated that it probably includes a cost-of-living pay increase and other benefits to City Public Service personnel. (A copy of Mr. Wurz' statement is on file with the papers of this meeting.)

* * * *

Mr. Alex Viera, Bexar County Chairman for the Raza Unida Party, spoke against the rate increase. They are also in opposition to the South Texas Nuclear Project, and said that this increase will be felt more by the residential customer.

* * * *

Mrs. Lee Ann Evans stated that she has been very involved with anti-nuclear groups and spoke against the rate increase. She stated that citizens of San Antonio do not want electricity generated from nuclear energy.

* * * *

The following discussion then took place:

MAYOR PRO-TEM WEBB: Dr. Cisneros, go ahead. Then I'll go ahead and read the position paper from the Mayor.

DR. HENRY CISNEROS: Thank you, Mr. Webb, Newsweek magazine which is a very balanced news periodical has just done a special issue on energy. And in it they devote about six pages of the issue to basically what is an editorial. It's not someone else saying it; it's the analysts of the magazine themselves, talking about what this nation needs to do. Basically, it came out before the President's speech so it's not reactive; it's the news magazine's own special work on what this nation needs to do by way of an energy policy. This is the same magazine that took a very balanced view of Three Mile Island; the same news magazine that put that whole story of Three Mile Island as a national front cover story. I just want to read two paragraphs of this editorial. It says, "Though energy may never again be cheap, and America may never produce enough of its own energy to be self-sufficient, a national energy policy can pave the way to a more secure and balanced energy future. The main goal is to reduce U.S. dependence on imported oil, making the transition with minimum shock to the economy, the environment, and American life by the late 1980's,

but the foundation must be laid now." And then it lists about eight elements of what that foundation must be. And about nuclear power, it concludes the following; "There is a strong anti-nuclear movement demanding that the U.S. close down all existing nuclear power plants and halt construction of any new ones. The U.S. cannot afford to do so. Nuclear power provides 12.5 percent of all electricity generated in the country, and without it, the U.S. would have to turn to coal on an even greater scale to meet its power demands. Despite the scare at Three Mile Island, the known risks of burning coal are greater than the risks of using nuclear power. The U.S. must retain the nuclear option, but it should make immediate changes in licensing and regulations and promote a crash program to solve the long term waste disposal problem." The long and short is that analysts at the national level have concluded that nuclear is an essential element of this nation's energy future. It simply is something that we have to face up to; it's a reality of what is needed. And San Antonio must participate in that process. We are part of a national energy policy. Unlike other totalitarian countries, where all policy comes from the top, in our country different actors, private utilities, the private sector, private corporations, individuals participate in making policy. Nuclear is important. The Federal Government doesn't build nuclear reactors; local governments and local utilities do, private utilities do; such as our own. We are part of a national energy policy, and nuclear power is a part of a national energy policy, and I support it. And, if it requires that we have to raise some rates in order to do so, then so be it. We are part of a national energy policy, and it's a requirement for the future of this country. What's at stake here is the future military, industrial, environmental economic independence of this nation and nothing less than that. Thank you.

MAYOR PRO-TEM WEBB: I'd like to read the position paper of the Mayor while she's away. She asked me to, and, for your hearing. "As Mayor, I regret I must be out of town at the time the issue of a rate increase for City Public Service is on the agenda. I had promised my husband, Sid, some months ago to go with him to the Annual Conference of Medical Society Executives and so must be away from the city today.

However, my position on the issue is well known, and I wish to reaffirm it for the records.

While no one really enjoys having to support or vote for a rate increase, serious consideration has led me to the conclusion that this increase is definitely needed to provide the financial base for bond coverage for the capital needs of CPS. As we all know, the bulk of bond funds needed now and the next few years will be for the San Antonio's twenty-eight percent share of the South Texas Nuclear Project now under construction.

My position of support is based on the fact that studies done by CPS indicate that other alternatives would be more costly based on all available information and cost projections than the continuation of our present course of support for retaining the City's twenty-eight percent share as a vital part of the City's energy mix.

I urge fellow council members, therefore, to vote in favor of the rate increase and to ask that this statement be attached to the record of the meeting. Lila Cockrell, Mayor, City of San Antonio."

As Mayor Pro-Tem today, I hate to be at odds with my Council colleagues. I'm concerned about our supply of energy today as I have been all along. But it is statements like the one that Councilman Cisneros read to us a few minutes ago that we'd like to shut down our participation in nuclear plants, but we can't afford to. I think that one day we may need to "bite the bullet." Sometime ago, I talked about putting coal scrubbers on the coal plants that we now have and burning the coal that is full of sulphur out in the hills, and a lot of people looked at me as though that something very wrong to do. And the more that I read about the present cost of coal hauling, transportation, the more I read about it, the

more that I feel that those statements made by myself some several years ago, when I first became a member of the Council, are pertinent now as ever and foremost in my mind to be that of sound judgment and clearly the way that this City should have gone. But since we do have a twenty-eight percent interest in the nuclear plant, and, as I stated when I voted against the first bond sale, being a member of the Council, and I was the only one that voted against, consistently against, from the very beginning, cause I've had a strong feeling about some things that have not been solved. Needless, to say, the cost. I stated at the time that for safety's sake, in the interest of not having a place for storage, in the interest of so many things that could possibly go wrong, and some of my colleagues as now, some have also maintained a firm belief, such as the Mayor, and Councilman Cisneros and a few others, a strong belief in the use of nuclear energy. That is their prerogative I commend them and laud them for their support and their part, but I must reiterate one more time that I will not be able to vote for a rate hike that will spend money for a share of the nuclear project. Even though I am not voting in favor of the nuclear project, I am voting in favor of, even though I'm not voting in favor of a rate hike, I am also not in favor of our continued support in the nuclear project. I know that I'm in the minority to pass the vote, but I just wanted to state one more time that, as always, I don't think that it's the way to go. I think the coal plant is the best way. We have the board lit up, and we have about seven or eight more items on the agenda. Councilman Alderete.

MR. ALDERETE: Who do we have here representing CPS Board. Who's the spokesman for CPS, Jack? I'm sorry, Jack; I didn't see you in the audience. Question, Jack, in the week of June 38th Business Week magazine, which I think is a very reputable business magazine, came out with a statement about the incident at Three Mile Island, and that was, I forget how they called the utility company; I think it's City Utility Public Commission.

MR. JACK SPRUCE: The name of the holding company at Three Mile Island, General Public Utilities. That's a corporation.

MR. ALDERETE: They, this utility commission made a very dramatic and informative statement that sort of sent shock waves through me, and I've got the issue, the article of the magazine; that is, that they feel, unless they get financial help that they will be a bankrupt utility commission. And my concern is this, Jack, is that if they feel that strongly that they could possibly go into bankruptcy. Well, they feel that they're going to go into bankruptcy unless they can get financial help from somewhere to pay for the repairs and the redesigns on Three Mile Island Nuclear Project. What would happen to the City of San Antonio if we had to pay for the repairs on a nuclear project? If we had to go over there and rebuild the whole thing from, let's say, the stage that Three Mile Island is at, what would we do, Jack?

MR. JACK SPRUCE: Well, I think that we would have to evaluate the circumstances at whatever time that would occur. There are a number of programs that are now being studied by the utility industry. One among those is some form of insurance or co-insurance among utilities to support against longterm problems of the power plant being shut down or expensive repairs. Of course, one thing that seems to be overlooked in this thing is the amount of money that it costs to bring generation in from other sources. This is one of the very large expenses associated with the Three Mile Island incident. Again, it illustrates the fact that there are great savings derived from the generation by nuclear power during the time the plant is in service. I don't have the answer to your question Councilman Alderete. We can check and talk to you about some of the programs that are being considered and, of course, the entire industry is very concerned about the Three Mile Island and are looking for ways to obtain protection and support in such cases.

MR. ALDERETE: Jack, would it at all be safe to say that the City of

San Antonio and its utilities, CPSB, would not be able to afford another reinvestment as the one we have made in the South Texas Nuclear Project?

MR. SPRUCE: Well, the amount of money that we have invested in the South Texas Nuclear Project, despite the fact that there have been large cost increases, still appears to be a good investment, considering what power plants are costing today. I think we've told the Council before that if we got out of that project and took all the money we had invested in it and went to use that same money to participate in some other form of generation, either coal or lignite or whatever, that we could expect that a plant of that type, using some other fuel would cost more per KW than what's going to be spent on the South Texas Project.

MR. ALDERETE: Jack, I can understand your point there, but my question is really is that if that thing was to go, was to break down, would the CPSB not go into bankruptcy, as the utility commission over there in Three Mile Island is claiming they're going to have to go into bankruptcy?

MR. SPRUCE: I don't see how we could go into bankruptcy. We operate on a cash flow basis and, of course, what we're doing is spending money to get a part of a power plant that we do firmly believe will run and will save the rate payers money. What we've got in it down there so far has been paid for, you see, and we're paying for it and not getting anything out of it now. So, if something stopped tomorrow, I can't see anything that would result in bankruptcy or any need to come back for doubling of rates or any of that sort of thing. It certainly would be a severe blow to us, but we're paying our own way as we go, and this particular rate increase that's under consideration at this time has to do with supporting future bonds for issuance to continue our participation in the plant.

MR. ALDERETE: Jack, I concur on part of what you're saying, but you're right, we're not depending on that electrical generation right now, but in the case of Three Mile Island, they were depending on that electrical generation. If we were ever depending on electrical generation from the South Texas Nuclear Project and that plant went down and we needed that electrical generation because of the size of San Antonio which means that we would have to draw from somebody else which is a cost factor plus rebuilding another electrical generating plant, you're saying that that would not cause bankruptcy?

MR. SPRUCE: I'm saying that where we are right now I really couldn't postulate all possible events that might occur. You might look at it from this standpoint. What would happen if the two Deely Plants explode today and blew up or four units in that station. Obviously, we would be faced with tremendous expenditures. If the gas plants were there, we couldn't rebuild because they don't permit construction of gas plants. We would have to go out and buy power. We would have to do something. We'd just have to sit down and consider our options. We think the probability of such an event is quite low. There's a possibility of accidents with anything that we work with.

MR. ALDERETE: Can we get an insurance company to cover us one-hundred percent if South Texas goes down?

MR. SPRUCE: There are insurance programs that are mandated. The plant will be insured up to certain levels if you would like to hear a commentary on the insurances. Well, I have Mr. Mike Hart here and he'll be glad to speak for that.

MR. ALDERETE: I'd like to hear that about the levels of insurance.

MR. SPRUCE: Mike, can you cover a little bit of the, just generalize about insurance coverage on our nuclear plant. I think that most of you are acquainted with Mike Hart. He's our nuclear engineer, and he's one of our representatives on the South Texas Project.

MR. MIKE HART: The question of insurance on the nuclear power plant is covered in two ways; there is a mutual insurance pool which covers the private sector insurance on all nuclear power plants. The Price-Anderson Legislation or Act, which is a federal law, requires each nuclear plant to carry the maximum amount of insurance available to private sector. Under that there is both property and liability coverage. The property coverage runs up about three hundred, I believe it's around three-hundred million, is the limit of property coverage. The liability coverage right now is a little more than that, about 320 million dollars, I believe, 340 million dollars. I would have to get the legislation out and check it.

MR. ALDERETE: Am I understanding correctly, that it would give us 300 million dollars to rebuild the plant in case it went down, is that it?

MR. HART: With certain deductibles, right. It might be 400 million now. They just recently changed it this year because there have been no claims. There has been less than a million dollars in claims against this pool in 10 years, and all unused premiums after a period of 10 years get returned to the people that are paying the premiums.

MR. ALDERETE: You said deductible. Did you mean that with 300 million dollars of insurance, there is still a deductible?

MR. HART: There is a certain amount of deductibles. It might be \$100,000.00 or something like that just with all major insurance.

MR. ALDERETE: Well, I'm curious this magazine is rather reputable, and this utility commission, I imagine, is rather reputable, and..... Three Mile Island, and they expressed a concern about bankruptcy.

MR. HART: Mr. Alderete, on that article, I don't recall it verbatim, but at that particular time frame, the Public Utilities Commission of Pennsylvania was not allowing the cost of replacement power to be passed thru to the consumer. G.P.U. had to, in addition, fund its repair work, also had to buy that power at a high rate and sell it at the nuclear power rate. Without reading the article, I can't be sure. But that was one of the things that put them in the greatest financial bind.

MR. ALDERETE:, the Utility Commission and not so much the consumer. In other words, just the utility company was paying for the power and not the consumer.

MR. HART: That's correct. Initially, they were not allowed to pass on to consumers what they were having to pay for that replacement power. That was the biggest burden on that company. They had to take it out of capital funds operating expenses and everything else to the tune of like \$600,000 to \$800,000 per day.

MR. ALDERETE: \$600,000 to \$800,000 a day.

MR. HART: Yes, sir.

MR. ALDERETE: Thank you. I appreciate it. I guess clearly states that we only have partial insurance, Jack. Is my understanding correct for the project?

MR. HART: You say partial insurance. It's the maximum that is available. The amount is increasing.

MR. ALDERETE: Partial in the sense that to replace that project completely, you wouldn't have enough insurance money.

MR. HART: It's not based on replacement cost. It's based on the amount in the pool.

MR. ALDERETE: Like our auditorium situation. You see, we can't replace

our auditorium, because we didn't have enough insurance to replace it. That's what I'm understanding from you. We don't have enough insurance to replace the South Texas Nuclear Project if it was to go down.

MR. HART: Right now, the full amount that you can get would not cover the replacement cost of that plant when it is finally on line. Right now ...inaudible..... is how much we have invested during the construction phase, we've got more than ample coverage. Mr. Spruce identified earlier as a result of Three Mile Island the nuclear utilities are investigating the possibilities of various types of mutual assistance in the way of a captive insurance pool to help offset the differential between what is available through an insurance basis and what is available to the industry. This is in very preliminary stages. There are no dollar figures, but it is to help offset the tremendous lump as with any large loss like with a coal plant or anything.

MR. ALDERETE: The other point I wanted to bring up, and that is we've already spoken to the point about the residential group having to bear a large burden than the commercial, and I want the record to state that I am completely opposed to that, and I feel the residential portion of the rates should be the lowest of all simply because they have no way to pass through the additional cost.

And with reference to the national energy process that Councilman Cisneros was talking about or alluding to earlier that we are part of a process, I might remind him of what we are going through right now. Part of that process was to switch to coal, and if we aren't being ripped off by Burlington-Northern, I don't know what we could call that. That is obviously a direction that the national government decided that we should take and that we should pursue, and yet it seems like we've been trapped in the hands or slapped in the face by Burlington-Northern. So obviously, sometimes the national process isn't necessarily the correct one.

Another point, Jack. Did you receive a letter from the Mayor that Burlington-Northern may own an unusually large amount of coal deposits?

MR. SPRUCE: Yes, I did.

MR. ALDERETE: Is there a possibility that Burlington-Northern may have a monopoly as far as the transportation of coal and also the ownership of that resource?

MR. SPRUCE: It appears that they have some very large coal holdings. Some of our people may have been aware of the extent of that. I had not seen it in that perspective. I'm not prepared to say whether they have a monopoly. I believe that they do have a monopoly on the present amount of available producible coal. There is a lot of coal that's known, that is, being held under the various restrictive covenants and requirements. That seems to be a part of our national problem. There are some agreements that have been made by Burlington-Northern with some other railroads that could prove out to be an anti-trust type of arrangement. That is being challenged by certain legal processes.

MR. ALDERETE: Are we challenging them?

MR. SPRUCE: The particular case is not one we are a party to. The case that we have is before an appeals court in Washington, D.C., pertaining to the Interstate Commerce Commission's rates and tariffs that have been approved because we believe that they are improper.

This other case is filed by other interests, and we have not yet intervened, and I don't feel it would be appropriate for us to do so at this time. We need to get some legal counsel on that.

MR. ALDERETE: Thank you, Jack.

MAYOR PRO-TEM WEBB: Councilwoman Dutmer.

MRS. DUTMER: We go through this everytime the word nuclear is mentioned. Let's face facts. That plant is going to be there. In relationship to your fears for safety, that plant is going to be built whether we are there or not so the same fears will still exist whether or not we partake in it. Now, as far as fears are concerned, it is going to be there one way or the other so the fears will still be there. Today, they haven't shown me any figures; they haven't shown me any other source of energy that is going to deliver a unit of electricity cheaper than the nuclear plant. We go through this everytime we hear this word, and no one's mind that I know of has been changed yet on this Council. The vote always comes out the same. So, Mr. Mayor, with that, if I am in order, I would like to call the question.

MR. WING: Second the motion.

MR. ARCHER: Joe, I wanted to say one thing in regards to your question about Burlington-Northern. They also own a tremendous lumber reserve - timber reserve, gold reserve. I think they are into silver. They've got tremendous natural resources, and I've seen estimates that their net worth is upwards of \$100 per share, and that's why I thought it was such a terrible mistake at the time to sell the Burlington-Northern stock, because every stock broker in America recommended buying it because it was dirt cheap. But that's neither here nor there. That just happened to be something that you brought up.

I wanted to ask you, and I wanted to preface this by saying that there is nobody up here that is more behind nuclear energy than I am. I am one-hundred percent for the South Texas Project. But, I want to ask you something. What would happen to you if you didn't get the rate increase?

MR. SPRUCE: What would happen would be that our financial situation would tend to deteriorate. As you know, we are structured by a flow of funds. Based on revenues received, first, we pay for operations and operating costs, and then we pay for debt service and on down the line. Pretty soon, we would get to the point where there would not be sufficient monies to accommodate all of our expenses. Probably the first impact that would occur would be when we would need to issue additional bonds to maintain our participation in our building program which is principally the South Texas Project. We would not have the coverage to issue those bonds under the terms of our agreement with the bond holders. So, we would just not be able to issue more bonds. Then certain other funds would begin to deteriorate - what we call the I & C Fund, which is the last element on there. When that money was gone, then the next thing to impact would be the city payment. Then it would go on up from there to where we would not be able to pay our bills.

It is difficult to tell just when that might occur. We are very concerned about our ability to issue any more bonds past this issue that is now underway. We feel that this rate increase is essential to maintain the proper level of earnings to support additional bond issues which will be required in another six or seven months.

MR. ARCHER: So you mean you would have to pull out of the nuclear project if you didn't get this rate increase?

MR. SPRUCE: That would probably be a very likely result. Yes. On the other hand, if we did that we would have to have some kind of understanding of what we were going to do if we did. We believe that by the time the nuclear plant will be on line that we will need the generation from that plant which means if we got out of that plant, presuming that we could sell our interest in it and take that money, we would have to go immediately and start building something else. There might be a lapse of time in there when we could get along without issuing bonds, but then we'd be right back in the same shape

within another six or seven months on some other building program, whether it be nuclear or something else. We don't feel that we can stand still. If we do, then we're put into a position of having to buy power from some other generating source, and that certainly is not going to save the taxpayers any money, because anybody we would have an option to buy from, their rates are higher than ours. So, that's why we feel that this is an essential need by the utility, and it is intended to support our participation in the project, as well as to meet other increases in operating expenses.

MR. ARCHER: Well, Mr. Spruce, the reason I'm asking is that I went out this last campaign. I walked every street in my district and talked to everybody that was home. I believe that this country is on a suicidal course of self-destruction on their economic policies. And I think we're right about the end of our rope. I've seen the waste that's come up just here. I've seen money being spent—that I've brought out here—to advertise for food stamps; to pay for people's children for lunch in the park when the families ought to be paying for it; for CETA; for today we've got to pay for a study out at the airport that I believe I could do myself. I've seen people out here, on chairs today, counting people walking down the streets. I've seen where we're paying for maid service here in the City of San Antonio for people who can't clean up their house. For this public hearing, where we had to pay for four rat counters, whatever in the hell that is. And you know, if people can't make out, and I don't believe the average person can now make out. We're getting ready to hit them up with a public service increase which you're probably justified in asking for it, and then a water increase and then a telephone increase. And it never stops. They go to the store; it's more expensive. And I believe this is the number one concern of people everywhere - that they can't afford to live anymore. They just can't make out.

And I know that you're a good Manager, but everybody, like I said before, needs to take in their belt, and what if we voted for a delay and just see where everybody could yank in that belt another notch. We're asking people to do it, and I think all units of government should do it, too. What would be the objection of the Public Service on that? To see where any waste could possibly be there where we wouldn't have to take it from people.

MR. SPRUCE: Well, we've been looking at waste control and tightening our belt for about seven years now, and we've reduced the number of employees at Public Service. We've tried to combine, we've tried to whittle. There has not been a whole lot we could do about increasing construction cost. The thing that you're talking about, inflation and everything goes up. We started talking about a need for a rate increase well over a year ago. We feel like we've delayed this thing based on the request of our trustees, the Mayor and previous members of the Council, and we feel that we're, as you say, we're about at the end of our rope, too. We're going to have to do something about our funding in order to maintain and continue our participation in our programs and continue to give adequate service to the community. We feel like it certainly is a modest rate increase. I don't see how it could....

MR. WEBB: Mr. Spruce, one moment, please. I'm sorry to cut you off, but I'm being informed that I had a motion to close debate and a second. The Clerk just told me that, and I didn't hear it and I'm very sorry. There was a motion and a second to close debate, the Clerk tells me and can we vote on that motion to close debate. Just one moment, please.

MR. ARCHER: I believe something as important as this....

MR. WEBB: Roll Call, please.

AYES: Dutmer, Wing, Canavan.

NAYS: Webb, Eureste, Thompson, Alderete, Archer, Steen.

ABSENT: Cisneros, Cockrell.

CITY CLERK: The motion failed.

MR. WEBB: Would you proceed, Mr. Spruce. I'm sorry to have interrupted you, but parliamentary procedure is that if there is a motion and a second, and I'm sorry - I beg your pardon, Mr. Wing, I did not hear it, I'm sorry.

MR. WING: That's alright. I want to turn Henry in because he's got a drink in the Council Chambers, also.

MR. WEBB: Would you please evict the Councilman, please, from the Chambers?
(Laughter)

MR. SPRUCE: Councilman Archer, that was about the extent of what I had to say. I feel that we have deferred and delayed about as far as we can. We've looked at the schedule for implementing the rate increase where it would have the least impact on our consumers. I don't know how our customers can expect us to supply power and natural gas here cheaper than any other communities can. I know we have problems in San Antonio. I don't have the answer to those situations either. The person on fixed income - We see everything going up. I have friends and relatives who are in that same situation, and we hear from them everyday. But, we feel like what we're asking for is very modest. It's the barest that we feel will enable us to continue our program. Our job is to furnish gas and electricity to the community in adequate supply at the lowest possible price. And we feel that our request is consistent with that operation.

MR. ARCHER: Yes, but you know I just worry about where it is going to stop. I mean, next week it'll be water, and we've got to have this and we've got to have that, yet, it's not an issue that just concerns me, it concerns a man if his name is Gonzalez or Smith or Archer or whatever it is. Everybody is having a hell of a hard time. And I guess this is the toughest vote that we've had, for me, since I've been on this Council because I like to think that I do everything in my power to conserve and to save every dollar that I possibly can because I don't think I've voted for any wasteful thing, well, I'll take that back, I voted against a lot of things that are wasteful. And, you know, I know that we need energy and I know that you're one of the more efficient managers around, but still I think there's waste everywhere and I think we all need to take in our belts and cut out trips and this and that and the other, and do everything we can if we're asking the little man on the street to suffer.

MR. SPRUCE: We certainly share those sentiments, Councilman Archer.

MR. WEBB: Mr. Thompson.

MR. THOMPSON: Yes, before I address my remarks, I want to call note to one of my constituents, Mr. Rudy Ortiz, former representative from District 5 is in the audience and I want to make note of that.

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I'm very concerned about the rate increase and I share Mr. Archer's concern about this increase. And we're challenged to make the decision, and it's an agency coming before this Council - a burden to convince the Council that the rate increase is required. We had a public hearing and most of that hearing was spent on addressing how we would be spending this increase. The real issue is whether there will be an increase. And in what magnitude the increase will take. We were presented virtually a block, a solid block presentation at 6.2%. There were a couple of questions that I had at that time about the notion of a 4% or a 5% increase, and what posture we'd be in if we had those kind of increases at that level. And your response, then, and I'm sure it's very truthful, you'd have to cut services. It falls to the lot of the Councilman to evaluate whether we need to or not. And I know you all have made some very soul-searching decisions in rendering this request for a 6.2% increase. However, we're the last hurdle, I'd guess you'd say, as you all go through that whole process of determining the rate increase. And I feel particularly inept, and I've read through most of the material that you've presented and it's quite voluminous and I think, well-documented, and accurate, but I don't feel that the burden of justification has been fully held for this rate increase. I have not been given sufficient information to make a decision at 5% compared to 6% or 6% compared to 7%. We might have seen ourselves in a more attractive posture at 7%, but I don't know what that kind of rate increase would have given. We might have voted 9% this year and omitted one next year. I'm embarrassed to go to the voters and explain that I've just voted for an increase. And because, I'm so hesitant about that, I might have swallowed a larger pill today so they didn't have to take my medicine a year from now. So, I'm concerned about the elements that were presented to this Council upon which we can make decisions. Because I feel it was a one-shot, 6.2%, or we drop into a chasm of doubt of mystery which I'm not sure what the effect would be. And if I vote against the rate increase, I seem to incur all sorts of wrath. If I vote for it, which I'm shuttled in that direction with great velocity, I feel compelled to vote for it and, quite frankly, to put your mind at ease, I will vote for it, but I feel very ill-at-ease in doing so. I don't feel that I've made any judgment at all. I haven't evaluated. I approached the review process that I would vote no until I was convinced that it was necessary and I'll vote for the level that I felt was necessary. I didn't have any grading ability whatsoever in making this and I feel insecure because of that. I want to pass that on as we see the next rate increase come along and if it's only 2% I think, is what is proposed for the next review hearing. But, that we share in some of the judgments that you have had to reach. And, maybe, you don't need to agonize so thoroughly the decision of 6% versus 7%. Present us with some options and recommended levels of rate increases and let us make some of those or assume some of those burdensome decisions, because, ultimately, we have to answer. And I'm sure after this hearing today, they won't say that Mr. Jack Spruce just approved the rate increase. They're going to say that Bob Thompson voted for the rate increase. So, I'm going to bear the liability. I would like to have some of those incremental factors from which I can make that judgment. I make it as a form of request for the next time we meet again.

MR. SPRUCE: May I just respond very briefly to that.

MR. WEBB: Yes, but let it please wind down. We do have seven, eight more items on the agenda plus we have some very knowledgeable citizens to be heard yet remain.

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MR. SPRUCE: Yes, sir. I just want to kind of clarify a little bit. First of all, about the 2% next year. There's nothing committed on that. Our trustees suggested that they felt the 6% was a pretty good jolt. They said why don't we go back more often for smaller increases such as 2% and they put that in the form of a resolution if I remember correctly and presented it to you that way at the request of our Board. The Council, today, certainly does not commit itself to anything further than this. Now, as to the process by which we arrived at the 6.2% there's no way we could bring all that over here and show you. We do feel like we shared those studies with certain members of the City staff. What we do is give run after run after run on the computer at this level and this level and this level, and we try to see what the minimum is that we can get by with for a reasonable period of time. We might not have been here today had the gas rate increase that was requested in 1976 been approved. And, of course, we've discussed the problem that that has caused. We get a hassle everytime we go for a bond rating, and the gas system is being subsidized by the electric system which is contrary to the principles established by our Utility Commission as well as others. However, anything we have over there is available to all members of the Council and the City staff, and we shall try to do an improved job of bringing information to you and anything that would help you in making a decision, obviously, we're delighted to comply.

MR. THOMPSON: I understand that.

MR. WEBB: Councilman Steen.

MR. STEEN: Thank you, Mr. Mayor Pro-Tem. I'd like to say that I agree with the statement made by the good doctor on the City Council about an hour ago. He was chastised several times for his statements, but I think it was a good one, and I do agree with Henry. I think you did a good job on that.

I really believe that the adoption of this rate increase is essential. I don't have any doubt in my mind that it is. To insure this City's favorable energy climate and economic growth and development for the future, and it really is my personal belief that this proposed rate increase, in every way, will benefit all of the citizens of this City in the long run. That's it. Thank you.

MAYOR PRO-TEM WEBB: Mr. Eureste.

MR. EURESTE: Mr. Spruce, could you tell the Council....

MAYOR PRO-TEM WEBB: One moment, please. I'm sorry, I doubled punched. Mr. Wing is next.

MR. WING: In the interest of trying to get the citizens to be heard moving, I'll pass.

MR. EURESTE: Okay, let me just ask you a couple of questions, maybe five. Will you tell the Council which has a higher priority, your debt service fund or your operating fund? Is there any way that that has been established or that is established in fiscal....

MR. SPRUCE: Well, based on the priority of the flow of funds, the first series that are secured by Public Service are used to pay for operating maintenance expenses. And the next item on that priority of funds is the debt service. You will recall that we had an old series of bonds that were mortgage bonds and they have a higher priority than the new series of bonds which are second lien bonds. Then, of course, there are other items there.

MR. EURESTE: Okay, what happens if you don't get the rate increase? Where are you going to be short?

MR. SPRUCE: We'll be short in monies that, I guess, it would be fair to say that the most serious thing as we see it that would be affected, would be capital improvements and ability to support a debt service for a future bond issue.

MR. EURESTE: In other words, you have a priority to commit funds for operating and what could suffer could be the debt service.

MR. SPRUCE: That would be correct. The debt service would suffer before the actual day-to-day operation and running of the power plants and the delivery of service....

MR. EURESTE: Which would then make it difficult to sell bonds which would then make it difficult to continue participating in the project with our own borrowed money.

MR. SPRUCE: Precisely.

MR. EURESTE: And which could get us into a predicament where we might do what we did, perhaps a year or so ago, where we went out and borrowed from some of the partners, I understand - remember? At a higher interest rate?

MR. SPRUCE: That's correct. Yes, sir.

MR. EURESTE: Okay, in other words, what I - the point I'm trying to make here is that if you support the nuclear project, you have to support the rate increase. It is a financial responsibility that you incur with this project. And I understand the - I can tell you that given the rate of selling bonds, you have to understand the bond, the debt service from CPS. It is not like the City's. The City has, as I mentioned last time, has a peaking potential where once we reach the peak, and we are not selling anymore, we begin to decrease. CPS is what is, I guess, referred to as balloon. Right? What is it referred to? Where it's a flat rate? You know, you reach your \$60 million that you're paying out per year and you pay that out....

MR. SPRUCE: It's a levelized debt service? Is that the term?

MR. EURESTE: Right. So, you have levelized debt service, and that's, you know, you incurred that. When you're selling the \$100 million, what is our pay back on that \$100 million that we passed per year? Do you recall?

MR. SPRUCE: \$7.5 million.

MR. EURESTE: So, we added \$7.5 million if it was a constant pay back. I really don't know unless you look at it because sometimes you have an escalating payment schedule at the end or the de-escalating payment schedule at the end. But, still, the total payout is a constant upgrading of what you have, and that fact, that reality, puts CPS and the whole financial picture, makes it very difficult in that each time they sell bonds, you know, for sure, if they sell bonds tomorrow, you know for sure that that is going to be an add-on. There is no decrease in that debt service that is required on an annual basis. So, all I'm saying to those that are supporting the project that you need to also deal with the financial obligation.

I am not for the project for that very reason, because I feel that it obligates us financially too fast. It's moving us, accelerating us too fast into the, you know, a very heavy burden of being indebted and, perhaps, limiting our options down the line to explore other alternatives.

But, I do, let me, on the fiscal management of CPS, I've heard nothing but praise. I mean even some of the stronger critics of CPS will tell you they run a tight ship. And, at least, I can say that about CPS on the good side. Of course, there are others that would say, "Yes, but their policy decisions are ruining us." And that's where I disagree. In other words, I do not agree with the policy decisions that took us down the road. But, as far as their integrity, their fiscal integrity of running, of managing that operation, it's a large enterprise, much larger than the City in terms of its total dollar and I've heard nothing but praise.

MR. SPRUCE: Just one thing. This particular bond issue that was approved the other day, of course, will be supported by the present level of rates. These rates are not essential to that. Another thing that I might not have emphasized enough is that in the flow of funds, after the lower part of the money that goes into our INC Fund, which is used for capital improvements and part of the debt service, then, of course, one of the other things that begins to be impacted is the City payment. You see, it has a priority below the debt service and the other expenses.

MAYOR PRO-TEM WEBB: Okay, that seems to have concluded the citizens to be heard and the Council to be heard, and, of course, the staff of CPS, and now I think we're ready for the vote.

AYES: Dutmer, Wing, Thompson, Canavan, Steen, Cisneros.

NAYS: Eureste, Alderete, Archer, Webb.

ABSENT: Cockrell.

CITY CLERK: The motion carried with six votes.

MR. WEBB: Thank you.

79-35 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, Wing, Eureste, Thompson, Alderete, Canavan, Archer, Steen; NAYS: None; ABSENT: Cockrell.

AN ORDINANCE 51000

REPROGRAMMING FUNDS FROM THE FIVE PALMS BRIDGE PROJECT AND THE COLEBROOK DRAINAGE PROJECT FOR USE IN THE FIVE PALMS DRIVE PROJECT - PEARSALL ROAD TO KIM VALLEY DRIVE.

* * * *

AN ORDINANCE 51001

AUTHORIZING THE ALLOCATION OF \$20,000.00 FOR THE PROGRAM PLANNING PHASE OF THE BARBARA JORDAN COMMUNITY CENTER PROJECT FROM COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM - 5th YEAR FUNDS AND APPROVING A BUDGETARY REVISION.

* * * *

AN ORDINANCE 51002

ACCEPTING THE HIGH BIDS FROM CERTAIN BANKS RECEIVED IN CONNECTION WITH CITY FUNDS AVAILABLE FOR DEPOSIT IN INTEREST-BEARING CERTIFICATES OF DEPOSIT.

* * * *

AN ORDINANCE 51003

ACCEPTING THE DEDICATION OF TITLE TO A 2.2 FOOT WIDE STRIP OF LAND FOR WIDENING OF McCULLOUGH AVENUE IN CONNECTION WITH ZONING CASE #7708.

* * * *

AN ORDINANCE 51004

AUTHORIZING CANCELLATION OF THE EXISTING LEASE AGREEMENT AND AUTHORIZING EXECUTION OF A NEW LEASE AGREEMENT WITH HAYES PRODUCTIONS, INC. FOR LEASE OF BUILDING NO. 606 AT HEMISFAIR PLAZA.

* * * *

79-35 The Clerk read the following Ordinance which was explained by Mr. Alex Briseno, Assistant to the City Manager, and after consideration on motion of Dr. Cisneros, seconded by Mr. Wing, was passed and approved by the following vote: AYES: Cisneros, Webb, Dutmer, Wing, Eureste, Thompson, Alderete, Canavan, Archer, Steen; NAYS: None; ABSENT: Cockrell.

AN ORDINANCE 51005

AUTHORIZING A SPECIAL PROJECT TO WIDEN RITTIMAN ROAD FROM IH 35 EAST TO DISTRIBUTION, AND TO INSTALL A TRAFFIC SIGNAL AT RITTIMAN ROAD AND DISTRIBUTION; AUTHORIZING A COST OF \$21,850.00 FOR THE PROJECT FROM THE GENERAL FUND; AND AUTHORIZING A BUDGET REVISION IN THE BUDGET OF THE GENERAL FUND.

* * * *

79-35 The following Ordinance was read by the Clerk and after consideration, on motion of Mr. Steen, seconded by Dr. Cisneros, was passed and approved by the following vote: AYES: Cisneros, Webb, Dutmer, Wing, Eureste, Thompson, Alderete, Canavan, Steen; NAYS: None; ABSENT: Archer, Cockrell.

AN ORDINANCE 51006

AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH FROST NATIONAL BANK AND AMERICAN SIGN AND INDICATOR CORPORATION FOR THE INSTALLATION AND MAINTENANCE OF FOUR AUXILIARY SCOREBOARDS FOR THE HEMISFAIR ARENA AT NO COST TO THE CITY.

* * * *

79-35 Item 24.

The City Council approved Dr. Henry Cisneros' request for travel to the National League of Cities Board of Directors Meeting to be held in Savannah, Georgia on August 2 - 5, 1979.

79-35 The following Resolutions 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, Wing, Eureste, Thompson, Alderete, Canavan, Steen; NAYS: None; ABSENT: Archer, Cockrell.

A RESOLUTION
NO. 79-35-72

MANIFESTING THE DETERMINATION OF THE CITY COUNCIL THAT GIBRALTAR SAVINGS ASSOCIATION HAS VESTED RIGHTS UNDER ARTICLE THREE OF ORDINANCE NO. 48484.

* * * *

A RESOLUTION
NO. 79-35-73

MANIFESTING THE DETERMINATION OF THE CITY COUNCIL THAT RAY ELLISON HOMES, INC., HAS VESTED RIGHTS UNDER ARTICLE THREE OF ORDINANCE NO. 48484.

* * * *

The Clerk read the following Resolution:

A RESOLUTION
NO. 79-35-74

ADOPTING A WATER POLICY AND REQUESTING
THE WATER WORKS BOARD OF TRUSTEES (CITY
WATER BOARD) TO PROCEED WITH STEPS
NECESSARY TO SECURE CONSTRUCTION OF THE
APPLEWHITE RESERVOIR.

* * * *

Mr. Thompson moved to approve the Resolution. Mr. Canavan seconded the motion.

The following discussion then took place:

MAYOR PRO-TEM WEBB: There are citizens signed up to be heard on this item.

MR. JOHN STEEN: Mr. Mayor Pro-Tem.

MAYOR PRO-TEM WEBB: Yes, sir, Mr. Steen.

MR. STEEN: We just received this preliminary report from the City Water Board, at least, I just received mine. Really fast work, we just talked about the other night, and they have it over here today. I just noticed that the preliminary cost estimate for the complete dam and reservoir or what have you is close to \$160 million and that's a lot of money. To me that's about \$40 million more than what we talked about the other night. I'm just wondering if we should go on with this resolution today or whether we should study this report at a meeting before we proceed with the adoption of the resolution because that's a lot of money that we're talking about - what is it, 16,000 acre feet of water - whatever the amount is.

MAYOR PRO-TEM WEBB: Mrs. Dutmer.

MRS. HELEN DUTMER: Yes, I have some doubts, too, of handing us this thing right at the last minute. I had doubts before that. When you had it in the "B" Session, unfortunately, I had a family crisis that I could not be there.

I hesitate to go into this thing full headstrong for the simple reason that there's been so many conflicting reports given to me. Number one, where's the money coming from to build this reservoir? It is coming from the federal government; where's it coming from?

Secondly, I'll ask one more time, and I have had the answer before and it's reflected in the minutes of C. W. B. Is there any intent to pump this water to the northwest of the City? This brings me some foreboding that there will not be the growth, the economic growth in the southern, southwestern section of the City that you think that this is going to bring to you.

It's true that the Applewhite is a very shallow lake and with great evaporation factors in it. To the point that should we need the surface waters in a time when the Aquifer would not produce enough water for this City - the water wouldn't be in the Applewhite either. In time of drought you'd have no water in the Aquifer. If any of you visited your Medina Lake the last drought that we had you'll see that there's not enough water to supply that reservoir.

Then there's another point that there have been so many different answers to these questions - I'd like to get some straight answers for a change. I strongly suspect that there's sort of a foul ball being tossed

to the Council and particularly to the great amount of citizens who voted to protect our Aquifer water. I think it's another rouse to circumvent Congressman Gonzalez' very hard work on behalf of San Antonio and in circumspect the two bills that he worked so hard on and won on our behalf for the City.

One, the first bill - the funds to build the Cibolo were acquired by Congressman Gonzalez and ignored promptly. Secondly, the bill that establishes the Aquifer as San Antonio's sole source of drinking water, thereby, disallowing any federal funds being used for any construction over the Aquifer. If you circumvent this bill before you have a complete water plan this City is in trouble, and I mean dire trouble.

Finally, the water studies that were made and given to this Council if you read your report indicate that surface water will not be needed in this City until the year 2020.

In light of all of these statements that I couldn't make the other evening at "B" Session I would urge alot of caution. There have been so many different actions attempted ever since the Congressman was successful in declaring it sole source of drinking water of the City of San Antonio and circumventing some of the building over the Aquifer. Ever since that has occurred there have been any number of things thrown around.

Number one, first we went to GBRA. We were going to pay them \$50 million for water that we wouldn't even get in the long run because if there was a drought they'd need the water and the contract was written that if there were other needs for the water we didn't get it. It was a bum contract, but they were willing to accept it because it would circumvent the actions of the Congressman.

Now, I urge this Council to take very careful consideration of what has been done for you from the water sources and just look into it very diligently and put in it some stringent if you want the Applewhite, I am not fussing about the location of the Applewhite, if you want the surface water then put some very stringent cartels in that contract that would limit them to the use of that water - cause if you don't you're going to make a very serious mistake, remember the person that controls the water of this City controls the City, period.

MAYOR PRO-TEM WEBB: Dr. Cisneros.

DR. HENRY CISNEROS: Yes, I'd like the Council to follow through on its preliminary action of last week, which was to move forward with this. I think the Council made a very, very wise decision last week. It has been reflected in the number of persons in various communities of San Antonio who realize and frankly were surprised that the Council at this early in its term was able to put together the unity that would take it on some of those important goals that we set forward at the beginning of the term. It was surprising to a lot of people that we would take as bold a step as this represents but the Council did and the Council promises to take other bold steps but not if it starts a pattern of hesitancy after having once indicated a course of action in the B Session. This is not, I can assure, Mrs. Dutmer, on my part an effort to try to divert the intention of the Congressman's Safe Drinking Water Amendment. If by any stretch of the imagination and I don't believe the Congressman, himself, would indicate that surface water would have the effect of diluting his amendment. As a matter of fact, the Congressman has been one of the most continual voices, consistent voices in favor of surface water. He has indicated that he doesn't care whether it's the Cibolo or he doesn't care whether it's the Applewhite as long as we get started with a surface water supply for San Antonio. He's long been a proponent of a surface water supply that's within our own river basin and certainly I don't think it's his intent to subvert his own amendment. So I don't really believe that that argument washes.

As for the argument of cost, it's true that this is expensive, but the item that we just finished voting, the nuclear power plant, is also expensive. The facts are that the longer you put off an action like this one, the more expensive it becomes.

If you look at page 11, the final page of the report that was presented to us it shows escalation indexes as against the years. You will see the increased costs. If we wait one year it costs us nine percent more; if we wait two years it costs us almost twenty percent more. I'd say to the Council that there's a certain kind of basic equation of things that have to be in place for San Antonio to grow. They're as basic as a mathematical equation that adds up to two and two is four. It's as basic as how many feet of concrete it takes and how many tons of steel to build a building, to build a city and to build a city you need energy and we just finished voting the need for that. Voting the future resources and to build a city you need water and 2020 is not that far away when you consider the lengths of time involved to build a project.

I'm particularly pleased that the ordinance as it reads - the resolution as it reads, includes not only the reservoir but also the treatment plant, pumping apparatus, the transmission and the trunk needs because despite all the talk about how this would be good for the southwest it's only going to be good for the southwest if it is a viable source of water. The recreational and agricultural uses alone are not worth it. To build just a reservoir is to build about a \$70 million swimming pool for the southwest when what we need is drinking water coming in from southwest San Antonio. If you look at the map which is on page four, the fourth page into the material that's presented to us. What you see is something totally new and different for San Antonio and that is pipelines coming in from the southside, pipelines coming into the central city, coming into beyond the treatment plant of good water in areas that are presently below the good water line that do not have development, that it has been said could not be developed because it's too expensive to extend the good water and now it would be there. Granted that this would take time, granted it's expensive but I'd urge that the Council really, really, really not back track on its action of last week but just keep going or else get this one out of the way and we'll move on to the next goal as soon as this one is passed.

MAYOR PRO-TEM WEBB: There are three citizens signed up to be heard. Well, my board is lit up again with Council members. Mr. Alderete.

MR. ALDERETE: Just a question, Mr. Webb. My understanding from the Council actions was that in the "B" Session was that the - under Section 4 here about the Guadalupe Blanco River Authority possibility that that would be secondary in nature to the Applewhite Reservoir. It would be secondary in nature, in other words, that is an alternative that is second to the Applewhite Reservoir and according to the way it was written here by staff that doesn't state that. I'm wondering how staff can reword that so it, that is implied not only implied but is stated.

MR. WING: What section are you referring to?

MR. ALDERETE: Section 4, Frank. See it doesn't give it the lower status that, you understand what I mean?

MR. WING: Yes, but it's just a possibility. I think that was the direction that was given.

MR. ALDERETE: Well, I think that it's imperative that it be established ...

ASSISTANT CITY MANAGER FOX: I think it's our understanding, Mr. Mayor Pro-Tem, that the Council directed that we continue or open negotiations or discussions with the Guadalupe Blanco River Authority. I don't anticipate that that is the primary intent of the motion, I mean of the resolution. In fact, we left it out and put it in there to complete the action that the Council directed at the last "B" Session and we understand that it's not the primary purpose.

MAYOR PRO-TEM WEBB: The hundred and five is not what we're voting on at this particular time.

ASSISTANT CITY MANAGER FOX: I believe that there is a long trail before that hundred and five million is spent.

MR. ALDERETE: As long as the primary intent is understood that it be Applewhite and nothing else.

MAYOR PRO-TEM WEBB: Councilman Wing.

MR. WING: I would just briefly state that I wholeheartedly agree with Dr. Cisneros.

MAYOR PRO-TEM WEBB: Councilwoman Dutmer.

MRS. DUTMER: Yes, if you'll look just a little bit east of your new lake you'll see another lake that the southside has had for many, many years and if you'll also look at those black water lines you'll see that they're in the county. You're supplying water to the lower county. I just - I don't know why I get so uptight about this because by the time you get through fighting those people on the Leon and the Medina you're going to know that you've been in a dog and cat fight taking the seventy-thousand acre feet of water out of it. So you just go ahead and vote your conscience and time will tell.

MAYOR PRO-TEM WEBB: Councilman Thompson.

MR. THOMPSON: The many words that have been said certainly fall within the areas I'm concerned about. I'm concerned about the same things that Helen's concerned about. I want to echo the comments of Dr. Cisneros as to the viability of the project. It is a viable one. It supplies the - it increases the horizon of the southside of town like nothing else can do and without this project we'll see no change. With this project we're going to see a vast amount of change. It is the one thing, the only thing, that I can come up with that sparks the imagination and excitement of the southside of San Antonio. It gives meaning to commitment that we'll have balanced development across our City on both sides. Without our commitment to our people and without following through with this project, I think our confidence would be shaken. I think the people's confidence mustn't be shaken. I strongly urge the support in the voting for this project this evening. Thank you.

MAYOR PRO-TEM WEBB: Councilman Steen.

MR. STEEN: Thank you, Mr. Mayor Pro-Tem. Let me state right at the conception of what I'm going to say that I'm not against the Applewhite Reservoir. I think it's a necessity; I think it's definitely in the future of the City and of the City Water Board. But, it seems like to me that our priorities got a little bit confused because I look upon the GBRA as the first situation, and then the Applewhite as the second. And even while we're contracting or trying to contract with the GBRA, we can, at the same time begin to buy land for the Applewhite Reservoir. As I looked at this report put out by the Water Resources Task Force on page, it's on the second page. It tells me that we are going to need surface water by the year 2003, and we're going to need 43,600 acre feet per year at that time. That's not too long off; that's a little over twenty years, and they tell us we're going to need a little over 43,000 square feet. So, we build the Applewhite Reservoir, and we have 16,000 acre feet of water. We don't have enough; you see, we're still going to lack about 30,000 plus acre feet of water if we do need that much surface water in the year 2003. So, I think that no matter what we do, we're going to have to contract with the GBRA to take care of deficiency between what the Applewhite will produce and what we're really going to need. Also, even if we build a Cibolo after we build the Applewhite, together, they're only going to produce 36,000 acre feet of water, and that not even enough, according to this report for surface water for the year 2003. We're still going to be short. So, to me, the GBRA is definitely in our future. We have to have the difference in acre feet of water coming from those people. Furthermore, we've already gotten the word that the City Water Board has, needs an increase in water rates this year. In fact, they've needed this increase I think since April of this year. We had a consultant group study the City Water Board and their rates and what have you, and they came up and said you don't have to increase the water rates, but there are enormous policy considerations that we have to make if we don't increase the water rate. In other words, we're not really saving anybody any money we're just shifting the cost around. I don't care what we build or how we build it sooner or later the taxpayers have to pay for it. I don't know of anybody else that's going to pay for anything anywhere except the people. They have to pay for it. I don't care whether we're getting water from the GBRA or building the Applewhite or what, it's still the citizens that have to pay for it. If we end up with a City Water Board increase for water this year and then we have to have another next year, then we have to begin to consider the increases in rates in order to pay for this 106 million dollars that we're going to spend on this Applewhite Reservoir. We're going to get into some really, to me, high water rates in this City, and I think that the best course of action, really, if we use our heads would be to contract with GBRA at a much cheaper amount of money, and then work our way into the Applewhite Reservoir over the next few years but take it easy because I think that we're going to price our people out of the water business almost if we proceed with what we're doing. As I said I'm for the Applewhite Reservoir. I think it's a definite necessity. I think it's in the future of the City, but I think it should be a secondary objective. I think we ought to be working on the other and assure ourselves of that water and then get on the Applewhite business. Now, I will say this that if we buy water from Canyon Lake up there; it's going to be gravity flow down to the City. It's not going to be near as expensive energy-wise or what have you to let that water just flow down hill, to where we need down here in this City. Whereas, anything we build south, of course, is going to have to be pumped back up north some place for whoever is going to use the water. I just think that even though tonight we pass the Resolution, and I'll probably vote for it I just think that GBRA business is very important, and it should be pursued. We ought to come up with some kind of a good contract with those people. Thank you.

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MAYOR PRO-TEM WEBB: Councilwoman Dutmer.

MRS. DUTMER: Yes, I've been around City politics for many, many years, and in the background to be sure I never expected to hold a public office, but I attended a meeting of the Taxpayers League back around '68 somewhere around in that era when it was held in the Lone Star Room over at the Gunter Hotel. At that time our speaker was Mr. Robert Van Dyke who is the head of the Water Board, and that time he made the statement, and it is recorded that he made this statement, that one of his policies that he was going to work toward was that he leave the Aquifer waters to the counties, to the west and to the north, and that San Antonio go to surface water. Well, after everybody gathered up their chins from dropping them on the floor, the question was asked, "yes, but won't this be more expensive," he said, "yes, from 15 to 30% more, but if they want water, they'll pay for it." I have a long, long memory.

MAYOR PRO-TEM WEBB: Mr. Tom Culbertson.

SOMEONE FROM THE AUDIENCE: Mr. Tom Culbertson is a geologist and he had to teach a class at SAC. He had a written statement that he left with Mr. Archer.

MAYOR PRO-TEM WEBB: Mr. Nolan Welmaker.

NOLAN WELMAKER: I'm Nolan Welmaker. I'm a lawyer here in the NBC Building, and I represent the Walsh family who are vitally interested in this vote tonight because this land that is in the site of the Applewhite Reservoir has been in their family since the Spanish governor took it away from the Indians. The first grant on this 3000 acres of land that they own between the Medina and the Leon Creek was to their great-great grandfather, Ignacio Perez, who happened to be the father-in-law of the Spanish Governor at the time and they have continuously farmed that land since that time in their family. Because of that they have looked into the advisability of building the Applewhite at that area and referred to certain studies that have been made throughout the years. It's interesting to note that a number of studies have been made, and I don't know if the Council has all of these or not but one of them was a report by Freese, Nichols & Endress dated 1971; another by the same firm dated 1974, and it appears to me by reading these and looking at the diagrams of what the purpose of this Reservoir was for, was not a source of water but a place to store water from federally-proposed Cibolo Reservoir, Cuero Unit # 1, Cuero Unit #2, and that it would be entirely unfeasible based on the figures that I read in here to look at the Applewhite as a source of water without first having water to pump into it, to store it and somehow along the line it changed, it might be some water coming down the Medina River it might be excess but I think that your figures and our figures will show that if you're looking to the Medina River for the water to use in the Applewhite Reservoir that it's more expensive than other sources, this is a very shallow area there's no canyon out there it's just almost flat lands except for the bottom. It'd be a very high rate of evaporation, and I think the citizens are going to pay more for a gallon of water for water from this Reservoir than you can get it for from Guadalupe, from Austin, from other areas. And the Walsh family, personally, they don't want their land taken away from them; second, they would like for the Council to look at all other alternate sources and to certainly study these materials that have been given to you very carefully. They've been hastily delivered to you, just take time to look into them, and third to look to alternate sites for the Applewhite Dam. At times in the past and based on my study of the map that you have before you this dam is not going to be built where you have it.

It's going to be built down where the Leon meets the Medina based on the information that the Water Board has given to me, and yet the map that I believe you have before you has it way up to the west of the Applewhite Road, and I think that the Council should look into details as to where it's to be built and why are the changes made. The Walsh family would like for it to be built somewhere else, if it's going to be built, for personal reasons of their own.

MR. ARCHER: You identified yourself as a lawyer, right?

MR. WELMAKER: Nolan Welmaker, I'm the lawyer.

MR. ARCHER: Aren't you also a apiarist - of some renowned...

MR. WELMAKER: Some renowned, yes, I've been called a few...

MR. ARCHER: You know this Council tried to rule bees as being a nuisance last week and have them outlawed, didn't you?

MR. WELMAKER: I didn't know that, but there are no nuisance, only if you bother them, if you leave them alone, they're all right.

MR. ARCHER: That's what I tried to tell them.

MAYOR PRO-TEM WEBB: Thomas Brereton. I'm sorry, excuse me, I overlooked the other person I was intended to call was Patricia Small on this item.

MRS. PATRICIA SMALL: My name is Patricia Small, and I'm a member of the Walsh family, and as you all know we are very upset over this Reservoir, and if it does pass we have plans to tie it up in court past the year 2003. This property has always belonged to my family, and we are not giving it up. We don't care. You better call the National Guard; we're not giving it up.

MAYOR PRO-TEM WEBB: Mrs. Dutmer.

MRS. DUTMER: Mrs. Small, I don't think you really have to worry. I think they realize they'll never build this Applewhite Reservoir, and that leaves a clear shot at the GBRA contract, the thing they wanted from the beginning.

MRS. SMALL: Thank you very much.

MAYOR PRO-TEM WEBB: Councilman Cisneros.

DR. CISNEROS: I'd be interested in knowing who the they is because if they includes me, I want the Applewhite and Cibolo and maybe at some point we will have in our program GBRA as a matter of fact if we had the money I'd like to see us do Applewhite and GBRA at the same time, and I've asked Mr. Van Dyke to get the numbers with an indication of what it would mean to the average water bill to try to move on a dual program, of Applewhite and some smaller portion of the GBRA contract over the course of the next two years. So, I just will say, Mrs. Dutmer, that as far as I'm concerned this is a serious venture. This is not a sham. That vote was a real meaningful vote, and the one that's going to be taken is a meaningful vote, a serious vote, a serious statement of our intent to build a future water supply for this City and no other hidden signals involved, but just do what is necessary for the town.

MRS. DUTMER: The pig that squeals is the one that's been stuck, that's all.

MAYOR PRO-TEM WEBB: The Council is at the crossroads. Mr. Van Dyke. We're at the well head. We want to hear from the well man.

MR. ROBERT VAN DYKE: Mayor Pro-Tem Webb, and Members of the City Council, I'm Robert Van Dyke, General Manager of the Water Board. A week ago, at your meeting at the "B" Session, you requested certain information from the Water Board and this preliminary report that has been delivered to you was put together as quickly as we could get the information that you asked for a week ago. I think that it's important to just review very briefly what we have in the report so that everyone can understand what you're getting into before you vote.

We start out in the report with the map showing the location of the Reservoir. I would offer a correction to Attorney Welmaker, a moment ago he said that the dam was west of Applewhite Road, and I think that if you will look you will see it is between 281 and Applewhite Road where it always has been, and this site was very carefully chosen to be the very best site for a dam in that particular area. It also enables the Reservoir to receive water from Leon Creek through a diversion channel which helps to increase its capacity and the water that is available for the citizens of San Antonio.

On Page two, is basic information about the dam because I know you're going to have a great number of inquiries about the Reservoir and the dam and just what it's all about and I thought that would be helpful to you so that you could answer any questions from your constituents. But, basically, this dam is there for a municipal water supply. It has no other purpose for its construction. And it will be an earth-filled dam. The dam is roughly three miles west of the 281 South. It will have a spill way, tainter gates on it to control the floods. And, I think that all of the basic information is there on elevations and so forth for your review at your convenience.

You asked, again, for the Water Board to give you an idea of the steps that would have to be taken if this project were undertaken. Starting on page three through page six you will find a detailed listing of the actions that might be taken to put this project into being and then the dates when we anticipate that those actions can take place. And that information, then is graphically portrayed on the first chart, is on page seven. So that you can see the flow of events that must take place. You'll notice one one of the things, the estimate that we have said, that's in the total cost of the Reservoir. There are no costs for mitigation, and this is a requirement of the Fish and Wildlife in conjunction with the project. So that one item in that list is still hanging loose, and it will be until the application is actually made. And that cannot be made until after a water permit is obtained from the Texas Water Rights Commission.

When we first started to talk - or when you first started to talk about the Reservoir last week, we were talking about just the Reservoir and the dam and then ultimately, in your conversation it was conveyed to me that you wish to have a complete water project with a treatment plant and the pipelines that could bring the water into the city. And so, once you have the treatment plant completed, and the pipeline from the Reservoir to the treatment plant and the Reservoir and the dam completed, you must then get the water into the system. And we have purposely separated these two because pipelines and the distribution system are normally part of the regular distribution system of the City Water Board's water system. And so, on page eight you will see that the pipeline bringing water from the treatment plant into the City are broken down into two phases. The locations that are shown on the map on page one are schematic.

They might have to move one way or the other to get through places where we can get right-of-way, but, generally, they would fall, follow the patterns that are shown on page one.

Following that on page nine is the PERT chart you asked for showing the time when those pipelines would be built. In the preliminary cost estimate, we have broken this down into the major phases so that you can understand precisely the amount of money that you're looking at, the Reservoir and the Leon Creek conversion facilities for some \$64 million, raw water pump station and the pipeline to the treatment plant, some \$3.8 million. The treatment plant is \$27.9 million then adding on the two phases of the pipelines from the treatment plant on into the City add a \$9.7 million for a total of \$105.989 almost \$106 million.

So, that you might understand how we calculated these figures and updated them from the estimates that we had prepared back in 1977, we have shown on page 11 the cost escalation index in which we feel is extremely conservative. Many people feel that they're going to continue to have double digit inflation on into the future. We are very hopeful and conservative in this projection, hoping that the federal government will take some type of action to curb the inflation that is just gnawing away at our country. So, if we are wrong, and if the inflation rates continue at the double digit rate or at least 9% the cost that we have presented is going to be even higher. And so, again, this tells you that the longer you wait to start on a project, the more dollars that you are going to have to pay. In the preparation of the estimates, they have all been projected on a time basis and based upon inflation rates so that the longer you wait in the work that has to be accomplished, you see the increase in the cost.

I'll be happy to answer any questions that the Council may have, and we have not prepared a financial plan but as I stated in my letter we will have to work out a financial master plan. It is the second item on the PERT chart. It's something that we will prepare and present to you. But, basically, I want to tell you that there are four methods of financing that we are considering at the moment. First, of course, is using our present bond indenture. And, as you are aware, we have rather stringent forward requirements and backward published requirements in that indenture. Secondly, we are looking at the possibility of second lien bonds that could be issued without having those very stringent requirements but which would probably carry a considerable percentage rate on the interest. Third, on the 14th of June of this year, the governor signed into law a new Law 717K which allows refunding, advanced refunding bonds, to be issued and if this method is followed conceivably a great number of municipal bonds could be issued without substantial rate increases, but this is something that we are looking at, at the present time. The last methods that we are considering would be a contract, conceivably with the San Antonio River Authority to actually build the dam, and they would contract for it, issue the bonds and so forth so that there would be no direct obligation of finances for the City Water Board. But, the City and through the City Water Board would enter into a contract with the San Antonio River Authority to carry out the construction. We'll look at these things. We'll come up with financial plan that we feel will be the very best for the citizens of San Antonio and bring it to you for your consideration.

You asked me to do one other thing last month - last week and that was to get in contact with the Guadalupe Blanco River Authority. I have contacted the manager of the GBRA, and he has agreed to meet with me in the very near future to sit down to discuss the overall problems of obtaining water from the Guadalupe basin.

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As I understood your directions, and as I see what you have written in your Resolution today that is what you wanted done, was an inquiry to see what could be done, what was available, what quantities of water would be available, what time those waters, what costs would be, and to bring that information back to you for your consideration before any positive action is taken. So, we are proceeding along those lines.

MAYOR PRO-TEM WEBB: Thank you very much for the precise report. Mr. Van Dyke, I'd like to ask you one question in particular. I noticed that Mr. Welmaker mentioned specifically over and over again that the land was shallow, whatever, couldn't, and it was porous, and it would not hold the water. Would you elaborate specifically on it; is there any merit or truth to what the gentleman has stated to us?

MR. VAN DYKE: The Reservoir is a relatively shallow reservoir as compared to the Canyon Reservoir or some that might be up in the Hill Country. It's true we do have evaporation in the San Antonio area that is substantial. Nevertheless, all these things have been taken into account in the analyses that have been made of the site and this Reservoir does have a firm yield of 16,000 acre feet; and if it's operated in conjunction with the Edwards Aquifer, it has an average yield of 53,000 acre feet per annum. Mrs. Dutmer brought up the point that in a heavy drought that there would be no water in the Reservoir, and she's correct. The point is that the Applewhite Reservoir would be operated in conjunction with the Edwards Aquifer, and instead of relying on a surface water supply to supplement the ground water, we would be using the ground water and using the ground water to supplement the surface water. In essence, by using it in the period ahead of the drought, we would be conserving the water that would be available in the Aquifer. And it is a concept that's a little reverse of what we normally think about, and this is one of the things that I think people have difficulty in understanding how the operation of the Reservoir would take place.

One other thing that I think is extremely important, that you understand, is that at the present time our water system, basically, has the input points into our water mains in the center of the City and throughout the center from east to west. This water then is pushed or pumped north where there is a little amount of water, or it is pushed south down below the fault zone. When you build a brand new Reservoir like this, it's like attaching a new heart to a body only we're attaching it at the end of a finger. So, that the mains that are in that particular area are small like the capillaries in your fingers, and it will be necessary through the months that follow to build a distribution system from this new source. But, that would be true no matter where you bring surface water in, that you bring it in from the North from Canyon, you will have that same type of a problem. But, it's part of the building of a water system when you go to surface water. I just want you to be aware of that, and it will require substantial amount of mains in the years to come, but it will be done in an orderly fashion, and providing the water to the areas that are needed. This water will be basically used in the area that is south of the fault zone that comes from Applewhite.

MAYOR PRO-TEM WEBB: Sounds as though you're saying, "Let's get it on, the matter which..."

MR. VAN DYKE: That's up to you, sir.

MAYOR PRO-TEM WEBB: But to read you, I still recall the four alternative water resources that we would have for surface water, and I recall the chronological order that you put them in, but I don't hear you waving the flag at this particular time. So, that's very good. I don't see any problem with it. Councilwoman Helen Dutmer has questions.

MRS. DUTMER: Yes, Mr. Van Dyke, did you not say that in order to keep water in the Applewhite, when I was over at the Water Board sitting in for the Mayor, in order to keep water in the Applewhite, you would eventually have to build a Cibolo in order to maintain water in that Reservoir? Right?

MR. VAN DYKE: If I said that, I don't know what context it was in, but let me explain something that, perhaps, will clear your mind. If the Cibolo Reservoir is built, eventually, we would use it in conjunction with the Applewhite Reservoir, and the Applewhite Reservoir would be a fluctuating reservoir to receive that water at a steady, constant flow. By doing that, we can pump the water into the Reservoir at the cheapest electrical energy cost and the elevation of the water in the Applewhite Reservoir would vary. One day it would be high, and one day it would be low depending upon the demand that is taken out of the Reservoir into the treatment plant and on into the City. If we build the Cuero Reservoir, we would also use the Applewhite in that same way. We would pump water from Cuero into Cibolo and then from Cibolo into Applewhite and then from Applewhite into your treatment plant and on into the City. There is no intent that the Water Board would keep the Applewhite Reservoir full all the time. I don't mean to imply that to those of you that are here in the Council. If water that comes down the river would be used, and it would be used, as I said, at an average rate of 53,000 acre feet per year, and by so doing, then we cut down on the withdrawals that have to be taken from the Aquifer. So, if there's no intent to have a Reservoir that is full of water all the time, but it is to use the storm waters of the Medina River when they are available for the citizens of San Antonio.

MRS. DUTMER: All right, at that same time, I believe that you told me, I asked you, "Well, if you have to have the Cibolo, why don't you build that first?" Now, this is not a fight between Cibolo and Applewhite, I want you to understand that from the beginning. But I said, "Well, if you're going to need these, why don't you build those first?" And I believe, at that time your statement to me was, "Because it is cheaper for me to pump the water from the Applewhite to the northwest than it is to pump it from the Cibolo over to the northwest."

MR. VAN DYKE: No, there would never be any water pumped from the Applewhite to the northwest ever. In our plan, our master plan that this Council, not this Council, but previous Councils have approved, you will see on that Master Plan that water did come from the site that we had selected in northeast Bexar County. It moved across the outcrop 155 area to the northwest, and also it moved down the east side of San Antonio where we had areas where there was not presently a water supply, and in those areas that were in the - and in the area south of the fault zone. But I don't believe that I ever told you or anyone else that any water from Applewhite would ever be used in northwest because it just would not.

MRS. DUTMER: All right, I'll accept that. Perhaps, it was my misunderstanding, and I do remember when GBRA Contract and your treatment plant and all the rest up to the north was a dog fight. All right, you have twice stated that you will use the Applewhite Reservoir in order to conserve the water in the Aquifer so that it would be there in a time of drought. Is that not right? Twice you've said that, right?

MR. VAN DYKE: Yes.

MRS. DUTMER: All right, then this is in direct opposition to the statements you've made before this Council before that you have told us that it does no good for San Antonio to conserve water because that water merely flows down to the sea. Is that right?

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MR. VAN DYKE: Yes, under the present circumstances, what you are saying is absolutely correct. As long as the water in the Aquifer is above elevation 575, which is the tip of the San Marcos Springs, the water will flow out of the springs and go unhindered down to the sea. We're talking about a long-term project, and when we have a time in San Antonio when we are going to have a draft upon the Edwards Aquifer that will exceed the supply that is available out of the average annual recharge, and you're not building the Applewhite Reservoir for today. You're building a surface water supply for the future, and it doesn't make any difference whether you're getting it from the Applewhite or from the Guadalupe Basin or from the Cibolo, you're going to build that for the future. I don't think that there can be any misconstruing of that fact, that we're not out of water today, and we certainly make no presentation to you or to anyone else that San Antonio is suffering from a lack of water today. But what we're planning for is the population growth that we anticipate will come to San Antonio because of the mass movement of people to the Sunbelt. Of course, our City is doing everything it can to attract industry, to attract new businesses and people to come here, and we certainly, those of you who are in business anyway, are hoping that this growth will take place, and what we are advising you is that you are going to have a water supply that will be available to take care of these people in the future when they do come.

MRS. DUTMER: You're telling me that 16,000 acre feet of water or 53,000 acre feet of water a year will take care of this enormous growth.

MR. VAN DYKE: No, you are misconstruing what I have said. The Water Board, the San Antonio River Authority, the Guadalupe Blanco River Authority, the Nueces Waste Approval Authority and the Edwards Underground Water District all said we need every reservoir that we can build. This is merely an official step.

MRS. DUTMER: Mr. Van Dyke, I do not see this great growth phenomenon that you see in the southwest with this water until such time as other detrimental things are removed from the area and I do refer to the Rilling Road Plant and I do refer to Mitchell Lake which will then be obsolete as far as sewage is concerned and can be cleaned up for an industrial use at least. In removing this plant to the confluence site and going into your secondary and tertiary area treatment, I'm sure you're knowledgeable about water more so than I and you're going to have very good industrial water in that area. Is it your intent then to pump that water into the Applewhite?

MR. VAN DYKE: No, all of the water that will be coming into the Applewhite will come from the drainage area that is above the Applewhite Dam. I think you are putting some words into the Water Board's presentation that aren't there.

MRS. DUTMER: No, I didn't put anything in. I'm asking you a question, sir.

MR. VAN DYKE: This Reservoir is not being built to provide the super growth for one particular area and I have stated to this Council in the past that a surface water supply is not going to make a tremendous difference in one particular area and that growth is not going to take place just because of this Reservoir nor would it take place in the northeast if we brought it in from the northeast. Our water supply is for the whole City. It's for the benefit of all of our citizens. It is for the benefit of the economic growth of a whole metropolitan area and so I think we must look at it in that way. A drop of water knows no political bounds nor any other bounds and it's merely there to take care of the needs of people.

MRS. DUTMER: All right, thank you.

MAYOR PRO-TEM WEBB: We're thoroughly convinced, proven the matter, and let's vote.

AYES: Cisneros, Webb, Wing, Eureste, Thompson, Alderete, Canavan, Archer, Steen;

NAYS: Dutmer;

ABSENT: Cockrell.

MAYOR PRO-TEM WEBB: Thank you very much.

79-35 The following Ordinance was read by the Clerk and after consideration, on motion of Mrs. Dutmer, seconded by Mr. Wing, was passed and approved by the following vote: AYES: Cisneros, Webb, Dutmer, Wing, Eureste, Thompson, Alderete, Canavan, Archer, Steen; NAYS: None; ABSENT: Cockrell.

AN ORDINANCE 51007

APPOINTING AND REAPPOINTING TRUSTEES OF THE
SAN ANTONIO LOCAL DEVELOPMENT COMPANY, INC.

* * * *

July 19, 1979
msv

SECTION 1. The following persons are hereby reappointed as Trustees of the San Antonio Local Development Company, Inc., for a 3 year term expiring July 25, 1982:

Ruth Hutchinson (3)
Harley Halstead (4)
Simon Castillo (5)
Richard Borrego (7)
John Winfield (1)

SECTION 2. The following persons are appointed for a 3 year term expiring July 25, 1982:

John Ross (2)
John Grieshaber (8)
Mrs. Esther Cornutt (10)
Veronica Salazar (11)
Kay Brown (6)
Beverly Rupe (9)

SECTION 3. Mr. Rodolfo Segovia is hereby appointed to fill the remainder of the term left by the resignation of Mr. Ruben Munguia, Sr., said term expiring July 23, 1980.

* * * *

CITIZENS TO BE HEARDMR. E. L. RICHEY

Mr. E. L. Richey asked that the City Council cut back the budget. He spoke against City funds in the past being allocated to the San Antonio Ballet Company.

MR. JOHN CAMPBELL

Mr. John Campbell representing the North San Antonio Chamber of Commerce, presented a Resolution which had been approved by their Board of Directors expressing the position of the Chamber concerning the reordering of the Planning Process for the City Master Plan. (A copy of the statement is on file with the papers of this meeting.)

MR. NAT BURKE

Mr. Nat Burke, 1512 Fredericksburg Road, spoke to the Council regarding some chug holes that are located on property that belongs to the City in front of his business. He stated that he has called the City about this problem and they've told him he has to maintain the pavement. He asked if this is proper.

Mr. Alderete asked for a report to the Council on Mr. Burke's concerns.

Ms. Karen Davis, Executive Assistant to the City Manager, stated that a report on this matter will be forthcoming to the Council.

Mrs. Dutmer stated that she is very interested in the report since she has been called by residents of her district with the same type of problem.

MR. RONALD WALBY

Mr. Ronald Walby, representing residents of the Camelot Area, spoke to the Council regarding the need to have a rehearing on Zoning Case 7697. He stated that the applicant in this Case is not fulfilling the stipulations that were imposed along with the rezoning.

Mr. Skip Noe, Administrative Assistant, explained that in some cases the City can be the applicant in Zoning Cases. He then explained the time stipulations and procedure used to rehear zoning cases.

Mr. Steen stated that residents of the area have contacted him and a meeting with the applicants in this Case and residents of the area will be scheduled. He asked that Mr. Walby contact his office for the time and place of the meeting.

The staff was asked to report back to the Council on this matter and include alternatives for action.

MR. THOMAS BRERETON

Mr. Thomas Brereton representing the San Antonio Coalition of Neighborhood Association, spoke to the Council on the Chapter IV of the Master Plan. They do not object to sending this Chapter back to the Planning Commission for condensation. He also asked that the City Council publicize the Master Plan. He also stated that Annexation should be addressed in Chapter IV. Mr. Brereton stated that forecasts which are included in the Master Plan are very important. He asked that the Council not make any major changes to the Plan.

There being no further business to come before the Council,
the meeting was adjourned at 6:50 P.M.

A P P R O V E D

Lela Cockrell

M A Y O R

ATTEST:

M. J. Jackson
C i t y C l e r k

July 19, 1979
nsr