

REGULAR MEETING OF THE CITY COUNCIL
OF THE CITY OF SAN ANTONIO HELD IN
THE COUNCIL CHAMBER, CITY HALL, ON
THURSDAY, AUGUST 26, 1976.

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The meeting was called to order at 9:30 A. M., by the presiding officer, Mayor Lila Cockrell, with the following members present: PYNDUS, BILLA, CISNEROS, BLACK, HARTMAN, ROHDE, TENIENTE, NIELSEN, COCKRELL; Absent: None.

76-39 The invocation was given by The Reverend Arthur E. Rode, Christ Lutheran Church.

76-39 Members of the City Council and the audience joined in the Pledge of Allegiance to the flag of the United States.

76-39 The minutes of City Council Meetings of August 12 and August 19, 1976, were approved.

76-39 The Clerk read the following Resolution:

A RESOLUTION
No. 76-39-63

SUPPORTING THE ST. BENEDICT HOSPITAL AND
NURSING HOME EXPANSION PROJECT AND EDA
GRANT APPLICATION.

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Dr. Nielsen stated that he has worked with the administration and the staff at St. Benedict's Hospital and is aware of the many contributions made to the community by this organization.

After consideration, on motion of Dr. Nielsen, seconded by Mr. Billa, the Resolution was passed and approved by the following roll call vote: AYES: Pyndus, Billa, Cisneros, Black, Hartman, Rohde, Teniente, Nielsen, Cockrell; NAYS: None; ABSENT: None.

Mayor Cockrell presented a copy of the Resolution to Sister John Sapp, Administrator of St. Benedict's Hospital.

76-39 PRESENTATION OF AWARD TO MR. RON DARNER

Mr. Floyd Wright, representing the Sports Foundation, Inc., presented an award to Mr. Ron Darner, Director of Parks and Recreation, being one of four finalists in Class I of the 1976 National Gold Medal Awards Program. Each year the Sports Foundation focuses national attention on departments which have made superior contributions in meeting the recreational needs of their communities. The winner will be announced on October 21, 1976 in Boston, Massachusetts, at the National Parks and Recreation Conference.

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The final winner will receive another plaque and \$1,000.00 to be spent on some project that is not budgeted.

Mayor Cockrell and Council members congratulated Mr. Darner for the beautiful plaque.

76-39

ASSISTANT CITY CLERK NORMA RODRIGUEZ

City Clerk Garland Jackson announced that his Assistant, Mrs. Norma Rodriguez, had been awarded a scholarship in the Leadership San Antonio Program.

He explained that this program is for emerging young leaders in the community and provides for a nine month concentrated course in leadership for the young people who one day will be the leaders of the community. Several hundred applications were received by the Greater San Antonio Chamber of Commerce, but only 38 awards were made.

He congratulated Mrs. Rodriguez and wished her all success.

Miss Cathy Obriotti, spoke as a representative of the Chamber of Commerce, and explained the purpose of the program. She also stated that Mrs. Jane Macon, Assistant City Attorney, had also been selected.

Mayor Cockrell and the Council also congratulated Mrs. Norma Rodriguez on her selection.

76-39

CPSB RATE INCREASE REQUEST DISCUSSION

MAYOR LILA COCKRELL: On this item, we do have citizens to be heard who are registered and we first, I am advised that a member of the Council wishes to make a statement. So, Mr. Hartman, I'll recognize you at this time.

MR. GLEN HARTMAN: Yes, Madam Mayor, I think that actually Items I and II are so inter-related that, in effect, I will be discussing aspects of both. As you know, Madam Mayor, the committee, Planning and Policy Objectives Committee, was asked to review the rate increase request.

MAYOR COCKRELL: Excuse me, would you talk into the mike, I don't think your voice is carrying.

MR. HARTMAN: The committee was asked to review the request for rate increase some five weeks ago, and we did indeed have several meetings with participation by elements, groups within the community. As we discussed last week, I think, the committee had not, in fact, had been able to devote the time and effort and concentration on this subject that it rightfully deserves. I, therefore, am not in a position to provide to you any overall committee recommendations. Very candidly, during the past couple of weeks, people out of town for one reason or another, and for various other reasons, pressing business of another nature, we did not really come to grips fully with this problem.

But, I think as an individual member of this Council I would like to state the City Public Service Board staff is to be commended for having come forth with what I consider to be a significant improvement in the realm of the extension policies. For my part, I think that the recommendations which CPSB has put together and which members of the Council had before them for several weeks with regard to extension policy represents a significant forward step. However, insofar as the extension

policies are concerned, therefore, I would think that perhaps Mr. Spruce may want to address this matter later. The other aspect of the rate increase, I think, has direct bearing on another subject which this Council has from time to time talked about but never talked to, and I think at this time, Madam Mayor, I would like to make a statement that I think has to address a problem, a situation, fiscal problem that I think is very important. I would like to ask the Clerk to display this ozalid on the screen during the period of time of my statement.

Madam Mayor, copies of this statement, of course, have been made available to all members of the Council. I would like to read the statement in its entirety.

The current request for an increase in the gas and electric utility rates for the customers of CPSB is a direct reflection of the very intensive capital expansion program the utility has undertaken. The most prominent element of this expansion program is, of course, the 28 percent share of the South Texas Project, currently estimated to cost \$444 million.

The request comes to us at a time when the average utility ratepayer in the San Antonio area is having to forego other expenditures simply to pay his utility bill. I had one distraught citizen tell me last week that he was having to delay sending his son to college because the savings he had set aside for tuition and books had been used to pay up his delinquent utility bill. This is by no means a rare case. All of the members of the Council have, I am sure, received many calls of a similar nature. The point I'm trying to make is simply that this rate increase request is different from those this Council and other Councils have faced before --- we have now come to the point in time when the consumer is telling us he simply can't take any more.

During the past several weeks, my Committee has worked with Mr. Spruce and his very capable staff, trying to find ways by which the rate increase can be cut down. You have been advised generally of the findings, and you have seen that, at best, we have been able to affect the requested rate only to a very small extent. So long as we plan to spend over \$10 million per month for capital expansion, there is simply no way we can rightfully deny the bulk of what CPSB is asking. And this brings us to the very nub of the problem.

It is almost impossible to pick up a scientific or technical journal today without reading a chapter in the growing debate on the economic feasibility of nuclear power. The message is clear. Either we have a lot of kooks with impressive credentials and good agents getting their works published, or there are legitimate reservations by people in positions to know about the future of nuclear economics.

Utilities across the country are re-evaluating their nuclear commitments. According to an article in the March issue of NEWSWEEK, 125 nuclear plants have been postponed and 23 others have been cancelled. Even though their long-range generation plans call for massive nuclear commitments, CPS admits that the likelihood of additional nuclear plants beyond the current STP is very small. The reason --- cost.

Our partner in STP, Houston Lighting and Power, has abandoned its plans for two reactors at Allen's Creek. The El Paso Electric Company wants to pull out of its Palo Verde Nuclear Project, fearing a 300 percent increase in utility bills. The list could go on but, the point is: many rational people, vitally concerned with the long-range economic impact of a nuclear facility, have taken pause to re-evaluate where they are and where they are going, energywise.

The hard and painful question we must ask is whether San Antonio, one of the poorest cities in the nation, financially speaking, can afford this very intensive capital expansion program of its public utility system. Without arguing the pro's and con's of nuclear energy, the question must simply again be raised: Can we afford the South Texas Project? The only way to answer this very difficult question is to ascertain whether we can meet our legitimate energy needs and I would like to emphasize, legitimate energy needs for the future without STP.

The major points that still need to be discussed include rising construction costs, interest payment costs, fuel availability and costs, maintenance costs, performance record, and dismantling costs. These areas should be addressed in terms of other options, particularly additional coal plants for base load needs and oil and gas plants for peak demand and reserves. We, the Council, need some bottomline figures that to date we just do not have.

This chart presents the CPSB 25 year generation expansion plan between 1975 and 2000. (A copy of the chart is included with the papers of this meeting.) The significant elements of this chart are those columns on the right: system capacity, peak demand and percent reserve. Two other elements of important information not shown on this chart are base load demand and rate of growth, but I will discuss these as I go along. At the outset, I want to point out that the argument for the South Texas Project has been, simply, that while initial capital outlay is admittedly very high (now estimated at \$444 million,) the real payoff will come down the road when we take advantage of the very cheap fuel cost of "yellow cake" compared to coal. This is, indeed, a very strong argument, assuming however, that the cost of nuclear fuel does not escalate significantly. But, I believe this is a very tenuous assumption when we recall that domestic high grade uranium is scarce and that prices have escalated almost 500 percent in the last two years. In the absence of a firm, long-term fuel contract, it is not inconceivable that the fuel cost for STP could escalate another 500 percent before we begin benefiting from STP five years from now (in 1981). With this further escalation, the cost of nuclear fuel to generate electrical energy is in the same ballpark as coal.

The argument that coal, too, may escalate in price is certainly a sound one. However, bear in mind that this country is blessed with the most abundant coal reserves in the world. Any significant price escalation for coal would therefore, be within the purview of the U. S. Government to control. High grade uranium, unfortunately, is most abundant in the Iron Curtain countries and the opportunities for price gouging are rather obvious.

The chart reflects the addition of the two coal plants in 1977, giving us 836 additional megawatts of generating capacity, for a total of 3126 megawatts, and a reserve at that time of 68.8 percent. And let me point out, members of the Council, that this generating capacity here is reduced to oil rated capacity. We will have made a total investment (including the coal cars to haul the fuel) of \$236 million. Stated another way, we will be getting 836 megawatts of generating capacity for \$236 million.

The nuclear generation capability will come on line in 1981-82, giving us an additional 700 megawatts. But the cost here will be at least \$444 million (assuming no further escalation), and probably more like \$500 million, plus. Therefore, even if nuclear fuel prices remain fairly stable, the debt service burden associated with the nuclear plant will negate much of the savings we are hoping to enjoy from cheaper fuel costs. And bear in mind, we're going to begin paying those costs right now, in 1976, with an increase of 15 percent of the base rate for electrical service.

But the real factor that we must consider is the question of "how much to build" is: do we need all this generating capacity in the time frame we're planning to have it?

The chart depicts a peak capacity of 1711 megawatts in 1976. That means that sometime this summer, when the temperature gets near the 100 degree level, and air-conditioners are turned to their maximum capacity, the utility system will be supplying 1711 megawatts of power. However, so far this summer (during the last two weeks of normally hot weather) the peak has been only 1557 megawatts, 154 megawatts below the anticipated demand. And please note, further, that our present plant capacity is designed to deliver 33.8 percent more power than the projected peak.

Certainly, no one would rationally advocate that our utility system should be designed just to deliver the anticipated demand, and no more. Quite obviously, we need a reserve capacity to carry us through unexpected outages, such as the recent loss of capacity at the Sommers Plant following the explosion. But I do question the need for so much reserve capacity because the cost has become so high. We simply can no longer afford to build far beyond anticipated demand as we did back in the days when energy was cheap.

But even if we accept the need for all the capacity that has been projected on the chart, I submit that we can attain it without the capital-intensive nuclear program. As I stated earlier, we will be getting 836 megawatts of additional coal-fired generating capacity of \$236 million, compared to something approaching \$500 million for 700 megawatts of nuclear-generated power. As we need more capacity, we can add more coal-generated capability. This mathematically, seems somewhat more prudent simply because we avoid the extremely high going in cost. Granted, we reduce the desired spectrum of "mix" and tie ourselves more to coal. But, as Reverend Black stated last week, we simply can't have our cake and eat it too. Something has got to give, and I believe we're at the point where we have to decide what gives.

I am fully aware of the strong feelings that prevail in this community with regard to the nuclear power issue. Much of the emotion in the past has been generated over the environmental aspects of the problem, but, I am confident that our modern technology can cope with them. My position, which I have agonized over for many weeks, derives simply from a dollars and cents standpoint. I am simply convinced that the citizens of this area cannot afford the capital outlay for a nuclear power program. I am equally convinced that we can build the level of energy capacity we need through a less costly route.

I therefore recommend that this Council seriously reconsider its commitment to the South Texas Project.

MAYOR COCKRELL: Thank you, Mr. Hartman. Before we go any farther, I would like to ask the Clerk to read the caption. I failed to do that and we'll get that officially read.

CITY CLERK: An Ordinance regulating the rates for electric and gas service through the San Antonio Electric and Gas Systems operated by the City Public Service Board of San Antonio.

MAYOR COCKRELL: All right. I would also like to recognize Mr. Jack Spruce at this time for any further comments that he might wish to make on behalf of the recommendations from City Public Service.

MR. JACK SPRUCE: Thank you, Madam Mayor and members of the Council. I believe that we have furnished all of the Council members with information about the need for the rate request and has been ably pointed out by Councilman Hartman, certainly the capital program has a heavy impact on the cash flows from City Public Service and is part of the reason for the rate request. We have, liked the Council and Councilman Hartman so ably stated again, agonized over the need for the rate increase request. We have made countless runs analyzing the various forms of power available taking into account the increasing cost of gas and all. Taking into account the fact that the Railroad Commission has already enacted requirements that will reduce our ability to burn oil in the future. The future of oil and coal is also uncertain. We have looked repeatedly at the options of coal, nuclear, oil and gas. We still believe that the very best options for San Antonio is our continued participation in the nuclear plant. I would want to also point out that should we decide that we do not any longer want to continue to participate in a nuclear plant, we still do have the obligation to continue to make our payments to it as long as we're in it. The Council is aware that the City of Austin recently considered withdrawing its 16 percent interest and went so far as to submit it to a referendum which was rejected. We agree that a lot of utilities are discontinuing or delaying participation in nuclear ventures or putting off nuclear building. Our opinion is that more of these are related to the reduction and requirements for electrical use by the customers than other things which we realize that because of this the utilities are presently experiencing cash flow problems and this also has some impact on their need for adding additional plants.

Now, we feel that there is much more substantial evidence that favors nuclear power than there is against it. Our position is still that we should continue to participate in the nuclear plant, we should continue to pay our dues and the only way we can do this is by your approval of our rate request an average of 6.6 percent.

MAYOR COCKRELL: Thank you, sir. I'd like to make a comment or two at this time. The City Council, of course, feels a great obligation to be fully informed upon all these matters, and I commend the members of the Council for their individual time spent in research into these issues. We, in addition to our own study, that of our staff and City Public Service, we retained a consultant, O'Brien and Gere. Mr. Adam Kubik, representing that firm, has studied the rate request and in the past has also studied the capital program of CPS and in particular has studied the nuclear proposal. The reports that have come to us indicate strong approval for the overall program of CPS. In particular, regarding the nuclear program, the statement was made by the consultant that just all of the progressive utilities throughout the country have nuclear in their portfolio for the 1980's. The point was made very strongly that utilities need to move to a diversified source of energy for their electrical generating capacity. In our City, we have in the past as we all know, depended heavily and entirely on gas. We're at the point where we have to move away from that dependency. Our next move was to move toward coal. We now have our two coal-fired plants that will be completed next year and then as a third measure of diversification, we have participated in the South Texas Nuclear Project.

Mr. Hartman has very correctly pointed out the high capital intensive program that does affect our utility rate structure. Why then would we consider going into a program that is high capital intensive?

The reason is that through the studies of the City Public Service Board based on various projections of the price of yellow cake from the current level of \$40.00 upward to approximately even \$200 in the future. Studies have been made about the overall cost for the energy generated including not only the capital costs but the cost of the fuel and the overall cost to the consumer of that fuel. And Mr. Spruce, based on all of your studies, it is my understanding that you are convinced and the City Public Service Board is convinced that the nuclear plant offers the best alternative for less expensive energy to the customers. Is that correct?

MR. SPRUCE: Yes, Madam Mayor, that's correct.

MAYOR COCKRELL: This is the only reason why we would be considering backing this source of energy, admitting and recognizing that it is higher in capital costs. The answer is that the best projections that we are able to make indicate that it will be a lower energy cost in terms of the overall cost of fuel averaged in with capital costs. Now, it is true that none of us can give a absolute guarantee on what the cost of yellow cake is going to be in the future. We all recognize that. We can only give best projections but that same fact is also true of coal, of transportation costs, of natural gas, of oil. So, in all of these things, we simply have to rely on the best estimates of our experts, and for this reason I have been committed to backing the participation in the South Texas Nuclear Plant, feeling that based on the information that I have been given that it offers the best hope for a stabilized or a less expensive cost of fuel in the future. Dr. Nielsen was the next person to be recognized.

DR. NIELSEN: Madam Mayor. Jack, I just wanted to try to clear up something for the Council and those people at least within earshot and perhaps the newspapers. I've expressed some serious concerns mainly because we do not have a reasonably long-term yellow cake contract so we're all really kind of guessing in terms of some projected costs for the South Texas Project, and what the kilowatt hour return is going to be, right, til we get that contract, we're all kind of speculating.

MR. SPRUCE: I feel that there is substantial weight that can be applied to the limits to which the cost of fuel could conceivably go and all of the estimates that we've made have allowed very - what we would say - would be conservative investments which would be loaded heavily against a nuclear plant, and it is still proven to be successful. Now on the subject of fuel, there are problems with fuel, we've acknowledged that. And I think the thing looks better now than it did several months ago as we have told you several weeks ago.

DR. NIELSEN: But no one really knows for sure until we have that contract, right?

MR. SPRUCE: Well, I'd say we can't put it, you know, in two decimal places on it but I think we certainly have limits that can be shown that we can place great confidence in as to what it would do. These limits still show favorably in favor of the nuclear plant.

DR. NIELSEN: Well, I'm personally willing to live with that for a while. At some point though, the economics of it, and fiscal responsibility, accountability and everything else about it is going to come to a decision based on contract, hard facts and everything else. Let me go one step further then and the reason that and.....(inaudible) I have talked about this that I cannot at this time based on the questions of the South Texas Project withdraw my support for the 6.6 percent. It's pretty simple. Suppose two things. We weren't even in the South Texas Project at this time and our growth or anticipated increase in demand of six point some percent or whatever, were even half. Now some of the staff that I've talked to have projected to me that if both of those were the case at this time, we would still need this rate increase because somewhere in the mid to early 80's we would have to have on line nearly on-line of one or two coal plants to offset the reduction that the Railroad Commission is going to force on us in terms of gas burning capacity and the fact that if we don't have something else available even with half the growth projected, we would still in the mid to early 80's have to have the plants and if that's true, we cannot forestall this 6.6 percent just based on that. Is that what your interpretation is?

MR. SPRUCE: I would say that is generally true, yes, sir. If we decide that we're not going to participate further in the nuclear power plant venture, we've got to substitute something else for that. Now any additional coal plants that we place in order for today are going to be more expensive than the ones we are now building.

DR. NIELSEN: Now that's another point. What is it about 100 - what have we got tied up in those two coal plants - \$150 million?

MR. HARTMAN: \$236 million.

DR. NIELSEN: Well, just in the coal plants themselves.

MR. SPRUCE: The plants without the railroad cars? I guess 160 - 180 maybe, something like that.

DR. NIELSEN: Okay, and what are the rough estimates of something comparable in terms of size, you know, generating capacity that we could build in the next five to seven years. What would be the rough estimate cost?

MR. SPRUCE: Well, I'd say to build the same type of coal plant today the cost would probably be 30 percent greater.

DR. NIELSEN: Thank you.

MR. BILLA: I just wanted to comment on what I think Dr. Nielsen answered or asked one of the questions that I wanted to ask. I think that naturally it's not reflected in Mr. Hartman's excellent report that he's comparing what the coal cost the utility rate would be based on the present cost of the coal plant but certainly if you negotiated a contract today would be 30 percent higher but if it's 10 years or 4 years from now it could be conceivably three or four times $7\frac{1}{2}$ the normal inflation rate. So, it would be nearly probably what the nuclear plant is costing now at the same capacity. At least those are the figures I get. So based on all the information that I have, while I'm opposed to the rate increases, I think I would have to take the statistics that are available and say that we have to have the rate increase, and also as Mayor Cockrell pointed out, the diversification in our electrical sources, why I would have to continue with the nuclear project. I think that San Antonio is going to be in a good position. We talk about over capacity but industries are moving to the sunbelt and if we have this capacity, I think it would put us in a position to attract the industry that everyone on this Council says that they want.

MAYOR COCKRELL: Thank you, I think Mr. Hartman was next.

MR. HARTMAN: I'll defer to Reverend Black, and I would like to follow his statement.

REV. BLACK: When this matter was brought before the Council, the South Texas Project, the record will show that I voted against it. Primarily at that time because I felt that it did not provide the safety factors that are, that should be provided in this kind of energy generation. So, I have followed that course until our last meeting and out of frustration, I went along with the requested increase. I do want to draw attention to the Council, that as I look at this presentation, that Councilman Hartman is not simply talking about the immediate increase, what he's talking about is that we are engaged in an activity, in an effort that is not only going to call for this increase but is going to call for a continuous increase. Now, what I think the papers say and what is very significant to me and that is whether or not we can continue this journey regardless to what, let's say that we needed an increase now and let's resolve that. But if it is not resolved within the context of our relationship to the South Texas Project, we still have not resolved the critical issue and the critical issue is whether or not the economic impact of the continued increase upon utilities can be absorbed by the citizens of San Antonio in terms of where they are economically. Now, that, to me, is just as dangerous as the project itself because unless you can produce it to the point that it can be free, then you haven't

resolved the problem. What I'm saying is, and I don't see that kind of saving in it. If you keep asking for increases that people can't pay, then the only way the problem is resolved is that it has to be given to them and we aren't planning on doing that. It must, we are dealing with an essential and vital element of life, the quality of life in our community. That must be paid for. It is not given. It is an essential part of the quality of life in the community and, therefore, when we begin to deal with it and its impact upon the economics of the community, this, to me, is a very serious issue and ought to be considered on the basis of any decision that we make regarding increase. How does it impact the community in terms of increased costs to the consumer and that has to be a matter that I think we've got to consider. I don't see how you add \$444 million in capital improvements and come out cheaper. I don't know how you can do it.

DR. NIELSEN: Well, that's called cost benefits, Claude.

MAYOR COCKRELL: We'll have to go back and get the City Public Service to present that presentation that they have done two or three times. Yes, Mr. Hartman.

MR. HARTMAN: Yes, Madam Mayor, my basic thrust of my statement is the fact and I grant you the arguments have been put forth with regard to the nuclear project the fact that we will be gaining, you know, down the road. These are all very strong arguments. If and this whole equation balances on a great big old boxcar size "if", if the cost of the nuclear fuel does not significantly escalate, and I know the statement is made, well, coal can also escalate, but I think you have to look at the basic fulcrum of economics. We have in this country the world's greatest reserve of coal. We are the Middle East of the world and it's all made in U.S.A. And the estimates of coal reserve run up from 300 to 500 years. But high grade uranium of the type that is used to fuel nuclear plants, we are in an extremely short supply domestically and the bulk of it is behind the iron curtain, and I haven't seen them willing to negotiate an easy contract. I think this is where we are. It's a case of sheer economics, and I think we've got to look at it in that context. I think that we owe it to ourselves as individual members of the Council, and I think we owe it to the community to make very sure that we fully understand all of the economic factors. I think the point that Reverend Black raises that we're not just looking at this particular increase, we're not just looking at the immediate South Texas Project of 700 megawatts, we're looking at projections down the road, and we're on a course that we're going to have to decide whether we're going to stay on it.

MAYOR COCKRELL: All right, Mr. Pyndus.

MR. PYNDUS: Mayor Cockrell, I think that we're ducking the issue somewhat. We're talking about a rate increase or a no rate increase. I think that this Council has discussed in depth the advantages of going into partnership on a project that's going on without us or with us, and that's the South Texas Nuclear Project. There is no doubt in my mind that San Antonio cannot singularly take on this project, it cannot afford it. We have a very unique opportunity to be a partner in a project that we cannot afford to go alone. Now, just recently, the City of Austin voted to keep their participation in that nuclear plant. Now, I thought this morning we were going to discuss an increase in rates. I thought we had settled the South Nuclear Project participation.

Now, I would like to talk about the dollars and cents that everybody is so interested in. I've been talking dollars and cents on this Council ever since I was elected and the Council simply has not faced the issue of dollars and cents. I think it's time that we did face it. From a dollars and cents standpoint, the budget of this City was \$80 million in 1974, in 1975, this budget was \$124 million. This Council has approved a budget of \$136 million for this coming year. Now, to me, if we're talking about dollars and cents and we're talking about lessening the load on the citizens. I think we've got to back up to that City budget, and this is my proposal as far as how we can handle this increase is concerned.

Now, I would approve this request for a rate increase with certain reservations. And if my reservations were not acceptable, I will not vote for it. I have, we have paid for the wise and expert advice of consultants who have advised this Council that the City Public Service policies are right down the line; they are highly efficient and they are doing a good job. I think they are running a good business operation. We have to support them. However, let's talk about where the money will come from for this rate increase that I will approve, and I am suggesting to this Council.

In your 6.6 per cent increase, Mr. Spruce, you mentioned you needed \$18 million and I propose to cut that figure down to, I think you said \$19 million, I propose to cut it to \$18 based on this ratio. I would like the citizens to receive a 3 percent increase rather than a 6.6 percent increase. The other half of this \$18 million that I propose, \$6 million would come out of City budget, \$3 million would come out of City Public Service Budget and on that premise only, with a cutback in budget of this City, a cutback in budget of the City Public Service Board and a small increase of the citizens, will I approve this increase.

MAYOR COCKRELL: All right. Anyone else? I believe we're going to have to go on to the citizens to be heard. Yes, Mr. Hartman.

MR. HARTMAN: Mayor, I just want to very briefly say that with regard to Austin, and I knew that this would be surfaced, San Antonio is not Austin. The average wage earners' annual income in San Antonio is \$5,532.00. The average wage earners' income in Austin is perhaps double or more than that. And that's the whole point, is the fact that we are a very poor City. I think that that has to be looked at in that context. With regard to the Austin vote, 19 percent of the voters turned out for that.

MAYOR COCKRELL: All right then, if we may, then, we'll go to citizens to be heard. The first person registered is Mr. Ramon Castillo. As Mr. Castillo is coming forward, I do want to make a comment. There are persons who came here and got here early and who were able to find seats. Some of them cannot now see because of the congestion, and we may ask that the persons who are standing try to move around so that everyone who is seated may be able to see without having their view blocked. We will appreciate it. Yes, Mr. Castillo.

MR. RAMON CASTILLO: Mayor Cockrell and members of the City Council, as you know in "B" Session Room we have quite a few people there because they cannot come in to the "A" Session. Mayor Cockrell, City Council members, my name is Ramon Castillo, Co-Chairman of the Utility Action Committee, Communities Organized for Public Service. As you know, San Antonio is one of the poorest major cities in the United States. The average income for San Antonio is a little over \$5,500 a year.

The San Antonio Independent School District are asking for \$50 million bond issue. Harlandale School District is asking for \$5 million bond issue, and the City is going to be asking for \$100 million issue and that's you, Mayor Cockrell. You will be asking for this bond issue. If all these bond issues are passed, then our taxes will be raised. So, I ask of you, Mayor, think about the average family who is making \$5,500 a year. Where are they going to get the money to pay for this high 6.6 per cent rate increase? There are already many people who can't pay their bills at all and there are also many people who have to pay their pass through charges in installment payments because they don't have the money to pay these high bills every month. They don't have the money to do this. If we already have people who can't pay their bills now, what will another 6.6 per cent rate increase will do to us. Where are we supposed to get this extra money from? Mayor, the message that we want to get across to you today is that we cannot afford to pay this rate increase. If you vote for this rate increase, you will be placing a tremendous burden on these people. We must in the strongest way possible urge you, Mayor, to vote this increase down.

MAYOR COCKRELL: Mr. Castillo, you have raised two points that I would like to comment on. The first is you mentioned about the bond issue. And let me just say I wish it were possible to submit in this Council term a \$100 million issue to the citizens because you and I both know how many needed projects there are. However, when I proposed \$100 million bond issue, you may remember that I specifically pointed out that it would be carried out over a period of years, and that I would not recommend anything that called for an increase in taxes due to the bond issue. So, any bond issue that I would have been able to support had we not been under the problem of the Voter Rights Act embargo on our elections right now, would have not increased taxes in any way. So, I think that particular point, perhaps, at least in relation to the City bond issue is not something that we have to be concerned about. I can't speak for the school district because their points are separate.

And let me just say that as one member of the Council, and I am sure I speak for everyone else I think there is no one who isn't greatly concerned about the ability of our citizens to pay. There's just no question about it. On the other hand, we are sitting here where we have a utility that is trying to get these coal plants finished. They've got to pay for them. We are involved in a nuclear plant. They have cut back on their personnel at City Public Service. It's my understanding, isn't it, about 100 you've cut from your work force, Mr. Spruce.

MR. SPRUCE: Yes, Mayor, we're approximately about 400 employees below our total authorized strength, and we have reduced 100 employees since this same time last year, that equates to about four million dollars a year we have reduced by cutting back the personnel.

MAYOR COCKRELL: Right. I know that they have been making a number of savings and cutting back on personnel and somewhere or other we're just in a very bad situation where we recognize that we have to pay for these plants.

Now, Mr. Pyndus has made one suggestion. I'm sure there will be other suggestions made this morning, but we understand that your organization has studied these matters, and we appreciate the study that you have put into it. Just for our point, let me say that if there were any alternatives we saw to being able to pay for these plants without having a rate increase, I think all of us would be very much in favor of it. But we will certainly take your point of view into consideration, Mr. Castillo.

MR. CASTILLO: I would like to answer that especially you are correct about the \$100 million bond issue. We're not opposed to any bond issues. We're not opposing it. I'm just merely bringing to the fact, there is strong possibility that our taxes will be raised and then we have to sacrifice again which like I say again, we're not opposed to bond issue, but then as far as the monies are concerned, I think that it would be up to this City Council to see that no rate increase be brought up today.

MAYOR COCKRELL: Thank you. Father Benavides.

FATHER ALBERT BENAVIDES: Mayor and Members of the Council, I would just like to point out for the benefit of Communities Organized for Public Service that this City cannot afford any more rate increases regardless of how small. The people's ability to pay has reached its limit. We must now turn to our utilities and tell them, this is all you've got, now you make do with this because you're not going to get any more. Isn't that how most of the people in San Antonio live. Certainly, nobody can afford the luxuries that many people might want and I think the City ought to be guided by the same realities. If people have to make do with what they've got, why can't the City Public Service Board. They'll get up and they'll say they cut 100 people in the interest of economy, in the interest of efficiency, but I bet you those people are truck drivers. I bet those are the meter readers. How about the high echelon? Has Mr. Spruce cut his salary? If he's so guided by wanting to economize, no, the salaries of the high echelon of CPSB remains bloated and inviolate and untouched but the rest do. While in the interest of efficiency, who's being served here? It's nice to see the "Let San Antonio Grow" buttons all over, but

"Let San Antonio grow" but let the common person pay, and we say this is wrong and this has got to be stopped. It has got to be stopped. It's not the 6.6 that distresses us; it's going to be the 6.6 next month.

You know, there will be no end to this as long as we remain attached to this South Texas Nuclear Project. The ramifications of which all of us are unaware. You know, we are committing ourselves to something that in the long run might cost us more than what we're paying now. And might put us in a worse position. We've been bitten by a rattlesnake and now we're in the danger of seeing this rattlesnake go bionic. When it does, we're going to suffer. We want to know the clear perimeters of exactly how much this thing is going to cost us before we go one step further, and if we approve this 6.6, well that will be another punch in the tar baby and we'll be further stuck to it. I don't think that's in the interest of San Antonio. Twenty years ago whenever it was that we signed that terrible contract with Oscar Wyatt, I'm sure it was hailed as being in the best interest of San Antonio. Look what's happened now. How do you know that the same thing won't happen with the South Texas Nuclear Project. And until you do know, how can you possibly justify a 6.6 rate increase. There are a lot of people in San Antonio who don't have refrigerators because they can't afford them. Some have even gone off of electricity completely. Now, you can't say to those people I'm sorry you're in that situation but we've got to approve it because Mr. Spruce says we need it. You know, that doesn't go over. That won't wash with our people anymore. You've got to be guided by their reality and you've got to do something in their interests. In our opinion, not approve the 6.6 rate increase unless something can be done about the fact that many people can't afford the bills that they receive monthly, and secondly, it must not be approved until you know what it's going to mean in terms of the South Texas Nuclear Project and how that is going to affect San Antonio. Otherwise, we might find ourselves in a situation in 1980 of having plenty of energy but of having nobody who can afford it.

MAYOR COCKRELL: Thank you.

MR. BILLA: I want to ask Father Benavides a question. Father, we have a very easy way of lowering the utility bills and that's to do away with the 14 per cent that the City collects or actually 10.8. But the alternative is raising taxes. Do you have a suggestion along those lines?

FATHER BENAVIDES: Well, it seems that if you just look at the same people who can't pay and expect them to pay more, you find yourself in the same pit. You find yourself in the same pit. All we're saying at this point is, what is this 6.6 going to bind ourselves to in terms of future energy sources and in terms of the cost of the future energy sources and we say that until we know that for sure, beyond the shadow of a doubt because we've been bitten once and it has been painful. You know, when that has been established beyond the shadow of a doubt, then maybe we can talk about rate increases. But, until that time, I think the interests of San Antonio are served by not approving a rate increase that no one can pay except maybe the top employees of CPSB.

MR. BILLA: Are you acquainted with the problems that the City Public Service Board may be confronted with, I mean in bonding capacity and in meeting their obligations?

FATHER BENAVIDES: But are they acquainted with the problems of the family who can't afford the monthly bills.

MR. BILLA: I think they are.

FATHER BENAVIDES: If they did, I think maybe they would lower them.

MR. BILLA: Who owns the utility?

FATHER BENAVIDES: Well, at this point, it certainly is not us who are having to pay. That's for sure.

MAYOR COCKRELL: Thank you. Mr. Andres Sarabia.

MR. ANDRES SARABIA: My name is Andres Sarabia. I'm President of the Communities Organized for Public Service. From the two speakers before me, you know what the position of the organization is. We are totally against any rate increase at this time. And the reasons have been expressed by Father Benavides and Mr. Castillo. But I am, I would like to bring out another aspect from another perspective on this same issue. You know, I was standing here listening to the discussion, the if's and what if's, what the cost of this is going to be, what's the inflation factor going to be, how much is going to cost, but one thing is common in all of this discussion, who's paying for all of this? It's the citizens. As Reverend Black pointed out, it's the citizens that are going to be hurt. I was just standing here listening to this discussion and a thought ran through my mind, I wonder if we were to turn back the calendar if we could turn back the calendar, 10, 15, 20 years ago, whenever the first discussion started to get away from United Gas and get into a new gas suppliers, I wonder if the discussion went along the same lines as it is going today. But there's one big difference now then there was back then, you now have the opportunity to change the course of history in the City of San Antonio. You, you the members of the present administration, you Mayor Cockrell, You, Mr. Nielsen, Teniente, Rohde, Hartman, Pyndus, Billa, Cisneros, Reverend Black, the time is now. Are we going to continue to approve rate increases just for the sake of approving rate increases and the people that have to pay for this can be damned. Mr. Billa, I have been here talking and making presentations on this same issue and every time I have been here you have asked the same asinine question.

MR. BILLA: Frankly, I think some of yours are.

MR. SARABIA: The reason I say that because the alternative we are given when a question like that is asked, ladies and gentlemen, John Q. Public, how do you want to be ripped off? Do you want to be ripped off through utilities or do you want to be ripped off in taxes? Those are your only two alternatives because I, as an elected representative of yours, am not going to take the time to try to figure out how I can help you and that's my reaction to the question he's going to ask when I get through. I thought I would answer it now.

MR. BILLA: Mayor, I would like to respond to something right now.

MR. SARABIA: The last time I lost about three minutes trying to answer questions. Do I still get five minutes?

MAYOR COCKRELL: Yes, sir, you do, but I'm going to ask that he finish his remarks first and then I will certainly give you.....

MR. BILLA: Thank you, Mayor.

MR. SARABIA: What happens if you say no rate increase? For one thing, some of the figures and reading some of the reports of the City Public Service are very questionable. I had a call even late last night where one gentleman who sounded very, very informed on the subject. He says there is a lot of hidden costs in that budget. There are a lot of hidden costs in that report, and I will be glad to get with you and show you where those hidden costs are.

Now, Mr. Spruce talks about cash flow. Mr. Pyndus is talking about \$18, \$19 million. And you talk about where are we going to cut it in \$18 or \$19 million. Well, a person who has a family and makes \$5,000 a year, cash flow he has a cash flow problem, but he doesn't call it a cash flow problem. He is just broke. I mean he doesn't know all these high faluten terms. But the issues are the same. I don't have any more money. But yet my elected representatives are going to continue to grant rate increases. Now, by denying this rate increase, it will force, it will finally force City Public Service for one thing to go before the Utility Commission and maybe there, maybe quote "maybe", more specific figures will have to be shown. And more specific costs and maybe not so many hidden costs and not so much padding. But the people at this point in the history of this City, cannot, simply cannot afford any more rate increases. And we have heard from previous administrations also, I am

going to do this and do that and do this for you without a rate increase, without a tax increase. Well, that generally doesn't happen. After you make the commitments then the rationale, the logic, you come back later and say, well, we are committed to this, I am sorry but we are going to have to raise your rates. So, the position of the organization is, we are totally against any rate increase at this time until and only until City Public Service can show specific figures just exactly what is the STP going to cost and what are the benefits, the chart shows clearly that you are going to have much more megawatts that you are going to need and if the distraction comes in, well, you know, we won't be able to get industries in here. Well, if we will look over the history of San Antonio, how many industries do we have already. None. What do we have - tourism and the bases, military. And what does tourism create? Secondary level jobs, waitresses, bus boys, bell boys, and all. You don't need degrees for that. So, we are saying is that we are against this rate increase and force the utility to come forward with more specific and hard figures that you can make a better decision on and our future will be better assured. Thank you.

MAYOR COCKRELL: Thank you, Mr. Sarabia.

MR. BILLA: Mayor, I would like to say to Mr. Sarabia.....

MAYOR COCKRELL: All right, Mr. Billa.

MR. BILLA: That I am honored that he singles me out and I, too, Mr. Sarabia, am very concerned about the direction that this City may take that follows your advice. Also, I'd like to tell you again, I am marveled at your expertise in the field of finance, management and energy.

MR. SARABIA: Well, Mr. Billa, let me just answer that. The people I have known and met over the last couple of years in my position as President of this organization, you would be surprised, sir, how many experts and people with expertise volunteer their services to our organization and to be able to give us some facts and figures so when questions are asked, we can answer them. And one thing this organization has not been criticized and has been complimented for over the last two years and all of you on this Council have done this, is that we do our homework. And that takes a heck of a lot of time, Mr. Billa, believe me.

MAYOR COCKRELL: Thank you. Mr. Pyndus.

MR. PYNDUS: I'd like to ask you a question too. I hope it's not asinine.

MR. BILLA: Thank you, Mr. Sarabia.

MR. PYNDUS: We have some experts who tell us that our public utility operation is an excellent one, and we look as a leader, you know, you have to explain this utility to your people, just like I try to explain it to our citizens and at this moment, we have problems with the gas supply in Texas. But, this utility of ours foresaw this shortage of gas supply, and they moved into a coal-burning plant ahead of other cities who may not have had the wisdom that our utility had. Now, on conjunction with the nuclear project, here again, the cost has been proven as far as our experts are concerned. Now to be sure without a reasonable shadow of a doubt as Father Benavides said, I don't think he is that sure even with his own soul, to me this is a project that San Antonio will give a bonus with, we are going to participate at a very low level and we can sell this energy, it's back-up energy and certainly you made the statement that we only have tourism in this town and there are areas in the United States that have blackouts and certainly businesses don't want to place their future in that type of area. So, I say that the direction that the City Public Service effort has taken, I have confidence in. Now, my question to you finally, if I can sum it up, we need to keep that operation going on a businesslike basis. There is an organization that was created by the State, the Public Utility Commission. Now, if we are unable to make a decision to guide this utility ourselves, this whole issue might have to be placed before that body which will cost this City almost a half a million dollars this coming year. The problem that I have is I

know from what the experts and consultants have told us that this increase is needed, and my problem is where do I find the money and my suggestion is that the increase be 3 percent rather than 6.6. This 3 percent would raise, according to their figures, \$9 million. Then, the City would also cut its budget \$6 million, and we would ask City Public Service to cut their budget to \$3 million. Now, this is a compromise of dollars and cents, and if you don't have an alternate for me, I am going to vote for it. Now, do you have an alternate for me this morning?

MR. SARABIA: The alternate that we offer this morning is to force a public utility to come out with hard facts, eliminate the hidden figures which after we get the information, Mr. Pyndus, if you would like to meet. But the thing is, you know, this, all the "ifs", the uranium and all the components that go into that nuclear energy, you know, the thing that comes into my mind and quite personally, when you take all the big conglomerates that run this country, my question is, who is running the nuclear? Who? Who is going to make the money off the nuclear, and why must we, the citizens of the City of San Antonio, sit back quietly, patiently, passively, and allow us ourselves to be ripped off when we have dignity, and we do have intelligence and we do have the guts to get up here and say, I am not going to take it anymore. And it is up to you, we just come here to present our position to you, Mr. Pyndus, and the only alternative I have for you is hard times. Because the people who want this nuclear plant, if this rate increase is turned down, are certainly going to give all of you a hard time and if it has been giving you a hard time up to this point anyway. So, you know, that is the only alternative, hard times.

MR. BILLA: One more statement, if I may.

MAYOR COCKRELL: Fine, we - all right. Let me just say we have four pages of citizens to be heard on this.

MR. BILLA: Mine would take but one second.

MAYOR COCKRELL: On this issue and the next issue. Well, I think Reverend Black has been also waiting.

REV. BLACK: I have been concerned that we have referred to our consultants as the basis for our action, and I do know that we have on other occasions rejected some of the decisions of our consultants, and I would just simply like to say that I do think it is in the position of this Council has to be in terms not only to raise the question of how this utility can operate effectively and what it needs to operate effectively, but how does it operate effectively within this community. And that's another question. And we have always asked our consultants, and we have never been able to get an answer on it. What impact, economic impact will your recommended increase have on the economy of the community, on the needs of the citizens? Now, the citizens have come to us and they are putting in the input that the consultants never bring in. And that input is, that if you increase it, you are going to have a negative effect upon our income and upon our lives. Now, so therefore, I would like to join the information of the consultants on one hand and the information that's amending the consultant's decision on the other hand which comes from the citizens which says that this rate increase will have a very - make a very difficult situation for the citizens under those circumstances, then I think the critical issue is the reconsideration of our commitment to the South Texas Project.

MAYOR COCKRELL: Thank you, sir. All right, we go then to the next citizen to be heard. I have a couple of citizens who are signed up here without their subject, and I don't know if it is on this one or some other subject. Mr. Raymond Wells, was your participation on the subject of the rate increase? Mr. Wells. Or Mr. Karl Wurz, was it on the rate increase? All right, thank you. The next person then, Mr. - is it Joffe, Efraim Joffe. It is signed CPS, but I don't know if it is on the extension policy or the rate increase. Thank you. Craig Austin.

MR. CRAIG AUSTIN: Madam Mayor, and gentlemen of the City Council.
I am Craig Austin, an attorney representing a number of Mexican-American, Black, and Anglo plaintiffs in the lawsuit challenging the self-perpetuation of the City Public Service Board. This lawsuit is brought upon two basis. First, that the self-perpetuation of this governmental agency is unconstitutional. It is not a republican form of government. Secondly, it was contrived as and it is administered as a racially or ethnic discriminatory device in view of the fact that only one out of 20 members that have been self-appointed to Public Service Board, have been Mexican-American or Black. Specifically, I am here today to specifically protest the payment of some \$400,000 a year to the State Utilities Commission of Texas for the dubious privilege of maintaining a self-perpetuating City Public Service Board. Let me draw a distinction.

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MAYOR COCKRELL: Mr. Austin, I don't know. Is your's going to be specifically on the rate increase?

MR. AUSTIN: Yes.

MAYOR COCKRELL: All right. Go ahead then.

MR. AUSTIN: Let me draw a distinction. The City of Austin, which appoints the members of its utility board does not require to pay a regulatory fee to the State Utilities Commission of Texas. By a unique provision of Article 14-46, the legislature has laid upon any City which has a self-perpetuating municipal utility board, the obligation to pay a regulatory fee equaled to 1/6 of 1 percent of the gross revenues of that utility system. Austin does not have to pay this, we do. We have to pay this \$400,000 because our utility board is self-perpetuating. I am here to specifically object to and protest the payment of \$400,000 which will be taken out of this rate increase and paid by the rate payers of this City. I don't think we need a self-perpetuation of the Public Utility Board; it is undemocratic; it is unconstitutional; it is exceedingly expensive. Over a period of ten years at the present rates, we are looking at \$4 million to pay for this privilege. We may be looking at \$20 million, giving the escalation of utility rates. It is now proposed that the City Public Service Board bring a suit in the name of the City of San Antonio to relieve themselves from having to pay this regulatory fee. I think the fee is justified. The legislature has decided that as long as this City has this type of self-perpetuating board, this City will pay 1/6 of 1 percent of its gross revenues as a penalty to the Public Utilities Commission. This fund should not be levied against the rate payers. It is unconscionable to require that the rate payers pay this sum to maintain this anti-democratic device. We would like to very frankly appeal to the City Council of this City to assist the plaintiff and to join the plaintiffs in this lawsuit to eliminate the self-perpetuation of this Municipal Utility Board. I am known to the members of this Council an answer was prepared to the lawsuit by the attorneys for the Public Service Board which cites the names of each one of you that is supporting this answer and you will go on record as stating and I will quote

MAYOR COCKRELL: It seems to me your remarks are primarily relating to the lawsuit in which you are representing your clients. And the matter of the lawsuit is not in litigation and this is not the proper place to try the lawsuit.

MR. AUSTIN: I am not trying to do that, your Honor. The success of the lawsuit would alleviate the rate payers of paying this \$400,000.

MAYOR COCKRELL: I think you are incorrect in making that statement. The law as it was passed by the legislatures specifically said that any utility which as of a particular date in May of 1975 had a board which was not elected and appointed by the governing body of that City would not be classed as a municipal utility. Even if it were possible for this City under the indenture under which the City Public Service Board now operates, to go through the long and tedious process of changing the self-perpetuating board and go to one directly appointed by the City Council, it still would not qualify under the wording of the State law for exemption and removal to the category of a public utility. We would still have had the Board appointed in a particular manner as of the date specified in the legislation. So that again, is, I think not the point. So, I might further state that this Council has already specified through its action taken in

connection with the junior lien bonds how it feels about the subject. This Council went on record and supported the concept of a change and in fact insisted on a change from the self-perpetuating board in adopting the new junior lien bond structure. And so, as soon as the old bonds are retired and the new comes in, we will have affected that particular thing. But, I think that if you will be realistic, you know that there is no way in the world that we can at this moment relieve ourselves of the particular method of selecting of the board members in time to affectuate it under the current legal structure.

MR. AUSTIN: Well, I hate to argue a matter of law with you Madam Mayor, but

MAYOR COCKRELL: Go right ahead, I don't mind arguing with you, go right ahead.

MR. AUSTIN: No, the means that are at hand, to change the method of self-perpetuation, if it is unconstitutional it is not binding on the City. Specifically, I am here to protest very strongly the payment of the penalty for self-perpetuation by the rate payers. And I hope that the City will take every immediate action both legal and political to relieve the rate payers from that gross penalty which the rate payers have no business bearing.

MAYOR COCKRELL: Thank you. Yes, Reverend Black.

REVEREND BLACK: Madam Mayor. I do want to, there was an implication that a legal document had been expressed that identified members of this Council and I'm a member of this Council with a support for the democratic, the historically, undemocratic way in which that board has identified itself in the community. And if that's true, then I certainly would like to have my name removed because I am not in support of that concept.

MR. ROHDE: Madam Mayor.

MAYOR COCKRELL: Yes.

MR. ROHDE: I would like to hear the discussion on it, Madam Mayor.

MAYOR COCKRELL: All right. On this particular point, this is an entirely separate issue, and we will certainly be glad to schedule any member of the Council complete information about any legal stand that has been taken, but it is quite a large issue. Yes, I think we had two people hands up. Councilman Hartman.

MR. GLEN HARTMAN: Madam Mayor, I just did want to follow up with what Reverend Black stated. I think that procedurally, any time members of this Council are quoted or put into a particular position that those individuals should be consulted prior to the filing of such a document. I would like to recommend that we have a session during which this matter be discussed.

MAYOR COCKRELL: All right, Mr. Parker, as a matter of practice, aren't the City Council members cited on practically every lawsuit?

CITY ATTORNEY JIM PARKER: Well, they are and are not. They are not really proper parties to the lawsuit in that the proper party is the City of San Antonio and it is served on the City Manager or the Mayor. In certain individual cases who don't know that they then sue individually and file lawsuits against individual City Council people which has been done, I think in this particular case again by somebody that may not have been well informed and in that particular instance you then uphold the validity of the contracts that are entered into by the City have been until such

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time that there is an official position taken of the City Council as a whole or collective body, that they might want to get out of a contract.

MAYOR COCKRELL: Thank you, sir.

CITY ATTORNEY PARKER: In any petition that is forwarded to the City Attorney's Office to file will be filed to uphold the validity of any existing agreement that is already been entered into.

MAYOR COCKRELL: Mr. Pyndus.

MR. PYNDUS: Thank you, Mayor. Mr. Austin, in utilizing your expertise in this area, if I could talk the trustees into resigning, and the City Council merely reappointed them, would this secure the defects you are talking about?

MR. AUSTIN: I think it would, if a proper declaratory judgment were entered into the court case.

MAYOR COCKRELL: All right, in other words, there has to be other legal actions?

DR. NIELSEN: Or the legislature. One or the other.

MR. PARKER: The legislature is the only one that can actually do it.

MAYOR COCKRELL: Or the legislature changing or amending the act, is that correct?

MR. AUSTIN: Once the problem is eliminated, the legal means to correct the assessments are very easily available.

MAYOR COCKRELL: Thank you so much.

DR. NIELSEN: But it's not unilaterally the power of the City Council because of the retroactive provision of May 1, 1975.

CITY ATTORNEY PARKER: It is not.

MAYOR COCKRELL: It is not, according to the City Attorney. Thank you, sir.

MR. ROHDE: Mayor, I have one question.

MAYOR COCKRELL: Mr. Rohde.

MR. ROHDE: Thank you, Mayor. The document you have in my official capacity does it state that I support the CPS present board of trustees, this self-perpetuating board?

MR. AUSTIN: It certainly does, Mr. Rohde.

MR. ROHDE: Well, I reject that, so I would like to make that notice that I did not do it and it was done without my authority.

MAYOR COCKRELL: Thank you. Mr. Milton Brenner.

MR. MILTON BRENNER: Good morning, my name is Milton Brenner, and I am Chairman of Solo Serve Company, a group of department stores in San Antonio, am I coming on loud enough?

MAYOR COCKRELL: Yes, sir, you certainly are. You generally do, Mr. Brenner.

MR. BRENNER: Well, the City Council should be here today trying to cut the utilities bill instead of discussing of how to raise them. They are already extremely high utility bills. The 6.6 percent I assume is the net percentage so if you load the tax on that you are almost at 8 percent increase.

MAYOR COCKRELL: No, sir, if I may it is 6.6 percent total. Yes, sir.

MR. BRENNER: Is it net? Okay, it is still a heavy increase.

MAYOR COCKRELL: Yes, sir, you bet.

MR. BRENNER: Now, the City Public Service Board is making big money now, and it has always earned a big profit. It started with nothing in 1942 and it is worth over \$500 million now, so it has been making a lot of money. Now, business on utilities raise capital for their capital improvements by selling bonds. CPSB borrows for about one half the interest cost as a business-owned utility borrows for and these bonds are paid off over a period of 20 or 25 years in the present tax exempt market. Now tying in a heavy rate increase for a nuclear expansion with the capital improvement program is completely improper, unfair and it is a ploy just to get a rate increase. Now other Texas Cities with business-owned utilities are about 10 to 23 percent cheaper than ours, and they do not have a City tax on the utility bills. Moreover, business-owned utilities pay a City, County, State property tax which in our place I estimate would be about \$10 million which the CPS isn't paying as a tax. They pay it just like anybody else and they pay half of their profits to the federal government, approximately, plus dividends to the stockholders and they still undersell our CPS fee on the average basis. Now, something has to be wrong, no matter what the experts are telling you. Something has to be wrong on what is going on here. This is what a great American once said, is plain common sense.

Now the City Council under these circumstances should not raise rates any higher pending a real audit consultation analysis which should go under the following specifics: Modernization of accounting methods of the CPSB. I'm going to take a second without being too technical but that \$8 million that was withheld from Coastal should have been picked up according to modern accounting as extraordinary income and added to the \$25.5 million so that real profit at that point should have been \$33.5 million instead of \$25.5 million. There are so much other things that should have also added back and we'll go through that quickly. All I have is five minutes.

Now, the analysis should also show the operation by CPSB versus business operated utilities elsewhere, cost of production and so forth.

Then we should get some recommendations on how to get some real professional management. These bond trustees are caretakers. They just watch for the bondholders. We don't need them any more. We needed them, well, the bondholders did, excuse me, in 1942, 1950. We've got a \$500 million equity now, and they've got plenty of security, and I'll assure you, you can refinance easily in the market and you can sweep them all out and can get some real people to run it. It should be run as a consumer co-op and it shouldn't be run the way it is now. Something has to be wrong.

Now, to rush through a rate increase this morning is bad faith with the people and it's bad faith to the new Public Utility Commission taking over in September the first. I say this because Governor Briscoe wrote me April 2 of this year and he said in part as follows, "I think we need to reverse the present rate structure so that the first few kilowatt hours used would be the cheapest and the higher rates would be increased usage. This could serve two purposes. First, to help those on

relatively low fixed income who are particularly squeezed by the high utility rates and also to encourage conservation in the use of energy". This is just part of his letter. I'll have to quit. I'm sorry. I hope you will all reconsider this. In closing, tying in this nuclear thing with that is completely wrong, improper and the whole thing is some kind of a ploy.

MAYOR COCKRELL: Mr. Brenner, I do have one question. There was one remark I didn't really understand the gest of. You were talking about the fact that in those portions of the capital program of CPS that were funded by bonds, that they shouldn't be counted in, I don't understand.

MR. BRENNER: No, I didn't say that.

MAYOR COCKRELL: Please clarify that.

MR. BRENNER: I said tying in a heavy rate increase with the sale of bonds is improper. It should be amortized over the period of the repayment of the bonds.

MAYOR COCKRELL: But that portion of the rate increase that is

MR. BRENNER: But they don't need a rate increase.

MAYOR COCKRELL: Excuse me I was talking, sir. That portion of the rate increase that is used to retire the bonds is only related to those interest costs on an annual basis. As you and I both know that the interest cost even though they are less for tax exempt bonds, certainly have to be paid for and so there is that necessity to face up to those costs.

Now, you made one other point, sir, and that was about the cost of the City Public Service as opposed to the cost of privately-owned utilities, or business-oriented utilities as opposed to municipally-owned, and I think that you have been given the figures, sir, to point out that in our operational cost our utility compares very favorably. It is only in the area the fact that as we all know we have had a great problem with the cost of our gas supply. That is the only area where our cost exceed those of some of the privately-owned utilities. That as we all know is not a matter over which our management had direct control.

MR. BRENNER: Madam Mayor, I think I am entitled to a little rebuttal on that. For the month of July on an average bill for a small home of 500 megawatts and I don't know how much gas it was, 500 kilowatts, I'm sorry, I meant to say kilowatts, excuse me. Fort Worth with a business owned utility their average bill is 33 percent lower than ours without carrying this atrocious tax the City throws on top of the utility bills.

Now, I would like to if you don't mind, before I say the wrong thing, I would like to straighten you out about this bond thing. What you say is assuming that all the figures you read from the City Public Service Board are correct. Now, I can tell you that they are not correct by at least \$8 million, and I know there are other figures that are not correct and so when you assume they are correct that this is not the proper way to discuss it. The figures are not correct. They are not entitled to an increase and these bonds can be paid off without a direct rate increase today, and I think the Public Utility Commission ought to look at it and the Governor has got some good ideas. I think we can't do any worse than we're doing now so let's try the Utility Commission. Thank you.

MAYOR COCKRELL: Okay, thank you, sir. Yes, Mr. Pyndus.

MR. PYNDUS: Mr. Brenner, you say that those figures are not correct?

MR. BRENNER: Yes, sir.

MR. PYNDUS: Now, we had certainly an audit of their bookkeeping and could you point out specifically where they are incorrect?

MR. BRENNER: Okay, the \$8 million and look I talked with the Assistant Director of Finance of CPSB, and I questioned him. Then I had a CPA talk to him so I'm not talking from ignorance. He told me that the \$8 million that was not being paid to Coastal was picked up as an account payable and expensed out. It means that it was used as an expense item. That is completely improper. It should have been added back to profits because they are never going to pay the \$8 million and it's just that simple. In our business if we didn't pay a vendor, a thousand or two, the United States government would make us add it back to profits and pay a tax on it. This is improper accounting.

MR. PYNDUS: I disagree with you on that. I think if you withhold funds from payment without legality you can't put that back in as profits, Mr. Brenner. That is a fund that is suspended, that's an expense until it's clarified legally whether we're going to keep that money or are we going to pay it off. It cannot be put back into profits.

MR. BRENNER: Mr. Pyndus, that's known as a legal offset and they don't intend to pay it. They disclaimed it. They should pick it up. Certainly as some kind of an item and not bury it in accounts payable. That is improper.

MAYOR COCKRELL: Well, we've had the discussion already. Thank you. Mr. Joe Olivares. Mr. Olivares, Reverend S. Clifton Byrd. All right. Mr. I do not believe, oh yes, there is one other person who was registered, Mr. Walter Bielstein.

MR. WALTER BIELSTEIN: Thank you. Madam Mayor and members of the Council and staff, thank you for the opportunity of appearing before you and speaking on this. I am Walter Bielstein, and I'm here to tell you in my capacity, as the Chairman of the Community Development Council of the Greater San Antonio Chamber of Commerce. Now, I think a statement was made at the last meeting regarding the position of the Chamber, and I am not going to bore you with going back over every bit of that. But I do want to elaborate and perhaps change one or two items in it. As you know I am representing some 2700 members, many of whom are the City's largest utility bill payers and are painfully aware of the increasing costs of energy. Nevertheless, the Chamber endorses the necessary, and I am emphasize necessary, 6.6 percent increase in rates, being requested by the City Public Service Board. We offer our support for this, because we realize the urgency of the changing of the construction of system of the coal powered generating plants and the continued investments needed for the South Texas Nuclear Project. Now, I do want to emphasize the fact that it is needed for the South Texas Nuclear Project.

Regardless of application of accounting principles that's one thing, getting the money at something else. What you're talking about here is trying to get the money, regardless of how it is accounted for on a financial statement. I do want to speak to this just a moment because the requested rate increase will insure continued ability of CPSB to cover the construction debts of the new facilities and these new facilities will prove an investment for the City and a needed investment, and I'd like to speak to this for just a moment because that seems to be the way the discussion has gone this morning.

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It's not only the rate increase itself but what it's going to be used for. I was in the other room and I don't know who made the comment but I was a little bit concerned when he said we don't need a 6.6. Let's take a 3 percent and then take \$6 million out of the budget, \$6 million out of City Public Service Board which sort of implies that \$12 is free. Well, that comes out of the citizens pockets just as much as a 3 percent of a 6 percent increase. I would like for the citizens to know that. What we're saying is that we need the 6.6 percent and the best place for it to come is from the rate increase.

MR. PYNDUS: Mr. Bielstein, may I correct your impression?

MR. BIELSTEIN: Okay, as I say I was under

MR. PYNDUS: I made that statement. The total funds needed is approximately \$19 million. My problem is finding those funds. Inasmuch as we are all in this together I want us all to suffer. Now, my point was to have a 3 percent increase on your utility bill. That would take care of \$9 million. I propose that the City cut its budget \$6 million. That would take care of the \$9 and \$6 is \$15. I propose that City Public Service cut their budget \$3 million and that would give us \$18 million. And that was my proposal.

MR. BIELSTEIN: My point is that that \$6 million from the City budget and that \$6 million from the Public Service budget has still got to come out of the citizens-taxpayers' pocket. And that's my point. From a utility rate or whether it's from taxes is something that has to come from the citizens. That's the only place for it. That's the thing I wanted to speak to.

I will speak, let me speak to the projection here that we were talking about. Madam Mayor, I want to endorse the comment that you made this morning regarding projections. I'm in the business of making financial projections and I know better than anybody. As a matter of fact, we qualify every projection that we make that these are based upon uncertainties, they are based upon contingencies, and really all that you can be expected to do is get the very best professional help that you can get which you have gotten and rely upon their judgment. Nobody can guarantee the rates. Nobody can guarantee the cost of fuel. Nobody can guarantee whether it's going to be available or not. But you have to rely upon the expert's opinion. You cannot be experts yourselves. So, we need to depend upon the professionals for this. The energy is necessary. The amount of energy that is necessary is going to depend to some degree upon the policies of this Council. Now, we can get to the point where we don't need any more energy that we need today. We can embark upon some no growth policies where we don't need any energy, we don't need any water, but we don't have any jobs. The only way that this City can provide jobs for everybody is through growth and growth being necessary requires more energy and more water, and it costs money and it is an investment. Can I finish the time that Phil took up

MAYOR COCKRELL: Yes, ordinarily we let a person finish their time and then go into the Council's questions. One minute.

MR. BIELSTEIN: So, I would just encourage you as a Council to embark upon the policies not those that will diminish jobs, not those that will diminish the input of capital into the City of San Antonio but a courageous and progressive leadership that will provide growth and more jobs for the communities of this City. And it will cost us money and will take energy. I'm just going to take a moment to, you're talking about extension policy. There is a great deal of confusion on this.

MAYOR COCKRELL: Well, I think that will be the next subject so we'd better not get into that at this moment.

MR. BIELSTEIN: Well, I would just caution you to delay that because as I understand even the Public Service Board has not reviewed this so I would caution you to delay that until such time as the confusion is

MAYOR COCKRELL: Well, that will be the next issue to be discussed. Thank you, sir. All right, now, I have called on I have called on all the persons that I see registered. If there is anyone else that I have overlooked I would be happy to on the subject of the rate increase. No. On atomic energy, if that is in relation, all right, yes, sir. Will you come forward sir if you wish to be heard on that subject in connection with the rate increase. Are you Mr. Baumann? All right, yes sir. Yes, Mr. Baumann, I'm sorry to have overlooked you. I wasn't sure it was on this particular item. Thank you, sir.

MR. F. BAUMANN: I'm here this morning to encourage the City of San Antonio to use atomic energy for generating electricity. I know you've had a great many experts, and I am no expert, but I have a few facts which I think are relevant and important. I lived in an area where atomic energy was introduced some fifteen to twenty years ago. That was in Connecticut and I've lived here in San Antonio now and I've been here about four years.

I'm referring especially to the power that is being generated by Northeast Utilities. In 1969 they paid \$39 million for oil to generate power. In 1974 they paid \$280 million which is an increase of 617 percent. The fuel oil has become the largest single component cost of operating a power plant. Savings from nuclear power is tremendous. They are now running some of their plants at 1.3 cents a kilowatt hour. That's what they are getting, and this is with their very first unit which is called the Connecticut Yankee Unit. This same company not only produces a good percentage of their energy requirements from two of their units and three, but they also have vested interest in some of the others in New England. For example, they have a 44 percent vested interest in the Yankee Unit, a 31 percent interest in the Massachusetts Yankee, 15 percent in Maine Yankee and 12 percent in Vermont Yankee and they are now contemplating opening up their third millstone unit. They have two of them in operation. They are doing very, very well on the basis of producing energy for that particular area at a very, very low cost which means for consumer purposes it means that they will have reduced bills. In some instances they have already paid for the cost of the unit that they built from just the savings in oil.

I think Reverend Black here mentioned something about safety. This same area produces submarines, atomic submarines and they were the first pioneers in building these ships. I have never yet heard of a single fatality or a single accident on any of their plants. I think you question that a little bit before with regards to risk. Certainly, Hyman Rickover who is the father of atomic energy ships, is in favor of atomic energy nuclear plants for making electrical energy.

Now, for example, in Connecticut there is a university called Wesleyan University. Some years ago they were able to buy and produce power for their campus lighting and heat for \$3.33 a barrel. They are now paying \$14 a barrel and that comes to about \$600 per student. That's their cost per year. Yearly cost per student of \$600 for a maximum of 2,300 students. So, you can see that the cost is tremendous and you can only go higher if you don't go into atomic energy. I thank you very much.

MAYOR COCKRELL: Thank you.

MR. BAUMANN: I just wanted to specially bring out facts because I thought it need encouragement. You would get the money back in about three or four or five years if you build your plant. I know there's a big problem with finances but still it will all come back to the benefit of most of the people in the end.

MAYOR COCKRELL: Thank you, sir. Yes, Mr. Hartman.

MR. HARTMAN: Mr. Baumann, if I could just make a statement with regard to your statement about the fuel costs. Now, about the amortization of the plant?

MR. BAUMANN: Well, that's all figured in.

MR. HARTMAN: The 1.3 cents. I would like to see the figures because it seems

MR. BAUMANN: Well, I can try and get the figures for you from the Northeast Utility and I'll present them to you. In fact, I have some data here which I can't go into right now, but I'm going to get it and I'm going to try to find out. In fact one of their plants is operating at 1.3. That's the oldest atomic plant.

MAYOR COCKRELL: Thank you, sir. All right, we have now heard all the persons registered to speak and we are now at the point for City Council action. We have several members out. I wish they would come back before we take our final action.

MR. HARTMAN: Madam Mayor.

MAYOR COCKRELL: Yes, sir.

MR. HARTMAN: There is one point I think that needs to be clarified with regard to earlier statements made by Reverend Black which I think are most pertinent. That is the fact that we are looking here at a single rate increase. The point that Reverend Black made was the fact that we have, that we are on a particular course, a succession of rate increases. I think that this point needs to be clarified. The current rate increase which is a 15 percent on the base follows the June, 1974 19 percent increase. And I think these are figures I would like Mr. Spruce to confirm or deny. There is another rate increase projected for the fiscal year 79-80; another one for 81-82; and another one 83-84. Is that correct?

MR. JACK SPRUCE: That's correct according to present cash flow. Of course, those will be taken up individually as we encounter them. We cannot assert with certainty that those will be required. We will still be willing to say that we do not anticipate any further rate increase until 1979. Some of our projections have showed that should economic conditions improve and should electric use resume its former pattern which we have reason to expect at least some improvement will occur in that direction that those others might not be required. But excuse me.....

MR. HARTMAN: Go ahead.

MR. SPRUCE: What I was going to say, the only one that we forecast at this time is a probable need for an additional rate increase in 1979.

MR. HARTMAN: Do we have an indication in percentage projected at this time for that 79-80 increase.

MR. SPRUCE: If I might, Don, do we have any indications about what we have projected for 1979, possible rate increase ?

MAYOR COCKRELL: Mr. Thomas.

MR. THOMAS: In order to balance out the expenditure versus the revenues we put those other increases in. We are not, of course...inaudible... I believe the increase in 1979 was twelve percent.

MAYOR COCKRELL: Thank you, sir.

MR. HARTMAN: Do you have any idea of the other two...

MR. THOMAS: The same magnitude.

MR. HARTMAN: In other words, three twelve percent increases.

MR. THOMAS: Yes, that's right.

MAYOR COCKRELL: Thank you.

MR. THOMAS: That would be on the base rate as constituted. Again, that would not be that much on the total bill.

MR. HARTMAN: It would be comparable to the fifteen percent...

MR. THOMAS: It would be on a comparable basis of the fifteen.

MR. HARTMAN: Yes, fine.

MAYOR COCKRELL: All right, fine.

DR. NIELSEN: Madam Mayor, out of the discussions that we were involved in last week, I move adoption of the ordinance and then after it because a part of what we were talking about last did hinge on the ceiling if you will, to build a plant or some way to approach a limit so you partly address it some concern. I think it's a more realistic approach than yours, just trying to say we're going to cut six million dollars doesn't address it, but if the Manager has a recommendation or a report or whatever that he would like - I would think that maybe now is a good time to hear it.

MR. BILLA: Second.

MAYOR COCKRELL: We have a motion and a second on adoption of the ordinance. But at this point I will call upon the Manager for the comment on - I know that he has been doing some studying about how to put some parameters on ceilings on the amount of income which the City takes from City Public Service and would you make any comments you'd like to now, Mr. Granata.

CITY MANAGER GRANATA: Yeah, I'll do my best. I hope it doesn't change anybody's mind or I hope it does. No, seriously, I would like to say a few words about the CPS rate request and restate my position on CPS payments to the City. This is not in the statement, but I've heard, you know, cut six million dollars and cut three million dollars and it's going to be very difficult to do, but we'll address that later. We'll have to really look to where we could do that.

In providing for San Antonio's future energy needs, the Council had two choices:

1. Continue burning oil and gas, and continue forever paying the spiralling costs of those fuels.
2. Make the capital investment necessary to move to lower priced fuels, and reap the benefits of this move in lower utility bills in the future.

CPS has designed a very economical capital program for movement away from oil and gas. It was reviewed by the Council's rate consultants, O'Brien and Gere, who strongly recommended it as the only practical way to ever bring utility bills under control. The Council formally accepted the consultants' recommendation, and the CPS program, when it approved the bonds for completion of the coal plants and continued participation in the South Texas Project.

I should remind the Council that the CPS program and O'Brien and Gere's report, both showed the need for scheduled rate increases.

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The present request is a part of that schedule, and has been found by the consultants to be the minimum increase necessary. As I see it, the only choices before you are to approve the rate increase or abandon the capital program.

Recently, there has been a great deal of public discussion about the CPS payments to the City. I believe that this reflects more misunderstanding than disagreement.

One of the reasons the system was purchased in 1942 was to ease the burden of taxes on the citizens. This burden is particularly hard in San Antonio. We have as much exempt as non-exempt property, due to the fact that our largest employers are the military installations, and educational and medical facilities. We are also circled by "bedroom cities", whose people work and play in San Antonio, but pay no property taxes to it. As CPS is a regional system, it gives us a way to recover from these entities a part of the cost of the benefits they receive.

It should also be realized that the City payments are less than the return on investment allowed under state law. If the utility was privately owned, it would add to the return on investment paid as dividends to the stockholders, such things as ad valorem taxes and the added interest cost incurred through financing capital improvements with non-exempt bonds. These would total far more than the City's allowable fourteen percent.

My position on the CPS payments is, as it has always been, that we should set a realistic level and hold to it. Setting arbitrary amounts, based on City budget needs, does not serve the purpose. To fully project the public, a permanent ceiling on CPS payments should be set now. I recommend that we accept fourteen percent as the amount to which the City is fairly and reasonably entitled. This is fourteen percent on the proposed base rate only and nothing on passthrough charges.

On the basis of the fourteen percent of the new base rate, CPS projections show payments in excess of the City's budgeted needs for fiscal year 1976-77. However, I do not propose that we keep any amount in excess of the budgeted \$37,255,000.00. I recommend that the excess be rebated to the customers by a formula which aids those least able to pay utility bills.

DR. NIELSEN: Would you repeat that again? I don't think...

MAYOR COCKRELL: I wish you would go over that particular recommendation.

CITY MANAGER GRANATA: I said that on the basis of fourteen percent of the new base rate CPS projections show payments in excess of the City's budgeted needs for fiscal year 1976-77 which, by the way, would amount to \$44,149,000.00.

MAYOR COCKRELL: Now, may I just ask also, are those figures adjusted according to the latest projections by Mr. Freeman?

CITY MANAGER GRANATA: Yes, madam, that is my understanding. That's correct.

MAYOR COCKRELL: Because he was projecting a \$4 million shortfall in City revenues and you're projecting a \$44 million.

CITY MANAGER GRANATA: Yeah, we read that, but I think there was misunderstanding on the \$4 million and I'll defer to Mr. Freeman on how the \$4 million came up because we're only three weeks into the new fiscal year and I don't know how he projected the \$4 million shortfall which is not through next July. Is Mr. Freeman here, please, or Dan?

DR. NIELSEN: I think Mr. Thomas or Mr. Spruce can explain that.

CITY MANAGER GRANATA: He may have put on the coal plants too soon or something like that.

MR. SPRUCE: No, you want me to speak on it.

DR. NIELSEN: I hope everybody understands.

MR. SPRUCE: Well, it's very complex. Actually, what Mr. Granata says is true. We're only three weeks into the new fiscal year. What we were saying was that should the trends that have been established the first six months of 1976 continue, there are several factors that could influence the projected City payment which was set a \$37 million for the fiscal year that the City just entered. The principal factors that we were referring to that could influence this are a reduction below the projected levels of consumption of consumers. Less usage or less sales of electricity and gas than has been originally projected.

Another factor that was included in the original estimate was the projected cost of gas from Lo-Vaca. The cost of gas has not increased at the rate that was forecast by Lo-Vaca early in 1976. The City payment, of course, is influenced by the gross revenues from City Public Service. Therefore, the cost of gas is less, the City payment calculated upon that is also less. One other factor which was not a major factor was that in the projections was that a rate increase would be implemented on the first of August, 1976, which it was not, August being an usually high usage month for electrical service...this resulted in some shortfall. Should all of these factors combine according to projections that we have seen for the first six months of actually experience of our fiscal year would indicate that there might be some shortfall in the \$37 million projected in the City's fiscal year that we just entered by possibly three plus three point seven, I believe was the last figure made in the dollars.

MAYOR COCKRELL: All right. Now that report obviously differs from what the City Manager is now projecting.

MR. SPRUCE: Do you want the estimates? I think what he's talking about is applying fourteen percent on all of the bills and not, for example, reducing the percentage on the gas passthrough as it was calculated by our figures. Is that right?

CITY MANAGER GRANATA: Yes, sir.

MR. IVY: In light of the Mayor's suggestion of looking at fourteen percent on the base bills only and completely....

MAYOR COCKRELL: I didn't quite make it that way, I think...

MR. IVY: Well, remove, but anyway get away from the passthrough altogether.

MAYOR COCKRELL: Yes, that's correct.

MR. IVY: All right. Taking a look at it that way, this removes the fluctuation but, of course, this is going to drop later on when the coal plants come on line. But what I don't think the \$4 million loss would apply to this because once we move the City payment away from passthrough, it doesn't fluctuate up or down.

MAYOR COCKRELL: You're talking about a full fourteen percent without any discount.

CITY MANAGER GRANATA: Any passthrough, that's correct.

MAYOR COCKRELL: On the base rates - the new base rates. And that's the figure you're using to get - what project income?

CITY MANAGER GRANATA: \$44,149,000.00

DR. NIELSEN: On the high side.

CITY MANAGER GRANATA: And all I'm recommending that we keep is \$37,255,000.00 which would be an estimated surplus for rebate of \$6,894,000.

MAYOR COCKRELL: All right, excuse me, does that conclude your report?

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CITY MANAGER GRANATA: In the future so as to avoid cutting City services, I recommend that we use the \$37,255,000.00 as the base City payments. Each year it would be increased only in proportion to the true growth in sales and by whatever additional amounts are necessary to recover passthrough charges to the City itself. However, payments will never exceed the fourteen percent limit on base rate revenues.

As the coal plants come on line, and overall fuels costs decline, we must anticipate that income from CPS will also decline, or at least, remain level. Certainly, the impact of the nuclear power, about five years hence, will have a significant effect upon revenues. The Council, by accepting this ceiling of fourteen percent on the base rate only, is acknowledging the probability that CPS will contribute a declining proportion of the budget over the years to come.

MAYOR COCKRELL: Well, Mr. Pyndus.

MR. PYNDUS: I really appreciate those remarks, Sam. I wish I understood them. Certainly, it has the importance of the way we're going to finance this thing and I have not grasped the meaning of it yet, but there is one point that I would like to clarify for my own benefit. You mentioned fourteen percent on proposed new base rates. Now, I'm assuming that the new base rate will be increased, is that true?

MAYOR COCKRELL: What it envisions is incorporation in the base rate of the adjusted gas price at \$1.75.

CITY MANAGER GRANATA: And it includes the 6.6 percent increase, yes, sir.

MR. PYNDUS: All right. Now, what this means to a utility user. If you have a fourteen percent increase on the new proposed base rate, will this increase his bill or decrease it?

CITY MANAGER GRANATA: No, well, for example, if you pass this today, you're setting the City's take on \$1.75. We've already been notified by Public Service that the cost for next month is \$1.88. We are only going to take the fourteen percent on \$1.75.

MR. PYNDUS: That's not exactly what I mean.

CITY MANAGER GRANATA: It's kind of like I don't understand the \$6 million cut you speak of.

MR. PYNDUS: We had a - Mr. Granata, you proposed in your budget an increase of 7 percent for all your employees and that took over \$6 million.

CITY MANAGER GRANATA: 5.5, sir. And that was \$3.9 million.

MAYOR COCKRELL: Yes, all right. Mr. Hartman.

MR. HARTMAN: Just a matter of clarification from Mr. Spruce with regard to the shortfall low anticipated demand. What was the percentage of that actual usage?

MR. SPRUCE: The shortfall in the projected \$37 million?

MR. HARTMAN: The shortage of actual use. In other words, below peak demand. The anticipated use versus actual use as experienced...

MR. SPRUCE: Well, we still believe that weather has been a very significant factor in electrical usage and also gas usage earlier in the year. I think that with your experience in the recording of temperatures highs and lows and the weather you would have to agree that the average cooling degree days, for example, in the summer are substantially below the ten-year average.

MR. HARTMAN: That's right. But in terms of peak demand, that is the particular point in time in which the whole system is drawing a certain amount of current.

MR. SPRUCE: Yes, sir.

MR. HARTMAN: So, actually peak demand, in other words what I am saying is that you can have an extremely cool day but the peak demand...inaudible.. the very next day with a 100 degree reading and that's really where you measure, in terms of utilization, at a very hot time. We get between 1500 megawatts as opposed to a projected 1711 which perhaps...

MR. SPRUCE: We projected that under the expected normal weather conditions we might reach 1711. Up to now we have reached 1557. Now, were you asking about the variation?

MR. HARTMAN: No, I think, well actually as that translates to percentage is impertinent. But it is, it is a reflection of lower usage than anticipated.

MR. SPRUCE: Yes, sir. However, we still believe that had, we have had the weather that we would consider an average according to the ten-year average, that we would have attained that peak. We do believe that..

MR. HARTMAN: Over the long period of time.

MR. SPRUCE: Yes, sir.

MR. HARTMAN: You see, peak demand is the point that I am making.

MR. SPRUCE: Well, the kilowatt hours, of course, are influenced by that and we certainly recognize that overall sales have been reduced because people are more conscious of the higher cost of electricity and gas and there has been conservation. Of course, this is the two-bladed sword that you, you know, if everybody conserves, you still have to have the capacity for the peak and then you don't fill it up the rest of time, well that impacts on our financial picture. But we have been enjoying substantially increased kilowatt hour sales on the few hot days that we have had. It came pretty good.

DR. NIELSEN: Madam Mayor?

MAYOR COCKRELL: All right. Yes, Dr. Nielsen.

DR. NIELSEN: I think there are other positions that, at some point, are going to need be known on this Council and in light of time and the patience of a lot of people waiting, could we get on with this, in any way possible.

MR. PYNDUS: I would like to offer a substitute motion.

MAYOR COCKRELL: All right, we have a motion from Mr. Pyndus.

MR. PYNDUS: I would like to offer a substitute motion to approve a request for a three percent increase with the stipulation that \$6,000 be....

MR. BILLA: \$6 million.

MR. PYNDUS: \$6 million, thank you, be taken out of the City, the current City budget and \$3 million out of the current City Public Service Board budget.

MAYOR COCKRELL: Is there a second to that motion? Hearing none, the motion dies for want of second. We will then proceed on a roll call on the CPS rate increase.

ROLL CALL VOTE: AYES: Billa, Nielsen, Cockrell; NAYS: Pyndus, Cisneros, Black, Hartman, Rohde, Teniente; ABSENT: None.

MAYOR COCKRELL: All right, by a vote of six to three you have defeated the CPS rate increase. I will say on behalf of the City Public Service now putting on that hat, that you have placed your publicly-owned utility in a very grave financial position. Now, I think that all of those persons who have opposed this will have to face their responsibility because not one of

you have proven to me that this rate increase is not needed. Mr. Teniente.

MR. TENIENTE: Madam Mayor, I would challenge you to come work at my store where you see people who are coming in daily that cannot afford these increases. And I will be more than happy to show you the citizens that come in here that cannot afford any more medication and, perhaps, no more food on the table and the fact that the increased utility rates is facing them now, together with water, sewer increases, with all sorts of increases, the rate increases just forces me, forces me to go this way. I think that the utility service can best adjust more so than the citizens who can't get anymore money in their pockets. I think the utility people can adjust their needs. Now, perhaps, in the future I might support it, but I strongly oppose to any more utility rate hikes, tax increases and any other additional cost to the tax payers. Since we have been in office each month that goes by, we are faced with additional requests to charge more money, gas, telephone, water sewers and even the property values have increased. So now that we were considering this, I was forced, I had to force to vote against, I was forced to vote against this because I think it is is time that, perhaps, we place the burden on the other side instead of just burdening the citizen and I understand that you share this concern, but I face it daily and when you say I have to show you, yes, come visit with me, I'll be happy to show you.

MR. HARTMAN: I would like to say that the basis for my vote no was, I had hoped to convey my views with regard to the need to address the capital program of the City Public Service Board. I think that, although it is a very painful process, I think that this is essential. I think that this Council needs to come to grips with the question of can it afford the capital improvements program that it now has, primarily represented by the South Texas Project and I would like to see us go on record with making that reappraisal.

REVEREND BLACK: Madam Mayor, I would like to express this fact and offer a motion. That is that somewhere along the line...

MAYOR COCKRELL: Just a moment. There is conversation in the audience, we would appreciate...

REVEREND BLACK: As we look at the additional rate increases, that we were going to have to make a no vote somewhere. There is a capacity. There is a point which I think this is the most responsible place to make that no vote. The reason I am saying that is because there is a point in which we can consider, reconsider our capital investment. Now, I would like at this time to offer a motion that we reconsider and give study to our commitment to the South Texas Project.

MR. HARTMAN: I will second that motion, Madam Mayor.

MAYOR COCKRELL: It has been, the motion, I would have to declare out of order in that it was not listed for discussion on today's agenda. If you would like to have that item placed on next week's agenda, I would be happy to have that done. Is that agreeable with you, sir?

MR. HARTMAN: Yes.

MAYOR COCKRELL: All right, fine. We will ask that that item, which obviously has a motion and has a person to make it and a seconder, be placed on next week's agenda for discussion. Mr. Billa.

MR. BILLA: Mayor, I just wanted to say myself that I was opposed to the rate hike, but based on the information that I received, I thought it was necessary that we pass this rate hike and I think we can talk all day but the burden of how we voted is on each of us and history will record it.

MAYOR COCKRELL: Mr. Pyndus.

MR. PYNDUS: With reference to placing the item of the Nuclear Project on next week's agenda. I would like to call a vote on that because I would like to speak against putting it on the agenda. But, after discussion, I

would like to restate my position with reference to the rate increase. Mayor Cockrell, I don't think any member of this Council really faced their responsibility with reference to fiscal responsibility to the citizens I have pleaded and I have, time after time, brought up the subject of money which concerns our City budget. My recommendation for a three percent increase as a compromise and it could have been handled. I think there is fat in the City budget and I think there is fat in the City Public Service budget. I face my responsibility squarely and I feel that the responsibility should have been met sometime ago when this Council unanimously, with my exception, passed an increase for the employees. I think that for the benefit of a few, that many people are going to suffer. If we do not get viable public utilities effort in this area, it is going to hurt San Antonio and I certainly support the Nuclear Plant and I would like, after those comments, I would like to take a vote on whether it should be placed on next week's agenda.

MAYOR COCKRELL: All right, let me just say in the past it has been our custom to place an item on the agenda when there were as many as five persons who indicated a desire to have it placed on the agenda. We might just informally, follow that same procedure here. I would have to declare it out of order for a vote today based on the necessity for having posted the item. But, may we have an indication of how many would like to have this item placed on the...

DR. NIELSEN: Madam Mayor, what we are probably getting ready to do here is that at some point in the near future, decide whether we are going to have a referendum on the Nuclear Project. It's about where it is finally headed. And we won't have any more data on which to deal until for one thing, we either have a contract from the yellow cake or not. And it's going to be a very big emotional issue in this town which won't help one bit.

REVEREND BLACK: Madam Mayor.

MAYOR COCKRELL: All right, let me just say...yes Reverend Black.

REV. BLACK: I would like to respond. I think Councilman Nielsen is projecting it to the whole matter an opinion that does not necessarily have to be. I think it offers us an opportunity to legitimately look at what is needed in terms of we've tied together both the capital and the O and M I think, if that's, I'm not used to those terms. But we've tied them together and we need to be able to separate them and act on them in a way that is responsible. That's my concern. I was particularly interested in the approach of Councilman Pyndus. On the one hand he wants to cut the pay of employees and raise their utilities. If they cut the pay, they can't pay their utilities. I don't understand that economy.

DR. NIELSEN: That's what is called a kamikaze conservative.

MAYOR COCKRELL: Now, then, may I propose this an an alternative suggestion, Reverend Black. Since you made the motion, Mr. Hartman, rather than simply have the issue for a vote next week, this is an issue which as I think both of you realize would require a whole additional briefing, much more data again supplied by the City Public Service Board briefing by them, and don't you feel it would be more proper to perhaps schedule a separate work session someday when we have the time to just devote to this item.

MR. HARTMAN: Yes, I think that would be fine. All that I see here is just in a very responsible business-like fashion approach, review what our capital expenditures are and, as Reverend Black pointed out, to identify these separately from the O & M aspects of City Public Service Board. So, I think a separate work session would be much in order.

MAYOR COCKRELL: The only point I have to make is with nuclear. If you simply identify the capital aspect, there's no way it can stand up. The only way it stands up is on the cost for the energy based on the small cost of fuel and then the average cost in the utility.

MR. HARTMAN: Yes, I realize that, Madam Mayor. I wasn't trying to say that by looking at the capital expenditure you overwhelm the viability of nuclear. I'm not interested in that at all. I'm just saying look at each one of them separately so that we know exactly what kind of an amortization we're going to have in the realm of the capital expenditures. That's all that I'm asking for. Not finding influence, you know, the relative cost because I will readily admit that the cost of operating nuclear as has been pointed out is cheaper. But I think we need to look at them separately.

MAYOR COCKRELL: Well fine, we have had a vote and we have closed the subject for City Public Service Board and so we'll then, we're ready for another topic. We have just 15 minutes and we have about four pages of persons registered on the next subject and it would just seem to me that it's going to be difficult to start on the subject. So you want to begin the introduction of the second subject and then interrupt the hearing. All right, we'll go ahead then. We'll start into the extension policies.

MR. ROHDE: I wanted to say a word.

MAYOR COCKRELL: Mr. Rohde, let me call on you. I didn't mean to cut you off.

MR. ROHDE: Mayor, I haven't said a word all morning. Mayor, I would like to tell you why I voted no. I feel I owe you this explanation. My vote was not against the nuclear project because at this time I'm not ready to take that problem up. But I had a three hour talk last night with Mr. Berg and Mr. Freeman and I talked about two items that mean a lot to me in City government and in bureaucracy. One is efficiency and one is productivity. I feel that CPS can make greater gains in these two items and I said that when I see changes in these particular items that I would

probably support a rate increase. But I'm going to give them the opportunity with my vote to get the message to do some reforming over there, to do some bold planning and things of this sort. I feel that CPS has too many people over there, and this is one of the things that they can economize on within their operating budget. But if I can see that they can do better efficiently, then I will go ahead and change my vote at a later date.

MAYOR COCKRELL: We have a great deal of movement in the Council Chamber. May I ask that we wait just a minute and any persons wanting to leave perhaps be given the opportunity because it's disconcerting to the audience to have a lot of movement in the front of the room.

MR. BILLA: Mayor, I would like to respond to Mr. Rohde there. If we have all this efficiency and as Mr. Sarabia pointed out, there are going to be a lot of people on government payrolls out of jobs.

MAYOR COCKRELL: All right, we'll move on the subject of City Public Service Extension Policies. You have had presentations of this before. Are you ready to begin right on the Citizens to be Heard?

(Late in the meeting the matter of the request of the City Public Service Board for a rate increase was again raised. The following conversation took place:)

CITY MANAGER GRANATA: I'd like to ask the Council, I believe I'd rather talk about anything else other than what I'm about to say. I am appealing to the Council for someone from the prevailing side to again, after we give you some facts and figures, to reconsider the vote you took on Item I.

My reason for that is because we have budgeted our current budget for the fiscal year and it has a great impact. Our current budget had included the 6.6 per cent rate increase for City Public Service. We must act because after that date you go before the Utilities Commission. Sure, we can go there, but it may be year or year and a half because of the backlog before they will grant anything and this hurts our current budget.

Now, with what has occurred, and I've had Mr. White and Mr. Ivy working while the session has been going. I'd like to call at this time both Mr. White and Mr. Ivy to the podium and try to answer questions and see if I recall what you have told me. With the action taken today and with the turn down of the rate increase, it is my understanding that we will have approximately an \$11 million plus shortfall just from CPS.

In addition as I recall, and Carl can correct me on this, we may have another \$1.6 million shortfall in our tax lawsuits. Is that correct, Carl, which makes out about \$12.6 million. I've been informed that our beginning balance which I had hoped would be \$2 million is now down to \$400,000 taking care of the \$1.6 million that Carl had advised me of the possibility in the lawsuits.

Now, what we have to decide is three things, our tax rate at the present time is \$1.65 based on 45 per cent of the fair market value. In order to make up the \$11 million just from the shortfall and Public Service would take a 47 cent tax rate increase or from \$1.65 to \$2.45 which is just five cents from the limit that we've allowed in Texas. Secondly, we could cut 19 per cent, is that correct, Tom, of our employees which is approximately 1,000 people, 1200 people plus their backup of gasoline, trucks, etc., what have you and recall that the last ones hired are the first ones to go. And the third option that we have is that we can double the valuation from 45 per cent of fair market value to 90 per cent of fair market value and just about make up the shortfall. Or you could cut everybody's pay 10 per cent. You just gave them a 5.5 and I wouldn't want to face Henry Munoz and the Transit System and everybody else.

That's where we are and to me this is very, very serious. Now, that's why in my recommendation this morning I was hoping that it would go over that you give us a limit of 37 so that on down the line, \$37 million is all we'll get and we can then begin the budget. Public Service needs additional rate increases as you all indicated this morning. Next year and the following year, they won't need to be as high because we won't be getting near the take it would take that we would be entitled to. But I would certainly like for Tom to add anything or Mr. White to add anything.

MAYOR COCKRELL: May I ask you to clarify this \$11 million. Will you break that down into components because that's not all of this rate picture, is it?

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CITY MANAGER GRANATA: No, just, it's a result of the rate.

MAYOR COCKRELL: Okay.

MR. TOM IVY: Okay, what we have is under the CPS trust indenture, the method of revenue distribution follows procedure and by law we can't change it. Okay. The first is operation and maintenance. The second is debt service, the third is payment to the City in lieu of taxes and that's only about \$4.5 million.

CITY MANAGER GRANATA: And part of that is in jeopardy because of the schools, as you know.

MR. IVY: And then goes to the INC fund of CPS.

CITY MANAGER GRANATA: Twelve and one half per cent.

MR. IVY: We can't do anything with that. Then number five comes payment to the City in cash and services of 14 per cent of gross revenues less the in lieu of tax payment.

CITY MANAGER GRANATA: So, we're last.

MR. IVY: Yeah, we're last. So what happens...

DR. CISNEROS: What's the figure on that?

MR. IVY: Okay, wait I've got it. This is the wrong answer.

CITY MANAGER GRANATA: Just start out with...

MR. IVY: Okay, we've got, we have \$316 million in CPS estimated gross revenue.

CITY MANAGER GRANATA: Is that the same, Carl? Are those the same numbers?

MR. IVY: What Carl's got here is the full fund...inaudible...how it is of the bond indenture. CPS estimated gross revenues, we met with Howard Freeman, Don Thomas and Mr. Spruce on this.

CITY MANAGER GRANATA: Since this morning?

MR. IVY: Right, since this morning. To see exactly how much we have to cut. It's \$316 million less operating and maintenance, which is \$233.9 million. That leaves \$82.1 million. We then take away the debt service. That includes the old bonds, the new bonds come out of the INC fund. They pay the interest out of that. That leaves \$16.6 million leaving \$65.5 million. Payment to the City in lieu of taxes is \$4.5 million, leaving \$61. Then the INC comes out, which is 12.5 per cent of gross surplus under bond, well, 12.5 gross which is \$39.5 million. That leaves us \$21.5 million which is true surplus for distribution. We'll have to add back into that the \$4.5 million we get in lieu of taxes. That brings us to \$26 million. The City budget is set at \$37 million. We have a shortfall of \$11 million. The bond indenture is what trapped us in this, in that the 12.5 per cent must go the CPS before we do. It takes precedence over us. As long as that's there, we always have to build on top of that. So this is, according to CPS projection, they feel that \$316 is a realistic figure. It includes the revenue adjusted for the loss of a 6.6 increase plus a loss of non-operating revenue of about a million dollars due to the cash flow. Where if you have the cash, you're earning interest they wouldn't have. This is saying that if you'll remember how the Water Board how

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the interest rate of per cent is proportionate into building the amount of money. This is it as far as the information that we have available.

DR. NIELSEN: So once again we're faced with...

CITY MANAGER GRANATA: Once again we're faced with...

MR. IVY: With the exception of \$11 million, they have no option under the law to give us more even if they were to desire to give us more. There's just nothing they can do about it. Now, we've talked about a possible shortfall in sales and things like that. I don't think that...

CITY MANAGER GRANATA: The \$4 million they talked about?

MR. IVY: I don't think it's that realistic. They are down 11 per cent for the past six months from their projections. But we've had exceptional weather. If it continues, there may be shortfall. But it's somewhat doubtful that we have weather that would be that mild as to....

CITY MANAGER GRANATA: But that we could handle, that we can handle through austerity which we've already started. But this \$11 million plus whatever Carl, besides what he brought out, what else might we be short in because of our projection? Do you anticipate the sales tax to be up?

MR. CARL WHITE: Well, I haven't addressed other sources. There are a couple of things that I'd like to point out with regard to City Public Service Board's payment that the Council may not be aware of. It's the way the thing functions. There were three months during the past year under the present rates, there were three months that City Public Service Board did not have sufficient revenue because of the flow of funds structure as laid out here. In other words, the City payment is the last dollars in the pot. There were three months that City Public Service Board could not meet their payments to the City of San Antonio. Now the accumulation, they finally when the hit the weather months, they finally in June or July recovered enough money in order to liquidate the total obligation to the City. But that's under the current rates and you've got to remember now that they've issued additional bonds that increased their debt service requirements which is one of these blocks up here ahead of the City payment. They've also got higher gas costs, and they've also got increased operating costs which comes ahead of the City payments. So that's what causes the \$11 million instead of what would normally be 6 per cent of the \$18 million which is not, which is not that much. But that's where you get \$11.

CITY MANAGER GRANATA: Excuse me, Carl, which reminds me of bonds, now. With this shortfall, does it affect the City's ability to issue bond issues as in the brochures? How it would affect us now in voting \$100 million bond issue on which we've appointed a steering committee as you put up the brochures, would you not have to say that the \$37 is out down by \$11?

MR. WHITE: Well, of course, the assumptions when you make a study like that, you've got to make certain basic assumptions. The assumptions that were made in that study were that the revenue sources that were presently in existence would continue at the normal rate of growth.

CITY ATTORNEY PARKER: You are going to have to make a letter or statement in the auditors, presently going on that reflects the projected budget of next year that projects the revenue of \$37 million and you're going to actually put a certification in there that it in all likelihood will probably be \$26 million.

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MR. WHITE: No, not in the audit, it's not. Because the auditor is auditing this past year's actual...

CITY ATTORNEY PARKER: Last year. That was one thing they were asking me about as far as a statement about what projected in the future if as well as it was in the past.

CITY MANAGER GRANATA: How about the bond prospectus?

CITY ATTORNEY PARKER: About our lawsuit, etc.?

CITY MANAGER GRANATA: Well, our budget is already printed, and then we'll have to show.

MR. WHITE: I was still thinking about what Jim said.

CITY MANAGER GRANATA: Oh, excuse me, go ahead.

MR. WHITE: I didn't hear...

CITY MANAGER: Would it affect our bond prospectus by not receiving \$37 million from CPSB? We'll now get \$37, will it affect our ability to go out for \$100 million bond issue?

MR. WHITE: Oh, definitely. Yes, we could not because we're talking about....That's where we got down to the basic assumption...inaudible.

CITY MANAGER GRANATA: How much do you...?

MR. WHITE: Statement inaudible.

CITY MANAGER GRANATA: Yes, that's right. It's not the \$136 we're talking about. Eleven million out of 112, the general fund because the others, the airport, the sewer revenue, the Convention and Visitors Bureau and the debt service.

MR. WHITE: There's another thing that I need to mention to you and that is that in our banking contract for this year, the officials, this is Tom Frost, himself at Frost Bank, insisted that in our contract for the borrowing this year, there's a provision within that banking contract that wherein the bank can cease to make loans to the City should there be some kind of a financial crisis in the City, such as we're talking about now. So, theoretically, the bank can cease tomorrow, stop making loans to the City. I don't like to discuss that too much but that's a possibility. If that were the case, then we could not meet our payroll or could not do anything because we have to operate on borrowed money.

CITY MANAGER GRANATA: You see we are in an open meeting. We tell the truth.

DR. NIELSEN: The other problem, Carl, there is just nothing we can do come next February anyway. Right, there is nothing we can do.

CITY MANAGER GRANATA: Or March, as late as March. But February, we get, but what we are telling you is I have got to do something pretty quick. I mean if this stands, we are going to have to find a way to eliminate some employees or I have got to eliminate \$11 million from the budget which is going to be traumatic. You are going to add to the unemployment rate of this City and I mean it is all spent in the City. You know that City employees spend their money here. I hate to recommend rate increases and we didn't recommend the rate increase for the City Public Service, but...

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DR. NIELSEN: And above all, Sam, not a whopping big jump at one time.

CITY MANAGER GRANATA: That's correct.

DR. NIELSEN: That's never worked, yeah, that's the poorest kind of public policy, fiscal, political or anything else. It just doesn't work.

MR. BILLA: Yeah, but it may be necessary in this instance.

CITY MANAGER GRANATA: I just wanted you to know because I wanted you to know because if anything happens and we start moving out and letting people go and abolishing positions, you are going to hear from them.

MAYOR COCKRELL: All right, this is the situation. So, I don't know what the Council wants to do.

(ALL TALKING AT ONCE)

CITY MANAGER GRANATA: No, please try to reconsider and I urge you if you do reconsider, like you did last week and I know people have been saying, well this Council reconsiders every week, well fine. Let's show them that you have got what it takes. They said the word, guts. I'll use it, to do it, intestinal fortitude or guts, to do it again and I urge someone on the prevailing side to reconsider. We are going to need six votes, if we don't see six votes, forget it, tell me to cut \$11 million and I will start to work on that. We need to have a meeting no later than Monday, because after September 1, we are dead and I'll have Jim explain why we are dead after September 1.

MAYOR COCKRELL: All right, I think several members are absent now and I wonder is they would like to come in and participate in some of the discussion.

DR. CISNEROS: The first thing running through my mind is the reason for passing the utility rate increase....inaudible...

CITY MANAGER GRANATA: I agree with that but only because we...

DR. NIELSEN: It's just the way it is.

CITY MANAGER GRANATA: Just the way it turned out. Now that's why I said if next year we're put on a limit then we won't be dependent upon them.

MR. HARTMAN: I guess the point that concerns me, I think, in perhaps a similar context to what Dr. Cisneros has expressed, is the fact that, in effect, at the point and time when the utility came to us for the rate increase request, we really had no options. In other words, we were in effect, which we're finding out now, I mean, you know, you're saying we've either got to do this to survive. But in effect then we just even wasted our time even thinking yes or no with regard to the utility increase. I mean the whole thing is just a moot point and we haven't been offered an option. We were given a situation, take it or leave it, and I don't think that's the way you ask for a policy decision.

CITY ATTORNEY PARKER: To one degree you're right, if I may. The City is, we're operating a proprietary function. In operating a proprietary function, you're entitled to or conceivably could take a fair return on vested capital. To that degree, that's what we're taking. Now, in effect, by not putting the rate increase in, you're really in effect, really lowering your rate of return on invested capital. I mean that, in that context, that's what you're really doing. That's

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policy decision for the Council.

DR. NIELSEN: Madam Mayor.

MAYOR COCKRELL: Yes, Dr. Nielsen.

DR. NIELSEN: I want to just gently remind the Council again, however, and Glen in particular, here is a classic example of it. Political entity, individual within that government structure or whatever, always has to continually make a choice of terms of, there are just some things you inherit and you've got to as early as possible in each administration or term of government or whatever decide those areas where you can make change, those areas where you cannot, and you live with that day after day never finally admitting that you can't eventually change things, but that simply in terms of history, precedence, common sense, whatever you want to call it, there are just some things you don't make immediate changes on.

MR. HARTMAN: I'd like to respond. Madam Mayor and Dr. Nielsen, I repeat again, you know, we're being told, in effect, that we really have no choice to begin with. That's where I get a great deal of heartburn. Is the fact that I'm not a decision maker. I'm merely a rubber stamp. I either rubber stamp or we're in trouble.

CITY MANAGER GRANATA: Yes, sir, I can see your point. But O'Brien and Gere reported to you and everybody else reported to you and we told you at budget time that our budget included the 6.6 and I don't look at you as a rubber stamp. But what I'm saying to you now is it's your choice, either we get it....

DR. NIELSEN: At that point, well, then you're....inaudible.

CITY MANAGER GRANATA: Either we get it or we cut a thousand people or we cut salaries or you tell me what to do.

MR. HARTMAN: We have also, I think, during, Madam Mayor...

CITY MANAGER GRANATA: I've been told there's fat in the budget and if anybody will show it to me, I'll be glad to cut it tomorrow.

MR. HARTMAN: I'm not, Madam Mayor, in response to that I'm not saying, Sam, there is or is not fat in the budget. I'm saying that I would like to repeat that this morning, we gave, we indicated some options that should be explored. I have mine and there are other members of the Council who have theirs but I am concerned inasmuch as we get to the point to where it is a fait accompli and there's no way you can turn. I'm saying there are some options available. I'd like to see them explored and the Council should be...

CITY MANAGER GRANATA: I agree Mayor, but we've been talking about it for some, about four or five weeks and we've gotten to the wire. September 1 is the deadline. Even if we go to the Utility Commission and we get more money, it's going to be a year before they grant and I'm worried about the current fiscal year right now.

MAYOR COCKRELL: Okay, this is open for the Council decision. We either have to reconsider this decision or else we're going to have to determine where we come up with the money in some other way.

(ALL TALKING)

CITY MANAGER GRANATA: Well, you have to reconsider today and then have a special....

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DR. CISNEROS: Statement inaudible.

CITY MANAGER GRANATA: If you reconsider and set a meeting for Monday and in the interim if you want some new figures and let us give you new...

MAYOR COCKRELL: Let me ask of the City Attorney. If nothing else happened today and if there were no motion for reconsideration, the rate ordinance is at this point dead? What would have to happen to get it reactivated at a special meeting?

CITY ATTORNEY PARKER: You would have to have a public hearing and so forth again because you've already had your public hearing on the rate hearing. Once you've finally act denying that rate hearing then that terminates that. You have to start the process all over again.

MAYOR COCKRELL: And you have to advertise for a public hearing?

CITY ATTORNEY PARKER: You'd have to advertise for a public hearing and the entire...

MAYOR COCKRELL: And then that, well, it's impossible to advertise for a public hearing.

CITY ATTORNEY PARKER: It's impossible to have that process to go through.

MAYOR COCKRELL: So, if we're going to do anything we at least have to go through the motion for reconsideration. Then the decision to have a meeting Monday or whatever. Okay, the other alternative will be that we will have a \$11.255 million deficit in the budget.

MR. BILLA: Let's go into an immediate austerity program.

CITY MANAGER GRANATA: I've already done that. That's for other shortages. Not just...

MR. BILLA: I've decided I'm not going to....

MAYOR COCKRELL: All right, what?

MR. BILLA: I won't vote for reconsideration. I'm going to let these people find out what happens to the City.

MAYOR COCKRELL: Don't announce anything Bob. I'll just make a plea to the Council to give it some consideration. I think the impact, obviously the impact is greater than even I realized, in terms of getting the full story here.

DR. CISNEROS: Mayor I had some thoughts this morning on this whole thing that I never did talk about, but you know I'm not an expert on utility policy or CPS or nuclear power or any of that stuff. But I am quickly gaining expertise in one area which people in this town can't pay and pay and pay forever. I mean it doesn't take too many calls at midnight from people who can't figure out where the next utility bill is going to come from to figure out there is a real problem out there. Like Richard alluded to this morning, he deals with people all the time who don't know where the money is going to come from. The problem then becomes how you get CPS to respond to that problem. Well, I think they're people of good faith. They're doing the best they can but the CPS final analysis is a monopoly. We hear all the virtues about free enterprise and competition and in a competitive situation you have two utilities vying for customers or two anything vying for customers.

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So, they'll be more innovative. They'd be more imaginative. They'd figure out ways to do things that their competition was forcing them to do and eventually you have some situation where you knew they were doing everything within their power to cut back on cost if they had a way to pass it through because if they did pass it through, their competition would beat them. City Public Service is not under that situation. They're a monopoly. They pass things through, I mean, I hear people all the time coming at me. I don't know whether they are good ideas or not but they say you ought to have the meter reader riding on buses instead of riding on cars. You'd save all that on cars. You ought to have this to be done. You ought to cut here, this, that. Some of the people's idea, the people sound like they know what they're talking about at CPS. That's not our prerogative to get into their management practices. So, the best we can hope to do, it seems to me, is to impose limits on them and say okay, now you live within that and then we'll see how imaginative and we'll see how innovative and we'll see how much they cut back and everything else. The problem is however, that we're not even talking here about energy policy or CPS or rate. What we're talking about is a tax for the City and so we might as well...

DR. NIELSEN: Because it's real.

DR. CISNEROS: The point is it's ridiculous for us to be couching this as a discussion about CPS because what it really is is the substitute for the property tax. It goes along with the utility bill and that's what we're talking about this afternoon. You know, the CPS, the question of the nuclear project, you know, is moot, when what you really mean is a 6.6 in order to get our 14 per cent on that.

DR. NIELSEN: Madam Mayor, there are two places in terms of relationships that any utility is under the present indenture statement in the rate and bond issue. There is still the point of leverage if you want to call it, and consideration, trade-off, whatever, at the point of bonds. It just so happens that a particular rate as they are structured legally in the indenture do directly affect the City budget, just the way it is. That isn't going to change, regardless of what we do about adjusting rates up or down, that's not going to change.

REVEREND BLACK: May I ask a question?

MAYOR COCKRELL: Yes, Reverend Black.

REVEREND BLACK: How much time are we talking about in terms of due process that involves the matter of examination of another rate and what economic impact will that time span have upon the budget? That question seems to me to be relevant question in terms of the...

MAYOR COCKRELL: In terms of the new rate structure?

REVEREND BLACK: In terms of examining the possibility of another rate structure which gives us the opportunity to carry out what was the intent of the effort this morning and that was to examine, at least to take another look at the, at the South Texas Project and at the same time if we can separate the two, bring about a division of the two in terms of what you're talking about in operation and capital and how much time are we dealing with, and how will it impact the budget.

MAYOR COCKRELL: All right, well at the very least dealing with some months kind of work, we have to start from scratch developing a new, well, first of all we will have to take up the South Texas Nuclear and just make a decision one way or another on that. If it were, well

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either way, then they would have to be a new rate structure based on that assumption and then, of course, then the matter, the whole matter of the relationship of the Public Utility Commission comes into play. The City whether it was under it or not would still have the primary responsibility as I understand it. Mr. City Attorney...

REVEREND BLACK: If this is true, of what I'm trying to say, then.....

MAYOR COCKRELL: And then we would have to have rate hearings under the Public Utility Commission.

REVEREND BLACK: Then I would like to go on record that the Council had no options today. That the Council had no options and they did not know they had no options until this time and that's the only way I will accept the motion because we didn't. The question is moot, in terms of these other issues, then we have no options today.

DR. NIELSEN: Statement inaudible.

REVEREND BLACK: Six point six is related to the South Texas Project.

DR. NIELSEN: Most of that goes to O & M, still not all.

MAYOR COCKRELL: Let me make this comment to all of you. First of all, if we were to initiate discussion that would lead ultimately to some change of position on the South Texas Nuclear Project, we couldn't just immediately stop payment. We've got to continue to pay the bill. It can be sold at some time, our interest can be sold, but it doesn't happen just over night. It would take time and in the meantime, we've got to continue to pay our part until our interests could be sold or disposed of in some way so that all has to, you know....

CITY ATTORNEY PARKER: There's a provision in that South Texas Project thing that says that any payment by any of the participating people that is not paid that the managing, they don't call it partner, but the managing entity, down there can go borrow funds. Now, I question the validity of that of being able to borrow funds and then assess them back against us, but that as it may, that provision is in there. Under the terms of it, if we are going to dispose of it, then we have a, the other participant that were first, option to purchase it, and then we would have an option to sell it. But I think you are correct that our immediate obligation is to pay whatever the continuing costs of that thing until such time as we dispose of it. ~~the problem~~ still exists if we have a valid contract with them.

MR. HARTMAN: If we expand...

CITY ATTORNEY PARKER: Well, that thing, it's possible that the contract could be subject to a court challenge but there you get into the question of whether you had a voidable contract or void contract to start with. To that degree, it would be hard to really come up with an estimate right now whether the court would ever hold. If you could get it to a stage where you can say it's a voidable contract....

MAYOR COCKRELL: And if we get out of the South Texas Project, then don't we have to start paying for a new coal plant?

CITY MANAGER GRANATA: That's correct.

MAYOR COCKRELL: Again down the line. So we would...

DR. NIELSEN: Some positive plans that will cost some kind of money like somebody said this morning, unless we decide to have no more capacity growth and that's another issue.

CITY MANAGER GRANATA: And the environmental thing is getting tougher and tougher with coal, and it's harder to handle.

REVEREND BLACK: I don't think, Madam Mayor, that it was a matter of whether or not you weren't going to have some kind of generation. It was not, the great matter was whether or not you could stand, this economy could stand the continued demand for increase, expressed in what was anticipated by the South Texas Project. Now we are to review that South Texas Project with that in mind. And then, of course, take a look at what our demands were, what were the energy demands and relate that to an economic demand that could relate to our community. That was my intent and that was my concern. I think we could come up with a more realistic rate increase based upon that kind of economics rather than the economics we're working on now.

MAYOR COCKRELL: Well, let me just say this. We've either got to reconsider now, tonight, or we adjourn and go home. So, it's not my decision. I didn't vote with the prevailing side. You all, we are up against it and we discussed its side.

MR. PYNDUS: Can I pose a question, Mayor?

MAYOR COCKRELL: Yes, sir.

MR. PYNDUS: Would anybody be interested in taking the alternate that I had offered previously? That was a 3 per cent increase granted assuming that we could get \$18 million out of the package they said they wanted \$19, and having the two million....

MAYOR COCKRELL: And then you're cutting \$6 million into the City budget.

MR. PYNDUS: It's better than \$11 million.

CITY MANAGER GRANATA: It's still tough.

MAYOR COCKRELL: I know.

MR. PYNDUS: You're gaining three percent increase.

CITY ATTORNEY PARKER: One problem, the problem is we're making a dividend writing and all of those figures are going to have to be revised.

CITY MANAGER GRANATA: We're making progress but well.

MR. PYNDUS: Well, wait a minute. If I have the consensus of the Council on that motion, I'll put it in motion so that we can carry through on the action Monday, if I have the consensus.

CITY ATTORNEY PARKER: I'm just saying that it has to be in writing and I don't know how much time it will take me to reduce that back in these figures. Now, that's all I'm saying.

DR. CISNEROS: In other words, you are saying if you could get the consensus of the Council you would go ahead and do....

MR. PYNDUS: If they will accept that as a motion...

CITY MANAGER GRANATA: The concept or the 3?

MR. PYNDUS: Say it again.

CITY MANAGER GRANATA: The concept or the 3?

DR. CISNEROS: So, we should just develop a concept and move to reconsider you would have a few days to put an ordinance together for Monday.

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CITY MANAGER GRANATA: Okay, that's fine.

MR. PYNDUS: When you say concept, Henry, what do you mean?

DR. CISNEROS: Well, if you could get consensus from the Council...inaudible.

MAYOR COCKRELL: What he is saying he would move for reconsideration with a final adoption of the ordinance set for maybe Tuesday or something.

CITY MANAGER GRANATA: It must be Monday.

MAYOR COCKRELL: Okay, it must be Monday.

MR. PYNDUS: Yes, with the clear understand that this Council will not allow more than a 3 per cent rate increase.

MAYOR COCKRELL: Well, we would have to have another whole set of figures to what the impact of that was. (ALL TALKING) Excuse, let me ask Mr. Granata. Do we have any way of estimating what the financial impact of that would be?

CITY ATTORNEY PARKER: Statement inaudible.

MR. IVY: We are forgetting the cash flow profit of CPS.

CITY MANAGER GRANATA: That's right.

MR. PYNDUS: Do you remember it from last week, Tom?

MR. IVY: Phil, last week the CPS said and said twice, Jack said twice in the committee meeting, that he didn't mean anything disrespectful but if the rate was turned down that he would have to go forward to the Public Utility Commission to request relief. You know, rate law has two parts. It has protection of the rate payers and it has protection of the fiscal integrity of the system. He feels strongly and O'Brien and Gere agrees that this is the necessary thing to move forward on that.

CITY MANAGER GRANATA: Again, Mayor, we would urge if you would just reconsider and have a meeting Monday and set a limit to us on just what we have asked for and no more for this fiscal year and keep us at that limit from here on out so that Managers, be it I or someone else, will know that we get no more. That's it. But we are in trouble for this current fiscal year and I am sorry that you didn't have the option. We made the budget and we thought we advised you that it did include the fact that we were going to get a 6.6 per cent increase from CPS. If you missed it, fine.

DR. CISNEROS: Mayor, can I ask a question?

MAYOR COCKRELL: Yes, Dr. Cisneros.

CITY MANAGER GRANATA: We anticipated it so I mean and just limit us to the \$37.255 million for this year and anything in excess we rebate it to everybody. The ICL and OCL people and there would be no pass through for the City of San Antonio.

MAYOR COCKRELL: Well, that's just, I mean, that's just putting in all in the rate.

CITY MANAGER GRANATA: That's putting it all in the rate. That's based at \$1.75. That's correct. Fourteen percent of the base rate.

MAYOR COCKRELL: Right. Dr. Cisneros.

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DR. CISNEROS: I want to ask some really simple questions here about the schedule if I can. If we don't do it by the first of September, they have to go before the Public Utility Commission. What is the earliest time they could go?

MAYOR COCKRELL: Now, in going, what they would do before the Public Utility Commission, they would go on and appeal from our declining to set it. All right, we have no idea. They have a large backlog of cases up there.

CITY MANAGER GRANATA: Six months to a year.

MR. IVY: As he reported to the committee, he thought it would be eight to ten months before they would hear the appeal, which means they just have to ask for a rate increase high enough to take care of what they have lost.

CITY ATTORNEY PARKER: They can't ask for...inaudible.

MR. IVY: No, no, I'm just saying that they ask for a rate increase because under return of investment rule that the people want to follow up there they could ask for a larger rate increase which would have that effect, Jim.

CITY ATTORNEY PARKER: They might get it but they...inaudible.

MR. IVY: No, they can't ask for back pay.

CITY MANAGER GRANATA: Tom, would this rate increase, if it is accepted, would it apply to incorporated cities now, when it might not apply after the 1st of September?

MR. IVY: I think they would all want to hear it after that because they might be concerned about the thing.

REVEREND BLACK: Mayor, I would like to offer a motion because it seems to me that under any circumstances the way it looks now at least we reconsider it and wait until Monday to act on it.

MAYOR COCKRELL: So, your motion is for reconsideration.

CITY MANAGER GRANATA: And set a special Council meeting for Monday.

REVEREND BLACK: For reconsideration.

MAYOR COCKRELL: And then have a special meeting on Monday.

CITY MANAGER GRANATA: On the one item.

MAYOR COCKRELL: Is there a second to that motion?

MR. PYNDUS: Could we move...

MAYOR COCKRELL: It could be seconded by anyone, not necessarily making the...

DR. NIELSEN: I second it.

MR. PYNDUS: Question. Can we do it Tuesday, rather than Monday?

MAYOR COCKRELL: No, because of the time lag.

CITY MANAGER GRANATA: September 1 is Tuesday and we've got to do before September 1st.

MR. PYNDUS: What time?

CITY ATTORNEY PARKER: It would take six votes, then Monday to make it effective on that date.

CITY MANAGER GRANATA: With an emergency clause in the ordinance.

MAYOR COCKRELL: Okay, those in favor say aye. Any opposed no. We'd better call for a roll call.

DR. NIELSEN: Yes.

MAYOR COCKRELL: Yes.

MR. PYNDUS: Yes.

MR. BILLA: Yes.

DR. CISNEROS: Yes.

REVEREND BLACK: Yes.

MR. HARTMAN: No.

MR. ROHDE: Absent

MR. TENIENTE: No.

MAYOR COCKRELL: All right, it has been moved for reconsideration and the matter will be continued. In fact, what we can do is simply recess today's meeting until Monday. Could we not?

CITY ATTORNEY PARKER: You need to now vote..you voted to reconsider. Now, you need to rescind your vote to rescind your vote of this morning.

MAYOR COCKRELL: Oh, I see. Do we have to take that step today? If we have moved to reconsider, can't we just postpone that motion until Monday?

CITY ATTORNEY PARKER: You've moved to reconsider but I think, you've reconsidered, my understanding of the parliamentary procedure, you have to vote to rescind that action so that you still have it pending.

MAYOR COCKRELL: Okay.

CITY MANAGER GRANATA: That's what you did last Thursday.

DR. CISNEROS: But if you move to recess, as you just suggested, can't we...it's just a continuation of the meeting.

MAYOR COCKRELL: I would think that under, if we recess at this point and we do not adjourn the meeting....

DR. NIELSEN: Does somebody have Robert's Rules of Order around here?

CITY ATTORNEY PARKER: I don't have my copy but from a legal standpoint I would prefer you'd be in a special meeting to....

CITY MANAGER GRANATA: Just post a special meeting.

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MR. BILLA: I don't see any problem if we're going to vote to reconsider. We've rescinded another ordinance just the other day and I think it would give you a fresh start.

CITY MANAGER GRANATA: It was the same ordinance last Thursday.

REVEREND BLACK: I don't want to rescind.

MR. PYNDUS: I don't either. I feel that the urgency, excuse me, Mayor.

MAYOR COCKRELL: Can we get a Robert's Rules of Order? If we want to do it at all, we don't want to get tripped up on a legal technicality.

CITY MANAGER GRANATA: All right, while you're doing that would you like to continue, recess the "A" Session and go with Mr. Stevens. He has been with us all day. Ron Darner please.

MAYOR COCKRELL: I'm going to leave for a few minutes and then I'll be back.

(At this point the "A" Session recessed and went into "B" Session. The meeting reconvened and continued.)

MAYOR COCKRELL: We are now back in "A" Session. Would you advise that we reset this meeting until Monday?

CITY ATTORNEY PARKER: I would advise you to have a motion to reconsider the question on Monday and have a new meeting on Monday. Because of the Open Meeting Law, I have questions about the validity of postponing or recessing a meeting from this date to some other day.

MAYOR COCKRELL: We now entertain a motion to continue the reconsideration or to reconsider this item on Monday.

MR. HARTMAN: With the understanding that in no way rescinds the action that was taken thus far.

DR. NIELSEN: I think, in fact, we have.

MAYOR COCKRELL: It has to some extent. It has opened the subject for reconsideration.

MR. BILLA: It wasn't an affirmative vote, like it or not.

MR. PYNDUS: What Glen is trying to say doesn't reverse this.

CITY ATTORNEY PARKER: If you don't vote on this it is moot also.

MAYOR COCKRELL: In other words, in order to pass a rate increase, it would require some affirmative action by the Council. As it stands now, no affirmative action has been taken so we would reconsider on Monday if that is agreeable.

CITY ATTORNEY PARKER: You will have to have a motion now.

MAYOR COCKRELL: May we have a motion.

DR. NIELSEN: I move that we have a special Council meeting on Monday.

DR. CISNEROS: I second the motion.

MAYOR COCKRELL: We have a motion and a second that we have a special meeting on Monday. Do we have a time?

CITY MANAGER GRANATA: 8:30?

MAYOR COCKRELL: All right, at 8:30 Monday morning. Is that okay? We have a motion to have a special session on Monday morning at 8:30 A. M. for the purpose of reconsideration of the matter of the requested rate increase.

MR. TENIENTE: For the purpose stated in that meeting, I will, unless some drastic revision is presented between now and then, that would allow me to support this, I am just saying now that I cannot and would not support the rate increase as has been presented this morning. I just want this to be a matter of record so that at that time those who want to be labeled as a person who is causing the bankruptcy of our fair City or CPS or whatever, but I think that the City Manager, CPS is they really want to give a vote for some sort of a minimal rate increase that they bring some sort of information that I could support. And that's it.

MAYOR COCKRELL: Do we all want to make statements then? Mr. Hartman.

MR. HARTMAN: Well, I just want to state, Madam Mayor, that I am somewhat concerned that this Council is put in the rather ridiculous position of voting and taking an action. We go through the motions of assuming we have a decision making power and then we find out later that we really didn't. This is the third time now that this has happened where we suddenly are advised late in the day by management that there are certain other factors. Madam Mayor, I think that perhaps we could just have one meeting a year at which time we vote the budget and everything evolves from that.

(ALL TALKING AT ONCE.)

MR. HARTMAN: If this 6.6 per cent rate increase was tied into budget then I think we could have an annual meeting and dispense with all this falderal.

MR. PYNDUS: In preparation of Monday's meeting I would like to direct the Manager to look into a 3 per cent increase as I requested with CPS taking \$2 million out of their budget and the City taking \$6 million out of their budget to make up an \$18 million operating fund. Three per cent gives, as I understand, 6 per cent gave about \$19 million, so I want to cut that 6 per cent to 3 per cent assuming that it would give about \$8 or (million.

MAYOR COCKRELL: All right, I'll ask the City Manager for that information.

MR. PYNDUS: I'd like for him to crank in the figures to see how that ratio would work.

MR. BILLA: If everybody wants a lot of alternatives, I think we have the option of either granting the rate increase or not granting it. This Council chose not to do it and I'm inclined to just go ahead and sit on that and see what happens.

REVEREND BLACK: Madam Mayor, my position with reference to the rate increase remains the same. I am simply dealing with the problem of the budget of this City. Therefore, I would ask the Manager to

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bring in the options related to the budget because no matter what we cut on the rate increase, it still has a negative effect upon the City's budget. So, we are really not voting on the rate increase. What we will be reconsidering on Monday is the budget of this City. I think that has to be understood and, therefore, the options that we are looking for are not necessarily options for increasing the rate of the utility but options for dealing with the deficits of the budget.

MAYOR COCKRELL: Any other requests or comments or statements? Call the roll.

On roll call, the motion by Dr. Nielsen, seconded by Dr. Cisneros, calling for a special Council meeting on Monday, carried by the following vote: AYES: Pyndus, Cisneros, Black, Hartman, Teniente, Nielsen, Cockrell; NAYS: Billa; ABSENT: Rohde.

MAYOR COCKRELL: All right, one is opposed to reconsideration on Monday.

MR. BILLA: And I won't be there.

MAYOR COCKRELL: You won't be there?

MR. BILLA: That's right.

MAYOR COCKRELL: That's really helpful. Okay, the meeting is adjourned.

The Clerk read a proposed ordinance regulating the extension policies, rules and regulations for electric and gas service through the systems operated by the City Public Service Board.

Mayor Cockrell said that the proposed changes in rules and regulations had been fully explained Council members. She then opened the meeting to comments from citizens attending the meeting.

A number of persons spoke in opposition to the proposed ordinance. They were:

Mr. Connie Truss
 Mr. John Schaeffer
 Mr. Mike Morrow
 Mr. Bill Elder
 Mr. Tom Martin
 Mr. Phillip Segura
 Mr. Ed Harrington

Opponents to the proposed ordinance said that the Council had not followed normal procedure in inviting outside organizations to participate in discussion of the policies. There had been no public hearing, it has not been before the City Planning Commission or even the City Public Service Board. The homebuilders said that it was only ten days ago that they learned that any changes are being requested.

The principal objection raised was the fair and equal treatment of all homebuilders. It was claimed that this is another attempt to divert City growth away from the north.

Speaking in favor of the ordinance were Mr. Ramon Castillo and Rev. S. Clifton Byrd.

Mr. Jose Olivares submitted a proposed ordinance to reimburse all damages recovered from Lo-Vaca Gathering Company directly to rate-payers of San Antonio. (A copy of the proposed ordinance is included with the papers of this meeting.)

After consideration, Mr. Pyndus moved that the matter of extension policy be referred back to the City Public Service Board for review and that it come back to the Council through the Planning Commission. The motion was seconded by Dr. Nielsen.

Mr. Teniente offered a substitute motion that the ordinance be disapproved. The motion was seconded by Mr. Billa and on the following roll call vote, failed to carry: AYES: Billa, Teniente; NAYS: Pyndus, Cisneros, Black, Hartman, Rohde, Nielsen, Cockrell; ABSENT: None.

On roll call, the original motion by Mr. Pyndus carried by the following vote: AYES: Pyndus, Billa, Cisneros, Black, Hartman, Rohde, Teniente, Nielsen, Cockrell; NAYS: None; ABSENT: None.

76-39 The meeting recessed for lunch at 12:20 P. M. and reconvened at 1:35 P. M.

76-39

CITIZENS TO BE HEARDMR. A. C. SUTTON

Mr. A. C. Sutton, President of the Senior Citizens Council of Bexar County, presented a written request for certain improvements to be made for the benefit of Senior Citizens. His requests were:

1. That slopes be provided at downtown street corners so that older persons will not be forced to step up.

2. Greater police security in areas where senior citizens gather.
3. A police liaison officer be assigned to work with senior citizens.
4. Installation of traffic lights at the intersection of Rigsby and Walters.

(A copy of his written request is included with the papers of this meeting).

Mr. Sutton's requests were referred to the staff for consideration.

EAST TERRACE HOMES

Rev. Clinton Powell, 2315 Del Rio Walk, spoke to the Council representing the residents of East Terrace Homes. He said the area has become the hangout for drug addicts both day and night. Residents can't leave home for fear of their homes being burglarized. He said that he has written to the Council members about the problem but nothing has been done. He said that police protection is needed very badly.

Rev. Black verified Rev. Powell's comments and appealed to the Council to take some action.

After discussion, Mayor Cockrell asked that the Police Chief furnish the Council with periodic reports on this matter.

IMAGE OF SAN ANTONIO

Mr. Tom Aznar, Executive Director of IMAGE of San Antonio, provided each Councilman with a packet of material which he said would refute the allegations made two weeks ago which resulted in funds being withdrawn from IMAGE. He claimed that the action taken against IMAGE is purely political and asked that the Council reconsider its withdrawal of funding.

Council members discussed the events leading up to the action against IMAGE and then asked Mr. John Rinehart, Operations Manager for Fiscal Planning and Control, to speak on the subject.

Mr. Rinehart reviewed the history of funding of IMAGE from its beginning. He said that for the last three years staff has been recommending the withdrawal of funds from IMAGE and then related his reasons. Since Council's action two weeks ago, Mr. Rinehart has offered to attempt to place employees of IMAGE on the City payroll but has had no response to his communications.

Mr. Henry Villarreal, a member of the IMAGE Board of Directors, also spoke requesting that Council reconsider.

No action was taken.

HELEN DUTMER

Mrs. Helen Dutmer expressed shock and dismay at the Council's action in rejecting a rate increase for the City Public Service Board. She urged the Council to reconsider and take a look at what it is doing to the City of San Antonio.

P. F. SEMMELSBERGER

Mr. P. F. Semmelsberger again appealed to the City Council to give aid to the Hillside Acres Subdivision to provide water. This was his 13th appearance before the Council.

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Mr. Mel Sueltenfuss, Director of Public Works, said that he had again reviewed the situation with Mr. Semmelsberger and the problem simply boils down to the fact that the area residents do not have the money to pay for the main extensions.

Mayor Cockrell said that Council could not make an exception to the main extension policy of the City Water Board as this would cause complications in other areas.

Mr. Semmelsberger asked that the City consider the use of Revenue Sharing funds to install water mains.

Mr. Sueltenfuss said that he would work with Mr. Semmelsberger to determine what funds might be used such as Revenue Sharing. He said that it might be considered a hardship case by the City Water Board.

Mr. Billa said that he will follow up on this matter for the Council.

Mr. Rafael E. Tejada, a resident of Hillside Acres, also spoke in support of Mr. Semmelsberger.

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76-39 The following Ordinance was read by the Clerk and explained by Mr. Don Thomas, Manager of Information Services for City Public Service Board, and after consideration, on motion of Mr. Pyndus, seconded by Mr. Hartman, was passed and approved by the following vote: AYES: Pyndus, Billa, Cisneros, Black, Hartman, Teniente, Cockrell; NAYS: None; ABSENT: Rohde, Nielsen.

AN ORDINANCE 47,093

APPROVING AND SETTING THE ADJUSTMENTS TO CHARGES FOR ELECTRIC AND GAS SERVICE PURSUANT TO ORDINANCE 43862, AS AMENDED, FOR THE SEPTEMBER, 1976 BILLING CYCLE AND DECLARING AN EMERGENCY.

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76-39 The Clerk read the following Resolution:

A RESOLUTION
NO. 76-39-64

AUTHORIZING EXECUTION OF AN APPLICATION TO THE FEDERAL AVIATION ADMINISTRATION FOR AN AIRPORT MASTER PLANNING GRANT.

* * * *

The Resolution was explained by Mr. Tom Raffety, Director of Aviation, who said that this grant is for \$1,875,000 and will be devoted to the acquisition of land along North Loop Road adjacent to the airport. It is proposed that the City's share of acquisition funds be made through the issuance of airport revenue bonds.

After consideration, on motion of Mr. Pyndus, seconded by Mr. Teniente, the Resolution was passed and approved by the following vote: AYES: Pyndus, Cisneros, Black, Hartman, Teniente, Cockrell; NAYS: None; ABSENT: Billa, Rohde, Nielsen.

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76-39 The following Ordinance was read by the Clerk and explained by Mr. Tom Raffety, Director of Aviation, and after consideration, on motion of Mr. Pyndus, seconded by Mr. Teniente, was passed and approved by the following vote: AYES: Pyndus, Cisneros, Black, Hartman, Teniente, Cockrell; NAYS: None; ABSENT: Billa, Rohde, Nielsen.

AN ORDINANCE 47,093A

MANIFESTING THE EXTENSION OF THAT CERTAIN
LEASE AGREEMENT FOR SPACE AT STINSON
MUNICIPAL AIRPORT BETWEEN THE CITY AND
TILMAN R. THOMAS, JR. FOR A ONE YEAR PERIOD.

* * * *

76-39 The following Ordinance was read by the Clerk and explained by Mr. Tom Raffety, Director of Aviation, and after consideration, on motion of Mr. Pyndus, seconded by Mr. Teniente, was passed and approved by the following vote: AYES: Pyndus, Cisneros, Black, Hartman, Rohde, Teniente, Cockrell; NAYS: None; ABSENT: Billa, Nielsen.

AN ORDINANCE 47,094

AUTHORIZING THE CITY MANAGER TO EXECUTE A
LEASE AGREEMENT WITH BURLINGTON NORTHERN
AIR FREIGHT, INC. FOR THE LEASE OF SPACE
AT INTERNATIONAL AIRPORT.

* * * *

76-39 Mayor Cockrell was obliged to leave the meeting and Mr. Teniente presided as acting Mayor.

76-39 The following Ordinances were read by the Clerk and explained by Members of the Administrative Staff, and after consideration, on motion made and duly seconded, were reach passed and approved by the following vote: AYES: Pyndus, Cisneros, Black, Hartman, Rohde, Teniente; NAYS: None; ABSENT: Billa, Nielsen, Cockrell.

AN ORDINANCE 47,095

AUTHORIZING EXECUTION OF A LEASE OF SPACE
IN THE AIR CARGO BUILDING TO LUCIANO S.
SOTO D/B/A SOTO'S AIR FREIGHT FORWARDING
AND CUSTOMS BROKER.

* * * *

AN ORDINANCE 47,096

AUTHORIZING THE CITY MANAGER TO SUBMIT A
GRANT PROPOSAL TO THE GOVERNOR'S COMMITTEE
ON AGING FOR AWARD OF \$179,098.00 AVAILABLE
IN FEDERAL TRANSITIONAL QUARTER FUNDS FOR
THE METRO SAN ANTONIO COMPREHENSIVE NUTRITION
PROGRAM FOR THE ELDERLY.

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76-39 The following Ordinance was read by the Clerk and explained by Mr. Ron Darner, Director of Parks and Recreation, and after consideration, on motion of Mr. Billa, seconded by Mr. Hartman, was passed and approved by the following vote: AYES: Pyndus, Billa, Cisneros, Black, Hartman, Rohde, Teniente; NAYS: None; ABSENT: Nielsen, Cockrell.

AN ORDINANCE 47,097

ACCEPTING THE LOW QUALIFIED BID OF CHARLES
C. MADDEN COMPANY IN THE SUM OF \$271,608.00
FOR CONSTRUCTION OF SAN ANTONIO BOTANICAL
GARDENS-MAHNKE PARK, PHASE I; AUTHORIZING
EXECUTION OF THE STANDARD PUBLIC WORKS CON-
STRUCTION CONTRACT FOR SAID WORK; AND

APPROPRIATING AND AUTHORIZING PAYMENT OF SAID SUM PURSUANT TO THE CONTRACT, \$13,500.00 FOR CONTINGENT CONSTRUCTION EXPENSES, \$3,484.00 FOR ARCHITECTURAL CONTINGENCIES AND \$6,994.00 TO JAMES E. KEETER & GEORGE C. COOK FOR ADDITIONAL ARCHITECTURAL FEES.

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76-39 Mayor Pro-Tem Nielsen returned to the meeting and presided.

76-39 The following Ordinances were read by the Clerk and explained by Members of the Administrative Staff, and after consideration, on motion made and duly seconded, were each passed and approved by the following vote: AYES: Pyndus, Billa, Cisneros, Black, Hartman, Rohde, Teniente, Nielsen; NAYS: None; ABSENT: Cockrell.

AN ORDINANCE 47,098

AUTHORIZING AN APPLICATION TO THE TEXAS PARKS AND WILDLIFE DEPARTMENT FOR A BUREAU OF OUTDOOR RECREATION GRANT TO ASSIST IN ACQUISITION AND DEVELOPMENT OF LAND FOR PARK USE; AND CERTIFYING THAT THE CITY IS ELIGIBLE FOR SUCH ASSISTANCE.

* * * *

AN ORDINANCE 47,099

ACCEPTING THE LOW QUALIFIED BID OF R. W. JONES AND SONS, INC., FOR SITE DEVELOPMENT OF THE SAN FERNANDO GYMNASIUM PROJECT AND AUTHORIZING THE CITY MANAGER TO EXECUTE A STANDARD CITY PUBLIC WORKS CONSTRUCTION CONTRACT COVERING SAID WORK.

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AN ORDINANCE 47,100

AUTHORIZING EXECUTION OF AN AGREEMENT WITH BEXAR COUNTY TO PROVIDE FOR THE DISSOLUTION OF THE CITY-COUNTY TUBERCULOSIS CONTROL BOARD.

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AN ORDINANCE 47,101

AUTHORIZING EXECUTION OF A LEASE OF SPACE IN THE CALVERT BUILDING FROM THE WISCONSIN REAL ESTATE INVESTMENT TRUST FOR THE BOARD OF EQUALIZATION AND ITS STAFF.

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AN ORDINANCE 47,102

AUTHORIZING THE CITY MANAGER TO EXECUTE A MUNICIPAL CONSTRUCTION AND MAINTENANCE AGREEMENT WITH THE STATE DEPARTMENT OF HIGHWAYS AND PUBLIC TRANSPORTATION FOR THE CONSTRUCTION OF PLEASANTON ROAD AS PART OF THE FEDERAL AID URBAN SYSTEMS PROGRAM.

* * * *

AN ORDINANCE 47,103

ACCEPTING THE PROVISIONS OF THE STATE DEPARTMENT OF HIGHWAYS AND PUBLIC TRANSPORTATION'S MINUTE ORDER NO. 71551, CONCERNING RECONSTRUCTION OF O'CONNOR ROAD FROM I. H. 35 TO STAHL ROAD.

* * * *

AN ORDINANCE 47,104

AMENDING CHAPTER 38 (TRAFFIC REGULATIONS) OF THE CITY CODE: SETTING FORTH LOCATIONS AT WHICH ELECTRIC TRAFFIC CONTROL SIGNALS ARE IN FULL SIGNAL OPERATION: DESIGNATING ONE-WAY STREETS: DESIGNATING STOP SIGN LOCATIONS: DESIGNATING YIELD RIGHT-OF-WAY SIGN LOCATIONS: 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 LEFT TURNS DURING CERTAIN HOURS AT CERTAIN INTERSECTIONS: PROHIBITING RIGHT TURN ON RED LIGHT: AND PROVIDING THAT VIOLATION HEREOF BE PUNISHABLE BY A FINE OF NOT LESS THAN \$1.00 NOR MORE THAN \$200.00.

* * * *

76-39 Mayor Cockrell returned to the meeting and presided.

76-39 The Clerk read the following Ordinance:

AN ORDINANCE 47,105

APPROVING THE ALAMO MANPOWER CONSORTIUM'S 1976/77 CETA MANPOWER PLAN AND BUDGET AND AUTHORIZING THE CITY MANAGER TO SUBMIT THE PLAN AND BUDGET TO THE U. S. DEPARTMENT OF LABOR FOR APPROVAL, ESTABLISHING A FUND AND ACCOUNTS FOR THE 1976/77 PROGRAM, AUTHORIZING AGREEMENTS WITH THIRD PARTY AGENCIES, AUTHORIZING A NON-FINANCIAL AGREEMENT WITH THE TEXAS STATE BOARD OF EDUCATION FOR OPERATING VOCATIONAL SKILLS TRAINING BY CONSORTIUM AGENCIES, APPROVING A PERSONNEL COMPLEMENT FOR THE CITY MANPOWER PROGRAM OFFICE, REAPPOINTING CITY REPRESENTATIVES AND OTHERS ON THE ALAMO MANPOWER PLANNING COUNCIL AND AUTHORIZING THE CITY MANAGER TO ACCEPT THE GRANT FOR THIS PROGRAM.

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The City Council then continued a discussion with Mr. Sam Dominguez, Director of the Manpower Program Office, which was begun in "B" Session earlier in the day. Various aspects of the Manpower Training Program were discussed and the various increments in the program.

Mr. Bob Williams gave a report on subjects they are dealing with to determine the long range planning goals of the Manpower Training Program.

The following persons appeared to speak in favor of their programs participating in the Manpower Training Program:

Mr. Dic McGoon, Durham College.
Mr. Edward C. Jones, Contractors Assistance Center.
Mr. Bob Lee, Goodwill Industries.

After discussion, Dr. Cisneros moved to accept the staff's recommendation provided that SANYO be given an additional funding of \$100,000 for the Halfway House Program and the Veterans Outreach Program be given an additional \$30,000. The motion died for lack of a second.

Mr. Rohde moved to amend the budget by granting \$150,000 to Goodwill Industries and that those funds be taken out of the three CETA Centers. The motion was seconded by Mr. Billa and failed on the following roll call vote: AYES: Billa, Rohde; NAYS: Cisneros, Black, Teniente, Nielsen, Cockrell; ABSTAIN: Pyndus, Hartman; ABSENT: None.

After further discussion, Mr. Pyndus moved that the ordinance be adopted. The motion was seconded by Reverend Black. Dr. Cisneros offered a motion to accept the staff's recommendation with the proviso that if bonus money is received that \$100,000 be allocated to SANYO In School Project, \$30,000 to Veterans Outreach Program, \$50,000 to Detour II, \$50,000 to Goodwill Industries. Dr. Nielsen seconded the motion, and on the following roll call vote, the amendment carried: AYES: Pyndus, Billa, Cisneros, Black, Hartman, Rohde, Teniente, Nielsen, Cockrell; NAYS: None; ABSENT: None.

Mr. Pyndus then moved to adopt the ordinance with the provisos set out by Dr. Cisneros. The motion was seconded by Reverend Black and on roll call, the motion, carrying with it the passage of the ordinance, prevailed by the following vote: AYES: Pyndus, Billa, Cisneros, Black, Hartman, Rohde, Teniente, Nielsen, Cockrell; NAYS: None; ABSENT: None.

The Council concurred that if surplus funds became available the recommendation to staff is to look into participation by the San Antonio Trade School and Durham College.

Mayor Cockrell also asked for a report from the Manpower Council on funding for Goodwill Industries.

76-39 The following Ordinance was read by the Clerk and explained by Mr. W. S. Clark, Director of R.O.W. and Land Acquisition, and after consideration, on motion of Mr. Pyndus, seconded by Mr. Billa, was passed and approved by the following vote: AYES: Pyndus, Billa, Cisneros, Black, Hartman, Rohde, Cockrell; NAYS: None; ABSENT: Nielsen, Teniente.

AN ORDINANCE 47,106

APPROPRIATING FROM CERTAIN FUNDS AMOUNTS IN
THE TOTAL SUM OF \$2,572.00 IN PAYMENT FOR
EXPENSES INCURRED IN CONNECTION WITH MAYBERRY

DRAINAGE PROJECT #58-D, WEIR AVENUE DRAINAGE #39-G, HILDEBRAND DRAINAGE #37, MARTIN LUTHER KING STREET IMPROVEMENT (NEBRASKA STREET), FRIO CITY ROAD PEDESTRIAN OVER-CROSSING (MISCELLANEOUS EASEMENTS AND DEDICATIONS), LA QUINTA NO. 4 SUBDIVISION SANITARY SEWER (MISCELLANEOUS EASEMENTS AND DEDICATIONS), CUPPLES ROAD IMPROVEMENT PROJECT, KINGSTON LIFT STATION ABANDONMENT (MISCELLANEOUS EASEMENTS AND DEDICATIONS), RANCLAND HILLS SANITARY SEWER OUTFALL (MISCELLANEOUS EASEMENTS AND DEDICATIONS) AND DaFOSTE AVENUE PARK SITE (SPECIAL PROJECT #251).

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76-39 The following Ordinances were read by the Clerk and explained by Mr. John Brooks, Director of Purchasing, and after consideration, on motion made and duly seconded, were each passed and approved by the following roll call vote: AYES: Pyndus, Billa, Cisneros, Black, Hartman, Rohde, Nielsen, Cockrell; NAYS: None; ABSENT: Teniente.

AN ORDINANCE 47,107

ACCEPTING THE LOW QUALIFIED BIDS OF ALAMO FOODS CO. AND CENTURY PAPERS, INC. TO FURNISH THE CITY OF SAN ANTONIO WITH CUSTODIAL PAPER PRODUCTS FOR A TOTAL OF \$103,443.90.

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AN ORDINANCE 47,108

ACCEPTING THE LOW QUALIFIED BID OF WHITE PLAINS ELECTRICAL SUPPLY COMPANY, INC. TO FURNISH THE CITY WITH SIGNAL CABLE FOR A TOTAL OF \$3,186.00, LESS 1% - 20 DAYS.

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AN ORDINANCE 47,109

AUTHORIZING PAYMENT TO DICTAPHONE CORPORATION FOR AN ANNUAL MAINTENANCE CONTRACT FOR DICTAPHONE EQUIPMENT LOCATED WITHIN THE POLICE COMMUNICATIONS BUREAU FOR A NET TOTAL OF \$3,026.00.

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76-39 The following Ordinances were read by the Clerk and explained by Mr. John Brooks, Director of Purchasing, and after consideration, on motion made and duly seconded, were each passed and approved by the following vote: AYES: Pyndus, Billa, Black, Teniente, Nielsen, Cockrell; NAYS: None; ABSENT: Cisneros, Hartman, Rohde.

August 26, 1976

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AN ORDINANCE 47,110

ACCEPTING THE LOW QUALIFIED BID OF GILLETTE AIR CONDITIONING TO PROVIDE MATERIALS AND LABOR TO MAINTAIN CENTRAL HEATING AND AIR CONDITIONING SYSTEMS IN BUILDINGS AT VARIOUS CITY PARKS.

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AN ORDINANCE 47,111

ACCEPTING THE LOW QUALIFIED BID OF J. R. RAMON AND SONS, INC. TO FURNISH THE CITY OF SAN ANTONIO WITH TOP SOIL FOR A NET TOTAL OF \$14,300.00

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AN ORDINANCE 47,112

ACCEPTING THE LOW QUALIFIED BID OF BENJAMIN FELD AND ASSOCIATES TO FURNISH THE CITY WITH PLASTIC BAGS FOR A NET TOTAL OF \$29,950.60.

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AN ORDINANCE 47,113

ACCEPTING THE LOW QUALIFIED BID OF ALAMO IRON WORKS TO FURNISH THE CITY OF SAN ANTONIO WITH STRUCTURAL STEEL FOR A TOTAL OF \$4,897.66 LESS 1/2 OF 1% - 10 DAYS.

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AN ORDINANCE 47,114

ACCEPTING THE LOW QUALIFIED BID OF ANDREW WILSON CO. TO FURNISH THE CITY WITH LIBRARY SHELVING FOR THE SAN ANTONIO PUBLIC LIBRARY FOR A NET TOTAL OF \$11,837.00.

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AN ORDINANCE 47,115

AUTHORIZING THE CITY PUBLIC SERVICE BOARD OF SAN ANTONIO TO INSTALL, CONSTRUCT AND MAINTAIN A 16" HIGH PRESSURE GAS PIPELINE ON A PARCEL OF LAND OF THE CITY OF SAN ANTONIO IN THE PALM HEIGHTS PARK PROJECT.

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76-39 The meeting was recessed at 4:40 P. M. to go into Executive Session and reconvene at 5:10 P. M.

August 26, 1976
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76-39 The following Resolution was read by the Clerk and after consideration, on motion of Mr. Billa, seconded by Mr. Hartman, was passed and approved by the following vote: AYES: Billa, Cisneros, Black, Hartman, Teniente, Nielsen, Cockrell; NAYS: None; ABSENT: Pyndus, Rohde.

A RESOLUTION
NO. 76-39-65

CONFIRMING APPOINTMENTS TO THE HOUSING
AUTHORITY OF THE CITY OF SAN ANTONIO.

Mrs. Lois Parkhouse is appointed for a term
expiring February 23, 1978. (Replacing Katie Ferguson)

Mr. Roberto R. Garcia is reappointed for a
term expiring February 23, 1978.

Mr. Raymond Wells is reappointed for a term
expiring February 23, 1978.

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76-39 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: Billa, Cisneros, Black, Hartman, Teniente, Nielsen, Cockrell; NAYS: None; ABSENT: Pyndus, Rohde.

AN ORDINANCE 47,116

APPOINTING MR. ALEX CARAGONNE TO THE JOINT
CITY-COUNTY OFFICE COMPLEX ADVISORY COMMITTEE
FOR AN INDEFINITE TERM.

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AN ORDINANCE 47,117

APPOINTING AND REAPPOINTING CERTAIN INDIVIDUALS
TO THE ECONOMIC OPPORTUNITIES DEVELOPMENT
CORPORATION BOARD OF DIRECTORS.

The following persons are hereby reappointed for terms ending
June 30, 1977:

1. Mrs. Karen Owsowitz
2. Mr. Max Navarro
3. Mr. Alvis Hodge
4. Rev. D. Joseph Snider
5. Mrs. Ruth Smollen
6. Mr. James Persyn

The following persons are hereby appointed for terms ending
June 30, 1977:

1. Mr. Oscar Flores to replace Mrs. Olga Holmes
2. Mr. Richard Rios, to replace Mr. Roland Castaneda

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August 26, 1976
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76-39 At this point in the meeting, the City Council again took up the matter of the CPS rate increase, which begins on page 35 of these minutes.

76-39 The Clerk read the following letter:

August 20, 1976

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

Madam and Gentlemen:

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

August 17, 1976

Petition submitted by Mr. W. J. Sauder, in behalf of Living Area Distributors, 5551 Randolph Blvd., requesting permission to construct an eight (8) foot or ten (10) foot steel fence on the property located at 5551 Randolph Blvd.

August 20, 1976

Petition submitted by Mr. Neal Pahl, of the Recovery Room, 7946 Fredericksburg Road, and signed by other merchants doing business in the area of 7900 Block of Fredericksburg Road, requesting the City of San Antonio to remove in its entirety the concrete median in this City block.

G. V. JACKSON, JR.
City Clerk

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76-39 There being no further business to come before the Council, the meeting adjourned at 6:35 P. M.

A P P R O V E D

Lila Cockrell

M A Y O R

ATTEST: *G. V. Jackson, Jr.*
C i t y C l e r k