

REGULAR MEETING OF THE CITY COUNCIL
OF THE CITY OF SAN ANTONIO HELD IN
THE COUNCIL CHAMBER, CITY HALL, ON
THURSDAY, MAY 31, 1979.

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The meeting was called to order at 1:00 P.M. by the presiding officer, Mayor Lila Cockrell, with the following members present: CISNEROS, WEBB, DUTMER, WING, EURESTE, THOMPSON, ALDERETE, CANAVAN, ARCHER, STEEN, COCKRELL; Absent: NONE.

79-27 The invocation was given by The Reverend Peter T. Manfred, Prince of Peace Lutheran Church.

79-27 Members of the City Council and the audience joined in the Pledge of Allegiance to the flag of the United States.

79-27 PRESENTATION OF HONORARIUM TO JAMES P. COX

ON THE MORNING OF MAY 4, 1979, AN ELDERLY MAN AT A DOWNTOWN RESTAURANT CHOKED ON A PIECE OF FOOD. MR. JAMES P. COX, AN EMPLOYEE OF THE CITY'S DEPARTMENT OF TRAFFIC AND TRANSPORTATION, QUICKLY CAME TO HIS AID AND PERFORMED THE HEIMLICH MANEUVER ON HIM. MR. COX MANAGED TO DISLodge THE OBSTRUCTION AND TO ALLEVIATE HIS LACK OF OXYGEN THEREBY SAVING HIS LIFE.

MR. COX'S PRESENCE OF MIND AND QUICK RESPONSE TO THE NEEDS OF A FELLOW HUMAN BEING MERIT THE COMMENDATION OF THE CITY COUNCIL AND THE SINCERE APPRECIATION OF A GRATEFUL COMMUNITY.

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Mayor Cockrell congratulated Mr. Cox and expressed the appreciation of the City for his efforts. All of the Council members personally greeted him.

79-27 VISITOR FROM GUATAMALA

Dr. Cisneros, on behalf of the Institute of the Americas, introduced Ing. Carlos A. Prera Flores, Manager of the National Institute for Municipal Development from the Republic of Guatamala.

Sr. Flores, on behalf of the 326 municipalities of the Republic of Guatamala, greeted the City Council and spoke about the present relationship which has been formed between the Republic of Guatamala and the City of San Antonio. This relationship was initiated by the formal visit of Mayor Lila Cockrell to their capitol City. He spoke about the need for fostering an interchange of training of personnel who work for the City of Guatamala.

The City Council offered any type of assistance necessary for this project.

79-27 RESOLUTION OF RESPECT

Mr. Steen requested that a Resolution of Respect for the bereaved family of the late Judge John Woods be placed on the agenda for next week. The Council concurred with Mr. Steen's recommendation.

79-27 At this time, Mayor Cockrell extended greetings to the Council members from Mrs. Allen and Mr. Allen, Vice-Chairman of the Export-Import Bank in Washington D.C. and also from Pilar Llado, wife of the Spanish Ambassador. They were here for an official visit with the Spanish Ambassador during Fiesta Week.

79-27 CONSENT AGENDA

Mr. Steen moved that items 4-20, constituting the consent agenda be approved, with the exception of items 6, 7, 8, 11 and 21, to be considered individually. Mr. Webb seconded the motion.

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

AN ORDINANCE 50,803

ACCEPTING THE PROPOSAL OF BIRD MACHINE COMPANY, INC., TO FURNISH THE CITY OF SAN ANTONIO PUBLIC WORKS DEPARTMENT WITH THE REPAIR OF THE BIRD CENTRIFUGE FROM THE LEON CREEK SEWAGE TREATMENT PLANT FOR A NET TOTAL OF \$21,000.00.

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AN ORDINANCE 50,804

ACCEPTING THE PROPOSAL OF ENVIROQUIP, INC., TO FURNISH THE CITY OF SAN ANTONIO PUBLIC WORKS DEPARTMENT WITH A MAIN SUPPORT BEARING FOR A FINAL CLARIFIER FOR A NET TOTAL OF \$5,000.00.

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AN ORDINANCE 50,805

AUTHORIZING THE CITY MANAGER TO EXECUTE FIELD ALTERATION NO. 1 IN THE AMOUNT OF \$7,804.82 TO THE CONTRACT FOR CONSTRUCTION OF THE PYRON AVENUE PAVING PROJECT; APPROVING REPROGRAMMING OF CDA BLOCK GRANT FUNDS; APPROVING A REVISED BUDGET FOR THE PYRON AVENUE PAVING PROJECT; AND AUTHORIZING PAYMENT OF THE SUM OF \$7,804.82 TO BRUCE CONTRACTING CO., INC.

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AN ORDINANCE 50,806

AUTHORIZING THE CITY MANAGER TO EXECUTE FIELD ALTERATION NO. 2 IN THE AMOUNT OF \$17,506.20 TO THE CONTRACT FOR CONSTRUCTION OF THE ARANSAS DRAINAGE PROJECT 14A, 14B, AND 14C.

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AN ORDINANCE 50,807

AUTHORIZING THE CITY MANAGER TO EXECUTE A STANDARD PROFESSIONAL SERVICES CONTRACT WITH PETER B. OLFERS, LANDSCAPE ARCHITECT, TO PROVIDE PROFESSIONAL ARCHITECTURAL SERVICES AND PREPARE PLANS AND SPECIFICATIONS FOR THE INITIAL SITE DEVELOPMENT OF VILLA CORONADO PARK; AUTHORIZING PAYMENT OF \$3,000.00 TO PETER B. OLFERS, LANDSCAPE ARCHITECT, AS ARCHITECTURAL FEES TO BE MADE FROM FUND 28-004, PROJECT NO. 004029, INDEX CODE 244780.

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AN ORDINANCE 50,808

AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT AMENDMENT TO THE PROFESSIONAL SERVICE CONTRACT WITH W.H. MULLINS, INC., FOR PROFESSIONAL SERVICES FOR UPGRADING THE LEON CREEK WASTEWATER TREATMENT PLANT; APPROPRIATING THE AMOUNT OF \$15,100.00 IN FUND 52-008, PROJECT NO. 008017, INDEX CODE 530568; AND AUTHORIZING PAYMENT OF SAID AMOUNT TO W.H. MULLINS, INC., FOR PROFESSIONAL FEES.

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AN ORDINANCE 50,809

AUTHORIZING THE CITY MANAGER TO EXECUTE A STANDARD PROFESSIONAL SERVICES CONTRACT WITH PFENNIG, WEYMAN AND ASSOCIATES, INC., TO PROVIDE PROFESSIONAL ENGINEERING SERVICES AND PREPARE PLANS AND SPECIFICATIONS FOR THE SAN PEDRO CREEK DRAINAGE OUTFALL AND AUTHORIZING PAYMENT FROM FUND 28-003, PROJECT NO. 003011.

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AN ORDINANCE 50,810

ACCEPTING THE OFFER OF PARTICIPATION MADE BY THE STATE DEPARTMENT OF HIGHWAYS AND PUBLIC TRANSPORTATION COMMISSION IN RESPONSE TO THE CITY'S RESOLUTION DESIGNATING THE 1979-1980 FEDERAL AID URBAN SYSTEM PROGRAM PASSED BY COUNCIL MARCH 29, 1979.

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AN ORDINANCE 50,811

AMENDING CHAPTER 38 (TRAFFIC REGULATIONS) OF THE CITY CODE SETTING FORTH LOCATIONS DESIGNATING STOP SIGN LOCATIONS; DESIGNATING YIELD RIGHT-OF-WAY LOCATIONS; SETTING MAXIMUM SPEED LIMITS ON CERTAIN STREETS; ESTABLISHING PARKING METER ZONES; PROHIBITING PARKING AT ALL TIMES ON CERTAIN STREETS; PROHIBITING STOPPING, STANDING OR PARKING DURING CERTAIN HOURS ON CERTAIN STREETS; PROHIBITING TURNS DURING CERTAIN HOURS AT CERTAIN INTERSECTIONS; AND PROVIDING THAT VIOLATIONS HEREOF BE PUNISHABLE BY A FINE OF NOT LESS THAN \$1.00 NOR MORE THAN \$200.00.

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AN ORDINANCE 50,812

AUTHORIZING A CONTRACT WITH BEXAR COUNTY FOR CARRYING OUT BY THE DEPARTMENT OF PARKS AND RECREATION OF A RECREATION PROGRAM AT THE BEXAR COUNTY JUVENILE DETENTION CENTER FOR FIVE MONTHS ENDING SEPTEMBER 30, 1979, ESTABLISHING A FUND AND BUDGET AND AUTHORIZING A PERSONNEL POSITION.

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AN ORDINANCE 50,813

MANIFESTING THE CITY'S CONSENT TO THE ASSIGNMENT OF A LAND LEASE NO. 335 AT INTERNATIONAL AIRPORT FROM FOREST OIL CORPORATION PENSION TRUST TO SIGMOR CORPORATION.

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AN ORDINANCE 50,814

CLOSING CERTAIN STREETS TO VEHICULAR TRAFFIC DURING CERTAIN HOURS ON JUNE 3, 1979.

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AN ORDINANCE 50,815

AUTHORIZING THE EXECUTION OF AGREEMENTS BETWEEN THE CITY OF SAN ANTONIO AND EIGHT GOVERNMENTAL AGENCIES UNDER WHICH THE CITY WILL PROVIDE MAINTENANCE FOR A ONE YEAR PERIOD COMMENCING AUGUST 1, 1979.

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79-27

The Clerk read the following Ordinance:

AN ORDINANCE 50,816

ACCEPTING THE BIDS OF VARIOUS COMPANIES TO FURNISH THE CITY OF SAN ANTONIO WITH VARIOUS SUPPLIES AND SERVICES FOR THE FISCAL YEAR 1979-1980, AND ACCEPTING CERTAIN BIDS FOR LONGER PERIODS.

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

In response to Mr. Canavan, Mr. George Noe, Administrative Assistant to the City Manager, stated that this Ordinance does not include the particular concern that Mr. Canavan was asking about.

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

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79-27

The Clerk read the following Ordinance:

AN ORDINANCE 50,817

ACCEPTING THE LOW BID OF BUILTRITE DISTRIBUTING CO. INC., TO FURNISH THE CITY OF SAN ANTONIO PARKS AND RECREATION DEPARTMENT WITH A SUMMER NUTRITIONAL LUNCH PROGRAM FOR A TOTAL ESTIMATED EXPENDITURE OF \$482,000.00.

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

Mr. Archer spoke in opposition to this Ordinance because of the already existing problem of inflation.

Mr. Ron Darner, Director of Parks and Recreation, explained that the Department of Human Resources, sets the guidelines that determine certain income levels. He stated that this program has been in existence for ten years and it is being done throughout the nation.

Mayor Cockrell spoke in support of the motion and stated that this is a program established on a federal level. If the city were to decline the opportunity to accept this money, the funds would simply go to another city.

Several of the Council members spoke on this subject.

After considerable discussion, 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, Cockrell; NAYS: Archer; ABSENT: None.

79-27

The Clerk read the following Ordinance:

AN ORDINANCE 50,818

AUTHORIZING PAYMENT TO SIGMOR-SHAMROCK CORPORATION FOR THE EMERGENCY PURCHASE OF DIESEL FUEL AT A PRICE OF \$.6061 PER GALLON.

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

Councilwoman Dutmer disqualified herself from voting on this Ordinance.

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

79-27

The Clerk read the following Ordinance:

AN ORDINANCE 50,819

AUTHORIZING THE CITY MANAGER TO EXECUTE FIELD ALTERATION NO. 16 IN THE AMOUNT OF \$81,654.45 TO THE CONTRACT FOR CONSTRUCTION OF THE CULEBRA-MARTIN DRAINAGE PROJECT 58-C; APPROPRIATING THE AMOUNT OF \$81,654.45 IN FUND 41-001, PROJECT NO. 001007, INDEX CODE 507368; AND AUTHORIZING PAYMENT OF SAID AMOUNT TO M.B. KILLIAN COMPANY.

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

Mr. Kiolbassa, Director of Public Works, stated that this was an exceptional case and that it was necessary to cover the increase cost of channel excavation.

In response to Mrs. Dutmer's concern on contractors who might bid low in order to be awarded the contract, Mr. Kiolbassa stated that the Public Works Department tries to monitor this type of activity very carefully.

Mayor Cockrell expressed her concern about the after the fact appropriation.

City Manager, Huebner, stated that this type of action will be kept at an absolute minimum.

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

79-27 The Clerk read the following Ordinance:

AN ORDINANCE 50,820

AUTHORIZING THE CITY MANAGER TO EXECUTE
QUITCLAIM DEEDS TO CERTAIN PURCHASERS FOR
PROPERTIES ACQUIRED THROUGH TAX FORECLOSURES
AND AUTHORIZING PAYMENTS TO OTHER TAXING
ENTITIES AND COSTS INCURRED THEREIN.

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Mr. Webb moved to approve the Ordinance. Mr. Wing seconded the motion.

Mr. George Noe, Administrative Assistant to the City Manager, explained the ordinance and stated that the adjacent property owners had been notified and that the location of these properties going up for bid had been published in two daily newspapers.

Mr. Raul Rodriguez, a citizen, stated that in the past five years, the bidding procedure has changed and now it is almost impossible for the general public to learn about the properties available for bidding. He asked that a list of these properties be placed on the bulletin board, first floor of City Hall.

Mr. Thaddaeus Iglehart, Assistant City Attorney, stated that he was unaware of the procedure of posting these properties on the bulletin board, but he would do so in the future. He also informed the City Council as the 175 properties held by the City that acquire the payment of taxes.

City Attorney, Macon, stated that a report would be forthcoming to the Council on information regarding these 175 properties.

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

79-27 ZONING HEARING

22. CASE 7691 - to rezone Lots 11 thru 17, Block 98, NCB 9368, 2713 Commercial Avenue from "F" Local Retail District to "B-3" Business District, located northwest of the intersection of Commercial Avenue and Aaron Place, having 175' on Commercial Avenue and 130' on Aaron Place.

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

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

Mr. Wing expressed concern about zoning the entire tract "B-3R" since there is a residence in the middle of the property.

Mr. Andy Guerrero, Planning Administrator, stated that the purpose of the "B-3R" is in order that he can operate an auto repair shop in connection with the existing use.

After discussion, Mr. Wing made a substitute motion to postpone the case for 30 days in order to check whether there is a zoning violation regarding the residence in the area. Mr. Thompson seconded the motion.

In response to Mr. Wing, Jose Louis Tovar, representing the applicant, Mr. Don Smith, stated that he intends to use the building in the middle of the tract as an office for his used car lot. The previous owner had operated a repair shop in the building. In response to Mayor Cockrell, Mr. Tovar stated that he had no objection to a 30 day postponement.

After further discussion, Mr. Guerrero stated that he would investigate to see if there is some kind of violation regarding this property and report back to Council.

No citizen appeared to speak in opposition.

Mr. Wing's substitute motion to postpone Case 7691 for 30 days carried by the following vote: AYES: Cisneros, Webb, Dutmer, Wing, Eureste, Thompson, Canavan, Archer, Steen, Cockrell; NAYS: None; ABSENT: Alderete,

23. CASE 7694 - to rezone Tract H, NCB 11493, in the 4300 Block of Culebra Road from "A" Single Family Residential District and "B-2" Business District to "B-3R" Restrictive Business District, located southwest of the intersection of Culebra Road and Laven Drive, having 210.36' on Culebra Road and 997.2' on Laven Drive.

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 proper platting is accomplished. 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, Canavan, Archer, Steen, Cockrell; NAYS: None; ABSENT: Alderete.

AN ORDINANCE 50,821

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 H, NCB 11493, IN THE 4300 BLOCK OF CULEBRA ROAD FROM "A" SINGLE FAMILY RESIDENTIAL DISTRICT AND "B-2" BUSINESS DISTRICT TO "B-3R" RESTRICTIVE BUSINESS DISTRICT, PROVIDED THAT PROPER PLATTING IS ACCOMPLISHED.

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24. CASE 7693 - to rezone Lot 24, Block 2, NCB 10365, 3334 Southcross Boulevard from "F" Local Retail District to "B-3R" Restrictive Business District, located southwest of the intersection of Southcross Boulevard and Pecan Valley Drive, having 220' on Southcross Boulevard and 95' on Pecan Valley Drive.

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 the applicant work with the Traffic Department, to be in accordance with the 1.10 of the Major Thoroughfare Plan. 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, Canavan, Archer, Steen, Cockrell; NAYS: None; ABSENT: Alderete.

AN ORDINANCE 50,822

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 LOT 24, BLOCK 2, NCB 10365, 3334 SOUTHCROSS BOULEVARD 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 THE APPLICANT WORK WITH THE TRAFFIC DEPARTMENT, TO BE IN ACCORDANCE WITH THE 1.10 OF THE MAJOR THOROUGHFARE PLAN.

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25. CASE 7685 - to rezone all of NCB's 200, 201, 203, 205, 206, 251, 261, 262, 263, Lot 15, Block 51, NCB 199, Lots 2 and 3, Block 48, NCB 219, and Lots 19 thru 24, Block 84, NCB 265, from "J" Commercial District, "K" Commercial District and "L" First Manufacturing District to "I-1" Light Industry District; to rezone all of NCB's 264, 284, 285, 299, the south 262' of Lot 13, NCB 286 and Lots 13 thru 18, Block 8, NCB 265, from "K" Commercial District & "L" First Manufacturing District to "B-4" Business District; to rezone all of NCB's 260, 291, 295, 13513 (290 & 289) the remaining portions of NCB's 252, 253, 257, 259, and Lots 1 thru 15, NCB 258 from "J" Commercial District to "B-2" Business District; to rezone all of NCB's 255, Lot 13, save and except the south 262' Block 27, NCB 286, Lots 21, 22, 25, and 26, Block 38, NCB 258, from "J" Commercial District, "K" Commercial District & "L" First Manufacturing District to "R-3" Multiple Family Residential District, subject properties are generally bounded by Buena Vista Street on the south, I.H. 10 and I.H. 35 Expressway on the east and northeast and Medina Street, Salado Street and the Missouri Pacific Railroad right-of-way on the west.

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

In response to Mr. Thompson, Mr. Winston Martin, Executive Director of the San Antonio Development Agency, explained the zoning changes occurring in the area east of Frio Road. He stated that the property is being put into its proper land use as approved by the City Council at the public hearing.

No citizen appeared to speak in opposition.

After consideration, Mrs. Dutmer moved to approve the recommendation of the Zoning Commission. 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, Cockrell; NAYS: None; ABSENT: None.

AN ORDINANCE 50,823

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 ALL OF NCB'S 200, 201, 203, 205, 206, 251, 261, 262, 263, LOT 15, BLOCK 51, NCB 199, LOTS 2 AND 3, BLOCK 48, NCB 219, AND LOTS 19 THRU 24, BLOCK 84, NCB 265, FROM "J" COMMERCIAL DISTRICT, "K" COMMERCIAL DISTRICT AND "L" FIRST MANUFACTURING DISTRICT, TO "I-1" LIGHT INDUSTRY DISTRICT; ALL OF NCB'S 264, 284, 285, 299, THE SOUTH 262' OF LOT 13, NCB 286, AND LOTS 13 THRU 18, BLOCK 8, NCB 265, FROM "K" COMMERCIAL DISTRICT & "L" FIRST MANUFACTURING DISTRICT TO "B-4" BUSINESS DISTRICT; ALL OF NCB'S 260, 291, 295, 13513 (290 & 289) THE REMAINING PORTIONS OF NCB'S 252, 253, 257, 259, AND LOTS 1 THRU 15, NCB 258, FROM "J" COMMERCIAL DISTRICT TO "B-2" BUSINESS DISTRICT; ALL OF NCB'S 255, LOT 13, SAVE AND EXCEPT THE SOUTH 262', BLOCK 27, NCB 286, LOTS 21, 22, 25, and 26, BLOCK 38, NCB 258 FROM "J" COMMERCIAL DISTRICT, "K" COMMERCIAL DISTRICT & "L" FIRST MANUFACTURING DISTRICT TO "R-3" MULTIPLE FAMILY RESIDENTIAL DISTRICT.

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79-27

MR. SEYMOUR DREYFUSS

Dr. Cisneros introduced Mr. Seymour Dreyfuss, who was present in the audience. He stated that Mr. Dreyfuss will be receiving the Lion of Judah Award, given in cooperation with the State of Israel Bond organization and in recognition of his service to his congregation, the community, and the state of Israel.

79-27 The following Ordinances were read by the Clerk and after consideration, on motion made and duly seconded, were each passed and approved by the following vote: AYES: Cisneros, Webb, Dutmer, Wing, Eureste, Thompson, Alderete, Canavan, Archer, Steen, Cockrell; NAYS: None; ABSENT: None.

AN ORDINANCE 50,824

APPROVING THE PRICE AND CONDITIONS OF THE SALE BY THE URBAN RENEWAL AGENCY OF THE CITY OF SAN ANTONIO OF A PORTION OF PARCEL R-A-12, CONTAINING APPROXIMATELY 85,970.87 SQUARE FEET LOCATED WITHIN THE VISTA VERDE PROJECT, TEX. R-109, TO HUNTER SCHUEHLE, TRUSTEE, FOR THE SUM OF \$40,500.00.

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AN ORDINANCE 50,825

APPROVING THE PRICE AND CONDITIONS OF THE SALE BY THE URBAN RENEWAL AGENCY OF THE CITY OF SAN ANTONIO OF PARCEL L-b-19, CONTAINING APPROXIMATELY 165,850 SQUARE FEET, LOCATED WITHIN THE VISTA VERDE PROJECT, TEX. R-109, TO SEVERANCE & ASSOCIATES, FOR THE SUM OF \$223,897.50.

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79-27 The Clerk read an ordinance approving the price and conditions of the sale by the Urban Renewal Agency of the City of San Antonio of L-b-34, containing approximately 110,815.17 square feet, located with in the Vista Verde Project, Tex. R-109. to S. & B Properties, a partnership, for the sum of \$138,518.96.

Mr. Alderete moved to approve the ordinance. Dr. Cisneros seconded the motion.

Mr. Winston Martin, Executive Director of San Antonio Development Agency, gave a background on this ordinance and explained that five bids had been received and the highest bid had not been awarded. The award was made on the basis of redevelopment and SADA felt that S. & B. Properties offered the best use for the land. S. & B. Properties intends to move their main headquarters from Houston to San Antonio, which would increase the employment rate for San Antonio. He also explained that Philip M. Barshop had submitted the highest bid and gave the reasons as to why the bid was not awarded to him. Mr. Martin stated that two other bidders had bid on $\frac{1}{2}$ of the parcel but SADA did not consider their bids because they did not have full use of the land.

Mr. Jesse Oppenheimer, with Oppenheimer and Rosenberg Law Firm, representing Mr. Barshop, spoke to the Council and stated that Mr. Rosenberg was out of town, and since he was more familiar with this case, he asked that this ordinance be postponed in order that Mr. Rosenberg can present the case.

A discussion took place among several of the Council members regarding a postponement.

After discussion, Mrs. Dutmer made a substitute motion to postpone the ordinance for 2 weeks. Mr. Alderete seconded the motion. On roll call, the motion carried by the following vote: AYES: Cisneros, Dutmer, Wing, Thompson, Alderete, Canavan, Steen, Cockrell; NAYS: Webb, Eureste, Archer; ABSENT: None.

79-27 The following Ordinance was read by the Clerk and after consideration, on motion of Mrs. Dutmer, seconded by Mr. Steen, was passed and approved by the following vote: AYES: Webb, Dutmer, Wing, Eureste, Thompson, Alderete, Canavan, Archer, Steen, Cockrell; NAYS: None; ABSENT: Cisneros.

AN ORDINANCE 50,826

AUTHORIZING AN AGREEMENT WITH THE SAN ANTONIO LOCAL DEVELOPMENT COMPANY, INC., TO OPERATE THE REVOLVING LOAN FUND PROGRAM IN THE CITY'S ECONOMIC DEVELOPMENT SPECIAL IMPACT AREA SUPPORTED BY A GRANT FROM THE ECONOMIC DEVELOPMENT ADMINISTRATION UNDER TITLE IX OF THE PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT OF 1965 AS AMENDED AND APPROPRIATING THE GRANT FUNDS FOR PAYMENT TO THE SAN ANTONIO LOCAL DEVELOPMENT COMPANY, INC.

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79-27

The Clerk read the following Ordinance:

AN ORDINANCE 50,827

AUTHORIZING THE CITY MANAGER TO EXECUTE A LEASE FOR OFFICE SPACE FOR THE DEPARTMENT OF EQUAL EMPLOYMENT OPPORTUNITY, AND AUTHORIZING PAYMENT OF RENTS.

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

In response to Mr. Thompson, Mr. George Johnson, Director of the Department of Equal Employment Opportunity, stated that there has been an increase of staff since the last four years. Seven people are now on the board. Including the interns, they now employ 20 people.

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

79-27 The following Ordinances were read by the Clerk and after consideration, on motion made and duly seconded, were each passed and approved by the following vote: AYES: Webb, Dutmer, Wing, Eureste, Thompson, Alderete, Canavan, Archer, Steen, Cockrell; NAYS: None; ABSENT: Cisneros.

AN ORDINANCE 50,828

AUTHORIZING THE CITY MANAGER TO SUBMIT AN APPLICATION AND ACCEPT A GRANT FOR \$552,510 FROM THE TEXAS DEPARTMENT OF HUMAN RESOURCES FOR THE 1979 SUMMER NUTRITIONAL PROGRAM; APPROVING A BUDGET AND PERSONNEL COMPLEMENT THEREFORE; & AUTHORIZING TEMPORARY LOANS TO THE PROJECT.

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AN ORDINANCE 50,829

APPROVING THE 1979 SUMMER RECREATION SUPPORT PROGRAM, APPROVING A COST OF \$352,585, ESTABLISHING A FUND, PERSONNEL COMPLEMENT, AND BUDGET, AUTHORIZING SUBMISSION OF AN APPLICATION TO THE COMMUNITY SERVICES ADMINISTRATION FOR A GRANT OF \$93,652 IN SUPPORT OF THE PROGRAM AND AUTHORIZING EXECUTION OF AGREEMENTS WITH DELEGATE AGENCIES FOR CARRYING OUT PORTIONS OF THE PROGRAM.

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79-27 The meeting was recessed at 3:05 P.M. and reconvened at 3:15 P.M.

79-27

DISCUSSION ON THE GIVING OF NOTICE OF INTENTION TO
ISSUE \$100,000,000 "CITY OF SAN ANTONIO, TEXAS ELECTRIC
AND GAS SYSTEMS REVENUE IMPROVEMENT BONDS
NEW SERIES 1979-A".

The Clerk read the following Ordinance:

AN ORDINANCE 50,830

AN ORDINANCE BY THE CITY COUNCIL OF THE CITY
OF SAN ANTONIO, TEXAS, APPROVING AND AUTHORIZING
THE GIVING OF NOTICE OF INTENTION TO ISSUE
\$100,000,000 "CITY OF SAN ANTONIO, TEXAS, ELECTRIC
AND GAS SYSTEMS REVENUE IMPROVEMENT BONDS, NEW
SERIES 1979-A", AND DECLARING AN EMERGENCY.

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

The following discussion then took place:

MAYOR LILA COCKRELL: There is a motion and a second. The Chair would request that all Council members come to the Chamber and ask staff to advise Council members we are in session. We're going to call on City Public Service, Mr. Jack Spruce, the General Manager to present this item. There are also citizens registered to be heard.

MR. JACK SPRUCE: Thank you, Mayor Cockrell. Members of the Council, I'm Jack Spruce, General Manager of City Public Service. The trustees have approved these statements that are being considered here in the two ordinances which are approval for giving notice of intent to sell \$100 million in Gas and Electric System Revenue Improvement Bonds which must be issued in the name of City of San Antonio and an accompanying ordinance approving the official notice of sale and publication thereof of going to the market for this bond issue. These bonds have been discussed with the Council who was in office prior to this one. The last time being on 21st of February 1979, during which we discussed our construction program, our requirements for the bonds which are principally being used to fund the participation of the South Texas Nuclear Project. All of this, of course, has been explained in great detail to the previous Council and has been widely publicized and has been approved and set forward from our Board of Trustees for consideration by the Council at this time. We'll be happy to answer any questions, discuss any point pertaining to our programs further if the Council so desires.

MAYOR COCKRELL: All right, we do have some citizens and the Council might like to hear from these citizens or may have some further comments at this time. Mr. Eureste.

MR. BERNARDO EURESTE: Yes. I wanted to ask you a couple of questions and then listen to citizens and then ask you some more questions. First of all, I wanted to ask you, what is the added yearly principal and interest requirements of the proposed \$100 million bond issue?

MR. SPRUCE: The added amount of cost due to interest from these bonds?

MR. EURESTE: Of principals and interest, yearly principals and interest requirements.

MR. SPRUCE: Okay. If I may ask Mr. Freeman to address that one, please.

MR. HOWARD FREEMAN: My name is Howard Freeman, and we have included in the official statement an estimate of the debt service based on the interest cost today of about 6 3/4 - 6 3/8%. As a result, the principal and interest on the new series \$100 million issue, that's the one you're talking about I presume, is about \$7 1/2 million annually. The first full year when we have the bonds outstanding - at the 6 3/8 percent rate, it's - the interest is \$6,000,375, and we have a \$1,200,000 repayment of principal

MR. EURESTE: Okay, so that \$7 1/2 million added on to the expense side of the CPS budget. Is that correct?

MR. FREEMAN: That's correct.

MR. EURESTE: All right. There was some discussion of a proposed 2% or a proposed 6% increase in rates and there's also a discussion of a proposed modified phase in rate increase request phasing it at 2% per year, that's one option. What would 6% have generated in terms of new revenue for CPS going into the 1981 - into the 1981 fiscal year which, I guess starts what - February 1?

MR. FREEMAN: During the current year - the current fiscal year ends January 31, 1980.

MR. EURESTE: All right, do you call this the 1980 fiscal year.

MR. FREEMAN: That's correct.

MR. EURESTE: So what would the new revenue in a full twelve month year be with 6%?

MR. FREEMAN: It would be approximately \$21 million.

MR. EURESTE: Okay, would a 2% increase generate in the terms of new revenue?

MR. FREEMAN: Well, our current annual revenues are about \$350 million on an annual basis and so that would be about \$7 million.

MR. EURESTE: About \$7,335,333 thereabouts, and the principal, the new principal and interest requirement for the \$100 million over the next, what 25 years?

MR. FREEMAN: It's a 24 year life bond.

MR. EURESTE: A 24 year life bond yearly would require \$7,575,000, well, at least that is what is going to be required for 1981. A new requirement of \$7,575,000 on the expense side and if you do the more modest or the more moderate, shall we say, increase in rate at 2%, that would generate on the revenue side \$7,335,000. So that kind of rate increase almost equals the new principal and interest requirements that you would have on the expense side. Is that correct?

MR. FREEMAN: That's correct, yes.

MR. EURESTE: You're going to come back to us for \$170,000,000 of bonds that you want to sell in the next fiscal year which will be between the period of February 1, 1980, and the last of January 1981. Is that correct?

MR. FREEMAN: That's correct.

MR. EURESTE: \$170 million.

MR. FREEMAN: \$170 million is our forecast.

MR. EURESTE: Would you say that it's fair to estimate that the new PNI, the new principal and interest requirements of say a new \$170 million bond issue might be pegged say about \$13 million or let's say \$12 million to be on the safe side.

MR. FREEMAN: Yes, I would say that would be in the general ball park.

MR. EURESTE: Okay, 12 and 7.5, let's say 12.5 and 7.5 is about \$20 million of new PNI requirements, would that be about correct?

MR. FREEMAN: Yes.

MR. EURESTE: So if we come in with a rate increase of say 2% a year and let's say that it might be, it all might come in at 6%. You know, there are some people in this Council that probably would vote on a 6% just because they want to be mean to people. Well, not really that, they would want to do it because it is needed to support the continued development and our continued involvement in the STNP. What I'm trying to get at is that in the issue that is being proposed here you are forecasting your revenues for the next few years based on an anticipated 6% increase in rates. You do indicate here that it is not guaranteed but that you are using that figure to project.

MR. FREEMAN: Are you talking about the growth rate?

MR. EURESTE: No, I'm talking about the 6% - it's in here. Did you know that it's in here? What happens if you don't get the 6%? Can you live? Can you pay your bonds without that 6%?

MR. FREEMAN: First of all, Mr. Eureste, I think there are two things that have to be discussed here in looking at rate increases. I think the rate increase is certainly another part that has to be considered in the overall financial picture of CPSB. We have attempted to finance the construction requirements or the capital requirements for expansion of the system and for changing the mixed of generation that we have in order to try to insure San Antonio an adequate supply of energy when it needs it through the use of capital, through the use of bonds, as opposed to the only other way we have of financing capital additions which is through rate.

Now, obviously it takes money to pay for borrowing money and over the life of the bonds which are generally around 20 - 25 years the cost of interest is generally similar to the principal amount that we borrowed, so that the pay back has really doubled. The use of this money or the ability to borrow now and pay it back as the facilities that are generally in use and we believe that they will provide capital facilities which will be able to result in lower fuel cost to our customers therefore, the trade off comes in the fuel costs in the long run. We went through this same type of discussion when we were trying to finance the coal plant. We were standing before this Council trying to discuss what might happen when the coal plants went on line and what the cost would be and so forth. Practically, now, we can look back at the first year or so experience with coal and we can tell you that our rate payers for example, during our last fiscal year saved \$42 million compared to what the cost of natural gas would have been. The cost of coal plants were about 2½ to 3 times as expensive as natural gas. The pay off and the trade off really comes in the long range benefits that you can derive from the lower cost of fuel.

MR. EURESTE: I was reading an article where the Congressman was saying that although that argument is made that you can save in the fuel side of

this particular project that this was the same story that was run on coal, and the Mayor did go to Washington Monday to talk about anything but coal and the high cost that is impacted on the citizens of San Antonio. So,.....

MAYOR COCKRELL: Mr. Freeman, you might clarify that. I think part of the savings last year was a result of the fact that some of the coal you were burning was on stockpile that had been there for several years.

MR. FREEMAN: The fact of the matter is that we started purchasing coal in late 1976, and the price of coal itself at the mine has remained fairly constant. We've been able to get the price of coal reduced but it has been offset by some federal imposition of additional taxes. The problem that we have had with the price of coal is in the transportation, getting it to San Antonio. We started paying about \$10 a ton and now we are paying \$17 a ton to bring it in. The coal, as the Mayor pointed out, that we have burned in our power plants we have cost it at an average cost so that we have some coal that we began purchasing at about \$17 a ton. Of course, today we are paying about \$24.50 a ton.

MR. EURESTE: Let me ask you, do you feel that because of the - well, let me first finish the point about what the Congressman said. He went on to state that he didn't feel that anyone could assure the cost of nuclear fuel down the road. We just can't. You can't guarantee it. You can say that it's going to be cheaper given what we have today, but you cannot guarantee it in the future. And you can't guarantee it when we're here talking about how cheap it's going to be and at the same time tied to this proposal is a statement in the proposal itself that it assumed a proposed 6% increase which will be granted effective October 1, 1979. I don't know how you can talk about how less costly it's going to be to the CPS consumer when right at the fact of just the construction and we're not even using this plant yet - it's just in the process of constructing and we have to up the rates so that we can pay for the bonds. And you can't tell me that the rate is not going to be tied to the bonds because they equate to one another - your \$170 million plus your \$100 million that you're selling here today. You put them together and they're going to have a principal and interest requirement yearly for the next 24 - 25 years of approximately \$20 million which equates to the new revenues that are going to be coming in because of that rate increase. I don't see - to me they're tied to one another.

Now, the question I have is, is the Council tying up its options as far as a proposed rate increase by approving your \$100 million bond issue today as we might be doing the same, or we might have done already, perhaps. In other words, if the STNP requires bonds to the tune of hundreds of millions of dollars that carry a very expensive price tag, does that tie us to a rate increase, and are you going to come back and hold us for ransom. Well, not really, literally, but basically say if you don't increase the rate, the STNP is going to go down the drain. Is there a possibility of that happening?

MR. FREEMAN: Well, obviously as I mentioned before, the rates have to be adequate to repay the principal and interest in the money that's borrowed and the interest on this money. The rates also have to be adequate to justify the ability to borrow this money. We have a debt service coverage that is required under the ordinance that we issue these bonds that says that the rates have to be maintained at a given level in order to issue bonds.

Mr. Eureste, I think one of the points you also have to consider is that whatever we build whether it's nuclear or coal or lignite or whatever, we're going to get the money from somewhere to buy it. We have looked at the costs and the time frame that we could put some of these other

generating plants in to meet the needs and we find that the cost is not going to be any cheaper capital wise, and from our best estimates today we cannot guarantee, but from our best estimates today it looks like the nuclear offers the cost advantage to our customers in the long run. So I think, I can certainly agree with you that if we do not build anything - if we do not have to add any more generating capacity to satisfy our customer needs, then we don't have to borrow, we don't have to repay. We can go ahead and use the facilities that we have as long as they last, and we can pay the price of gas or oil if we can get it or we can use the coal which we have coming in.

MR. EURESTE: Never in the history of CPS, you would agree, have we had such a spiral in the bonded indebtedness of the utility company. That is, from 1974 when we had bonded indebtedness of a little over of \$100 million four years later or five years later we have increased that by at least five fold and possibly even six fold. We are, I think, according to my figures that we are in the hole on the principal side for somewhere in the neighborhood of \$630 million.

MR. FREEMAN: That's correct. And never in the history of CPSB have we had the energy situation facing us that we've had in the past five years, nor have we had really the inflationary effects on doing business that we've had the last five or six years.

MR. EURESTE: And the projection given what you have laid out in this proposal for your capital improvements for the next few years up through '84. You're going to be pushing our bonded indebtedness above \$1 billion, in other words, by '84 we will be in debt to the tune of close to a billion dollars, and we will have not a \$59 million principal and interest requirement but we will have in fact about a \$93 million principal and interest requirement on a yearly basis. Is that correct?

MR. FREEMAN: We will have increased costs of repayment - I have not figured out exactly when we would reach the billion dollar indebtedness, but obviously if we have to continue to increase our generating capability which is our major cost obviously some of the bonds that we're issuing go to things other than generation, but the major portion is going to

MR. EURESTE: To this project?

MR. FREEMAN: It has been going to generation projects. We will continue to either have to issue bonds or if we did it without the issuance of bonds it would have to be through rates, or we would have to buy energy from someone else and I don't believe that we can buy energy from anyone else any cheaper than what we can generate it ourselves.

MR. EURESTE: We're also selling energy.

MR. FREEMAN: Yes, I think that also answers the question of whether or not we can get it from someone else because they don't have it.

MR. EURESTE: The bonded indebtedness of the principal side is over \$600 million at this present time and with this bond issue of \$100 million it pushes us over \$700 million of bonded indebtedness that is only on the principal side and doesn't include the interest on that bonded indebtedness. So, in effect, right now we owe somebody over the \$1 billion because when you put together your principal and your interest to what you owe because you gotta take it all together, you cannot just separate one and separate the other and say that they are different.

This is the debt that you have and in fact right now without this issue we have about a \$1,364,152,254 debt and with this \$100 million bond issue we are adding \$100 million to that indebtedness on the principal

side and a \$117,183,649 on the interest side. So that 1.36 that I just mentioned is going to shoot up by another - a little over \$200 million more of bonded indebtedness, and we're not through yet because next year we have another 117 and you can almost say that you can twice that maybe 2.2 and that's added on to our indebtedness, so we're shooting close to the \$2 billion mark in full indebtedness very fast like, is that not correct

MR. FREEMAN: And that's spread over the next 20 - 25 years. I think that's the other important part, the longer we wait, of course, the greater the cost will be due to inflation. It's just like buying a house. When you buy a house if you finance it over 30 years you pay double or more of what the original cost of the house is. Generally speaking, in an inflationary period I guess we have as much a problem with inflation as anybody else but in an inflationary period the dollars become worth less later on when you repay this debt with inflated dollars. I just heard this morning where Social Security, people that are on Social Security who are just now beginning their working career will be making something like \$60 or \$70 thousand a year from Social Security by the time they retire, I think that also is a projection that if indicative of the inflationary trend continues what happens to cost so

MR. EURESTE: Yes, the thing is that Social Security projections of people retiring of making that kind of money is based on something that's going to happen like 50 years in the future. You can understand how that would shoot up over the 50 year period. What- the escalations that I have given you are no more than five years into the future.

MR. FREEMAN: Well, my point was only that today's dollars along the way would be repaid in inflated dollars.

MR. EURESTE: I have one more question. In a bond issue, do you have a new series bond issue that was issued a couple of years ago in which we will be paying interest up to the year 2,000 and will not be paid any principal and, in fact, we are paying somewhere in the neighborhood of 4.29 million dollars of nothing but interest from the year 1980 to the year 2,000 and that we come in the year 2,000 with a \$15 million principal in the year 2,001 with a \$30 million principal in the year 2,002 and we pay the principal on 75 million in the last 3 years of that issue.

MR. FREEMAN: Yes, we have. That was a specially structured issue because of trying to find a marketable issue, one that we thought would bring us a better interest rate. I would also like to remind you that each of these bonds can be called at a future date and they can be re-issued if the interest rates go down so that they can be refinanced, so if the interest rates go down we can get a better deal, we can refinance those, call them back in and re-issue them.

MR. EURESTE: Let me tell you what I think in fact happened is that you probably couldn't afford what you were doing at that time and in fact probably came out paying the worst interest that you got on any of the new series issues. Most of the issues reflect a 50 million to a 59 million principal to interest of 60 to 59, a 60 to a 60, a 60 to a 57. This one that I just mentioned has a ratio of 75 million to 101 million dollar on the interest side and then I'll just go on and say that the 2178 which is the new series had a \$75 million principal and a \$66 million interest, that the 78-A which was next to the last that we had here was 75 and 74 on the interest side and the last one we had here was 75 and 77 on the interest side and in fact we probably got the worst deal out of that 77A than we got on an other one and I think it might have to do with the fact that you couldn't afford what you were doing and you got yourself in a jam there and you probably can't afford what you're doing now. And you're going to get us all in a jam

MR. FREEMAN: I believe it ought to be clarified that your assumption is incorrect. First of all, we used a level debt service, and so whether we pay back a part of the principal or total interest the debt service remains essentially constant. The reason that the interest is higher is, of course, you got all the money outstanding, we've rented that money for a longer period of time without repaying any of it. The other thing is, that if you'll look at the various interest rates that we have obtained they do fluctuate and sometimes based upon the market it costs us more to issue bonds than it does at other times. For example, right now, we're using about a 6 3/8 percent interest rates. A few years ago, we had an interest limit of 7 percent, and we couldn't issue bonds, and that was strictly a function of the market. The market at that time - we obtained no bids on the bonds, we went back and readvertised, the market changed, and we ended up I think issuing those bonds at 6.896, that was the last of the old series bonds. By the time we issued bonds about a year later, the first of the new series bonds, costs us an average cost of 7.39 percent and then the cost started going down so part of it is the cost of the money and the market at the time that we are in. The only way, that looking back on this if you can tell whether you got a good deal or a bad deal is looking at what other bonds sold for, that are comparably rated, and have a comparable life and see what their cost was as compared to ours, and generally we found that we've gotten better rated than most other issues.

MR. EURESTE: All I'm trying to point out is that because of the aggressive posturing of CPS and trying to do things, that perhaps are not affordable, and I don't think that we can afford what we're getting into right now and that's another set of questions that I have and I'm going to ask after the citizens have spoken. I'm not through with these series of questioning or this line of questioning.

I just want to tell you that I feel that because of the aggressive posture and the aggressive policy of CPS that the 1977 August 1 issue which was sold and issued at a time when CPS probably - when CPS could not project a good financial picture for themselves was sold at a cost to the CPS rate payer of about \$20 million or perhaps between \$15 and \$20 million we paid that we shouldn't have paid out. That is an accusation that I will make here and all I have to do is cite the figures that I have before me that comparably show what we have done from one year to a next and from one issue to the next, and in no case do we have a situation where the gap between the interest and the principal where the interest is \$20 million more than the principal. I mean \$20 million - I can tolerate a situation where you've got \$5 million more, but when you've got \$20 million - I don't see how that can be explained other than the fact that you couldn't do what you thought you could do or what you wanted to do. No where else do you have a \$15 million, a \$30 million and a \$30 million which equates to \$75 million being paid out in the last three years of an issue, no where else.

MR. FREEMAN: Mr. Eureste,

MAYOR COCKRELL: May I ask, this is now - one Council member has had 10 minutes and I do feel that in fairness to the other Council members and the citizens who have registered that I would like to call time at this time.

MR. EURESTE: Madam Mayor, let me just say that it's not everyday that CPS comes before the Council to sell one hundred or to request permission to sell \$100 million worth of bonds. If it happened everyday then you could say that I'm taking up a lot of time, but all I'm trying to do is represent the interest of a majority of the people of San Antonio who are getting ripped off pure and simple.

MAYOR COCKRELL: Thank you. Mr. Alderete.

MR. JOE ALDERETE: I don't know if I can remember my question. I think Ben touched on some of them already. Howard, I don't know if I heard your answer to one of Bernardo's questions accurately and correctly, but I sort of got this implication there that in pushing for these bonds and, obviously we have to get the revenue to pay back these bonds and obviously in order to get the we have to increase the rates in order to have the dollars pay back the interest and principal. Is that correct?

MR. FREEMAN: That's correct. There are some rate increases that we have, I think, tried to bring out to the Council when we've discussed financing whether it be surrounding rates or bonds. The only thing that I would like to make sure is clear is that based upon the expenditure of these funds for capital improvement that we think there's a pay out in the long run so that while the increased rate, we're talking about the base rate, while the increased rate there generally is a reduction in the cost of fuel which generally offsets that and you have a flattening of the rates.

MR. ALDERETE: I would tend to agree with you, Howard, to a certain extent. We were anticipating some great savings with coal, but obviously I think we're all well aware of what's happened to us in the area of coal. Yes there's still a savings over natural gas, I'm not going to argue that point there, but I am going to say that the expected amount of savings to the consumer in the long run is not that that was anticipated to be, if I'm not mistaken. Is that correct? When we purchased it at \$7 and change for a ton to be hauled and now we're at \$24.00 or whatever it is and change per ton, obviously somewhere there's - we lost an anticipated savings.

MR. FREEMAN: Yes, obviously, we are paying more for coal and with the oil and gas situation being what it is we're not sure whether that can be recouped in the future or not. That's one of the main reasons for the continuing fight - the Mayor and the Board, everybody trying to fight to keep the cost of transportation down so that our consumers can realize this savings.

MR. ALDERETE: I'll have further questions after citizens. Thank you, Howard.

MAYOR COCKRELL: Thank you. Dr. Cisneros.

DR. HENRY CISNEROS: I'd like to make several points, if I may. By way of comment on Mr. Eureste's points I think that the argument that he makes has three serious faults in logic and in fact. One of them deals with the question of the implication, somehow, that this money would not need to be spent if we just didn't have the nuclear power project, when in fact an analysis of the reality of demand for energy in this town would indicate that we would have to be spending some amount of capital for development of an alternate energy source and probably the only one available would be additional western coal plants or very, very unlikely but possibly some lignite coal. In the analysis that CPS did last summer for us and probably it's time to update that, but looking at that analysis, looking at the peak demand figures plus reserves, the J. T. Deely units can serve this community only until mid-1983 in light of the present demand projections. Mr. Spruce, is that still correct?

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MR. SPRUCE: Yes, sir, that probably is correct, that's right.

MR. CISNEROS: Even assuming that we were able to reduce demands somewhat by conservation measures and reduce the peak and reduce the amount to be reserved, the J.T. Deely Plant would still serve us only through about mid '86 or the most 1987. Is that still the total projection?

MR. SPRUCE: Yes, sir.

MR. CISNEROS: That's based on CPS' projections, and I would like to direct the Council to page 32 of the prospective CPS gave us relative to this bond issue. If you will note the middle column on page 32, that is maximum KW demand, that's the peak load figure. What you will see is a percent increase from '75 to '76 of 5.7; from '76 to '77 a 4.49; from '77 to '78 a 5.19; and then a decrease in 1979 which it would appear would be an aberration when you match it against other figures that are cited on page A-3 which are growth indices to the community and business indices on things like telephone connections, water customers, building permits, and the rest of it.

The point I'm making is that if anything CPS has been, I think, conservative with respect to their estimates of what growth in San Antonio is likely to be. Certainly, the numbers are running ahead of the 4% figure which would carry us through '87 with the present units and they are running more closely with the figures that they cited as their outside most reliable figures which would hold us only until to '82 - '83. My point is that we would have to spend some capital to add additional construction of some kind for energy. So the implication somehow that people are getting ripped off because we are floating capital monies, raising capital funds is, I think, totally erroneous to suggest because we are going to have to raise capital in any case, no matter whether it's nuclear or something else. Facts still show that nuclear is the best.

Now the second way in which I think the argument is faulted is to compare numbers against the past. Mr. Eureste has taken the opportunity to take numbers, for example, on the amount of indebtedness and suggest that because it is now up to \$600 million that that somehow is a scary figure. It is akin to taking the price of coffee for today and comparing it against the coffee of 1950 and suggesting somehow that people are worst off because coffee is more expensive when, in fact, we know that wages and everything else have increased at some rate and it's scary that there is inflation, but it's not as scary as just taking the price of coffee compared to 1950.

If you look at page 5 of the Revenue Bond Indebtedness Chart what you see is that in fact there is precedent for a large amount of debt carried by the utility. If you look at that chart on page 5 you see that today the debt as a percentage of net plant is 64.9, and while it is high and probably higher than what we would like to have it, it relates well comparatively to the initial decision made on behalf of this community to buy CPS in the first place at which point in 1945 the debt as a percentage of net plant was 94.5. And while it has been lower at some times to simply say without comparing it to anything, \$600 million is a lot of debt is only half the picture because it has to be compared against the total assets of the utility and the net figure - the debt figure comes out to 64.9. While it is high it is less than the original decision made on the part of this community to buy that asset in the first place in order to take care of its energy needs.

The third point in which I think the argument is flawed is to cite the high interest rates paid by the utility. Those are a function of the market - those are a function of a lot of different factors and

again, I will repeat, even if we weren't involved in a nuclear power plant, we'd have to be raising capital funds, we'd still have to be going to the capital market. We'd still have to be raising money in this magnitude and whatever the market situation was at that point, we'd still be at the mercy of it. So I would simply say for all the numbers and all the massaging of figures and everything else, there really is a common sense flow in the argument and that is simply that we can't compare it as if there were no other expense were we not in nuclear because there would be other capital needs.

Those capital needs would be to meet the inescapable fact, the reality, the inevitability that we're going to have to have new power in this town by 1982-83 at the earliest and at the outside 1987. And that somewhere in that time period we're going to have to have plants on line operating. Not talk - not discussion - not hoping - not projection - not massaging of numbers but plants operating of some kind to deliver energy for this town and that is what this argument is about and it's about ripping off the people of San Antonio as has been suggested. It's about providing power to a growing city that hopes to become greater and more magnificent as we're able to provide that power.

MAYOR COCKRELL: Thank you. All right, at this point I'm going to call on the citizens who have registered. The first citizen is Mr. Karl Wurz.

Mr. Karl Wurz read a prepared statement, a copy of which is on file with the papers of this meeting. He stated that he is opposed to Items 33 and 34 and said that Mr. Eureste had expressed his sentiments. He also stated that this is the first step for another CPSB rate increase.

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Mr. Lanny Sinkin invited Council Members to join them on Saturday, June 2, 1979, at 8:00 at the Alamo Stadium for their trip to the South Texas Nuclear Project.

He then referred to a May 14, 1979, public statement made by Congressman Henry B. Gonzalez on the dangers of nuclear power and said that he had introduced a bill to provide the decommissioning of nuclear plants. He said that the City Council had appointed a committee to study the STNP, however, the City Council is considering approving a bond issue without any report from this committee.

He also spoke about the problem and cost overruns of the contractors at STNP. He urged the Council to either disapprove or postpone the ordinances. He asked the City Council to investigate all the problems at STNP. He said that the Nuclear Regulatory Commission is investigating all these problems. He urged the research and development of new energy sources.

* * * *

The Council resumed its discussion as follows:

MAYOR COCKRELL: Mr. Eureste.

MR. EURESTE: I just wanted to have one opportunity to respond to the criticism of what I had said a little while ago, and it won't take long. I just wanted to, you know, - this business about playing with numbers, I don't know what word was used; I forget the word that was used, to something like maybe perhaps that I was massaging numbers. I don't know what that means. I don't know if that was meant in a sinister tone, or if that was meant in an envious tone or what. I happen to be pretty good with figures. I'm very proud of it. I have my family to thank, and my parents to thank and my community. I don't massage numbers. They're before you; they are there, they are very visible, and I'm been working with them on this Council very effectively. And you don't have to believe what I say. I'll present what I have to say and then you can make your own analysis. And I think that massaging with numbers, is a comparison of what was made a little while ago, where you compare the debt as the percent of the net plant worth, in 1945, which appears on page 5 as it was cited a little while ago, and compared it to today, in 1979, being at 64.9 percent. I didn't ask that that comparison be made, because I don't think that is a good comparison. What we had January 31, 1945, we had the bonded indebtedness of CPS at 94.5% of net electric and gas plant equipment. In 1950, this is showing in 5 year increments as to the first 20 years or so. In 1950, that percent has gone from 94.5 to 49.0. Now, the indebtedness of CPS did not go down by 50%; it went down by no more than \$6 million or perhaps, \$5.5 million or \$5.7 million. Their net equipment had appreciated from \$34 million to \$54 million and, perhaps, if we are going to be asking questions, the question should be asked as to how the CPS managed to go from a gross 36.1 million to 61.4 million dollars gross, worth of their plant or a net from 34 to 54 million dollars. Was that a paper transaction because we bought out or was that actual improvement?

MAYOR COCKRELL: Mr. Freeman, or Mr. Spruce would you come forward, sir.

MR. SPRUCE: Between 1945 and 1950, additional plants were built, at that time there was apparently very little need for bonding assistance and most of those improvements would have been supplied for by payment through the rate.

MR. EURESTE: But your bonded indebtedness did not necessarily go down, right?

MR. SPRUCE: No, sir. If we look at the same table, the revenue bonded indebtedness in 1945 was 32.4 million. In 1950 was 26.8.

MR. EURESTE: I guess the point I'm trying to make is that it's very possible, that CPS has, when it took over the operations, might have made a bold move and might have gotten the percent that the debt, the percent of plant net plant worth, might of gotten it down from 94 to 49 but it didn't decrease the indebtedness by that same ratio. That's the point that I'm trying to get. And in fact, what has happened, is that since 1950, we have not had a worsser situation as far as the debt of the percent of that plant, because from 1950 on it goes from 49 to 33, to 27, to 23, to 21, to 18, to 23, to 20, to 25, to 37 and starting to pick up, to 45, to 52, to 59 and now we're at 64. As a matter of fact, where we're at right now, is the highest that we have been within this time period that's covered. It's the second highest point that we have been and I don't know if that is something to be thankful for.

I think what is showing here, is the aggressiveness of which we are building, is that we are getting ourselves at a higher rate; and I think the figures sort of speak for themselves. These aren't responses to you, Mr. Spruce. I'm not responding to you; I'm responding to the criticism, that was made about these numbers here.

The other one is whether or not we spend money for capital improvements, if that is the best way to go at it. I'm not convinced that what we're doing is the best way to go at what we're doing. As a matter of fact, your own Board, I was reading in the newspaper, and I haven't talked to any other member about this, but I read in the newspaper that they are questioning the percent at which we are participating in the STNP project. Now, if they are questioning, and they sit right there in the driver's seat, what wouldn't make a person like me, who is over here in left field or in right field also question what is going on. They have also questioned the 6% rate increase proposed, and asked you to go back and look at something less than 6%. It's not only a loser, like Councilman Eureste, cause I've lost in this issue, time and again, but because I have lost doesn't mean I'm going to sit back and curl up and forget what is going on here. I think when we are getting ready to pass on a \$100 million, I think that that is something to be concerned about especially if you feel that it is a very aggressive move to spend the rate payer's dollars and in effect the taxpayer's dollars. They are using up resources in this community, and the resources in this community are limited. If CPS is going to them for this type of expenditure, they are going to turn around to this City and say, "Well, we can't afford any more money for streets, and we can't afford any more money for other improvements that we might need in the community". I think those are, we need to make those kind of comparisons because it is not only CPS that is in debt, that is increasing its indebtedness, it's the total community. Because it's coming out of the same person; it's coming out of John Doe, who lives at the address of 101 or 102 Maple Street, the same guy's name. And I'll continue to make my arguments, and to scare people because I think that's the only way to get people to turn around and continue to scare people, and I'll remember you when CPS comes for the rate increase. I'll seriously remember everyone of you, and what you have said here today, and what you have said in the past, and I want to see whether you're going to be as ready then to support their rate increase as you are now in supporting them in this bond issue. And don't turn around then and say, "Well, that's a little hot." because you're obligating yourself right now. Right now.

MR. STEEN: I'd like to move the question, Madam Mayor.

MR. EURESTE: I'd second it.

MAYOR COCKRELL: There is a motion and a second for the previous question of closing debate. The Clerk will call the roll. This will require a 2/3 majority.

AYES: Dutmer, Wing, Eureste, Thompson, Canavan, Archer, Steen, Cockrell;
NAYS: Cisneros, Webb, Alderete.

MAYOR COCKRELL: The motion carried to close debate. We will now call for the vote on the motion which is for passage of the \$100 million bond issue.

CISNEROS: Aye.

WEBB: No.

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DUTMER: Aye.

WING: Aye.

EURESTE: No.

THOMPSON: Aye.

ALDERETE: No, based on the fact that it will cause a rate increase.

CANAVAN: Aye.

ARCHER: Aye.

STEEN: Aye.

COCKRELL: Aye.

MAYOR COCKRELL: The motion carried with 8 votes, which sustains the declaration of the emergency. We then call for the caption on Item 34.

The Clerk read the following Ordinance:

AN ORDINANCE 50,831

APPROVING THE "OFFICIAL NOTICE OF SALE" AND "OFFICIAL STATEMENT" PREPARED IN CONNECTION WITH THE ISSUANCE OF THE PROPOSED \$100,000,000 "CITY OF SAN ANTONIO, TEXAS, ELECTRIC AND GAS SYSTEMS REVENUE IMPROVEMENT BONDS, NEW SERIES 1979-A", AUTHORIZING EXECUTION OF SAID DOCUMENTS AND THE PUBLICATION OF SAID "OFFICIAL NOTICE OF SALE"; AND DECLARING AN EMERGENCY.

* * * *

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

MAYOR COCKRELL: Mr. Alderete, would you like to speak.

MR. ALDERETE: The discussion of reducing our share of the 28 percent of the South Texas Nuclear Project. What has come forth from that discussion? Where are we at? I know that CPSB has been discussing it. I know Chairman Centeno brought that point forward. What has been the final result of any decision on this.

MR. SPRUCE: We have not yet had our second meeting with the Trustees in response to that inquiry. The questions raised by the Trustees are essentially the same as were raised by the Council here during the last Council tenure. Up to now, we have gone back into those various figures; we've looked at all the various comparisons and reductions from 700 megawatts to 500 and from 700 to 350 which would be half the capacity of the plant. And the results are essentially the same. This information will be presented to the Board at a Special called meeting which will be next Wednesday, June 6th, is the tentative time for that meeting. The conclusion of our studies is that our continued participation at the full level at which we have been participating is still in the overall interest of the ratepayers of San Antonio.

MR. ALDERETE: Jack, if we were to reduce the amount of participation, would we require this large amount of issuance of bonds? Could we have required this amount right now?

MR. SPRUCE: Yes sir, this particular bond issue is for the purpose of continuing our current obligation in the project. If it's decided that we would reduce our participation in the project, then arrangements would have to be made with the other partners or someone to pick our share. And only after that were done, could we have a reduced need for capital funds. If we do not continue to participate at the level that we're now committed to, then we would go into default.

MR. ALDERETE: Thank you, sir.

MAYOR COCKRELL: Mr. Webb.

MR. WEBB: Mr. Spruce, I'm sure you have some kind of a master plan projected out over the next 4 or 5 years of the plant provided you get it going by then. How many more billion, I'm sorry, million dollars are you planning to spent? Let's see, next year you're coming back for \$170 million.

MR. SPRUCE: Let's see, \$170 million is the figure next year, I think it's \$105, \$115 the following year and

MR. WEBB: Let's see '80 will be after 170, '81 you'll want \$115.

MR. FREEMAN: According to the best estimates we have, the following year, our fiscal year ends January 31 of '83 is about 85 million, in '84 is about 60 million. Now, this is not only for the South Texas Nuclear Plant, this is for other capital improvements and, of course, as we get into that period of time we'll start talking about lignite or coal or whatever else is in the future.

MR. WEBB: The point I'm trying to make and driving at is that this is predicated upon rate increases, is that correct?

MR. SPRUCE: Obviously, there will need to be some rate increases to continue to support not only the indebtedness but also to support general inflationary pressures. It is true then our projections we do incorporate the need for additional rate increase.

MR. WEBB: Just like you projected out the amount of expenditures that you plan to spend, have you factored out the amount of assets, including rate increases like you already know you need 6% right now, and you've already added that. When we vote for this \$100 million we're in effect voting for a 6% rate increase almost automatically. Might as well tell the citizens of San Antonio that we voted you a rate increase today, a 6% rate increase on your utility bill. So, what I want to know is, is that how much I must tell my citizens in District 2 that their rate increase is going to be next year in 1980. We already know you're going to come back for \$170 million, so if 6% is worth \$100 million, and I know that's not a logical point, but it sounds to lay people like myself, citizens, is it 12% next year for \$177?

MR. SPRUCE: Well, there are no other rate increases forecast, I believe, until 1982 or '83.

MR. WEBB: So, then the 6% will take care of all of those \$420 million...

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MR. SPRUCE: It will pretty will take care of the bonded indebtedness and other forecast increases from inflation that will be needed up to the time the nuclear plant will go on line.

MR. WEBB: The final question is, these are 25 year bonds?

MR. SPRUCE: Twenty-four life, yes, sir.

MR. WEBB: Twenty-four year life. That's each - that's right we sold \$200 million already since I've been on the Council, is that correct? \$280.

MR. SPRUCE: Yes, sir, that's probably right. Of course, we pay back a certain amount of the bonds each year. It is not an equal amount every year as has been previously discussed. A certain amount of principal is paid back each year in order to levelize the debt service over the life of all the bonds.

MR. WEBB: Yes, pretty soon maybe this heavy weight that we're carrying on our backs, you know, sometimes you think pretty soon it's going to disappear, but I just want the rest of the Council to know that that saddle, that the cinch on that saddle gets tighter and tighter and your back gets sorer and sorer every time.

MR. SPRUCE: Well, if I might just say this, that the cost for gas and electricity has to be paid for in some way. The program we're embarked on, does involve heavy debt service, but we believe it pays off over the long pull for the ratepayers. We have talked about coal plants not meeting our full expectations, but I don't think any of us would deny the fact that we did a good thing when we built the coal plant. I think we still have hopes that possibly something can be done on transportation which has gotten to be largely a political thing, but had we burned natural gas and not built the coal plant you just heard today that since last year the citizens would have paid over \$40 million more in rates for the cost of fuel. So, that what we're after is deferring payment of the plant by debt rather than asking the ratepayers to pay more money now as opposed to issuing bonds.

MR. WEBB: What's the cost of coal now per ton?

MR. SPRUCE: Well, the cost of coal at the mine as was mentioned has not increased very much, it's still about 7 1/2 a ton, but the rail freight is at the present time \$17.01 a ton.

MR. WEBB: I thought I heard somebody say \$25

MR. SPRUCE: Well, that was including the cost of coal. That's the cost of coal delivered to the plant.

MR. WEBB: I mean total cost, that what I meant.

MR. SPRUCE: The total plus transportation is between \$24 and \$25.

MAYOR COCKRELL: Thank you, Mr. Eureste.

MR. EURESTE: I had also projected a rate increase was going to be necessary toward the end of 1982 because of the bond indebtedness that they're getting into on a yearly basis. I think by '82 they'll have an additional on top of where they're at right now - not with this issue where they're at right now - there'll be an additional \$34, \$35 million yearly requirement additional beyond what we've got right now.

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The rate increase at 6% would produce \$21 or \$22 million that might begin to cover some of that requirement, but the way the Board is talking from CPS, the way that Board is talking right now it seems to be backing off of that aggressive strategy, and they might be coming in with a 2% or something less than 6% because they don't want to assume the responsibility of having to go to the ratepayer and saying , "Hey, help us pay for this". I have projected that the project is going to go up in cost. This is something that is not dealt with in this issue. It is not dealt with in their projections, but I anticipate several hundred million dollars more added on to this project. So that by '83, they're going to have to come back to this Council for more than their \$170 million and their \$115 million of new bonds. They'll probably have to come back to this Council for several hundred million dollars more than what they're looking at right now. From the last bond issue, Mr. Spruce, to today, is the picture on the cost side of the nuclear plant more precarious, more difficult given the incident at Three Mile Island?

MR. SPRUCE: Well, obviously, the Three Mile Island incident has not enhanced our ability to build the plant any cheaper. I think we all envisioned that there will probably be some modifications, hopefully, not tremendously expensive ones; obviously there will be some additional operating procedures. We all know there will be much debate and much review given to all aspects of the nuclear program. Up until now we have not seen any numbers that would cause us to modify the estimate that we presented to the Council from last time.

MAYOR COCKRELL: The Chair would like to urge that we go ahead and conclude. We do have a full group of citizens to be heard, and we were to start at five and we've got several other items that we've got to finish. So, if we may, just get our remarks as quickly as possible.

MR. EURESTE: I'd like to ask one final question. Do you know if the F.B.I. is investigating any aspect of the STNP project?

MR. SPRUCE: I'm not aware of it, no, sir. The NRC as we all know, maintain offices and they investigate all contacts, complaints, questions and so forth. They do that, on anonymous complaints as well as those that come in from identifiable sources.

MR. EURESTE: It's almost like an ongoing process.

MR. SPRUCE: Yes, sir. There's a toll free number that anybody who wants to can call and register a complaint, or ask for something to be investigated. The Nuclear Regulatory Commission has a full time staff that will do that.

MR. EURESTE: All right, so we do know that they are involved in investigating. As a matter of fact, there was an article in today's newspaper about a recent concluded investigation of some allegations that were made by the NRC. But, you do not know that there is the FBI on the trail of STNP?

MR. SPRUCE: No, sir, I do not.

MR. EURESTE: All right, thank you very much.

MAYOR COCKRELL: Mr. Thompson.

MR. ROBERT THOMPSON: We have heard several comments about whether it would be rate or bond in our discussions today - seemingly cornered in various arguments, but really I perceive it to be whether we have bond or rate increases to pay for the required additional expenditure that seemingly we face.

The first question is - is it in fact a proper assumption that we are going to require additional expenditures to meet our energy needs in 1983 - 1990 time frame, or are we going to have to spend money to.....

MR. SPRUCE: Bob, our forecasts indicate that we will continue to require more capacity even after this nuclear plant is built. All utilities have had to continue to add capacity over the years, and we anticipate San Antonio will be no different. Should we get out of the nuclear project, we believe that something else would have to be substituted, that would also require heavy capital investment. If we continue to get our share of the nuclear project, additional capital improvements will be required in the late 80's to meet the needs of San Antonio.

MR. THOMPSON: If we did not participate in the South Texas Project, do you have any information you could give us as to what kind of needs we would be faced with and how we would solve that if we chose a rate increase rather than a bond program?

MR. SPRUCE: Well, if we decided today that we should get out of the South Texas Nuclear Project, we would have to look as quickly as we could build some substitute generation or attempt to acquire an insured deliverable capacity from some other utility. In other words, buy from someone else. That wouldn't take any capital payment, but we would, no doubt, pay more for that commodity coming from someone else. If we get out of this, we believe the quickest thing we could put on would be a coal plant which would cost every bit as much as what we are spending for this nuclear plant, and we would not have a fuel advantage. The next quickest thing we could get on line, because thinking in terms of coal plant would be another unit at the Calaveras Site. We couldn't put another one in like we have now because the air laws have been changed, and we'd have to put in scrubbers even if we used the same type of coal. That adds quite a bit to the cost of the plant. The next thing that I mentioned is a lignite plant. Our figures show, that if we started a lignite plant, today, it would cost almost probably 40 percent more per kilowatt capacity than we are going to spend to get this nuclear plant on the line, and the lignite fuel, by the time it was produced, the lignite plant would cost more than our forecast of what the nuclear fuel is going to cost. So, we come back to the fact that we are already in this plant, we think that it

is in our best interest to stay in it. We think it's, by our best interests, I'm talking about the community of San Antonio and the rate payers are going to pay for the electricity produced by that plant.

MR. THOMPSON: Are we not in the position in the sense that if we didn't continue it, we didn't pass this bond issue today, or in the very near future, that the lead time for the construction of plants that we would require, and looking at that lead time in light of the demands that we see in the next four or five years, do we actually have the luxury of omitting this and trying to use a rate increase to acquire capital sufficient to build this project, to have them on line, in time to satisfy the needs. Are we not committed to a bond project?

MR. SPRUCE: Well, on our opinion, it is time that we issue these bonds. We think that we are working on a program that has been approved by our Board of Trustees and previous Council action. We see this as a continuing deferment to maintain our interest in that program.

MR. THOMPSON: That's what I'm leading up to. It seems to be just one more step in the continued program of activity. We are well within our outline of scenario of acquiring nuclear power diversifying our energy needs for our City. And seemingly if we evaluated this as a separate step in and of itself, whether we involve ourselves with yes no decisions. I don't think it is near that simplistic. It would require a major, a reversal, a major change, in our needs, in our policy in requiring this diversification.

MR. SPRUCE: I'll agree with that, yes.

MR. THOMPSON: Thank you.

MAYOR COCKRELL: Thank you. Dr. Cisneros.

DR. CISNEROS: Yes, along the line of Mr. Thompson's questions. There is a very good report that was prepared by CPS almost a year ago, the 2nd of August, 1978, and it has the best figures and numbers that I've seen on this situation. And I wonder, Mr. Spruce, if you couldn't update it so that it had your latest assessments, latest costs, incorporated in it and basically get out a new version to the Council of that report. It would be good if you could do that in the next couple of weeks, so that we could consider it as part of the rate request discussions.

MAYOR COCKRELL: Fine, thank you. If there is no further discussion, the Clerk will call the roll on the motion on Item 34.

STEEN: Yes.

COCKRELL: Yes.

CISNEROS: Yes.

WEBB: No.

DUTMER: Yes.

WING: Yes.

EURESTE: No.

THOMPSON: Yes.

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ALDERETE: No, because it will cause a rate increase.

CANAVAN: Yes.

ARCHER: Yes.

MAYOR COCKRELL: The motion carried with the necessary eight votes. Mr. Eureste.

MR. EURESTE: When is CPS coming to the City Council to request the rate increase? We've been talking about it, we voted on it today but I want to know when it's going to be done formally.

MAYOR COCKRELL: At the last Board meeting the two items were presented to the Board, concurrently. From my part I was prepared that day to go ahead and vote because I am ready to shoulder the responsibility for paying for what I voted for. There was one member of the Board who wanted to see the figures on whether or not a phased in approach could be considered instead of going with a full 6 percent at one time or whether it could be phased in at so much percent per year. And the staff was asked to prepare those figures and bring them back to the Board, and that is to be ready this next week. So I would assume that it would be very quickly, it might be - I would say in the next week or two. I don't know if there is the possibility of it being added to the agenda next week.

MR. SPRUCE: Well, it would depend on the Board's action at its next meeting and in fact, it has been sent out to the Trustees in a response to the question that was raised at the last Board meeting. It would be the Board's pleasure as to when it will be brought to the Council with the Council's pleasure when they could set it up.

MR. EURESTE: Let me ask you a question. Is it true that the Board is considering reducing its share in the participation of the STNP project?

MR. SPRUCE: I believe that would be correct because we were asked to prepare some scenarios with reduced participation.

MAYOR COCKRELL: I might just state it's my impression of the positions that primarily the request came from one person.

MR. CANAVAN: I just wanted to comment about one thing. I think that we are all fooling ourselves if we think that with the type of electrical energy that we need in San Antonio and all of our energy needs are going to be accomplished without increases in rates. Everyone is going to have to shoulder the burden of additional costs for these services.

MAYOR COCKRELL: If we may, we need to get to Item 35. Mr. Eureste.

MR. EURESTE: Let me just say one more - I wish that the Council would be as sensitive about tax rate increases as they are about rate increases. We've got services to deliver, and we're talking about a reduction in the tax rate and yet on this other side we're so free with a rate increase in CPS because we need to meet certain obligations. I just would hope that that concern would be equal and that's the concern that I have.

MAYOR COCKRELL: We'll ask that the next item be presented. Mr. Wing, can you take the chair.

79-27 Mayor Cockrell was obliged to leave the meeting and Mayor Pro-Tem Wing presided.

79-27 The Clerk stated that there are two options for this Ordinance, one being the following:

AN ORDINANCE 50,832

ACCEPTING THE PROPOSAL OF AMERICAR LIMOUSINE SERVICE TO FURNISH THE CITY OF SAN ANTONIO INTERNATIONAL AIRPORT WITH A LIMOUSINE SERVICE.

* * * *

The other option being a proposed ordinance accepting the proposal of Alamo Cab Company d/b/a Yellow Cab Company to furnish the City of San Antonio International Airport with Limousine Service.

Mr. Steen made a motion to approve the ordinance accepting the proposal of Alamo Cab Company. Mr. Eureste seconded the motion.

Miss Karen Davis, Executive Administrative Assistant to the City Manager, presented the case and stated that based on Council discussion last week, Americar Limousine Service would provide better service to the City, since this company was providing limousines only with no taxi-cab back-ups.

After discussion, Dr. Cisneros made a substitute motion to accept the Americar Limousine Service. Mr. Eureste seconded the motion.

Mr. Steen spoke against the substitute motion because he felt that the contract should be awarded to Alamo Cab Company in the first place since they had the best bid.

A discussion then took place among several of the Council members as to which company was better qualified for the job.

Mayor Cockrell returned to the meeting and presided.

Mr. Mike Kutchins, Assistant Director of Aviation, spoke to the Council and described the difference between the taxi cab service and the limousine service. He stated that the difference is the cost, which is a fixed fee versus the fee on the taxi cab.

Mayor Cockrell clarified that the criteria that City Council was given was that no taxi-cabs would be providing back-up service. Americar Limousine Service does not have taxi-cab back-up service.

After further discussion, the substitute motion carried by the following vote: AYES: Cisneros, Webb, Dutmer, Eureste, Alderete, Cockrell; NAYS: Wing, Thompson, Canavan, Archer, Steen; ABSENT: None.

79-27 The following Ordinance was read by the Clerk and after consideration, on motion of Dr. Cisneros, seconded by Mr. Steen, was passed and approved by the following vote: AYES: Cisneros, Webb, Dutmer, Wing, Eureste, Thompson, Alderete, Canavan, Archer, Steen, Cockrell; NAYS: None; ABSENT: None.

AN ORDINANCE 50,833

REAPPOINTING MAYOR LILA COCKRELL, COUNCILMEN JOE ALDERETE, AND JOHN STEEN TO THE FIREMEN AND POLICEMEN'S PENSION FUND BOARD OF TRUSTEES FOR A TERM EXPIRING APRIL 30, 1981.

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79-27 The meeting was recessed at 5:20 P.M. and reconvened at 5:55 P.M.

79-27

CITIZENS TO BE HEARD

MR. KARL WURZ

Mr. Karl Wurz stated that the traditional cost of living percentage rate is unfair and said that a flat dollar figure should be given. (A copy of Mr. Wurz' statement is on file with the minutes of this meeting.)

MR. STEVE WORLEY

Mr. Steve Worley, Financial Officer for the Texas Association of Fire Fighters, San Antonio Chapter, stated that an integration plan being proposed by the Administrative Staff will cause many hardships and said that this plan is modeled after the Dallas Plan. They have personally reviewed the plan and do not see it as a practical working plan. He reviewed the different sections of the proposed plan and gave their reasons for opposing.

MR. BUDDY MASS

Mr. Buddy Mass, Vice-President of the Texas Association of Fire Fighters, stated that they have gone on record opposed to the integration plan. They concurred with statements made by Mr. Worley. In addition, they are opposed to the many transfers which will take place under this plan. He stated that it is very important for fire fighters to be familiar with the neighborhood they serve. He asked that the Council not approve this plan.

MR. ROGER RODRIGUEZ

Mr. Roger Rodriguez, with the association of Fire Fighters, stated that the detrimental effects of the Dallas Plan far out benefit any merits the plan may have. He spoke to the morale of the fire fighters if this plan is implemented.

MR. KEN DEMPSEY

Mr. Ken Dempsey, President of the San Antonio Fire Fighters Association, appealed to the Council to avert a dangerous situation to the safety of the citizens of San Antonio. He stated that there are illegal aspects of the plan and spoke about the class starting on June 18.

Mayor Cockrell stated that the Council will discuss this further in Executive Session with the City Manager, after they have heard the citizens.

MR. RAUL RODRIGUEZ

Mr. Rodriguez stated that the Police Department has stated that they will go to the citizens to collect signatures if the City Council does not grant them pay increases. He said that if this is so, then they should not be allowed to collect signatures in uniform. He said that the citizens of San Antonio are not getting their money's worth from the Police Department. He read some statistics of the crimes solved in the Police Department.

COUNCIL OF SOCIAL CLUBS

Dr. Cisneros stated that a group of persons representing several social organizations have brought their concern to him regarding the manner in which the beverage concession has been turned into a food concession at La Villita. He asked these people to present their concerns to the Council. The following citizens spoke:

MRS. LOU MEDRANO

Mrs. Lou Medrano, representing the Council of Social Clubs, spoke to the Council regarding the City's altering its present contract with Awalt Concessionaires. She said that they demand a 15% percentage fee to Awalt Concessions when an event is held at La Villita. She said that they had met with Dr. Cisneros and Mr. Alex Briseno, on this matter and that they feel that the contract as written, is not being properly administered. She also stated that they were treated very rudely by Mr. Estrada of Awalt Concessionaires.

* * * *

MR. JOHN ARREDONDO

Mr. John Arredondo, representing the Council of Social Clubs, spoke about their annual event, "Una Noche En Guadalajara" and the costs incurred to put on this event. He said that they were told by Mr. Arthur Estrada that they could not sell any food unless they pay 15 percent of their gross sales. He said that if a keg of beer is opened, then they have to pay \$75.00.

Mr. Alex Briseno, Assistant to the City Manager, stated that they have been reviewing this contract for the past week and have concluded that there are several questions about the administration of the contract and would like Council direction to meet with Mr. Estrada regarding the contract.

Mr. Steen made a motion that the staff meet with the Concessionaire of Awalt to discuss this matter regarding the 15% fee at La Villita. Mr. Webb seconded the motion.

Mr. Briseno stated that strict adherence to the contract might not help this particular situation.

After discussion, Mr. Steen's motion carried by the following vote: AYES: Cisneros, Webb, Wing, Eureste, Thompson, Alderete, Canavan, Archer, Steen, Cockrell; NAYS: None; ABSTAIN: Dutmer; ABSENT: None.

MR. TOM BAINES

Mr. Tom Baines stated that he had been before the Council last week regarding street peddlers. He said that he had also been present at the "B" Session and he asked if they could work with the Legal Department on the streets that peddlers can not be permitted on.

City Attorney, Macon, said that they can discuss this matter with Mr. Baines and receive his input.

Mr. Baines expressed concern about peddlers setting up on private property. He stated that he had several suggestions.

REVEREND R.A. CALLIES, JR.

Reverend Callies presented a prepared statement to the City Manager of the dangerous condition of the Rice Road Bridge. He said that the bridge should be closed until it is made safe for travel for the community. He also stated that they have not heard from Mr. Stewart Fischer, Director of Traffic and Transportation, on this matter.

The following persons also spoke to the Council expressing their concerns about the safety of the Rice Road Bridge:

MRS. EUNICE DERBIGNY
MR. ERNEST P. DERBIGNY
REV. SAM L. Holland

Mr. Eureste suggested that Mr. Fischer give staff a report regarding this problem.

Mayor Cockrell suggested that Reverend Callies and his group meet with Mr. Fischer, give him their specific details and concerns, before a report is given to the City Council.

Reverend Callies stated that the Rice Road Bridge has alleviated the problem of drainage but has created a greater problem of traffic safety.

Mr. Webb stated that he would try to get the problems worked out.

MR. DONALD BAKER

Mr. Donald Baker stated that they have used the City's EMS and appreciates the service. It is the best in the country.

MR. ED DAY

Mr. Ed Day spoke to the City Council regarding the Standards of Conduct Ordinance recently approved by the Council, particularly Section 2. He stated that he is a member of the Fire and Police Civil Service Commission and he is also an attorney, who has appeared before several agencies of the City Council and feels that this Section prohibits this. He has spoken to other board members who also have the same problem. He requested that this section be altered so that he may be able to represent his clients. He suggested possible amendments.

Mayor Cockrell suggested that Mr. Day take his concerns to the Ethics Committee and let them review the matter.

Mr. Wing said that the City Charter has to be followed in this respect and would concur with the Mayor's suggestion.

79-27 There being no further business to come before the Council, the meeting was adjourned at 7:15 P.M.

A P P R O V E D

John Cockrell

M A Y O R

TEST. *G.V. Jacobson*
City Clerk

May 31, 1979