

REGULAR MEETING OF THE CITY COUNCIL
OF THE CITY OF SAN ANTONIO HELD IN
THE COUNCIL CHAMBER, CITY HALL, ON
THURSDAY, JANUARY 6, 1983.

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The meeting was called to order at 1:00 P.M. by the presiding officer, Mayor Henry Cisneros, with the following members present: BERRIOZABAL, WEBB, DUTMER, WING, EURESTE, THOMPSON, ALDERETE, HARRINGTON, ARCHER, HASSLOCHER, CISNEROS. Absent: NONE.

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83-01 The invocation was given by Bishop John W. Uhler of the Church of Jesus Christ of Latter Day Saints--San Antonio Fifth Ward.

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83-01 Members of the City Council and the audience joined in the Pledge of Allegiance to the flag of the United States.

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83-01 GIRL SCOUTS

Mayor Cisneros recognized the presence in the audience today of members of Girl Scout Troop 190, including members Nancy Martin and Susan Curry, and adult leader Mrs. Anne Martin. He spoke to their recognition for their beautification efforts as part of the "Keep America Beautiful" project. The Mayor and members of the City Council then presented Certificates of Appreciation to the three.

Mrs. Martin thanked the Council for the honor, and presented members of the Council with boxes of Girl Scout cookies.

Mayor Cisneros thanked Mrs. Martin for her adult leadership role with the troop.

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83-01 The minutes of the meeting of December 16, 1982 were approved.

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83-01 OUTSTANDING WOMEN AWARDS

Mayor Cisneros spoke in acknowledgement of the recent awards to Ms. Berriozabal and to Ms. Jane Macon, City Attorney, as recipients of the San Antonio Express-News awards for the outstanding women of 1982 in various fields: Ms. Berriozabal named Outstanding Woman in Politics, Ms. Macon named Outstanding Woman in Government for 1982.

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83-01 "MEN TO BE WATCHED"

Mr. Hasslocher stated that he and Mayor Cisneros had been named as "Men to be Watched in 1983" by the Single Womens' Society of San Antonio.

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83-01 CONSENT AGENDA

Mr. Hasslocher moved that items 6 - 27 constituting the consent agenda be approved with the exception of item 18, to be pulled for individual consideration. Mr. Harrington seconded the motion.

On voice vote, the motion, carrying with it the passage of the

following Ordinances, prevailed by the following vote: AYES: Berriozabal, Webb, Dutmer, Alderete, Harrington, Archer, Hasslocher, Cisneros; NAYS: None; ABSENT: Wing, Eureste, Thompson.

AN ORDINANCE 56,333

ACCEPTING THE LOW BID OF KOETTER FIRE PROTECTION SERVICE COMPANY TO FURNISH THE CITY OF SAN ANTONIO AVIATION DEPARTMENT WITH AQUEOUS FILM FORMING FOAM FOR A TOTAL COST OF \$8,480.00.

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AN ORDINANCE 56,334

ACCEPTING THE BID OF TRANSPORTATION CONTROL SYSTEMS TO PROVIDE THE CITY OF SAN ANTONIO PUBLIC WORKS DEPARTMENT WITH A SYSTEM FOR OBTAINING AND ANALYZING TURNING MOVEMENT COUNTS FOR A TOTAL PURCHASE PRICE OF \$6,106.00.

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AN ORDINANCE 56,335

ACCEPTING THE LOW QUALIFIED BIDS OF THE PERRY SHANKLE COMPANY AND OF THE WHITE PLAINS ELECTRICAL SUPPLY COMPANY, INC. TO FURNISH THE CITY OF SAN ANTONIO PUBLIC WORKS DEPARTMENT WITH SIGNAL CABLE AND WIRE FOR A TOTAL COST OF \$21,330.00.

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AN ORDINANCE 56,336

AUTHORIZING THE CITY MANAGER TO EXECUTE PURCHASE CONTRACTS WITH PEARL RIVER CHEMICAL COMPANY, CALGON CORP., AMERICAN CYANAMID AND ALLIED COLLOIDS FOR THE PURCHASE OF POLYMER FOR USE IN FIELD TRAILS AT THE WASTEWATER TREATMENT PLANTS; FOR A PURCHASE PRICE OF APPROXIMATELY \$4,500.00 PER CONTRACT.

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AN ORDINANCE 56,337

ACCEPTING THE LOW BID OF TEXAS LIGHT BULB SUPPLY TO FURNISH THE CITY OF SAN ANTONIO PUBLIC WORKS DEPARTMENT WITH TRAFFIC SIGNAL LAMPS FOR A TOTAL PURCHASE PRICE OF \$7,980.00.

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AN ORDINANCE 56,338

ACCEPTING THE PROPOSAL OF GENERAL ELECTRIC COMPANY TO MAKE EMERGENCY REPAIRS TO THE BLOWER MOTOR LOCATED AT THE WASTEWATER TREATMENT PLANT AT RILLING ROAD FOR A TOTAL COST OF \$28,053.00.

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AN ORDINANCE 56,339

AWARDING ANNUAL CONTRACTS TO FURNISH THE CITY OF SAN ANTONIO WITH VARIOUS MATERIALS AND SERVICES FOR THE 1882-1983 FISCAL YEAR FOR AN ESTIMATED TOTAL OF \$185,447.39.

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AN ORDINANCE 56,340

AUTHORIZING EXECUTION OF A PROFESSIONAL SERVICES CONTRACT WITH LLOYD WALKER JARY TO PROVIDE ARCHITECTURAL SERVICES FOR RECONSTRUCTION OF FIRE STATION NO. 36; APPROPRIATING FUNDS AND AUTHORIZING PAYMENT OF ARCHITECTURAL SERVICES.

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AN ORDINANCE 56,341

AUTHORIZING EXECUTION OF FIELD ALTERATION NO. 6 IN THE AMOUNT OF \$24,174.88 TO THE CONTRACT FOR THE SABINAS STREET BRIDGE AT MARTINEZ CREEK, AND PROVIDING FUNDS FOR AN ADDITIONAL CONSTRUCTION CONTINGENCY.

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AN ORDINANCE 56,342

ACCEPTING THE PROPOSAL OF VICKREY & ASSOCIATES, INC. FOR ENGINEERING SERVICES INCLUDING PREPARATION OF TRAINING AND OPERATING MATERIAL AND CONDUCTING TRAINING CLASSES FOR OPERATION OF THE NORTHERN HILLS LIFT STATION, AND PROVIDING FOR PAYMENT.

* * * *

AN ORDINANCE 56,343

AUTHORIZING EXECUTION OF A LICENSE AGREEMENT FOR USE OF 6.153 ACRES OF CITY-OWNED PROPERTY BY THE WESTWOOD TERRACE LITTLE LEAGUE, INC.

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AN ORDINANCE 56,344

PROVIDING FOR THE SALE AND CONVEYANCE OF A PARCEL OF LAND IN BEXAR COUNTY, TEXAS, TO QUINCY LEE COMPANY FOR A CONSIDERATION OF \$5,000.00.

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AN ORDINANCE 56,345

APPROVING AND AUTHORIZING THE CITY MANAGER TO EXECUTE A LEASE AGREEMENT WITH ALAMO IRON WORKS INC. FOR THE PROPERTY AT 210 DAKOTA STREET IN NEW CITY BLOCK 621, FOR PARKING AND STORAGE OF EQUIPMENT FOR THE WASTEWATER MAINTENANCE OPERATIONS.

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AN ORDINANCE 56,346

ACCEPTING THE HIGH BIDS FOR THE SALE OF CERTAIN SURPLUS CITY-OWNED PROPERTIES AND AUTHORIZING THE CITY MANAGER OR HIS DESIGNATE TO EXECUTE SPECIAL WARRANTY DEEDS TO THE HIGH BIDDERS THERETO.

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AN ORDINANCE 56,347

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

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AN ORDINANCE 56,348

ACCEPTING A GRANT OF \$90,460.00 IN CASH AND \$137,089.00 IN IN-KIND VACCINE AND A PUBLIC HEALTH SERVICE IMMUNIZATION ADVISOR TOTALLING \$227,549.00 FROM THE U.S. PUBLIC HEALTH SERVICE IN SUPPORT OF THE OPERATION OF THE 1983 CHILD IMMUNIZATION MAINTENANCE PROJECT BY THE SAN ANTONIO METROPOLITAN HEALTH DISTRICT; AUTHORIZING A CONTRIBUTION OF \$92,148.00 FROM THE GENERAL FUND; AND ADOPTING A BUDGET AND APPROVING PERSONNEL POSITIONS.

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AN ORDINANCE 56,349

AUTHORIZING EXECUTION OF A CONTRACT WITH THE U.S. DEPARTMENT OF THE INTERIOR GEOLOGICAL SURVEY TO CONTINUE THE UNITED STATES GEOLOGICAL SURVEY URBAN SYSTEMS PROGRAM OF SURFACE WATER QUANTITY AND QUALITY DATA COLLECTION IN FISCAL 1983; AND PROVIDING FOR PAYMENT OF THE CITY'S SHARE OF THE COST.

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AN ORDINANCE 56,350

AUTHORIZING PAYMENT OF REFUNDS TO PERSONS MAKING OVERPAYMENTS OR DOUBLEPAYMENTS ON TWENTY-FOUR TAX ACCOUNTS.

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AN ORDINANCE 56,351

AUTHORIZING RENEWAL OF THE CURRENT LIFE AND ACCIDENTAL DEATH AND DISMEMBERMENT INSURANCE PROGRAM WITH THE LIFE INSURANCE COMPANY OF NORTH AMERICA.

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AN ORDINANCE 56,352

ACCEPTING THE BID OF CENTRAL ELECTRIC ENTERPRISES AND CO. INC., FOR LIGHTING AT FARIAS PARK, APPROVING A CONTRACT AND PROVIDING FOR PAYMENT.

* * * *

AN ORDINANCE 56,353

ACCEPTING A GIFT OF TIMBER FORM BENCH MODEL NO. 2120 VALUED AT \$600 FROM PAUL E. ALLEN COMPANY, INC. AND EXPRESSING CITY COUNCIL'S GRATITUDE FOR SAME.

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83-01 The Clerk read the following Ordinance:

AN ORDINANCE 56,354

CLOSING AND ABANDONING QUEENS COURT, BEING ADJACENT TO NEW CITY BLOCK 546, AND AUTHORIZING THE CITY MANAGER OR HIS DESIGNATE TO EXECUTE A QUITCLAIM DEED TO THE ADJACENT OWNER, CRAIN DISTRIBUTING CO., INC., FOR A CONSIDERATION OF \$4,500.00.

* * * *

Mr. Webb moved that the Ordinance be approved. Mr. Hasslocher seconded the motion.

In response to a question by Mr. Webb, Mr. Frank Kiolbassa, Director of Public Works, stated that Crain Distributing Company approved the closure of Queens Court.

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

ZONING HEARINGS

28. CASE 9090 - to rezone Lots 1 thru 6, Block 1, NCB 8424, 2013 West Avenue, from "B-3R" Restrictive Business District to "I-1" Light Industry District, located southwest of the intersection of Gardina Street and West Avenue having 150' on Gardina Street and 118.33' on West Avenue.

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

No citizen appeared to speak in opposition.

In response to a question by Mr. Archer, Mr. Andy Guerrero, Planner II, spoke to other I-1 uses in the immediate area.

Mr. Archer moved that the recommendation of the Zoning Commission be approved provided that the applicant work with the Traffic Engineering Division for proper access and off-street parking. Further provided that 7.5 feet of right-of-way is provided along Gardina Street with a 15-foot property line return at the intersection. Mr. Hasslocher seconded the motion.

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

AN ORDINANCE 56,355

AMENDING CHAPTER 42 OF THE CITY CODE THAT CONSTITUTES THE COMPREHENSIVE ZONING ORDINANCE OF THE CITY OF SAN ANTONIO BY CHANGING THE CLASSIFICATION AND REZONING OF CERTAIN PROPERTY DESCRIBED HEREIN AS LOTS 1 THRU 6, BLOCK 1, NCB 8424, 2013 WEST AVENUE, FROM "B-3R" RESTRICTIVE BUSINESS DISTRICT TO "I-1" LIGHT INDUSTRY DISTRICT, PROVIDED THAT THE APPLICANT WORK WITH THE TRAFFIC ENGINEERING DIVISION FOR PROPER ACCESS AND OFF-STREET PARKING. FURTHER PROVIDED THAT 7.5 FEET OF RIGHT-OF-WAY IS PROVIDED ALONG GARDINA STREET WITH A 15-FOOT PROPERTY LINE RETURN AT THE INTERSECTION.

* * * *

29. CASE 9115 - to rezone a 107.381 acre tract of land out of C. B. 5020 and C. B. 5021, being further described by field notes filed in the Office of the City Clerk, in the 6900 block of F.M. 1604 Road, from Temporary "R-1" One-Family Residence District to "B-3" Business District, located on the northeast side of F.M. 1604 Road, being approximately 250' northwest of the intersection of Nacogdoches Road and F.M. 1604 Road, having 2216.23' on F.M. 1604 Road and a depth of 2067.44'.

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.

Mr. Hasslocher moved that the recommendation of the Zoning Commission be approved provided that proper platting is accomplished if necessary. Mrs. Dutmer seconded the motion.

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

AN ORDINANCE 56,356

AMENDING CHAPTER 42 OF THE CITY CODE THAT CONSTITUTES THE COMPREHENSIVE ZONING ORDINANCE OF THE CITY OF SAN ANTONIO BY CHANGING THE CLASSIFICATION AND REZONING OF CERTAIN PROPERTY DESCRIBED HEREIN AS A 107.381 ACRE TRACT OF LAND OUT OF C.B. 5020 AND C.B. 5021, BEING FURTHER DESCRIBED BY FIELD NOTES FILED IN THE OFFICE OF THE CITY CLERK, IN THE 6900 BLOCK OF F.M. 1604, FROM TEMPORARY "R-1" ONE-FAMILY RESIDENCE DISTRICT TO "B-3" BUSINESS DISTRICT, PROVIDED THAT PROPER PLATTING IS ACCOMPLISHED IF NECESSARY.

* * * *

30. CASE 9105 - to rezone Lot 15, Block 2, NCB 12592, 1720 S. W.W. White Road, from "F" Local Retail District to "B-3R" Restrictive Business District, located northeast of the intersection of Sea Breeze Drive and S. W.W. White Road, having 115.39' along W.W. White Road and 150' on Sea Breeze 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.

Mr. Tom Austin, 822 Petroleum Commerce Building, stated that his client wishes to install a muffler shop on the property.

Mrs. Dutmer spoke to the presence of nice homes nearby and voiced concern about any potential noise factor from the muffler shop operation. She also emphasized that the rezoning would not allow any outside storage.

Mr. Austin stated that the property had served as a service station for many years without complaint from the residents of the area, and noted that the building is to be completely remodeled, with no outside storage required or planned.

Mrs. Dutmer moved that the recommendation of the Zoning Commission be approved provided that the applicant work with the Traffic Engineering Division for a 5-foot dedication of right-of-way along South W.W. White Road, and that a 6-foot solid screen fence is erected and maintained along the east property line. Mr. Webb seconded the motion.

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

AN ORDINANCE 56,357

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 15, BLOCK 2, NCB 12592, 1720 SOUTH W.W. WHITE ROAD, FROM "F" LOCAL RETAIL DISTRICT TO "B-3R" RESTRICTIVE BUSINESS DISTRICT, PROVIDED THAT THE APPLICANT WORK WITH THE TRAFFIC ENGINEERING DIVISION FOR A 5-FOOT DEDICATION OF RIGHT-OF-WAY ALONG SOUTH W.W. WHITE ROAD, AND THAT A 6-FOOT SOLID SCREEN FENCE IS ERECTED AND MAINTAINED ALONG THE EAST PROPERTY LINE.

* * * *

31. CASE 9110 - to rezone Parcel 76-B, NCB 15600, 2415 Pinn Road, from Temporary "R-1" One-Family Residence District to "B-3R" Restrictive Business District, located on the east side of Pinn Road being 275.95' south of the intersection of Westfield Drive and Pinn Road having 100.58' on Pinn Road and a depth of 152.9'.

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.

Mrs. Dutmer moved that the recommendation of the Zoning Commission be approved provided that the applicant work with the Traffic Engineering Division for proper access and off-street parking. Mr. Wing seconded the motion.

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

AN ORDINANCE 56,358

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 PARCEL 76-B, NCB 15600, 2415 PINN ROAD, FROM TEMPORARY "R-1" ONE-FAMILY RESIDENCE DISTRICT TO "B-3R" RESTRICTIVE BUSINESS DISTRICT, PROVIDED THAT THE APPLICANT WORK WITH THE TRAFFIC ENGINEERING DIVISION FOR PROPER ACCESS AND OFF-STREET PARKING.

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32. CASE 9098 - to rezone Lot 3, Block 1, NCB 13465, in the 4300 block of Callaghan Road, in the 6000 block of Ingram Road, from "F" Local Retail District to "B-3R" Restrictive Business District, located on the northside of Ingram Road and the west side of Callaghan Road, being 300' north and west of the intersection of Ingram Road and Callaghan Road, having 228.86' on Callaghan Road and 74.91' on Ingram Road, having depths of 395' and 544.49'.

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.

Mr. Alderete moved that the recommendation of the Zoning Commission be approved. Mr. Harrington seconded the motion.

After consideration, the motion, carrying with it the passage of

the following Ordinance, prevailed by the following vote: AYES: Berriozabal, Webb, Dutmer, Wing, Alderete, Harrington, Archer, Hasslocher, Cisneros; NAYS: None; ABSENT: Eureste, Thompson.

AN ORDINANCE 56,359

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 3, BLOCK 1, NCB 13465, IN THE 4300 BLOCK OF CALLAGHAN ROAD AND THE 6000 BLOCK OF INGRAM ROAD, FROM "F" LOCAL RETAIL DISTRICT TO "B-3R" RESTRICTIVE BUSINESS DISTRICT.

* * * *

83-01 The Clerk read the following Ordinance:

AN ORDINANCE 56,360

AUTHORIZING THE ESTABLISHMENT OF A HEALTH EDUCATION PROJECT BY THE SAN ANTONIO METROPOLITAN HEALTH DISTRICT; ESTABLISHING A FUND; ADOPTION OF A BUDGET; AUTHORIZING PERSONNEL POSITIONS; AND AUTHORIZING EXECUTION OF AN AGREEMENT WITH THE STATE DEPARTMENT OF HEALTH FOR A GRANT TO SUPPORT A PROGRAM COST OF \$25,000.

* * * *

Mr. Archer moved that the Ordinance be approved. Mrs. Dutmer seconded the motion.

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

83-01 The Clerk read the following Ordinance:

AN ORDINANCE 56,361

ORDERING THE REGULAR MUNICIPAL ELECTION AND A BOND ELECTION TO BE HELD ON THE 2ND DAY OF APRIL, 1983, IN THE CITY OF SAN ANTONIO, BEXAR COUNTY, TEXAS, FOR THE PURPOSE OF ELECTING THE MEMBERS OF THE COUNCIL OF THE CITY OF SAN ANTONIO AND TO AUTHORIZE THE ISSUANCE OF BONDS FOR DRAINAGE IMPROVEMENTS.

* * * *

Mr. Archer moved that the Ordinance be approved. Mr. Harrington seconded the motion.

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

83-01 It was the concensus of the City Council to temporarily bypass agenda item 35 at this time.

83-01 The Clerk read the following Resolution:

A RESOLUTION
NO. 83-01-01

REQUESTING THE STATE TO HAVE ALL STATE GRANTS
AUDITED BY A SINGLE AUDIT AND REQUESTING DESIGNATION
OF A STATE AGENCY AS THE SINGLE AUDIT COORDINATOR.

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Mr. Archer moved that the Resolution be approved. Mrs. Dutmer seconded the motion.

After consideration, the motion, carrying with it the passage of the Resolution, prevailed by the following vote: AYES: Berriozabal, Webb, Dutmer, Wing, Alderete, Harrington, Archer, Hasslocher, Cisneros; NAYS: None; ABSENT: Eureste, Thompson.

83-01 The Clerk read the following Ordinance:

AN ORDINANCE 56,362

PROVIDING FOR CERTAIN ASSISTANCE IN CONNECTION WITH
THE REQUEST OF THE YOUNG WOMEN'S CHRISTIAN
ASSOCIATION DATED DECEMBER 21, 1982 RELATING TO
FUNDING ASSISTANCE FROM THE CITY TO THE LAS PALMAS
YWCA.

* * * *

Mr. Alderete moved that the Ordinance be approved. Mr. Harrington seconded the motion.

Mrs. Dutmer expressed her concern with the ability of the YMCA to purchase full-page newspaper advertisements, when it cannot pay its utility bills without City assistance.

Mr. Archer stated that the YMCA feels that these advertisements will repay themselves several times over with increased membership.

Mr. Eureste stated that the advertisements promote new business for the YMCA.

Ms. Norma Solis, speaking on behalf of the Westside YWCA, spoke in support of the Ordinance, stating that the City supports equal treatment for all agencies it supports, and cited several examples.

Ms. Elena Vergara, Executive Director of the YWCA, spoke to the construction of the Westside YWCA with federal funds, and distributed a fact sheet to the City Council containing that organization's requests for funding. She noted that City staff does not recommend allocation of the one-time \$40,000 funding as requested, and asked that the YWCA contract with the City be re-negotiated.

In response to a question by Mr. Thompson, Ms. Vergara spoke to the four points of the YWCA proposal, noting that City staff now recommends three of the four.

In response to another question by Mr. Thompson, Mr. Bill Donahue, Assistant City Manager, stated that this item was on the council agenda today at the request of Mr. Alderete.

Mr. Thompson stated that he had wanted a meeting of all parties first, before an Ordinance was prepared, so that everyone could fully understand the entire picture.

A discussion then took place concerning previous plans for a meeting of all parties.

Mr. Thompson stated that allocations to each agency are different, covering different items, and noted that in his opinion, this is one of those instances. He addressed the \$40,000 request as a one-time allocation to cover costs of repairs to the YWCA.

Ms. Vergara spoke to the costs of the individual items needed.

Mr. Ron Darner, Director of Parks & Recreation, spoke to the specifics of the staff recommendations to deny the \$40,000 request.

Ms. Vergara stated that this cost is for repairs, not additional staffing.

Mr. Louis J. Fox, City Manager, stated that although the City staff is opposed to the \$40,000-request, the Ordinance being considered today includes it, as requested by Council.

Mr. Eureste spoke in support of the request.

In response to a question by Mr. Hasslocher, Ms. Solis discussed possible actions to be considered by the YWCA in the event the Ordinance is not approved, stating that she would want to re-study the YWCA's contract with the City to assure the absence of any sex discrimination in dealings between the City and various organizations funded by the City.

In response to a question by Mr. Hasslocher, Mr. Darner spoke to the possibility of the City purchasing needs of funded agencies in order to take advantage of the City's bulk buying at lower prices.

Ms. Berriozabal and Mr. Alderete spoke in support of the request.

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

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83-01 At this time, agenda item 35 was considered.

The Clerk read the following Ordinance:

AN ORDINANCE 56,363

AUTHORIZING THE CITY MANAGER TO EXECUTE SANITARY SEWER SERVICE CONTRACT AMENDMENTS BETWEEN THE CITY AND AFTON DEVELOPMENT COMPANY, AND THE CITY AND MIDWAY DEVELOPMENT COMPANY TO EFFECT PLATTING FEE CREDITS TO THE RESPECTIVE DEVELOPERS FOR JOINT CONSTRUCTION OF AN OFF-SITE GRAVITY SANITARY SEWER SERVICE MAIN ALONG U.S. HIGHWAY 281.

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Mr. Hasslocher moved that the Ordinance be approved. Mrs. Dutmer seconded the motion.

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

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83-01 The Clerk read the following Resolution:

A RESOLUTION
NO. 83-01-02

DIRECTING CITY STAFF TO TAKE ALL STEPS NECESSARY TO
INSTALL FOUR-WAY STOP SIGNS AT WOODLAWN AVE. AND W.
LIGUSTRUM AND AT SHELBY AND VICKERS.

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Mrs. Dutmer moved that the Resolution be approved. Mr.
Archer seconded the motion.

Mr. Wing asked that the reference to "Pyron Avenue" be deleted,
and in its place be substituted "Vickers".

In response to a question by Mr. Archer, Mr. Frank Kiolbassa,
Director of Public Works, stated that his traffic section is opposed to a
four-way stop sign traffic control at the intersection of West Woodlawn
and Ligustrum Avenue because of the lack of traffic volume, and that the
similar request for Shelby and Vickers is still under study.

A discussion then took place concerning procedures followed in
securing traffic control devices by City Council.

Mr. Kiolbassa stated that in the West Woodlawn case, neighbors
had requested the four-way stop intersection there, and that normally,
traffic control changes are brought before Council in a routine monthly
Ordinance.

Mr. Thompson stated his belief that Council members know best
about traffic matters in their districts, and when a special set of
circumstances might warrant action.

After discussion, the motion, carrying with it the passage of the
Resolution, prevailed by the following vote: AYES: Berriozabal, Webb,
Dutmer, Wing, Eureste, Thompson, Alderete, Harrington, Hasslocher,
Cisneros; NAYS: Archer; ABSENT: None.

83-01 The Clerk read the following Ordinance:

AN ORDINANCE 56,364

APPROVING A FIELD ALTERATION TO THE CONTRACT FOR THE
ELDRIDGE DRAINAGE PROJECT, PHASE I (PROJECT 61K) SO
AS TO PROVIDE CONCRETE DRIVEWAYS AT DRIVEWAYS
AFFECTED BY THE PROJECT AND PROVIDING FUNDING.

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Mr. Thompson moved that the Ordinance be approved. Mr.
Hasslocher seconded the motion.

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

83-01 DISCUSSION OF BRIGGS AVE. UDAG APPLICATION

Mr. Frank Perry of the City Manager's special projects staff
spoke briefly to the background of this matter, asking that the City
Council give its concensus to proceed with this application for Urban
Development Action Grant funding for this project.

Mr. Wing spoke to the merits of the case, but spoke of his
concern that the project should not stand or fall as a UDAG project,

stating his belief that City staff also should explore other possible funding sources, in the event the UDAG application is not granted, in order to assure the project is completed.

Mr. Fox stated that City staff would like to proceed to seek grant funds, first.

In response to a question by Mr. Wing, Mr. Fox stated that some \$400,000 was set aside in the present City budget to finance items identified for projects to be funded by the Southern Sector Task Force, and discussed the possibility that a portion of these funds could be used for the Briggs Avenue project, if UDAG funds are not forthcoming for it.

Mr. Perry spoke to specifics of the Briggs Ave. UDAG project, noting that Southwest Diagnostic Clinic, Ltd. plans to construct a 25,000 square foot clinic and medical office complex on Briggs Avenue, between Barlite and Somerset Road, and addressed its projected costs, noting that under new UDAG guidelines for San Antonio, the City would have to bear 20 per cent of the funding.

Mr. Wing addressed the need for such a development in this area.

Mr. Wing moved that staff be directed to work with Southern Sector Task Force in proceeding with alternate funding for this project; also to proceed with UDAG application. Mrs. Dutmer seconded the motion.

Mr. Fox spoke in support of the proposed use of wastewater funds to install the required sewer necessities, so that that amount can be counted toward the City's 20 per cent funding requirement.

Mrs. Dutmer spoke against use of wastewater funds for this purpose, speaking to her concern that the City already has funded the Mexican American Unity Council on a number of projects. She stated her opinion that the physicians involved in this venture should find private-sector funding for this project.

Mr. Eureste spoke to the UDAG funds sought in the amount of some \$16 million for the UDAG project involving Allied Stores. He then addressed the positive aspects of MAUC in developing portions of the west and south sides of the City, and further noted that this area of the City, expressed in this proposed UDAG application, needs this facility because the area is a 'health-scarce' area. He then spoke of the public needs to be met by this medical facility, and its proximity to Southwest General Hospital.

Mrs. Dutmer reiterated her belief that this facility should be privately financed.

A brief discussion then took place covering location of medical facilities throughout the City.

Mr. Wing and Mr. Eureste both spoke again in support of the request, noting that economic development is needed in this area.

Ms. Berriozabal spoke in support of the request, noting that it represents an opportunity to provide needed medical care to the south side. She then spoke to MAUC's good reputation among Washington agencies because of its community work in San Antonio.

Mrs. Dutmer stated that many south side residents go to the northside medical center complex for service, and further noted her belief that more UDAG funds are spent on the south side than on any other section of the City.

Mr. Thompson spoke in support of the request, noting it was a good signal of south site development.

Mr. Eureste stated that this facility would be good for the community, no matter who sponsors it.

Mr. Archer spoke in support of the request.

Mrs. Dutmer then addressed alternatives to UDAG funding for this project.

After discussion, the motion prevailed by the following vote: AYES: Berriozabal, Dutmer, Wing, Eureste, Thompson, Alderete, Harrington, Archer, Hasslocher, Cisneros; NAYS: None; ABSENT: Webb.

83-01 Mr. Gene Camargo, Director of Building Inspections, spoke to the history of the request for demolition of the old Albert Maverick Building on Houston Street, noting that Williams Realty Company had sought the permit for demolition on June 28, 1981, a request that was granted September 20, 1981 when talks with the San Antonio Conservation Society came to an end on preservation possibilities for the building. He stated that at this time, the firm is entitled to a demolition permit, under City law.

Ms. Jane Macon, City Attorney, reiterated that under the City law, the firm is now entitled to the demolition permit. She noted that council action on the proposed Ordinance under consideration would be outside past Council policy and/or guidelines.

Mrs. Dutmer spoke of details of the U.S. Supreme Court case of Penn Center vs. The City of New York, in which it was determined that a building should be saved from demolition if a case can be made and proven to substantiate that the building in question would be of value if it could be historically protected and preserved for use.

Ms. Carol Wyant, Assistant Development Director of Williams Realty Corporation, Tulsa, Oklahoma, stated that her firm had purchased the adjacent New Moore Building for restoration, a project that now was underway. She also spoke to a number of other historic preservation projects by Williams Realty in the Tulsa area. She then spoke in favor of the Council plans to move ahead with a full inventory of downtown buildings in order to determine each building's historical value.

Ms. Wyant spoke to the background details of the demolition request for the Albert Maverick Building, stating that there was no question concerning the building's historical value when the firm made application for the demolition permit, noting that the building is not structurally sound. She stated that on August 20, 1982 the Historic Review Board approved the demolition request to provide space for construction staging for the restoration project involving the adjacent New Moore Building, which is due for completion in June 1983.

Ms. Lynn Bobbitt, President of San Antonio Conservation Society, stated that the Albert Maverick Building is the oldest remaining commercial structure on Houston Street, and spoke of plans for a development group to purchase the building from SACS, once SACS buys it from Williams Realty. She stated that SACS now has exhausted all its options to save the building, and that Williams Realty is not willing to sell the building to them.

She asked for a 90-day delay in granting the demolition permit in order that a Task Force can have time to complete its study on the historical value of buildings in the downtown area. She read into the record a letter from the Texas Historical Commission, a copy of which is made a part of the papers of this meeting, urging Williams Realty to sell the building to SACS. She then displayed preliminary plans for renovation of the building, if it can be acquired.

Mr. Hap Veltman, downtown property owner, stated that creation of a small parking lot next to the New Moore Building is not the highest and best use of the property, in his opinion.

He asked that the demolition permit be delayed so that talks on historic restoration of the building can be finalized.

Mrs. Lilliam Maverick Padgitt, San Antonio Conservation Society, spoke to the history of the building and spoke in support of the request to delay demolition so that the building can be saved.

Mayor Cisneros spoke of the legacy of the Maverick family to Texas and to the San Antonio area in particular, the impact the family members have had on the nation and the great debt owed them for their contributions.

Mr. Maury Maverick, Jr., San Antonio Conservation Society, stated that the New York Times newspaper identifies San Antonio as the only City in Texas with a good appreciation for history, and spoke in favor of a 30-day delay in the demolition permit in order that work for a possible solution to this matter could take place.

Mrs. Anne Leslie Fenstermaker, San Antonio Conservation Society, spoke of the background of the Maverick family in San Antonio and the need to preserve the past. She spoke in support of the delay.

Mayor Cisneros stated that the requested Ordinance is outside normal policy and direction of City Council, but is proponents feel that a 30-day delay would be beneficial toward the search for another possible solution to demolition. He spoke in support of the delay.

Ms. Berriozabal spoke of the Task Force project to identify historical buildings in the downtown area, and of the need to restore this building on Houston Street.

Ms. Berriozabal moved for a 30-day denial of demolition permit; meanwhile, the City Manager is to work with both sides in searching for another solution to demolition, if possible. Mr. Alderete seconded the motion.

Mrs. Dutmer spoke in support of the Ordinance and of historic preservation efforts in San Antonio.

In response to a question by Mrs. Dutmer, Ms. Bobbitt stated that San Antonio Conservation Society had offered \$275,000 for the building with the knowledge that it would cost another \$300,000 to restore it. She spoke of plans to purchase the building, then turn it over to a development group for restoration into office and commercial usage.

Mr. Hasslocher spoke in support of the request.

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

AN ORDINANCE 56,365

DENYING THE ISSUANCE OF A PERMIT FOR THE DEMOLITION OF THE ALBERT MAVERICK BUILDING FOR A THIRTY DAY PERIOD IN ORDER TO ALLOW FURTHER DISCUSSION BETWEEN THE CONSERVATION SOCIETY AND THE OWNERS OF THE ALBERT MAVERICK BUILDING.

* * * *

Mr. Alderete asked City staff to identify state laws that could be applied in the meantime, while the Task Force completes its study, in order to insure that historical structures will not be lost to demolition permits. He also asked that a survey of some other cities and stated be made, to determine how they accomplish this.

Mayor Cisneros asked Mr. Andy Perez, head of the study Task Force, present in the audience, to convene his committee rapidly and to begin the study of the more than 800 structures in the downtown area.

Mr. Andy Perez, Task Force chairman, stated that this is an urban planning process which needs time to research all the laws dealing with historical preservation. He stated that the committee would meet next on January 19, 1983.

83-01 City Council recessed at 3:48 P.M. and reconvened in session at 3:58 P.M.

83-01 NEW GAS SUPPLY CONTRACT

Mayor Cisneros briefly outlined the procedures to be followed in this matter.

Mr. Jack Spruce, General Manager, City Public Service, gave a brief history of the search for a new gas supplier, since the contract with Valero terminated in April 1982. He spoke of the details of the Coastal/LoVaca lawsuit settlement that created the spinoff Valero Energy firm as gas supplier to San Antonio through City Public Service. He stated that, as a result of the need to seek a gas supplier with which to contract, a citizen committee was formed to assist in this search, and that group recommended seeking other suppliers in addition to Valero. Mr. Spruce stated that, as a result of that recommendation, Houston Pipe Line offered to sell CPS 50 per cent of its natural gas needs. He then addressed the differences in cost between Houston Pipe Line and Valero, and outlined details of Houston Pipe Line's offer. He noted that both firms are close on their gas costs, but stated the belief of the CPS Board of Trustees that having two suppliers rather than one would be better, for competitive reasons. He stated that Houston Pipe Line cannot terminate its contract at the end of its five-year term without first locating and securing for CPS another natural gas supplier to take up the slack. He also noted that several facets of the proposed contract with Houston Pipe Line remain unresolved and under review by both parties.

Mr. James V. Walzel, President, Houston Pipe Line Company, provided a brief background briefing of its contract offer and of its corporate firm, noting that Houston Pipe Line is owned by Houston Natural Gas Corporation, with some \$3 billion in annual revenues. He stated that Houston Pipe Line owns a gas pipeline linking Houston with West Texas, a line that passes to the north of San Antonio. He stated competition in the field of natural gas would mean a cost break for consumers, and that CPS in 1981 had asked his firm to bid on a contract to supply CPS with natural gas, but because of several factors, the firm declined to bid. He noted that in July 1982, with the advent of new gas supplies and a decrease in gas usage, Houston Pipe Line found that it could supply San Antonio one-half of its gas needs. He then outlined details of the proposed contract, a five-year pact with extensions. He stated that San Antonio is seeking diversity in its gas suppliers and has done so for some two years, and that Houston Pipe Line never has had to curtail service to its customers. He spoke of the advantages of having two strong natural gas suppliers.

Mr. Bill Greehey, President, Valero Energy Corporation, stated that his firm would be presenting a proposed new 20-year contract to CPS today, noting that Valero has some 960 employees and is headquartered in San Antonio with an annual economic impact upon San Antonio of some \$200 million. He spoke of the firm's move from Houston to San Antonio as a result of the Coastal/LoVaca lawsuit settlement, and asked that both his and the Houston Pipe Line contract be compared, side by side. He stated his belief that there needs to be more study of all facets of the gas supply issue for CPS. He noted that Valero is the larger of the two firms in everything but the sale of natural gas. Mr. Greehey stated that since 1978, many gas pipeline firms have been competing in the interstate gas business, and that natural gas also competes against other forms of fuel. He stated his opinion that the cost of Valero sales to San Antonio would fall about seven cents in January, and spoke to his belief that a company's gas reserves is the most important factor to consider in the new

contract. He stated that Valero's reserves would last some eight years, while Houston Pipe Line has reserves of only 3.4 years.

Mr. Stan McClellan, attorney representing Valero Energy Corporation, spoke to provisions of a proposed 20-year contract with CPS that he stated was discussed with CPS last year. He stated that Houston Pipe Line sells natural gas to the City of Houston for 14.63 cents more than the weighted average cost, while offering to sell natural gas to San Antonio for 25 cents more than the weighted average. He spoke to the control of Valero's rate of sale being controlled by the Railroad Commission, while the rate of sale by Houston Pipe Line is not, and urged that more study of the Houston Pipe Line proposal be made before signing. He stated his opinion that any contract by City Public Service should also include a public hearing before the Railroad Commission as a required provision, before the supplier could sell natural gas to any new customer. He then spoke in comparison of Valero's projected 20-year contract to Houston Pipe Line's proposed contract, noting that the Valero proposal also includes a provision that the Railroad Commission must approve before Valero could sell natural gas to any new customer or make any new sale involving its gas reserves. He also addressed several other points of the proposed Valero contract.

Mr. Walzel spoke to several points of the Valero presentation, including the gas sales of Houston Pipe Line. He stated his opinion that the reliability of delivery of natural gas is the most critical point, not simply the reserves.

Mr. Richard Alsup, General Counsel of Houston Pipe Line, stated his opinion that the major concern in this issue is: who can provide natural gas to CPS at the best cost. He then discussed the proposed reviews that would be held before the Railroad Commission.

Mr. Greehey stated that his figures indicate that for the past five years, the gas reserves of Houston Pipe Line have been dropping.

Mrs. Stephanie Brooks, representing the Socialist Party, stated that the City Council should be discussing the need to nationalize the utility companies. She stated that the Council should freeze rates, and that the City government should be looking out for its citizens, not the corporations involved.

Mr. Walter Bielstein, representing the Executive Committee of the Greater San Antonio Chamber of Commerce, stated that his group suggests that any decision on a contract or the concept of dual suppliers be postponed until the matter is completely studied and investigated. He posed some questions to the Council which he feels should be seriously considered before approving or committing to approve any contracts for natural gas.

Ms. Nelda Weatherly, representing the North San Antonio Chamber of Commerce, stated that her group feels that the merits of each option should be seriously considered and evaluated before Council approves of any contract.

Mr. John Poerner, former member of the Railroad Commission, spoke regarding the history of the fuel adjustment charge. He also stated that the Council should take more time to investigate and evaluate each proposed contract to be certain it is in the best interests of the citizens of San Antonio.

Mr. Jack Richards, geologist and employee of a gas producing firm, spoke about the price of natural gas, and about his association with Valero as a supplier of some of his firm's natural gas.

Mr. Jose F. Olivares, 214 Dwyer, stated that he felt there has been an energy hoax throughout the nation, and that there really is no competition. He stated his opinion that the Council should direct that bids and specifications should be set out and published on a natural gas contract for CPS, then put out for bids. He then spoke of the past history of natural gas supplies to San Antonio, under the Coastal

States/LoVaca contract.

Mrs. Helen Walter spoke regarding the Alamo Gas contract, and asked the Council to obtain a contract this time that is enforceable. She stated that the ratepayer is really suffering and there are many persons unable to pay the high utility bills.

Ms. Connie Truss, 231 Center, spoke concerning the Council review of past contracts, noting that the contract made with Sun Oil did not include the transportation costs. He stated that the Council should review the contract very carefully before committing itself.

A discussion of the coal contract with Sun Oil then took place.

In response to a question by Mr. Eureste, Mr. Greehey stated that Valero has purchased gas from Houston Pipe Line in the past, and have a contract with them for the next four years.

Mr. Eureste reiterated statements made by Mr. Greehey in a memo to Valero employees.

A discussion took place between Mr. Greehey and Mr. Eureste concerning the cost of Valero's gas and the release of its natural gas reserves.

Mr. Greehey stated that San Antonio has a valid contract with Valero through the Texas Railroad Commission.

In response to a question by Mr. Eureste, Mr. John Wood, attorney for CPS, stated that the lawsuit settlement agreement does not specifically address whether Valero would be released from its agreement with CPS if the City contracted with another supplier. However, he stated his belief that it could have that effect.

Mr. Eureste stated that he has received numerous letters and phone calls from citizens about this matter, and stated his belief that the consuming public is in favor of competition for natural gas supplies. He further stated that many persons are asking for a delay, and stated his opinion that they are asking for more time in order to effect a political lobbying effort against a second contract. He also took exception to Valero's comments as reported in the news media.

A discussion then took place between Mr. Thompson and Mr. Walzel on the gas reserves of Houston Pipe Line.

Mr. Roger Ibarra, Supervisor of Public Utilities for the City of San Antonio, in response to a question by Mr. Thompson, referred to a memorandum dated January 6, 1983 on the subject of natural gas prices for Valero and Houston Pipe Line, a copy of which is on file with the papers of this meeting. Mr. Ibarra stated that he had received the figures from CPS.

Mr. Greehey stated that the numbers provided differ from those prepared by his firm.

Mr. Thompson moved approval of an Ordinance authorizing continued negotiations to secure a second gas supplier for San Antonio, specifying the option that requires that provisions for engaging a consulting firm to review the reserves of both firms and hiring outside legal counsel to review final contractual language be accomplished within 30-45 days. Mr. Eureste seconded the motion.

Mrs. Dutmer stated her belief that this motion involves an Ordinance and not simply a Resolution of intent of City Council, and further stated that it gives tacit approval to the contract, and gets Houston Lighting and Power off the hook in case of a lawsuit. She further stated that she would like to see the Ordinance changed to a Resolution, and more proper wording added.

Mr. Spruce discussed his recollections of Valero's proposed

20-year contract, and the details of the Houston Pipe Line contract.

In response to a question by Mrs. Dutmer, Mr. John Wood spoke to details of the Houston Pipe Line contract and circumstances under which the firm could be free of providing San Antonio with natural gas after expiration of the five-year contract.

In response to another question by Mrs. Dutmer as to whether or not the Houston Pipeline contract would release Valero from one-half of its Railroad Commission-imposed natural gas service to San Antonio, Mr. Wood stated that, in his opinion, it would.

Mrs. Dutmer spoke of her concern with using haste in approving a contract with Houston Pipe Line, and how the firm would recoup its cost of building a new pipe line to service San Antonio, by sale of gas to San Antonio.

In response to a question by Mrs. Dutmer, Mr. Howard Freeman, Assistant General Manager, CPS, stated that through the court settlement of the Coastal/LoVaca lawsuit San Antonio has about a \$24 million investment in Valero.

Mrs. Dutmer spoke of her concern that the City will lose money if Valero stock drops in reacting to splitting of the natural gas contract.

Mr. Walzel stated that there is no guarantee that a contract with Houston Pipe Line will lower utility bills in San Antonio.

Mrs. Dutmer asked that the Council lower its in-lieu-of-taxes payments from CPS.

Mrs. Dutmer then moved to table the issue for 60 days. Mr. Alderete seconded the motion.

In response to a question by Mr. Alderete, Mr. Spruce stated that San Antonio pays about \$250 million per year for natural gas.

Mr. Alderete spoke of his concern that, if a contract is signed with Houston Pipe Line, some 50 per cent of that \$250 million-a-year figure will go into the revenues and economy of another location other than San Antonio.

In response to a question by Mr. Alderete, Mr. Spruce stated that as a general rule, competition should bring about a better price for natural gas.

A discussion of the City of Houston's costs for natural gas, as compared to San Antonio's, then took place, including a discussion of various costs of utilities in several other cities.

Mr. Arthur von Rosenberg, City Public Service, stated that Central Power and Light of Corpus Christi has lower gas rates than does San Antonio, and is served by more than one natural gas supplier.

A discussion then took place concerning the court-ordered conditions imposed on Valero, versus conditions that would prevail under a Houston Pipe Line contract.

Mr. Walzel stated that any contract worked out with Houston Pipe Line as a result of this Ordinance would have to be approved by the City Council, after the final terms are drawn up.

Mr. Archer stated his belief that you cannot have competition in a regulated market, and further noted his belief that deregulation of the natural gas industry will lead to a lower cost of natural gas. He stated that Valero is a local firm, hiring San Antonio people, with San Antonio people on its Board of Directors. He spoke against rushing into a contract with Houston Pipe Line, and stated his opinion that San Antonio can get a better rate on the cost of its natural gas.

A discussion then took place concerning safeguards built into this Ordinance to insure that the City Council must act again, to approve the final contract with Houston Pipe Line.

(At this point, Mayor Cisneros was obliged to leave the meeting. Mayor Pro Tem Wing presided.)

Mr. Hasslocher discussed the benefits received because Valero is a local-based firm, stating that there is no guarantee that splitting the natural gas contract will save utility costs to San Antonians. He spoke against giving away part of Valero's business to another firm that contributes nothing to San Antonio, expressing his fear that this Ordinance would bind San Antonio to Houston Pipe Line. He stated further that no public pressure has been brought to bear to sign this contract rapidly.

(Mayor Cisneros returned to the meeting to preside.)

Mr. Harrington made a substitute motion that City staff be authorized to investigate and evaluate the possibility of splitting the contract for San Antonio's gas supplies between Houston Pipe Line and Valero, and to include:

1. A comparison of both companies' reserves, storage capacities and commitments, contract lengths, consultation with the Texas Railroad Commission on any pertinent matters relative to the two suppliers, relative curtailment priorities, and any quantitative advantages for San Antonio that could result from such a split.

2. An independent engineering firm competent in the energy field be engaged to assist with these reviews as necessary (firm to be agreed upon by City, Houston Pipe Line and Valero).

3. An independent law firm with expertise in energy contractual matters review the two contracts proposed and render its opinion (firm should be acceptable to all parties).

4. Staff is to make a final assessment as to the probability of lower gas prices and savings for the citizens served by City Public Service, and to evaluate in their opinion any and all advantages/disadvantages real or perceived from such data/process.

5. Findings to be brought to Council within 45 days.

Mr. Hasslocher seconded the motion.

Mr. Hasslocher spoke of the good reputation of both firms, noting that Valero has meant more than \$50 million in economic development to San Antonio since the spinoff of that firm from Coastal/LoVaca. He spoke of the need to protect San Antonio's \$24 million investment in Valero, and spoke in support of further study of the matter.

Mr. Webb noted that according to the records, only 18 of Valero's employees are black. He stated that the City's energy bills are too high, and Valero's prices should be less.

In response to a question by Mr. Webb, Mr. Greehey stated that Texas Commerce Bank holds the City's Valero stock as trustee, and as the shares are bought, money is disbursed.

Mr. Webb also stated that many of Valero's employees do not live in the City of San Antonio.

Mr. Webb and Mr. McClellan then discussed the Valero contract, and also the price of natural gas.

In response to a question by Mr. Webb, Mr. Walzel stated that he agreed with the wording of the proposed Ordinance.

Mr. McClellan stated his belief that other considerations should

then be part of the Ordinance.

Mr. Wing stated that Valero had not shown any incentive toward offering a new contract prior to knowledge that Houston Pipe Line was coming in with a proposed contract. He further stated that the majority of his phone calls are from people who cannot pay their utility bills.

Ms. Berriozabal made reference to the many letters she has received from different organizations who are asking the City to stay with Valero alone. She further noted that the other calls she has received are from individuals who are concerned about the high cost of utility bills.

In response to a question by Ms. Berriozabal, Mr. Walzel discussed the wellhead costs for natural gas and what regulates those costs.

Ms. Berriozabal stated that many variables affect the cost of natural gas, and no company can guarantee a set cost for the gas. She stated her opinion that it makes sense to have competition, and spoke to the ethnicity of Valero and the lack of Hispanics and blacks in Valero's workforce who signed the petition submitted to City Council in behalf of the company. She also stated that there is a lack of both ethnic groups in management and professional areas, and asked that the firm supply her with the EEO-1 Report as well as its Affirmative Action Report.

Mrs. Dutmer spoke to the Coastal/LoVaca lawsuit settlement and the Council's apparent willingness to give half of that settlement away with this Ordinance. She stated her belief that it is a mistake to rush into this contract and spoke against the main motion.

Mr. Wing moved to limit debate to one more round of addresses by each Councilperson. Mr. Eureste seconded the motion.

On roll call, the motion failed by carry the following vote:
 AYES: Berriozabal, Webb, Wing, Eureste, Thompson, Archer, Hasslocher;
 NAYS: Dutmer, Alderete, Harrington, Cisneros; ABSENT: None.

In response to a question by Mr. Alderete, Mr. Walzel discussed Houston Pipe Line's distribution system and its costs for natural gas, paid to its own exploration firm.

Mr. Hasslocher spoke in favor of the Valero proposal.

Mr. Harrington stated that Valero is fighting to retain its business, and stated his opinion that the way the firm is being treated tonight will cost San Antonio in economic development in the future.

Mr. Eureste spoke of the audit of Houston Pipe Line's natural gas reserves. He also expressed concern with Valero's apparent attitude as expressed in its newspaper advertisements, noting that Valero is only one of many gas suppliers in Texas.

Ms. Berriozabal asked that Houston Pipe Line also supply her with a copy of its EEO-1 Report and its Affirmative Action Plan.

Mr. Thompson spoke of his belief that the Council is taking the correct step tonight.

Mrs. Dutmer noted that some 37,000 signatures of registered voters are needed on petitions from citizens that could rescind this Ordinance, if it is passed, and that citizens have 40 days in which to collect those signatures. She urged citizens to petition for the recall of this Ordinance, if passed.

In response to a question by Mr. Alderete, Mr. Greehey stated that the cost of a full study of a firm's natural gas reserves would be between \$2-300,000.

Mr. Eureste stated his opinion that competition would help the ratepayers of San Antonio.

Mayor Cisneros discussed Valero's long-term contract proposal, mentioned tonight, and noted that the firm did not submit a proposed contract when San Antonio was actively seeking a new gas supplier.

Mr. Greehey stated that his firm notified CPS that Valero would do whatever CPS wanted in the way of a new contract. He stated that San Antonio, by Railroad Commission order, knew what it already had in the way of a continuing gas contract, so it sought a better deal elsewhere. He further stated that Valero on Tuesday of this week felt the need to submit an actual contract proposal document to CPS.

Mayor Cisneros stated his recollection of CPS claims that it knew where cheap natural gas could be purchased, but that Valero made no move to secure it.

Mr. Greehey spoke of losing part of its market to other gas firms.

In response to a question by Mayor Cisneros, Mr. Greehey stated that Valero is willing to negotiate a contract for 50 per cent of the service to San Antonio, if this Ordinance passes.

Mayor Cisneros stated that he favors a Council commitment tonight to seek a second natural gas supplier for San Antonio, and noted his belief that the CPS Board of Trustees is willing to look at a new Valero contract, either for 50 per cent or 100 per cent. He further stated his belief that competition is good, and spoke to his personal belief which favors seeking lower gas prices for San Antonio. He noted that this Ordinance does not constitute a ratified contract, and that, if enacted, the City Council would receive a later review of a final Ordinance approving a final contract. He stated his opinion that the CPS Board of Trustees would even consider staying with Valero on the entire contract, if dramatic developments occur in that area. He noted that San Antonio is trapped with only natural gas and coal as fuel sources until at least 1988-89, and the City must try to do something to help its position in that regard. He stated that perhaps the Council might consider a possible rollback of its 14 per cent in-lieu-of-taxes collection from CPS during the next budgetary process, and urged Valero to submit its contract offer to the CPS Board of Trustees.

Mr. Archer moved to call the question. Mr. Hasslocher seconded the motion. On roll call, the motion failed to carry by the following vote: AYES: Wing, Eureste, Thompson, Alderete, Harrington, Archer, Hasslocher; NAYS: Berriozabal, Webb, Dutmer, Cisneros; ABSENT: None.

In response to a question by Mrs. Dutmer, Mr. Wood stated his opinion that the CPS Board of Trustees does not need City Council approval to act on a new natural gas contract for San Antonio.

In response to a question by Mrs. Dutmer, Mr. Greehey stated that if Valero loses 50 per cent of its contract, it will cost the firm some \$2 million in profits per year, and he predicted Valero stock would drop as a result.

Mrs. Dutmer stated her opinion that this contract will not guarantee lower rates for San Antonio, and spoke of her belief that the action would be illegal.

Mr. Webb stated that the Council needs to act on behalf of the ratepayers.

A discussion then took place concerning the possible effects of taking 50 per cent of Valero's contract and awarding it to another gas supplier.

On roll call, the substitute motion by Mr. Harrington failed to carry by the following vote: AYES: Dutmer, Alderete, Harrington, Hasslocher; NAYS: Berriozabal, Webb, Wing, Eureste, Thompson, Cisneros; ABSENT: Archer.

Ms. Berriozabal made an amended motion that Section 2(a) of the Ordinance be amended to read: "to review the reserves available to Houston Pipe Line Company and Valero Energy Corporation." Mr. Thompson seconded the motion.

On roll call, the amended motion prevailed by the following vote: AYES: Berriozabal, Webb, Wing, Eureste, Thompson, Alderete, Cisneros; NAYS: Dutmer, Harrington, Hasslocher; ABSENT: Archer.

Mr. Eureste then made an amended motion to insert into Section 2 the wording: "at a subsequent session of the City Council", to be inserted between the words "Council and "subject". Mr. Thompson seconded the motion.

On roll call, the amended motion prevailed by the following vote: AYES: Berriozabal, Webb, Wing, Eureste, Thompson, Alderete, Cisneros; NAYS: Dutmer, Harrington, Hasslocher; ABSENT: Archer.

On roll call, the main motion, as amended, carrying with it the passage of the following Ordinance, then prevailed by the following vote: AYES: Berriozabal, Webb, Wing, Eureste, Thompson, Cisneros; NAYS: Dutmer, Alderete, Harrington, Hasslocher; ABSENT: Archer.

AN ORDINANCE 56,366

AUTHORIZING CONTINUED NEGOTIATIONS TO SECURE A SECOND GAS SUPPLIER FOR SAN ANTONIO.

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83-01 No citizens responded to the call for citizens to be heard.
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There being no further business to come before the Council, the meeting was adjourned at 11:16 P.M.

A P P R O V E D

Henry Cisneros
M A Y O R

ATTEST: *Norma S. Rodriguez*
C I T Y C L E R K