

REGULAR MEETING OF THE CITY COUNCIL  
OF THE CITY OF SAN ANTONIO HELD IN  
THE COUNCIL CHAMBER, CITY HALL, ON  
THURSDAY, MAY 27, 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.

76-26 The invocation was given by Rabbi Doctor David Jacobson, Temple Beth El.

76-26 Members of the City Council and the audience joined in the Pledge of Allegiance to the flag of the United States.

76-26 At the request of Councilman Nielsen, approval of the minutes of May 20, 1976 was postponed one week.

76-26 RABBI DAVID JACOBSON

Dr. Cisneros paid tribute to Dr. Jacobson for his many contributions to the City of San Antonio over the years. Dr. Jacobson has announced his retirement effective June 1, 1976.

Other members of the Council also offered words of praise for him.

76-26 Councilman Cisneros read the following:

A RESOLUTION OF RESPECT  
76-26-34

WHEREAS, Ned Sweet, who died May 18, 1976 at the age of 42, possessed that rare combination of writing talent, wit and consuming interest in all sports and recreational activities, whether they be big or little time, and

WHEREAS, Ned Sweet used that combination to promote numerous activities of the City parks and recreation programs in a very positive and entertaining manner, and

WHEREAS, persons with the empathy of Ned Sweet for the "Average Persons" sports activities do not come our way very often; NOW, THEREFORE:

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

That this Council, on behalf of the Parks and Recreation Department and all the participants of City sports programs, express deep regret at the loss of Ned Sweet, our deep appreciation of his contribution to our community, and our heartfelt sympathy to his family.

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Mayor Cockrell joined Dr. Cisneros in presenting a copy of the resolution to Mrs. Linda Sweet.

May 27, 1976  
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The Clerk read the following Ordinance:

AN ORDINANCE 46,686

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

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Mr. Don Thomas made his monthly report to the Council on the electric and gas rate. He distributed copies of rate figures and a comparison of San Antonio rates and the rates in other cities. He pointed out that the expected usage in June will increase about 50% over the month of May because of the warm season.

The following conversation took place:

MAYOR LILA COCKRELL: This is Reverend S. Clifton Byrd, who is Chairman of Public Relations for the Baptist Ministers Union. Yes, sir.

REV. S. CLIFTON BYRD: Madam Mayor Cockrell and to the members of the Council. We want to make a request, but we want to preface that request. In behalf of the gas rate payers, we strongly urge this Council to deny the request for payment of pass through charges (charges above original contract price) that is being demanded from Lo-Vaca/CPS Trustee Board today until it is legally determined we, the rate payer in fact, owe for such charges. The request, Madam Mayor and Council Members is being made in part in view of:

1. This "charge above contract price" Lo-Vaca and CPS Trustees are demanding payment, even through threats of blackmail has not in fact been determined to be a valid owed debt.
2. For this Council to continue to grant payments to Lo-Vaca during the litigation of this suit the City has against Lo-Vaca is prejudicial to the outcome of the case.
3. That your own legal consultant has stated, if Lo-Vaca declare bankruptcy only, and I repeat for emphasis purpose, only the stockholders of Lo-Vaca will get hurt and not the customers or the rate payer. It should be noted that every prudent investor in stock is well aware of the calculated risk involved before investing, therefore efforts on the part of this Council or any governmental body is highly out of character when they seek ways to bail the stockholder out of situations he got himself into in the first place by unethical practices at the expense of the poor "rate payer".
4. Claims that San Antonio will be without gas if City Council does not meet the high-handed, bully demands of Lo-Vaca is not founded for example: Crystal City has done what we are asking you to do and they have gas today the same as we. The only minority member of CPS Trustee Board has already stated publicly we can get gas if these scare tactics were carried out.

Last but not least, you the Council should remember if Lo-Vaca can sell gas out of state for 70¢ and net profits of \$15.7 million dollars in three months, what is sane about them charging us \$2.00.

We again urge each Council member to think whose side is he on. The side of justice or the side of injustice. You must decide this day whom you will serve, God and the people or San Antonio or Satan the blackmailers of our society.

The Christian community will be praying for you, Madam Mayor, Council members, that you might have enough strength as the Biblical character David had when he had to face the great giant Goliath with a sling shot and one rock with God on his side. He was able to conquer

the great giant Goliath and we see today it is a matter of case of Lo-Vaca saying you're David and going back home and forget about it because you can't win. But I'm saying to you, members of this Council, if we really believe in God and put our trust in Him, and if you really believe in justice, we'll take the stand David took against the great giant - the Lo-Vaca Gathering Company who is just as wrong as two left shoes on the right foot. We're asking you straight from the heart, not to approve this request for payment of the adjustment fee that has been presented to you by City Public Service Board because we do not know whether we owe it or not according to the court. Thank you.

MAYOR COCKRELL: All right. Did the other gentleman wish to speak? Yes, sir.

MR. JOHN HALL: Madam Mayor and members of the City Council. This is my first opportunity to appear before the Council but I really want to stress what the Reverend Byrd has already stated, certainly to ask....

MAYOR COCKRELL: Excuse me. Would you mind repeating your name, sir it's for the record.

MR. HALL: John Hall, a minister of the Trinity Baptist Church, San Antonio, Texas.

MAYOR COCKRELL: Thank you.

REV. HALL: I really want to substantiate what Reverend Byrd has stated. Certainly, this is the sentiment of the Baptist Minister's Union as well as the majority of the community in which we live. We do hope that you will accept this great challenge. He has already stated the principle of the David and Goliath story and I would like for you to remember also that there was another character in the person, Moses, who went into Egypt with a rod and Aaron over the great Gods of Egypt and came out victoriously. So we certainly hope that you would take this victorious stand and in this issue.

MAYOR COCKRELL: Thank you so much. At this time, I would like to comment on the request and then invite the comments of every member of the Council who would enjoy or be willing to comment or wish to comment on this matter.

I can certainly understand the request. I can understand the feelings that motivate it and I can concur with certain parts of the request, although not all. Now, then let's stop and review the situation because there are many people here who are interested and concerned and I think certainly we want to have our citizens as fully informed on this matter as we possibly can. In the spring of 1973, that is three years ago, a lot of this really began to unfold. At that time, the Lo-Vaca Gathering Company began curtailing the delivery of gas to the San Antonio area. At that time, the City Council and the City Public Service Board began pressing for the delivery of that gas and we began entering into hearings at the Texas Railroad Commission who has the authority.

At that time, in May and June and July, these hearings continued. Investigations continued into the amount of gas that Lo-Vaca had available to meet its contracts. It became apparent that Lo-Vaca had oversold its deliverability of gas to its customers. Now that is obviously their fault, not our fault.

The Railroad Commission in reviewing this recognized that there was not enough gas in their contracts and their supplies to deliver to their customers. The Texas Railroad Commission, who had the authority to do so, made a ruling and their ruling was that Lo-Vaca could go out and buy new gas at the well-head and then add on to that their delivery charges and pass through that entire charge to their utility customers. That meant our City Public Service Board, it meant the City of Austin, it meant Corpus Christi, it meant LCRA, all the other customers. This was not a decision that was made by your Public Service Board or your City Council. It was made by the Texas Railroad Commission.

Now we had the right to say that we wouldn't take that new gas, that we would just take the old gas and if we had made that decision, we would have had the brown-outs, we would have had the black-outs here in the local area. We felt that we had to take the gas that was available. Now, then, in that period of time on your bills, we have differentiated between what has been the base bill which was based on the contract price and the extra amount that has been charged because of the Texas Railroad Commission ruling and that has been the difference in that price of gas that City Public Service Board was billed. Each month every one of our customers got something on their bill that has continued to rise called fuel adjustment charges. And this has been the price that Lo-Vaca paid for the fuel in order to have enough gas to meet the contract and in turn was passed on by City Public Service Board to everyone of our customers.

Now it is certainly true that one of the customers, Crystal City has refused to pay that difference...and they have been taken into court by Lo-Vaca. Lo-Vaca moved to cut off their gas supply and so they went into the District Court and at the District Court level, Lo-Vaca won because it was determined to be a legal charge. The move to cut off the gas supply was held in abeyance pending the appeal to the Circuit Court of Appeals and again Lo-Vaca won. And again, the gas was threatened to be cut off immediately; however, Crystal City then appealed to the Supreme Court. We have no reason to believe that the Supreme Court's ruling would be different from that of the Lower Court at this point.

Now, assuming that Crystal City would again lose at the level of the Supreme Court, they would be forced to pay the entire amount that they would owe in fuel adjustment charges in a sum or work out the settlement with Lo-Vaca before their gas could continue. Now then, it would be easier for a city, a small city, to take this kind of action than it would be for a city the size of San Antonio because of the huge amount of money that is involved. Let's say the City of San Antonio had been permitted to run without paying its fuel adjustment charges. It now runs well over 100 million dollars. In fact, I imagine by now it's about \$150 million and we would then lose that particular round in court. Where would we get the money to pay the difference in the gas that the customers had received in all of those months' time? Where would that money come from before we could continue with our supply of gas?

Now we are not agreeing that that charge is correct and the way that we are going about it is to pursue our lawsuit and we are pointing out the fact that we are having to pay this difference unwillingly. But we are having to pay it. And we are asking the courts to take that into consideration in our lawsuit.

So there are two separate actions. One action is the Railroad Commission's order saying that if we want that full supply of gas that we are going to have to pay Lo-Vaca for what they paid at the well-head plus their delivery charges. The second action is that we are going to court and fighting in the court for the damages that were suffered by our citizens.

Now this is a very quick capsule view of a very complicated situation and let me just assure you that I do not know of any member of the City Public Service Board or this City Council who does not put our own rate payers as our top priority. The affect on the stockholders of Lo-Vaca is somebody else's problem. That's not our problem and it's not what we are concerned about. What we are concerned about is the effect of any action taken upon our consumers. This is where we're standing, we are not acquiescing that Lo-Vaca's action in overselling their deliverability was right, in fact, that's what we're fighting in the courts about. But we're also saying that we are at the present time legally under the Railroad Commission's order and we are in compliance with it in order to insure our delivery of the gas pending the final settlement in the courts. I'm going to call on the City Attorney and ask if I have in any way presented an erroneous picture here. I would appreciate his clarifying it.

CITY ATTORNEY JAMES PARKER: No madam, it's 100 percent accurate in what you said.

MAYOR COCKRELL: All right. Now then I'll invite any comments from the - yes, Rev. Black.

REV. CLAUDE BLACK: Madam Mayor, the details of which you have expressed this is really the great frustration also while it is an explanation of what has happened. It is a part of the great frustration of a great number of consumers. One is that the remedies proposed seem not to address the problems of the consumers. This is the real issue and I just wonder because, for example, we have had in the paper that even if we win this suit, that it will not in any way effect any change in the kind of obligations that the consumers will have and this, of course, is the disturbing fact to many of the consumers. This matter is one of the reasons that they've come to seek, really, remedies for what we call the personal bill, not just simply the fact that there will be a remedy but how do they relate that remedy to their own personal accounts. And I wonder if it's possible that this Council can in any way express themselves because the only persons I've heard or read about rather, are those quoted from the City Public Service Board that the benefits received if we win the suit will not in any way benefit the consumer. Is this a proper statement, can the Council lend itself to any influence on this particular statement? Can we give any concern for - manifest concern, for what the basic issue is I think in terms of the consumer here now...in terms of their benefit.

MAYOR COCKRELL: Let me say I am not aware of statements that have been made that the consumer will not benefit. I think that in any as a result of the complete carrying through of the lawsuit, or any settlement that were arrived at prior to the conclusion of the lawsuit and which would be only done if it appeared that that were a better course of action, that the consumer is the main person to be considered. I think it has been stated that it is not anticipated realistically that every consumer is going to get a 100 percent refund of what they have paid in in fuel adjustment prices and I think that we would be holding out a false hope if we held out that hope. But I would say I believe that this Council is speaking out in all of its meetings very strongly on the fact that we will judge the results of the lawsuit or any offers along the way by the main criteria of what does this offer to our consumers because that's our number one concern.

REV. BLACK: Well, the problem that I think that we have here now is how will the consumers receive benefits if there is nothing relating to their - a recovery of what they've already paid. And I think this is where - how do we define these benefits, where we are addressing in the first place.

MAYOR COCKRELL: Dr. Cisneros.

DR. HENRY CISNEROS: Madam Mayor, right under the surface of this whole discussion whether we're talking about the outcome of the lawsuit, whether we're talking about discussions toward settlement of something, is the issue of the bankruptcy of the company and what the implications of that are for consumers. Now, there are those who say that - and assume very easily - that the bankruptcy of the company would not affect consumers because people have said that the federal government would step in and a number of other things. There are others who view the prospect or the spectre of the bankruptcy of the company as something that would be disastrous to the local area because it would deny us the use of the pipeline distribution and so forth.

I asked yesterday by memorandum and I'd like to do so publicly now before the other members of the Council for a detailed briefing by our local and Washington attorneys on both the procedural and the economic implications of Chapter 10 - Corporate Reorganization proceedings in order that this Council can have a better feel for what the true implications would be of pursuing this to the wall which would result in a bankruptcy of the company. I think that would get us in a better position. We would at last be in a position then to not only adopt a permanent stance with respect to the litigation but also to respond to

questions like those which Reverend Byrd has asked this morning which had implicit within them the notion of bankruptcy of the company and until we have some clear facts on the implications of that one way or the other, I think that we're going to continue to be in this quandry.

MAYOR COCKRELL: Right. Let me just point out, too, that there are two aspects of this. One is the spectre of bankruptcy which we have to review in relationship to our lawsuit and that's one set of circumstances. The other is the specific issue that has been raised this morning and has been raised previously with the Council of what would happen if we refuse to pay the fuel adjustment charges or we would specifically concur or ask the Railroad Commission to in effect do away with the fuel adjustment charges. So that is a different set of circumstances.

DR. CISNEROS: No, it means that but not completely because, for example.....

MAYOR COCKRELL: There is some relation, right.

DR. CISNEROS: It's related to the Railroad Commission's ruling of a month or so ago as to whether we revert to the original contract prices or whether we take 85 percent pass through. In that sense, it's related to what Rev. Byrd was talking about and they have right below the surface implicit in that whole discussion was the question of bankruptcy.

MAYOR COCKRELL: Fine. Let me just give you this one figure just so that you will understand the enormity of the problem and that is that it has been estimated that if the company is told to, in effect, do away with fuel adjustment prices and deliver all the gas on the contract price, it will cost them \$500 million a year in order to do that. You say, well, why should we worry about how much it costs them. Okay. The company, Lo-Vaca itself, is valued in the neighborhood of \$2 to \$300 million. No matter who owns stock in Coastal or Lo-Vaca or what, there has to be somebody putting up new money to buy that gas to deliver and this is what you have to have in your mind as to where that money is coming from. It is not our fault that they don't have the gas to deliver. We all recognize that. What we do recognize is that whether it's our fault or their fault, and we can say it's their fault, they don't have the gas to deliver unless they continue purchasing new gas and the cost of providing that new gas to meet all their contracts is amounting to approximately \$500 million a year. Now again, is Mr. Thomas, where is Mr. Thomas? Mr. Thomas, would you come back? Is that essentially the picture there?

MR. DON THOMAS: Yes, madam Mayor, I had heard that they would lose something in the order of about some \$2 million a day which translates to even more than \$500 million. I believe the Lo-Vaca system may be valued at a little bit more than \$300 million, around \$400 million.

MAYOR COCKRELL: More than \$300 million, right. I have heard the figures in the range of between two to three hundred million but at any rate, it will be the new money that is required. This is not how much people have invested in stock. But money that is going to have to come from somewhere is over \$500 million a year to make up this difference.

MR. THOMAS: Again, while I don't particularly like to support the Coastal organization, their whole profits I believe during the whole year was about \$15 to \$25 million.

MAYOR COCKRELL: Now, these are the figures, of course, that we will pursue in our lawsuit. And so these are all things that have to be taken into account and it's an enormous problem.

DR. NIELSEN: Reverend Byrd, the great story of David and Goliath, of course, is maybe somewhat appropriate here. I think beyond that, however, is the fact that nobody has ever challenged the legality of the Railroad Commission doing what they did. We don't like it, but there's no question that that has not been challenged anywhere yet in the courts. Beyond that is the firm reality that if we did what

Crystal City did, there's no question that we would force bankruptcy. If that's what the community wants, that's something else. I can personally say, however, that I don't think we are in any position as a community, as rate payers or anything else to force that issue right now. We still have several other options and it can be done very quickly. There's no question about it. All we've got to do is stop paying that passthrough. But I don't think that's very wise, Reverend Byrd, I really don't, for any of us, for you, not a soul, honestly.

REVEREND BYRD: Mayor Cockrell.

MAYOR COCKRELL: Won't you come back to the microphone because we would like to have it on tape.

REVEREND BYRD: There has been a lot said but I would like to talk to and to get into a deeper discussion to talk about these points. I just feel and we probably don't have the time today to do it but I wish that we could because I think even though I don't have a Doctor's degree and in fact I do have one but I'm not supposed to be as intelligent really as the City Council and for that reason, you know, I feel like we do have some input and I think that even a little child can bring out something that maybe you haven't even thought about. This is what I would like to see because as you were talking, I thought about a whole lot of things that I feel like have been forgotten. And while you are going through the court procedure and all this type of thing, they are still cutting my throat.

MAYOR COCKRELL: Yes, they are.

REVEREND BYRD: And I'm still paying...and then you are saying I'm not getting my money back. And that's where I am (inaudible) Somebody has to do something and you have to do it quick. That's the way I feel.

MAYOR COCKRELL: Reverend Byrd, I'm totally sympathetic with what you're saying and yet we're sitting here and if we refuse to pay this fuel adjustment, I don't speak for anybody else, I will say that I feel very sincerely that either Lo-Vaca will not be able to deliver the gas or we will immediately face a situation where, without any further ado, we are throwing the whole system into bankruptcy. Now, that may be the best answer but I don't think the Council has yet made that decision. Yes, Mr. Billa.

MR. BOB BILLA: I think we're just talking around the question. The whole issue is the price of gas. If Lo-Vaca goes bankrupt, gas is still going to cost about \$2.00 per thousand. And we ought to tell these people that there's no way, there's no way as I view all of the facts, that their rates are going to be any lower in the future. They are going to be about the same. In other words, what you're paying including the passthrough, is the actual cost of electricity now based on the present price of gas unless gas is de-regulated or coal prices lowered or something. We're paying the going rate. If Lo-Vaca goes broke, you can't get nothing from nothing. If we start from scratch and they're broke, we're going to be paying about \$2.00 for it and I just don't want to fool anybody and say that I, as a City Council person of this City is going to be able to alter the price of electricity. It's a federal problem, because, unless they de-regulate gas, I don't see any way that the price can be lowered. I'm telling you right now that you're paying the going rate for electricity and I personally would like to offer but I can't offer you any relief.

MAYOR COCKRELL: All right. Yes, we have several other Councilmen. Mr. Hartman.

MR. HARTMAN: Yes, Madam Mayor. I think first I would like to state we're at the point now where we are indeed actively looking at not only alternatives but what the impact would be of these various alternatives. I would like to preface what I am going to say here

with the statement that I am not advocating what I am about to say, but I think that one alternative that needs to be looked at, one we have talked about some times in whispered terms is this. If we were to take the action that Reverend Byrd has indicated, the statement has been made quite accurately that there will be a problem of Lo-Vaca not being able to buy gas except at the higher price and therefore would be in the position of losing x number of dollars, \$500 million per year. I think the one aspect that we also need to look at is if that were to happen and if no one were willing to sell gas to Lo-Vaca and if it didn't have the money, then I think you have to look at the scenario of what kind of emergency situation would exist and what kind of enforced supply would be forthcoming either under the aegis of the federal government. I think this is the scenario that we need to look at. As I emphasized, I'm not advocating it at this point, but I think it's an important one to look at because we keep talking about if they can't buy, gee the whole thing will stop. I cannot believe that in this society we would see anybody going without the supply and we need to know what that scenario would look like.

MAYOR COCKRELL: Let me just say further that I think the Council and the City Public Service Board would be in a very different situation if we were still back as we were some years ago when there were a number of available suppliers and that if we felt that, you know, that we could turn easily to another supplier. That is a large part of our problem, to have someone available to deliver the kind of gas that we have available through this contract even if it does not meet all of our needs and they are trying to bring in new gas. At least we are still getting some of the gas at the lower price that is averaged in with the higher priced gas.

MR. HARTMAN: All I'm saying is that we need to look at that alternative.

MAYOR COCKRELL: Right, Mr. Pyndus.

MR. PHIL PYNDUS: Thank you, Mayor Cockrell. Reverend Byrd, I sincerely believe with all my heart that this Council can give you relief if we cut the City budget, take these funds that we cut the budget on and return them to City Public Service Board in the form of a refund. We can cut the budget \$10 million and this will reduce your bill. And I feel that this Council can do that. I'm of the firm opinion that if we cut the City budget, we have received an increasing amount of funds from the City Public Service because of the charges that have been made off the passthrough charges. We're up to now to \$30 million dollars we received. The City coffers receive about \$30 million a year for City Public Service funds. If we can return some of that back to them, your bills can be reduced and I think it's the responsibility of this Council to do that. That will include taking a look at the proposed increase, salary increase for the City employees and refusing the increase.

REVEREND BLACK: Madam Mayor, I would like to speak to this statement. There are many factors involved in this whole issue of debate. One is what I think is essential to our system is the integrity of contract. And that's essential as far as I'm concerned to the whole system that we operate under. The next thing is that while we hear bankruptcy about companies we also read on the other hand the companies are making unusual and unprecedented profits. So this confuses us in terms of where the issue is. In addition to that, I don't think the people here should be asked to subsidize their own return in fees on their bills. I think, while Mr. Pyndus is offering some relief, what he is asking them to do is give up service in order to subsidize some return on their bills, and this would not be fair in my opinion. I don't want to take anything away from them in terms of services in order to give them a few dimes, nickles on their bills. This would not be doing it. Now, in addition to that, it seems to me that the only relief we're going to have in this country for what I call manipulation of the big oil combine is that people themselves take direct action. Now, when I say this I can remember when they said if you desegregate this country

you're going to have blood flowing in the streets. If you eliminate slavery, you're going to break the economy of this country. I've heard that kind of argument all of my life when they say it's impossible to make changes. I just want to take the position that I'm going to vote as a protest vote against this action this morning as one citizen willing to protest this issue.

MAYOR COCKRELL: Reverend Black, I would like to ask you a question, sir. Are you recommending to the City Council that we all join in your action?

REVEREND BLACK: I'm recommending you do what you feel like you can morally do.

MAYOR COCKRELL: Well, I will just have to say, Reverend Black, that I feel the responsibility for my actions and I feel that it is not a responsible action to refuse to pay the adjustment under the present circumstances, because under the present circumstances, we are operating under a legally imposed charge by the State Railroad Commission and, while I am completely behind pursuing the damages in the courts under the legal procedures, at the same time I also feel that we are legally bound by the Railroad Commission's Order and to refuse to pay that fuel adjustment is a very precarious act.

REVEREND BLACK: Madam Mayor, I would like to take issue on whether or not this is responsible or not responsible. I think that I am dealing with this issue in the same manner that the Railroad Commission is dealing with us. I'm dealing with this issue in the same manner that oil combines are dealing with the whole system, the integrity of contracts is also involved in this issue. So, I feel my action is just as responsible as their actions were.

MAYOR COCKRELL: All right, we have before us.....

MR. PYNDUS: I make a motion that we approve the rate as presented to this Council.

MAYOR COCKRELL: Is there a second?

MR. BILLA: I second it.

MAYOR COCKRELL: It has been moved and seconded that the rates as presented to us by the representatives of the City Public Service Board be approved. Clerk will call the roll.

On roll call, the motion, carrying with it adoption of the ordinance, was passed and approved by the following vote: AYES: Pyndus, Billa, Cisneros, Rohde, Teniente, Cockrell; NAYS: Black; ABSTAIN: Hartman; ABSENT: Nielsen.

MR. HARTMAN: Abstain. I will abstain on this basis. I think that we need to explore alternatives. I am at this point in a position where I would have to decide whether I am for or against it.

MR. ROHDE: Man, I can't cut the lights off of my citizens. My answer is yes.

CITY CLERK: The motion carries.

MAYOR COCKRELL: The motion has carried. Yes, Dr. Cisneros.

DR. CISNEROS: Madam Mayor, I would like again to reiterate my original request of a formal time setting where we can get a clear briefing on that matter that we've talked around for a long time and a lot of citizens have been concerned about and that is the implication in economic terms and in legal terms of either by virtue of a lawsuit or by virtue of a settlement or by virtue of refusing to pay the bills of taking the company to bankruptcy. I am not either for or against until I have some facts on what it means and I have not had those facts yet. I request that we specifically ask Mr. Miller of the Steptoe and Johnson firm.

MAYOR COCKRELL: We have already asked him for that...and he is in the process of getting this information for all members of the Council.

DR. CISNEROS: A formal presentation so that we can ask questions.

MAYOR COCKRELL: All right. I see, certainly. Mr. Thomas.

MR. THOMAS: Madam Mayor, what was the vote on that? How many aye votes?

MAYOR COCKRELL: What was the number?

MR. THOMAS: Were there six in the members that voted aye?

MAYOR COCKRELL: There was a reason for needing six. Yes, there were six yes votes. The reason that we need six is that the rate takes effect immediately. If there are only five, there's a ten day delay. Now, this is the same ordinance that we have been passing each month for a number of months now.

MR. BILLA: Ratifying the rates.....

MAYOR COCKRELL: Ratifying the rates as we do every single month. This process was initiated when, Mr. Thomas? In January?

MR. THOMAS: I believe it was in January or February.

MAYOR COCKRELL: Prior it had been assumed that our overall endorsement carried that same approval.

MR. THOMAS: We have been sending the computations over every month.

CITY ATTORNEY JIM PARKER: Actually, Mrs. Cockrell, it's only a safeguard as part of a legal matter. There is a grievous question of the necessity of it being passed.

MAYOR COCKRELL: Are there any further questions or comments from the Council? If not, we'll move on to the next item.

76-26 The Clerk read the following Ordinance:

AN ORDINANCE 46,687

AUTHORIZING THE ISSUANCE OF \$1,000,000  
OF REFUNDING BONDS.

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The Ordinance was explained by Mr. Carl White, Finance Director, who said that he had Mr. Joe Ellis, Vice President of First Southwest Company, present to assist in answering questions.

Mr. White distributed copies of the maturity scheduled of the \$20 million General Obligation bond issue which was sold last week to Republic National Bank and Rauscher-Pierce Corporation. The request here is to cancel the 1996 principle payment of \$1,150,000 and substitute \$1 million that would mature beginning in 1985 at the rate of \$200,000 per year. These will remain as 4 percent bonds. The net result of this transaction is a savings to the City of \$630,000. The City will get \$150,000 in cash from the principle and will save \$480,000 in interest. He said that he felt this to be a good deal for the City and recommended approval.

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

The Clerk read the following Resolution:

A RESOLUTION  
NO. 76-26-35

SUPPORTING THE STUDY BEING CONDUCTED BY  
THE SAN ANTONIO SPORTS COMMITTEE TO  
DETERMINE THE FEASIBILITY OF A SPORTS  
COMPLEX IN BEXAR COUNTY.

\* \* \* \*

Councilman Teniente said that this resolution has been adopted by the Bexar County Commissioners Court. It does not in any way obligate the City to expend any funds. It does say that if, as a result of the study, a sports complex is found feasible, then the City would explore various means of financing for it.

Mr. John Monfrey, a member of the Sports Committee, said that some \$65,000 will be spent on the study and will come from private sources. He reiterated that it does not bind the City to spend any money at all.

Mr. Karl Wurz read a prepared statement in opposition to the resolution. He said that the study could result in a bond sale and he opposes that. He said that drainage is needed more than a sports complex. (A copy of his statement is included with the papers of this meeting).

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

PUBLIC HEARING ON THE REVENUE SHARING BUDGET OF THE  
CITY OF SAN ANTONIO FOR THE ENTITLEMENT PERIOD BEGIN-  
NING JULY 1, 1976 AND ENDING DECEMBER 31, 1976.

Mayor Cockrell declared a public hearing open on the Revenue Sharing Budget of the City of San Antonio. A copy of the proposed budget is included with the papers of this meeting.

City Manager Sam Granata read the following statement:

"Madam Mayor and Council: This is the second public hearing on the 1976 General Revenue Sharing Budget being held in accordance with federal requirements.

The budget is in the amount of \$5,433,687. Of this amount \$5,133,687 is the City's revenue sharing allocation for 1976 and \$300,000 is anticipated interest to be earned for the 1976 entitlement period.

The proposed budget is primarily a continuation of on-going projects and programs. Only \$460,000 is included for new projects as follows:

- |  |                  |
|--|------------------|
| 1. Edwards Underground Aquifer Recharge Zone Study | \$200,000        |
| 2. City Water Board Data Processing Charges        | 260,000          |
|  | <u>\$460,000</u> |

Based on staff recommendations, I am recommending the discontinuation of the following program included in the 1975-76 Revenue Sharing Budget:

- |   |           |
|---|-----------|
| 1. Youth Entrepreneurship Project (IMAGE) | \$ 40,000 |
|---|-----------|

Madam Mayor and Council, I would like to list the following social programs administered by outside agencies included in the proposed budget:

1. Salvation Army Home for Girls	\$ 79,200
2. Toxicant Inhalant (MANCO)	34,787
3. Drug Abuse Central	41,956
4. Youth Advocacy (Ella Austin)	27,500
5. Crisis Center	5,500
6. Alcoholic Rehabilitation Center	4,125
7. San Antonio Free Clinic	18,150
8. Field Mental Health (MAUC)	51,634
9. Anemia Clinic (Bexar County Anemia Assoc.)	44,000
10. Children's Oncology Clinic (Santa Rosa Medical Center)	27,500
11. Education & Training for Mentally Retarded (MH/MR)	126,423
12. Adult Literacy (San Antonio Literacy Council)	18,233
13. Human Services (Centro Del Barrio)	55,550
14. Barrio Betterment (BBDC)	85,250
15. Homemaker Home Health Aide Services	<u>110,000</u>
	<u>\$729,808</u>

I now suggest we hear from the representatives of the various agencies making requests in the order that they have signed in."

\* \* \* \*

Mayor Cockrell then invited citizens who had registered to address the Council.

The following persons spoke in the projects as follows:

<u>PROJECT NO.</u>	<u>NAME</u>
39	Bradley Scott
39	Dorothy Shepherd
18	Juan Patlan
41	Bob Brown
41	Guz Combs
29	Max Stallcup
33	Cruz P. Sellers
78	Celia Vasquez
93	Robert Galvan
93	Pat Radle
93	Dan Espinoza
42	Robert N. Mazur
56.1	Dr. James KacKay

The meeting recessed for lunch at 12:05 P. M. and reconvened at 1:30 P. M. The public hearing continued.

<u>PROJECT NO.</u>	<u>NAME</u>
45	Nancy Smith - voluntarily cut her request from \$102,857 to \$62,240
16	Elves Smith
	Beatrice Gallego - drainage
	Mrs. Andrada Garcia - Allende Street
	Rubin Estrada - drainage
	David Gonzales - parks
	Sister Consuelo - streets
44	Maj. Gen. Chester L. Johnson
40	Rev. Marvin Randle

\* \* \* \*

Mayor Cockrell declared the hearing closed. She said that the Council needs to review the citizen requests and suggested that no official action on the matter be taken at this meeting. After consideration, the Council concurred and the ordinance was withdrawn from consideration until next week.

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ALBERTO BARETTA

Councilman Teniente recognized Mr. Alberto Baretta in the audience, who addressed the Council in Spanish. He is a native of Argentina and left there on horseback in 1971. He has traveled through South and Central America and through Mexico to San Antonio. From here he will travel to Houston and then by boat to Spain. He related some of the things he had experienced along the way.

Mr. Teniente presented Mr. Baretta with a proclamation naming him Alcalde of La Villita.

Mr. Baretta thanked the Council for its recognition.

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CITIZENS TO BE HEARD

MRS. A. J. DYESS

Mrs. A. J. Dyess, 3971 Flagle, spoke in opposition to the CPS rate ordinance which was passed earlier in the meeting. She said that it is impossible to continue to pay the high utility bills.

Mayor Cockrell said that she would ask staff to arrange an appointment for Mrs. Dyess with City Public Service Board officials to discuss the matter.

SISTER MAUREEN LARKIN

Sister Maureen Larkin, 301 Yucca Street, spoke of certain actions of San Antonio police. She said that handcuffing, fingerprinting, and detention are far fetched for minor traffic offenses. She cited two cases. In one case, a person was held in jail 4 hours and cuffed around for giving out leaflets. In another instance, a citizen was handcuffed and arrested for the tailgate on her car being extended. She said that something should be done about these things.

Mayor Cockrell asked that Sister Larkin meet with the City Attorney who is interested in getting more facts. He would assist her in getting to see the right person in the Police Department. A report will be made to Council members on this matter.

PROPOSED CONTRACT BETWEEN THE  
CITY WATER BOARD AND THE GUADALUPE-BLANCO RIVER AUTHORITY

The Clerk read a proposed ordinance which would ratify and approve a contract between the City Water Board and the Guadalupe-Blanco River Authority.

The following conversation took place:

MAYOR LILA COCKRELL: Before we start this subject, I would just like to make one comment. As we came in here and sat down we were all handed a staff report with the recommendation on this item. I, for one, would certainly have liked to have had that staff report ahead of the meeting and I'm wondering why it was handed to the Council so very late. Mr. City Manager, can you comment on this?

CITY MANAGER SAM GRANATA: None other than that I didn't have it either. They just finally put it together yesterday afternoon or late last night.

MAYOR COCKRELL: Well, I think in order for it to have been helpful to the meeting today the Council should have had it at least by the time of their packet.

CITY MANAGER GRANATA: Yes, Madam, I have to talk to the staff involved because I'm not aware why anything was changed unless Mr. Hartman can help me. I don't know.

MAYOR COCKRELL: This is a staff report.

CITY MANAGER GRANATA: It was not given to me.

MR. PHIL PYNDUS: Madam Mayor, I would like to comment on that.

MAYOR COCKRELL: Yes, Mr. Pyndus.

MR. PYNDUS: I think that's a point well taken, Mayor Cockrell, in fact I think it's embarrassing to the Mayor and to have a staff report that has some information in it and a recommendation and to have this report issued during the time she may take a position on an important matter. I think steps should be taken to see that it does not happen again.

MAYOR COCKRELL: Well, it's not identified as to who the committee is.

CITY MANAGER GRANATA: I just called for Mr. Ivy and Mr. Cross to come down.

MAYOR COCKRELL: Well, we'll get to that in just a few minutes but I would like to call for the citizens. The first one is Mr. Tom Crea.

MR. TOM CREA: My name is Tom Crea. I live at 431 Calumet Drive in San Antonio and I want to thank your Honor and your fellow Council members for the opportunity to present my opinion of this proposed contract with GBRA. This contract is supposed to provide insurance that water from Canyon Reservoir will be available to San Antonio in case of shortage of underground water. The fact is that this contract as written does not provide any guarantee of even one drop of water during a drought which could come next year or ten years from now. This is specified under Article 9, Section 9.1 of the contract. The tremendous cost of this project has been discussed, but who will pay for it besides the smallest water user in San Antonio. Major users of Edwards' waters such as several military bases, large businesses,

large hotels, water districts, other communities and towns will not be required to pay any of this cost. This will leave only the small consumer to bear the burden of this entire expense. In effect, by using surface water and paying the entire cost the City of San Antonio will be providing free supplemental water to all other users of Edwards' water.

We feel that if additional water must be obtained in this manner, the only reasonable way to finance such a project would be on a regional basis. All water users who would benefit from this project would pay their fair share of the cost. The Edwards Underground Water District could be the sole managing authority with control of usage and distribution of all Edwards' water and all users of this water would be taxed on an equitable basis. We will agree that San Antonio area will need a supplemental supply of water in the future.

Now, let us review the alternate means of obtaining water. The Appleshwhite and Cibolo Reservoirs have been discussed and San Antonio would have priority to water from these sources. In the City of San Antonio's suit against the Texas Water Rights Commission, two geologists and a consulting engineer testified on behalf of GBRA that San Antonio's surest source of supplemental water would be from a well field system in Northern Wilson County. Has a study been made of this possibility? This system could only be about 15 miles from San Antonio's city limits. Such a system could be combined with Cibolo Reservoir for a double guarantee of water and eventually be combined with the Cuero Reservoir for even more insurance.

The construction of a well field system could be accomplished in only 6 months for about \$4 million. This supply could be turned on and off as water is needed. The pipeline from San Antonio through ...inaudible...and lower priced land could be constructed for about one-fourth the cost of the line to Canyon Reservoir. In addition this water could be pumped to the water short southeast area of San Antonio for considerably less than the Canyon water and such a system could easily provide some 50,000 acre feet per year.

We feel that approval of this contract should be delayed until the following are accomplished. Make thorough studies of the cost potential and feasibility of each of the alternate sources. Consult with the military, large business, water districts and other communities and towns in an effort to obtain their fair share of payment for supplemental water. If these meetings should fail, urge the legislature to empower the Edwards Underground Water District to control usage and to protect the City of San Antonio's share. If the City of San Antonio approves this contract and thereby provides additional 30,000 acre of feet of water for other uses, human nature has said that the participation and cost on regional basis will be virtually impossible.

I again urge City Council to delay approval of this contract until all of the alternatives have been thoroughly studied. Let us form some committees, hire some geologists, some water specialists and explore all possibilities for approving a contract which may well turn out to be another Lo-Vaca for us, for our children, or for our grandchildren. I thank you.

MAYOR COCKRELL: Thank you, Mr. Crea.

MR. GLEN HARTMAN: Madam Mayor, one quick question.

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MAYOR COCKRELL: Excuse me, Mr. Hartman.

MR. HARTMAN: Mr. Crea, I think your comments are very pertinent. I seem to be in favor. I'm interested in one statement that you made with regard to the well field system of Wilson County. That's one that I have not heard before. I would be, not at this point, but I would be very interested in seeing, in getting more details on that. If you have something on it, I would appreciate your contacting my office.

MR. CREA: Fine, I would be glad to furnish it.

MR. HARTMAN: Thank you, Mr. Crea.

MR. CREA: Thank you very much.

MAYOR COCKRELL: Thank you. Mr. William H. Robison.

MR. WILLIAM H. ROBISON: Madam Mayor, I yield my time.

MAYOR COCKRELL: All right fine. Yes certainly, all right, Joel Shannon.

MR. JOEL SHANNON: Madam Mayor, and members of the Council. My name is Joel Shannon. I am an attorney. I live in Houston. I am here today to oppose the contract between the City Water Board and the GBRA. I am not here to oppose full development of the water resources of this area so that San Antonio will need the water it must have to develop adequately industry and growth in the San Antonio area. As a past employee of the Texas Water Development Board, I know full well that water is the basis of all economic development in this State and certainly in this area. I will not today address the problem of needs because I think other speakers as Councilman Hartman has covered the question of needs, so I won't address that. I hope to touch on some topics maybe that haven't been covered thoroughly.

First is the question of yield of Canyon Reservoir. It is very interesting to note that in 1966 the Texas Supreme Court Senior Associates, the Senior Justice, Judge Smith Writing quoted an expert witness for the Guadalupe Blanco River Authority who in 407 Southwest Second, page 752, says the following: "Canyon Dam Reservoir would not be a dependable source of water for the City of San Antonio." That is an expert who is testifying for the Guadalupe Blanco River Authority, and the Supreme Court saw fit to include that in his opinions.

Mr. Specht in his presentation of a few weeks ago before this Council admitted that the firm yield was around 38,000 acre feet. I am not really sure what the yield is. I don't, I am not aware of any independent study that the City has done recently to determine what the firm yield of Canyon is, what study has been done independent of the GBRA.

As Mr. Specht pointed out, this is a very complicated issue. Especially in light of the terms of this contract are very complicated. One, GBRA says that certain kinds of electric rights will be subordinated. Yet no where in the contract are they contractually obligated to subordinate these rights and I have some questions as to whether this might injure their bond holders.

Secondly, Mr. Specht mentioned the Wagstaff Act which helped the City of San Antonio and it certainly does all municipalities of this State. Let me briefly tell the Council what that is. All permit applications filed with the Texas Water Commission after May 17, 1931 are granted subject to the future right of municipalities to come in and use water. This, in effect, is if the City need water, you can go in and if there is run of the river water available, get that water out of the stream. That is a very valuable right which the City of San Antonio has waived in this contract. They have waived the Wagstaff Act Right by saying if there is a water shortage, we will share with industry, we will share with irrigators and we will share with whoever else, mining, recreational usage on a pro-rata basis. There is a grave question here I think as to whether the priorities which the City is entitled to by law had been waived.

There is also the problem as whether the GBRA Board can conclusively establish that this water is not needed as set out in Section 1D of their Act in the basin of origin for the next 50 years. I don't think that they can make that conclusive determination. I am skipping over several points because of time limitation.

The next point is that GBRA has a right to this water because of a September 20, 1957 contract which it has with the Corps of Engineers. This gives GBRA the storage space between an elevation of 800 and elevation 909 in Canyon Reservoir. On page 9, Article 6 of the contract, if I can quote to you, I hate to do that but the contract reads, "in the event the authority," that is GBRA, "refuses or fails to comply with any and/or all of the terms of the contract, including the foregoing provision with respect to payments, the government reserves the right to terminate the contract." Now this is the only termination provision that is specifically referred to in the contract with respect to payments. Since January 1, 1971, GBRA has not paid its obligations that are due the government under this contract, amounting in the GBRA annual report to some \$1,803,758.80. They stated in this annual report that an informal visit with the Corps of Engineers in 1967 gave them some question as to whether this amount is due. I know of no amendments to the Corps of Engineers' contract. I know of no waiver of this right to terminate by the Corps of Engineers, and this is the whole underpinning of the water supply contract. If GBRA doesn't have the storage in Canyon, we are wasting our money and the City of San Antonio is wasting its money. I would hate to see this done unless we are sure that the rights are solid under the contract.

There is further, the State Auditor is also concerned about this in his May letter to the GBRA. The Auditor of the State of Texas wrote to Mr. Specht and sent a copy of these letters to the Water Board and I am sure all the members of the Council have letters, copies of these letters from the State Auditor. So, I won't go into those but the May 5 letter, I think is very important in that the agency, the State Auditor here, sees this as a very serious problem.

MAYOR COCKRELL: All right, let me ask you a question, Mr. Shannon. You introduced yourself as an attorney from Houston. You did not state whether or not you were representing anyone today.

MR. SHANNON: I'll be glad to tell you who I am representing. I am representing my wife and family and we have a home on the Blanco River and are very concerned about it. I am also concerned as other citizens are. If you would like to get into the details of my professional relationship here, I am appearing here without pay today, because I am very concerned about it, and we, other people I am associated with and know in Houston, are very concerned about it.

MAYOR COCKRELL: This is property that would be impounded perhaps by the Clopton Crossing.

MR. SHANNON: Some it would, not all of it.

MAYOR COCKRELL: I see.

MR. SHANNON: I do stand to make a substantial amount if it is impounded.

DR. D. FORD NIELSEN: Mr. Shannon, we have heard a great deal about you. Mr. Shannon, I don't quite understand in light of supposed evidence you have, why you have not in the other hearings and discussions and all of the things that have been going along before this made this presentation. Might I ask why not?

MR. SHANNON: Well, I received a copy of the contract shortly before Mr. Specht's presentation and reviewed it at that time and this is the first public hearing that I am aware of since I have reviewed the contract.

DR. NIELSEN: Well, I don't know if it would be called a public hearing. We have got a lot of discussion, public hearings that have been posted as far as the Water Board is concerned, the City Council officially posted hearings just as the Water Board. Well, let me ask you again. What law firm are you with?

MR. SHANNON: Andrews, Campbell and Jones.

DR. NIELSEN: And you have practiced law, you said with the Water Development or Water Rights Commission, which?

MR. SHANNON: Water Development Board.

DR. NIELSEN: And that was when sir?

MR. SHANNON: It was in 1971. I was with the Water Rights, with the Water Development Board while I was a law student in the General Counsels Office and then was...

DR. NIELSEN: But since you have had a license..

MR. SHANNON: And then I was there prior to clerking for the Supreme Court.

DR. NIELSEN: But since you passed your bar exam, you have not served with the Water Development Board?

MR. SHANNON: Yes, I have.

DR. NIELSEN: And that was when then?

MR. SHANNON: That was in 1970, pardon me, 1971. I clerked for Associate Justice Price Daniel on the Supreme Court, yes sir.

MAYOR COCKRELL: Just a moment, let's see then. There were a number of,...I thought Mr. Billa's hand was next.

MR. BOB BILLA: Mr. Shannon, aside from your personal interest, have you reviewed the contract and would you care to comment on it whether it is good for San Antonio or not.

MR. SHANNON: Yes sir. It's not personal interest. The points I raise, I think are relevant to the City of San Antonio. I am not up here today talking about let's save the trees or parks or the rivers. I don't think that is really a concern of the City of San Antonio. That might be a personal concern of mine, but I don't think that is a relevant consideration in this hearing. It's whether you can get the water and whether it is the best source of water available and is it dependable. Those are the only concerns that we should talk about here. If a few of my pecan trees are cut down, I don't see what that has to do with the City of San Antonio. I don't want them cut down, I'll admit that, but...

MAYOR COCKRELL: All right, Reverend Black.

REVEREND BLACK: It seems to me that the only relevant situation here is the substance of his arguments - what he is saying about the contract. It seems to me that when we bring in these extraneous matters, it tends to give an impression that we are simply trying to discredit his substance by his association. I would simply say that the only thing I am concerned about is the substance and I think what he is presenting in substance has some real relevance for us.

MAYOR COCKRELL: Well, let me just say this. When an attorney from Houston comes to one of our meetings and presents himself as an attorney, I am just interested in whether or not he is representing a client or speaking for himself. It was just on that basis that I asked the question. Not in any sense of discrediting the individual.

MR. SHANNON: Perhaps my reading of the contract, you might give a little more credence to do it than if I were a brick layer and...

DR. NIELSEN: No, Madam Mayor, I think relative to the question raised about the substance which we perhaps dealt with, you know, subject to opinion, interpretation, you know, what have you, but there is also another issue of substance here and that is of course, ultimately the question of, you know, the economics of land development around what other future water, purpose water impoundment goes on in this region. Let's face it very candidly. That's also...

MAYOR COCKRELL: Yes, Mr. Hartman.

MR. HARTMAN: I'm still, I'd like to once again go back to Reverend Black's position. The only thing I think is a matter of concern here is the substance of this case and if we want to get into land ownership, I think we could have a real long discussion. Now, I'd like for the gentleman to proceed and pursue the substantive aspects of this case.

MAYOR COCKRELL: Right. Thank you so much for your...

MR. SHANNON: Did you want me to proceed?

MR. HARTMAN: By all means.

MAYOR COCKRELL: Well, he has now used over the time. May I ask what the Council's desires are?

MR. PHIL PYNDUS: I would like to hear more, Mayor Cockrell.

MAYOR COCKRELL: All right. You are granted an additional five minutes if you'd like to have it.

MR. PYNDUS: Instead of criticizing him, we ought to listen to him now.

MR. SHANNON: Well, I'm sorry if you'd like to know more about my water rights practice, I'll be glad to tell you.

MAYOR COCKRELL: Do you have any other comments about the City Contract, sir?

MR. SHANNON: Yes, I do.

MAYOR COCKRELL: All right, fine.

MR. SHANNON: I'll be glad to present them. Let's see, I think I was stopping...I've covered the Wagstaff problem. I've covered the State Auditor and his basic letter to the GBRA and copies to the Water Board. There's one thing here about the failure, about the default here. Even if they cure the default today, I think the City Council should look beyond today and satisfy itself that even though they made the payment currently, will these payments not all of which will go to the Canyon Reservoir repayment fund, a lot of them will go to the construction fund for profits. Will these payments be sufficient to keep the contract out of default in later years? We don't want to have a situation where we have somebody that's in good financial situation today which I don't know whether it's the case or not but in yet later years they run into trouble and then can't perform under their contracts. I think that that should be looked at also.

MR. BILLA: Mayor, could I ask him a question?

MAYOR COCKRELL: Well, let him finish and then we'll....

MR. BILLA: No, I think it's pertinent and he's talking about...

MAYOR COCKRELL: No, sir, I'm...

MR. BILLA: Well, overrule me then. I'm overruled. Thank you, Mayor.

MR. SHANNON: Okay, the \$13.00 basic rate is computed and does not include the delinquency which now exists under the Corps contract. There is a good question as to whether even the \$13.00 is based out of the thirty some odd dollar rate would be applicable after this. I'm certain it gets cleared up with the Corps. What is really happening is that this is a locked-in contract that you do pay for it over the term of the whole 50 years and it is a blank check. As the cost of the water goes up, as the estimates go up, there are other reservoirs that you're not getting water from, then the costs of your water will go up. The only protection that you may think you have here is that if you can't agree with GBRA as to what the cost of the water is, that everybody agrees to go the Water Rights Commission. In regulatory law here in Texas, the Water Rights Commission does not have to approve rates in order for them to be effective. They are an after-the-fact reviewing agency that looks at rates after they are already in existence, after you have contracted to pay them. You have agreed with GBRA in this contract that this is a reasonable basis for computing the rate. I would not think the City should think that at a later date then it could walk in to the Water Rights Commission and say please let us have this contract.

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Also, the estimates for \$49.00 an acre foot for Clopton, and that's the estimate that goes into this rate calculation, are somewhat at odds with the \$95 to \$100 estimates that are now currently being distributed by the Corps of Engineers. As Mr. Specht says, the building of a reservoir is a scary business because you don't know what the costs are going to be. But until the day that the concrete is poured in the reservoir, why should the City of San Antonio write a blank check to agree to pay for that reservoir regardless of what the cost is. There is not that great a necessity to enter into it at this time because, as far as I know, GBRA has not been tremendously successful in selling this Canyon water.

I am not here to say that there should not be some relationship with GBRA, that you shouldn't buy Canyon water, perhaps at the Canyon water rate of \$13.00. All I'm here today saying is, I think you can make a better deal. I think the City should realize what legal bed it's in, what yield bed it's in and if this is the decision that the Council wants to make, it certainly is your prerogative and your right to do so but I think you ought to go into it with your eyes open.

MAYOR COCKRELL: Thank you, Mr. Shannon. Would you wait just a moment. We had a question from Mr. Billa.

MR. BILLA: I don't have it any more.

MAYOR COCKRELL: Okay. Dr. Cisneros.

DR. HENRY CISNEROS: Mr. Shannon, I don't believe I'm familiar with that May 5 letter that you referred to. What is the substance of that?

MR. SHANNON: Oh, I'm sorry. This was...a copy was sent to Mr. Robert Van Dyke, the General Manager of the Water Board. You don't have a copy? I have copies here if the Council would like to have one. It's basically that the Corps of Engineers, the State Auditor, in his report, said that the financial statements of the GBRA correctly reflected it's financial standing. The State Auditor had learned of liabilities which were listed as very contingent by GBRA in a footnote. It was a footnote in the annual report; it was put in a back page about two or three sentences about an informal visit in 1967. The State Auditor is concerned that this might not be full disclosure and an accurate account of financial conditions of the GBRA and he has written, John Specht, General Manager of the GBRA and asked him to comment on four matters that he outlined in his letter. It also includes a draft of a letter to Mr. John Ball, in the Fort Worth District of the Corps of Engineers, asking the Corps to confirm certain financial responsibilities under its contract with GBRA.

DR. CISNEROS: In your interpretation of the implications, the report comes from that letter is what again?

MR. SHANNON: My interpretation of that is that the GBRA is at the present time in substantial default under its contract with the Corps of Engineers, thus enabling and have been for over five years, thus enabling the Corps of Engineers to terminate the contract at any time.

DR. CISNEROS: And the implications for our situation are what?

MR. SHANNON: Is that the GBRA would not own any storage capacity in Canyon Reservoir. If they don't own storage capacity, they can't impound water to sell to anybody, the City of San Antonio or a farmer or whatever.

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MR. BILLA: The water will be there...

MR. SHANNON: The water would be there but it would not be owned by GBRA.

MR. BILLA: Then we wouldn't have a contract with them.

MR. SHANNON: That's right.

MAYOR COCKRELL: These are some legal matters that I think that we will call on the attorney for the City Water Board.

DR. CISNEROS: That would mean then that a contract we sign would later after litigation, for example, between the Corps, etc. be invalidated perhaps?

MR. SHANNON: Well, you might have paid the amounts for several years and if the GBRA-Corps contracts were cancelled, you would have no contract in anybody's storage space. Now, the Corps may waive these but I don't know what the Corps is going to do and I cannot speak for the Corps.

MAYOR COCKRELL: All right. Would you like to hear from Mr. Sawtelle, the attorney of the City Water Board on the legal points that have been raised and then we'll get Mr. Rohde on the next question.

MR. SHANNON: Would you like copies of these?

MR. HARTMAN: I'd like copies to go to each member of the Council.

MAYOR COCKRELL: Mr. Sawtelle, a number of legal points have been raised and I think possibly we should pause at this point to hear your comments on the legal side.

MR. ROBERT SAWTELLE: Madam Mayor, I was not here during the gentleman's talk, if you will, someone can ask me a question and then perhaps I can...

DR. CISNEROS: Specifically, that last line of question and I think...

MAYOR COCKRELL: All right. The last line of questioning had to do with the fact that allegedly GBRA is default on its payments to the Corps of Engineers on Canyon. The question was raised as to whether that being the case they have the right then to enter into a contract to sell water which possibly their ownership is clouded by virtue of the default or the alleged default.

MR. SAWTELLE: In my opinion, until the Corps of Engineers has declared them in default, they continue to have the right to enter into a contract with the City or with anyone else.

MAYOR COCKRELL: All right. Do we have, well, I guess that would be from Mr. Van Dyke if we have information as to the amount of the default.

MR. SAWTELLE: I do not have that information. Perhaps Mr. Shields does, but I'm not sure he does.

MAYOR COCKRELL: All right, then...

MR. SAWTELLE: I have no information that they are in default.

DR. NIELSEN: Mr. Sawtelle, would you have any opinion as to why, regardless if they are in default or not, they might have taken from '67 I think there was some reference to that year, 1967 until 1976 for such a letter of transmittal of opinion or whatever to occur?

MR. SAWTELLE: I missed...

DR. NIELSEN: Well, somebody's made reference here to something in the footnote of the annual statement of GBRA that goes back in 1967, then he said something else about 1971 relative to some other communication that occurred between the Corps of Engineers and GBRA and why it would take five years or as many as nine years to...

MR. SAWTELLE: I'm not familiar with that set of facts.

MAYOR COCKRELL: Mr. Shannon, would you come back to the mike? There are several other legal points you have raised and I did not realize that Mr. Sawtelle was out of the room. Would you just...

MR. SHANNON: I agree 100 per cent with Mr. Sawtelle's interpretation of the Corps contract. The GBRA at the present time does have the right to contract, does have the right to contract it away until the default is declared by the Corps.

MAYOR COCKRELL: Now, would you raise some of these other points that you had raised regarding the legality so that Mr. Sawtelle can hear you.

MR. SHANNON: Okay, just a second here. I've got some sort of notes. Okay, just as to the legality, you want me to cover the Wagstaff problem. Mr. Sawtelle, the point that I was bringing up that San Antonio may have waived its Wagstaff priorities by contractually agreeing in the GBRA contract that it would share on a pro-rata basis with some other persons.

MR. SAWTELLE: Mr. Shannon, I assume you're talking about the municipal priorities under the Wagstaff Act. In my opinion San Antonio has not waived its right under the Wagstaff Act, which is an Act passed in 1913, which sets priorities for applications for the waters in the State of Texas and municipal use has first priority. As a matter of fact, the water that GBRA has a permit for now is specifically designated for municipal purposes. They can't sell it to anybody except for municipal purposes. As to the run of the river water, if Mr. Shannon is talking about water that is in the river and not dammed up, I don't think there's any of that water... (this is an engineering question)...that is not already appropriated. The water we're talking about appropriating is the water that the Canyon Reservoir will catch which otherwise would go unused into the Gulf and San Antonio will have a municipal priority to that water under the Wagstaff Act.

MAYOR COCKRELL: All right, so it is your opinion that San Antonio has not waived its rights under the Wagstaff Act?

MR. SAWTELLE: Yes, and if it does, it doesn't make any difference.

MAYOR COCKRELL: All right, there were several other little points but I think since we have some other registered speakers, we will just...

MR. SHANNON: I don't concur with that interpretation of the Wagstaff Act, but...

MAYOR COCKRELL: Thank you. Mr. Rohde.

MR. AL ROHDE: I wish that you would both come up please, both of you. In your expert opinion is a very serious question to face and conquer this problem being in default and whatnot, what would be wrong with San Antonio City Water Department going up there and buying Canyon Dam? Think about it for a moment; and own it. If we're going to be the banker to it, let's own it.

MR. SAWTELLE: If GBRA were in default...

MR. ROHDE: which they are...

MR. SAWTELLE: And if the default were declared by the Corps, if they were, there wouldn't be anything wrong with the City of San Antonio negotiating for its share of the water. As it is now as a matter of fact, I don't see why the City couldn't make the same contract with the Corps of Engineers.

MR. SHANNON: Then that would give you water at about \$13.00 an acre foot.

MAYOR COCKRELL: I think Mr. Sawtelle probably does not concur with that last statement.

MR. SAWTELLE: I don't know that it would give us water at \$13.00 an acre foot. It would depend upon the position of the Corps of Engineers.

MR. SHANNON: I didn't mean to be misleading Mayor, the City would not have an absolute right to say now that the GBRA is out, we're in. You would have to make a new deal with the Corps.

MAYOR COCKRELL: Yes, I have one question that I would like to ask. I understand, Mr. Sawtelle, you indicate that you were not aware of these letters. You were not aware of this Auditor letter of May 5, 1976 addressed to Mr. John Specht, a copy of which was provided to Mr. Van Dyke?

MR. SAWTELLE: I have not seen that letter, no sir.

MR. HARTMAN: I see. The legal counsel for the City Water Board has not been advised of the letter addressed by the State Auditor, Mr. John Specht, a group with which we're about to go into a contract.

MR. SAWTELLE: No, I have not seen that letter.

MR. HARTMAN: I'm real surprised.

DR. NIELSEN: It was addressed to Mr. Specht not to Mr. Van Dyke.

MR. HARTMAN: It has a copy to Mr. Van Dyke, Dr. Nielsen.

MAYOR COCKRELL: All right, the next speaker is Mrs. Helen Dutmer.

MRS. HELEN DUTMER: For the record, I'm Helen Dutmer. I reside at 739 McKinley Avenue. I'm neither an attorney nor an expert but I am the voice of the people within the City. I have here before me some letters and I would like to read them. I will dispense with the greetings. South Bexar Chamber of Commerce wants to go on record as voicing opposition of its membership to the Guadalupe-Blanco Water contract in its present form. It is the consensus of the citizens of this area that pre-payment clause in the contract is the illogical reasoning and an unwise business adventure.

I might say that in discussing this it was brought out also that a number of years ago when we started to get water from these people, they weren't selling to anyone but now that they are in financial difficulty, they would like for us to pick up their tab. This is one from the Business and Professional Association of the County of San Antonio.

"The below signed members of the Business and Professional Association of the County of San Antonio, do hereby petition the San Antonio City Council to vote in favor of the Applewhite-Cibolo Water Reservoir sans the contract with GBRA." The signatures are on here. The next one is from the Southeast Business and Professional Womens Clubs and it says, "The Southeast Business and Professional Womens Club 137 members strong voted unanimously to submit this letter to you stating that we are in favor of the Cibolo-Applewhite Reservoir as being constructed as the future water supply for San Antonio. It is the concern of our membership that funds expended should be for City-owned facility rather than a questionable transaction involving our future water supply from an out of city source."

I might also say that we had a letter from WIGS, and I guess maybe it is my fault that I did forget it. As the President of WIGS, the Women in Government Study of the southeast, it was the consensus of the vote of the WIGS organization also that we not enter into a GBRA water contract at this time under the contract that has been offered to us. Again, the reasoning was that we are paying for something that we are not assured that we will get and that we should keep our money in the City of San Antonio and quit trying to follow somebody else's example and put the money outside of our own City. Let's build something for our City that we own that will be good for the future of the City of San Antonio. I would like to mention that combined this represents 450 to 500 members if you would like to have it for your records.

DR. NIELSEN: Also, Helen, regardless of any court action, economics or whatever, one of the facts in this whole water business has been, I think it was 1971 the year that interbasin transfer legislation was finally passed by the legislature which has greatly influenced any kind of water rights. It's important and where we are today.

MRS. DUTMER: I realize that. It hasn't been too long ago that this Council, not this particular Council, but the City Council of San Antonio, was gungho and hell bent to build the Cibolo Reservoir one way or the other so that the City of San Antonio would have its own water source, build its own treatment plant and own it lock, stock and barrel. Thank you.

MAYOR COCKRELL: Thank you. Father Benavides.

FATHER AL BENAVIDES: Representing Communities Organized for Public Service, we would like to reaffirm our long-standing opposition to the GBRA contract and urge the City Council to not ratify it. Again, we do it for the reasons that we have been bringing up and that have been brought up today. We feel that the conditions of the contract are not the best conditions that can be procured at this time. The rental fee of \$1 million a year, the cost of \$33.00 an acre foot that these are prices which we think would jeopardize the City of San Antonio. We might need water and they have every legal right to not give it. At the same time that we're buying water at four times the price of that they have charged other people. I know that there is a distinction that they make between river water and dammed up water, but it all comes from the river any way and it's very difficult to see how one can be four times more expensive than the other. We feel that a better price could be negotiated. We also feel that at this particular time while the City is looking at development over the Aquifer and while we are awaiting the results of that study in terms of how much water is available to us and for how long a time that we might take advantage of this particular time in order to approach the problem in a regional basis and not just us alone. I think now we have the time to do that. The Aquifer is full. Our water needs are

being met and will be met for some time but right now we have the opportunity to begin looking at alternatives and should not bind ourselves to a 50 year contract when we have the time to look at other alternatives. All of this money is going to go into another water shed. It's not going to go into our own.

We should begin looking at alternatives that will develop water resources within our own water shed and they are there. Some say it might be more expensive but if you lump the rental fees, the water fees, and the distribution and treatment fees, then it's probably not as expensive as developing something within our own water shed. Even if it is, still it's something within our own water shed of which we will have total and complete rights. We do not under the GBRA contract have total and complete rights to their water. I think that's been established over and over.

The fact that GBRA is in financial arrears and has been in arrears for six years, as we were told, is another item, I think, is very important for us to look at. If they are in arrears and if we want to buy water from them, then let's negotiate a lower price. If they are in arrears, then perhaps the high prices will begin to tell us that it's meant more to bail them out than it is to give us water.

We feel it's a bad contract. We feel it should not be ratified and we feel that we should take advantage of the fact that we have enough water right now to take this time to begin looking at alternatives and not binding ourselves to 50 years on a contract that has been very much contested before you. Thank you very much.

MAYOR COCKRELL: All right, at this time I would like to call on Mr. John Schaefer who has requested to be heard for the City Water Board.

MR. JOHN SCHAEFER: Madam Mayor and Council members, I'm John Schaefer, Chairman of the City Water Board. I thought I had concluded this morning in the "B" Session, however, after the "B" Session our General Manager was handed a copy of the staff report, and I felt it incumbent upon myself to answer this report. The staff report concludes that the, "City Council and the City Water Board immediately seek implementation of that part of the State Water Plan which provides a long term solution to the area's water needs. The first step would be approaching the Water Development Board for direction as to creation of the Regional Council of all agencies involved. Subsequent steps would be directed by the Board." I'm quoting from the staff report.

I think that this Council needs to realize that the Regional Council theory is a good one. It's not a new one. It's been put forth for years. But I would caution the Council that to think that this could be done in a short length of time would be fantasy. I personally feel that there are a number of requirements that would have to be met prior to a Regional Council being set up. One, of course, would be State legislation authorizing it. Another one would be the State Legislation requiring ground water legislation. In other words, if you don't have ground water legislation, you can't have a Regional plan. This is a statewide problem with many problems. The Edwards Underground Water District would have to be involved. The Guadalupe-Blanco River Authority would have to be involved. The San Antonio River Authority would have to be involved. The City Water Board would have to be involved. Private water systems would have to be involved and other municipal water systems would have to be involved.

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So, politically it is certainly not an expedient answer to our problem. I feel that at some point in time we will have a regional authority. However, at such time as that regional authority is created having the contract with the Guadalupe-Blanco River Authority and having control of that asset of that resource would put the City of San Antonio or City Water Board in a much better bargaining position in the political fight that is going to be required to get this authority, than if we go empty-handed without any surface water whatsoever or without this asset that we could bargain with.

Again, I thought I was through this morning but this has come up and I do feel that the Council needs to realize the vast political implications and the improbabilities any time in the near future having such an authority. Are there any questions?

MAYOR COCKRELL: Thank you. Mr. Hartman.

MR. HARTMAN: I just have one brief question in regard to the regional authority. I realize that they are talking in terms of establishing a regional authority within a regional basis. Actually, however, we do have a regional planning authority within that is in being that does indeed cover the area involved; namely, the Alamo Area Council of Governments, which I think would certainly be a prime participant in the initial exploration. I think that possibility should certainly be explored.

MR. SCHAEFER: Well, I would agree, of course, AACOG does exist but they have no authority whatsoever on any ground water, much less surface water.

MR. HARTMAN: I didn't say they had authority. I said they were a regional planning group.

MR. SCHAEFER: Well, that's true and this is the problem. I failed to mention AACOG in the list of political entities that will be required to resolved this problem.

DR. NIELSEN: That has at one point last year been tentatively discussed with the Edwards Underground Water District. I was over there one time and the Mayor raised serious questions that have been raised by this staff report which, you know, we've been dealing with it for some time. As you said, Edwards Underground Water District and Colonel Weinert said they would be interested in pursuing legislation, which by the way..inaudible..It is a tough political reality to assume any time in the near future, short of a real crisis, this will in fact be accomplished. Let me ask you one thing while you are here, I didn't get to ask Mr. Sawtelle. One of the points that Mr. Shannon raised is the question within some period of time we could not negotiate the costs as spelled out in this contract. When Mr. Specht was here a few weeks ago, I thought I clearly understood the man to say that within two years, there is a provision whereby if certain things are not accomplished you do, in fact, we do have a right to renegotiate. If we can't resolve this between ourselves, we go to the Water Rights Commission. Is that right or not?

MR. SCHAEFER: It's right. You didn't really go far enough because we don't have to have anything happen to renegotiate the rates. At the end of two years if we feel the rate is wrong we have the right to renegotiate and to take it to the Water Rights Commission.

MAYOR COCKRELL: All right, other comments? Yes, Dr. Cisneros.

DR. CISNEROS: Just the point as Mr. Schaefer was talking, I frankly don't know enough to be to comment on the political difficulties and so forth coming up with the regional water authority, the regional water plan, but I do know that just as he spoke and as other people spoke concerning the need for surface water, this whole issue of ground water legislation seems ...inaudible. Those that say we need surface water immediately use the likelihood of soon having ground water restrictions as one of the primary needs for which we need to develop an alternative surface water source. And now you indicated just the opposite side of the coin that one of the difficulties that we would have in getting a regional water plan would be that ground water legislation is not likely to be soon. So, we can't play at that point both ways.

MR. SCHAEFER: Well, I think that the probability of getting ground water control in the immediate future is very slim. I think that ground water control will become a necessity in the foreseeable future. I would say that this again would depend on the weather. At that such time as we were to pump the Aquifer down to the level that for instance the springs quit flowing to our neighboring counties, at that point I think you would have great pressure for ground water control. As I pointed out to the Council in previous discussions, one of the major problems that we have from use of the Edwards is the irrigators. They are actually using more.

DR. CISNEROS: Statement inaudible.

MR. SCHAEFER: That is strictly Bexar County. That does not include the pumpage for irrigation which to my memory is now approaching about 200,000 acreage feet.

MAYOR COCKRELL: In other words, the combined...

MR. SCHAEFER: ...that would be 400,000 acre feet which is the...

DR. CISNEROS: Statement inaudible.

MR. SCHAEFER: Well, this is questionable also. The Texas Water Plan envisions about a 400,000 acre foot withdrawal. This is not in excess of the average annual recharge.

MR. HARTMAN: It's less than.

MAYOR COCKRELL: Yes, Mr. Hartman is next.

MR. HARTMAN: My only point is with regard to the staff position paper inasmuch as it has been responded to, I wonder if we could have it presented by the staff. I think it would be only pertinent.

MAYOR COCKRELL: I would be glad to.

MR. SCHAEFER: This is fine. If we're going to do this, I feel somewhat as the Mayor, I think this is sort of an after-the-fact situation. We've been over these grounds and over these grounds in both your committee, Mr. Hartman, and with the Council as a whole. It's kind of a you know...Cinderella at midnight.

DR. NIELSEN: There's only one thing.

MR. SCHAEFER: That's true. I did feel compelled to comment on their recommendation. If we are to get back into all of the numbers, why I think we'd better pull up a chair.

MR. HARTMAN: I really don't want to get into more numbers. I have more than I can digest now.

MR. BILLA: May I ask one question?

MAYOR COCKRELL: Yes, you certainly may.

MR. BILLA: Mr. Schaefer, of course, I know has a tremendous responsibility and he and his staff, the Water Board, to supply water for San Antonio. He is using the Canyon Reservoir GBRA contract as the first step toward surface water. What are the consequences for San Antonio if we don't approve this contract?

MR. SCHAEFER: I think the consequences could be disastrous. I don't say that they will be. We have no assurance and I have pointed this out to Council and in committee meetings. We have no assurance that if we do not ratify this contract which gives us the 50,000 acre feet from Canyon plus additional large quantities from other reservoirs such as Cuero when they are built, we have no assurance and no reason to believe that GBRA will not sell this water to another party. They have not threatened this. I want to make that clear. But we have, there are large possible needs for water, for instance, for generating plants, for atomic generating plants, for coal fired generating plants, for our own Public Service, for Central Power and Light, so it is the real threat that if we wait and we go to GBRA, and they say that's fine but we've got a contract on this water, now, that really is as I see it as a big threat. This locks up a future major water supply for San Antonio according to the state water engineer, the only near available source in quantity.

MAYOR COCKRELL: Mr. Hartman.

MR. HARTMAN: Just a few points. First of all with regard to the use of the term major water supply. I guess it is the old question of how high is up, but actually we can only speak in terms of 30,000 acre feet realistically because you and I both will be pretty well on our last breath by the time we see Clopton's Crossing built, I would think. So, really, we're talking in terms of 30,000 acre feet for the City of San Antonio, which last year pumped 113,000 acre feet. I don't see it as being that significant a source. Secondly, I think the question with regard to the fact that we either buy now or lose the opportunity to buy is difficult to reconcile with the fact that GBRA has sold less than one-fourth of its available water for sale since its beginning in 1966. This actually is out of their annual report.

MR. SCHAEFER: In answer to the two questions as I understand them, the first question we covered this morning in the "B" Session and that is that 30,000 acre feet or the addition of 20,000 acre feet, we project that Clopton will be constructed within the next ten years and I also explained I believe this morning that there is also a possibility of getting further water from Canyon out of unallocated storage if Clopton were, in fact, not built. Now, as to the second question of timing and possibly negotiating this contract in the future and the fact that GBRA has not sold it since then, I would refer you to the City Public Service Board. They have never in the history of San Antonio used coal to generate electricity. It's a changing ball game. These facilities use, atomic facilities, we've never generated with atomic energy, use tremendous amounts of water. And the water resources, Texas being, basically the western part of the state, of being a very arid area, these resources are very critical. I'm not here to soothsay and say that these resources will be sold tomorrow, but I am saying with the ball game what it is now, with the demands for water, Houston, for example, is in somewhat of a problem in water. There is the distinct possibility that other people will come to GBRA for water.

MR. HARTMAN: Well, I would just like to respond to the matter of the water usage for the coal plants. I understand that it's 300 acre feet per year. Now, these figures I believe a member from the staff got last week from CPS.

MR. SCHAEFER: I don't know how many acre feet. I'm merely using that as an example. For instance, the atomic plant I know uses a tremendous amount of water. I don't know the acre feet.

MR. HARTMAN: The atomic plants that we are related to, of course, is not within the GBRA.

MR. SCHAEFER: I realize that but my point is this, that the energy and resource situation nationally and statewide and regionally and locally has changed. The fact that there were no atomic plants built or that we're not going to build one in the GBRA water shed doesn't mean that Central Power and Light, Houston Power and Light, Dallas Power and Light or some industrial use may come along, this doesn't mean that it will, but I certainly think that we have got to realize the possibility. I feel this contract way over and beyond the 50,000 acres in giving us the right of refusal on additional storage space in Guadalupe-Blanco River Authority is really as important as the immediate water.

MAYOR COCKRELL: All right, thank you. We have had a request for the staff position paper to be outlined and, Mr. Manager, let me ask does this come to us with your recommendation?

CITY MANAGER GRANATA: Yes, Madam, it does through Mr. Ivy and Mr. Cross.

MR. HARTMAN: Madam Mayor, my point is simply is as much as it had been answered, it is only fair that it be presented to the Council. There's no need to go through this detail.

MAYOR COCKRELL: I'll be very happy to have Mr. Ivy go through it.

MR. TOM IVY: Well, I don't think we really want to present the paper. If the Council does have a chance to read it, but I do want to apologize for being late. There's really no excuse. We were just late on it.

MAYOR COCKRELL: To be frank, Mr. Ivy, I will have to tell you that I was surprised when I got it because it had been my understanding of your position that you felt that the modest annual cost per individual homeowner was good insurance. I may have misunderstood your position. I thought I had heard you say that at one time.

MR. IVY: You are right in this respect. We were asked to look at the GBRA contract by the City Manager which we looked at. We're not in disagreement with the City Water Board. Mr. Schaefer, who was just up here, we're not in disagreement with his position. Only insofar as ratification of a contract at this time, there is not a proven need at this time. But, of course, it's a step that is going to come eventually anyway. When we say that you should go into long range planning, GBRA or the partnership between the City and GBRA in the entire development of Guadalupe-Blanco River Basin is part of the long range Texas plan. The report only deals with should we sign the GBRA contract now. The only question is, the only question we had to look at is have they proven a case for signing it now. We didn't see that they had proven the case. That's all we said.

We'd like to go a little bit further which is further than our charge. We are going to be in a partnership with Guadalupe-Blanco some day in a whole regional system. The question is if the political problem that Mr. Schaefer outlined appeared to the City Council too great to solve within a short period of time then it does become an insurance policy. So, while we say they haven't proven their case for immediate purchase, we're going to do it eventually some day and this is pretty much in essence what we're saying.

MAYOR COCKRELL: Thank you, Mr. Ivy. Any questions? I now have a note that Mr. Van Dyke would like to address the Council. Mr. Van Dyke.

MR. ROBERT VAN DYKE: Mayor and members of the Council, the question was raised about a letter of May 5 from the State Auditor addressed to Mr. Specht and which I did receive a copy. I believe that the letter that was received does not say that anything is wrong with the GBRA. It does say that there are questions. I did send a copy of this letter to each member of my Board upon receipt and also discussed this matter with John Specht of the Guadalupe-Blanco River Authority. He assured me that it was a misunderstanding apparently the way the questions were raised in the letter and that there was no problem and that these things would be clarified with the State Auditor's office. I would also point out that in the report which is the subject of discussion that the State Auditor does provide a certificate in here just like a CPA would too that they have reviewed the data contained in the report and that as far as they are concerned that the information is correct. If it is the desire of the Council that we have a written confirmation of the information that Mr. Specht told me, I will be happy to write to him or call him and ask him to send it to you. But I have been assured that there is no problem and it was merely a misunderstanding of those who read not understanding the way the material was presented.

MAYOR COCKRELL: Thank you. Any other comments? All right. Now the Council has now heard from all parties who wished to be heard on this.

CITY ATTORNEY PARKER: There is one item that I would like to correct. There was an oversight on, the City Attorney's office did not catch it, there was an incorrect caption read. It should have been that the City Manager is authorized to execute the contract rather than the Mayor. So we would request that the City Clerk, it brought up by Mr. Rohde that it was incorrect, and he was one hundred percent correct in that respect.

MAYOR COCKRELL: The caption, would you read it correctly then so we can take action.

CITY CLERK: An Ordinance ratifying and approving a water supply contract between the Guadalupe-Blanco River Authority and the Water Works Board of Trustees of San Antonio as agent of the City of San Antonio; and authorizing the City Manager to execute such contract on behalf of the City of San Antonio.

MAYOR COCKRELL: All right. Any further discussion on the part of the Council. Yes, Dr. Nielsen.

DR. NIELSEN: I would delay this two weeks so that the questions Mr. Sawtelle says he didn't hear relative to some legal questions that Mr. Shannon raised, that a transcript be submitted as quickly as possible between the staff and the attorneys for GBRA and Mr. Parker at least those legal points that were raised be resolved, and that we put this on the agenda one or two more weeks.

MR. TENIENTE: I second the motion.

MAYOR COCKRELL: Well, let me just say that I have been urging the Council to try to get some of these issues resolved and I feel that it is important to get to a decision. We are trying to get to the decision on the water rates and although practically I might see the benefit of the delay, nevertheless, I'll have to just say I really feel it is in the overall best interest if we get the thing resolved. Do you have a second? All right. It was made in the form of a motion and there was as I understand now, a second. So it has been moved and seconded that the matter be delayed for two weeks, is that correct? All right. So we have now discussion on the motion to postpone. Mr. Hartman.

MR. HARTMAN: Madam Mayor, I am fully appreciative of Dr. Nielsen's preference to delay for a couple of weeks. As he states to clarify some legal questions. However, I think that there are many other questions that need clarification and addressal before this matter can finally be resolved. I do not think that two weeks delay would serve any useful purpose. I would therefore speak against his motion.

MAYOR COCKRELL: All right. Any further discussion? Dr. Cisneros.

DR. CISNEROS: If I may offer a substitute motion (inaudible)..What I would like to suggest is that, I think you call it a motion, that within a two week period the City Water Board present us full information on the Cibolo Project and present us the schedule of events that will be required to set in motion the initiation of the Cibolo Project. That we also get a report on how the Cibolo Project would constitute a first step for the regional water plan and we defer for that length of time further consideration the GBRA contract pending receipt of such information.

MAYOR COCKRELL: The previous motion had been a motion to postpone to a definite time. I don't believe that this is an appropriate substitute for that particular motion. This was a procedural movement on postponement. The Chair will rule the motion to substitute out of order to the procedural motion now pending. Is there further discussion? If not, we will take a roll call vote on the motion to postpone for two weeks.

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

MAYOR COCKRELL: All right. We have a motion on the - a motion for ratification, is there a second to that motion?

MR. BILLA: I so move.

DR. NIELSEN: I second the motion.

MAYOR COCKRELL: It has been moved and seconded to ratify or approve the contract with the GBRA. Is there further discussion on that motion? All right. The Clerk will call the roll.

On roll call, the motion to ratify the contract failed by the following vote: AYES: Billa, Teniente, Nielsen, Cockrell; NAYS: Pyndus, Cisneros, Black, Hartman, Rohde; ABSENT: None.

MR. ROHDE: I would like to make a substitute motion.

CITY CLERK: The motion failed.

MAYOR COCKRELL: All right. The motion has failed. Now, Mr. Rohde, did you have a further motion?

MR. ROHDE: Yes, I wish to be recognized to open the matter again, Mayor. My motion is that the City staff and City Water Board take this subject contract and obtain a five year option letter agreement from GBRA at an approximate cost of \$25,000 per month for the 60 month period which would total about \$300,000 per year.

Further that the City Water Board make an effort to renegotiate some of the legal concerns with GBRA which I have expressed in a certain statement that I made in the "B" Session as to the effect of the legal points I made in such statement of concern.

I ask the Council's cooperation and approval of the proposed five year option contract with the City Water Board and GBRA and ask that it be approved and that the matter be returned to the Council within the next 45 days for approval.

What I am asking the Council to do here is to accept in general the proposed contract that we have with the reservations that with the concerns expressed to see that they can be overcome and that a letter be atop of this which Mr. Sawtelle understands that an option be made that any time within five years the City can exercise its option agreement with the GBRA and to the best interest of the City of San Antonio. In other words, you could come back in 45 days and the City would be paying \$25,000 which I would think would be appropriate consideration of \$300,000 a year during the five year period and we would proceed in another direction if the citizens of San Antonio and if this Council felt that it needed to exercise this option, we could do it on a 30 days notice and I so make this motion.

MAYOR COCKRELL: Hearing no second, the motion dies for want of a second. Yes.

DR. NIELSEN: Wait, wait. Al, once again now, are we instructing somebody to try to negotiate a contract?

MR. ROHDE: An option and get some of the problems worked out on the present contract.

MAYOR COCKRELL: All right. Do you wish to have any comments from the Chairman of the City Water Board whether or not he sees any possibility in negotiating this type of an option?

DR. NIELSEN: Madam Mayor, we have still got the hard reality regardless of economics or anything else, whether to build Cibolo first. We just don't have that much water in this watershed.

MAYOR COCKRELL: All right. Mr. Hartman.

MR. GLEN HARTMAN: Madam Mayor, in order to address the question and I would like to relate this to the motion Mr. Rohde has made, I think that we would have to have an assurance that there will be brought to this Council a comprehensive water resources development plan that addresses all the issues that have been raised with regard to Cibolo, with regard to Applewhite, with regard to recycled water, with regard to the other item that has been brought up here today. We need to have a plan that addresses this thing in a long-term manner for a long-term contract. If the motion could be amended or added to with the point that we would have that plan brought to this Council before we would finally ratify any such definitive contract, then I could accept that.

MAYOR COCKRELL: Well, let me just say that I think that the City Water Board, of course, will want some type of direction from the City Council. The City Council has by a majority vote today, disapproved the offered contract that was negotiated by the City Water Board. Now, they will want some kind of interpretation of the desires of the Council. For example, whether the Council wishes them to proceed at this time on any other alternatives. Whether the Council's intent is a renegotiation or possible renegotiation in the future of this contract. Whether it wishes them simply to hold in abeyance for some time in the future any further plans on the development of surface water. I do think we need to develop a set of guidelines to give the Water Board some direction as to what the sense of the Council is.

DR. CISNEROS: Madam Mayor, I would like to make a motion that two weeks from today the City Council receive a report from the City Water Board on the full implications of proceeding with Cibolo Project and that we be apprised of not only the economics and some cost information which we already have but specifically the time schedule and chain of events that would be involved in setting that project into motion. Secondly, at that same session, we would be apprised of how Cibolo would fit into as a primary element of a water plan of the kind that Councilman Hartman referred to and that implicit in that motion the deferral of the present contract until such comparisons have been made possible.

REV. BLACK: I second it.

MAYOR COCKRELL: All right. It has been moved and seconded that the City Water Board be requested to come in with a plan for the development of Cibolo Reservoir including the cost alternatives and what else?

DR. CISNEROS: The sequence of events that would set in motion, first dates that which we could begin work on it and really move in it, that we be apprised of how it would be a part of an overall regional water plan, and that the deferral of the present contract hinge upon the Council's ability to evaluate that information.

MAYOR COCKRELL: All right. You have heard the motion and you heard the second. Is there a discussion on the motion? Yes, Mr. Billa.

MR. BILLA: The Water Board, Mr. Van Dyke relates or discussed this Appplewhite in conjunction with Cibolo. I mean, you just can't take Cibolo by itself, can you Mr. Van Dyke? What is your thinking on this?

DR. NIELSEN: Depends on which expert you are looking at.

MAYOR COCKRELL: All right. Mr. Van Dyke.

MR. BILLA: I have heard so many experts. I think we'll just be without water pretty soon.

MR. VAN DYKE: The City Water Board staff will be happy to prepare anything that the Council would like to have. But it just can't be done, all the things that you are asking in two weeks. If you would like to have a comprehensive report that goes beyond what we have done, it's my suggestion that the Water Board take sufficient time to prepare what you want. It seems to me that we are getting an awful lot of ideas that are just popping out of the air at the moment and if you would write down the things that you would like to have and send us a listing of that, we would be happy to provide whatever the information you want.

MAYOR COCKRELL: All right, about what length of time would you think would be appropriate?

MR. VAN DYKE: Well, less than a year, but not in two weeks time.

MR. HARTMAN: Six months?

MR. VAN DYKE: But if you, it depends on what you ask. We would bring it to you as quickly as we can.

MAYOR COCKRELL: All right. Yes.

DR. CISNEROS: My motion calls for a two week report on the status of Cibolo and what it would take to get Cibolo under way and how it relates to an overall water plan and I think that given the work that has already been done on Cibolo, that's entirely possible. We can have an initial report, presentation in "B" Session of where we stand on Cibolo and what the next steps would be.

MAYOR COCKRELL: All right. I do point out that if the motion passes, it still does not address a number of the specific objections that were raised today in opposition to the GBRA plan; namely the questions that have been raised about a regional approach and the cost and the timing and the need and so forth, the things that were mentioned against the GBRA.

MR. HARTMAN: Madam Mayor, I think basically what Dr. Cisneros has said, I find myself in agreement with except for the factor of time. I think that as I understand your motion, Dr. Cisneros, you are saying two weeks to tell the Council as to where we are now, then to decide to develop a plan. I guess my only difference for that would be, it

would seem to me that the Council is in the position now to state and direct the City Water Board to develop a comprehensive water resources plan and that the matter of contracting with anyone, GBRA or anyone else be held in abeyance until such time as this Council is presented with a comprehensive water development plan for San Antonio to include inter-basin cooperation with GBRA and to look at the alternatives of Cibolo and Applewhite and any other alternatives that are pertinent and to bring it back to this Council at that time we would act on it.

MAYOR COCKRELL: All right. What we have pending is the motion by Dr. Cisneros and it was a specific motion relating to the presentation of plans regarding Cibolo. That motion was seconded. It was seconded by Mr. Teniente. The Clerk will call the roll.

MR. PYNDUS: Question please.

MAYOR COCKRELL: All right, Mr. Pyndus.

MR. PYNDUS: As you specifically put forth your motion, Dr. Cisneros, you asked only for information on the Cibolo. Is this true?

DR. CISNEROS: No, let me restate it.

MR. PYNDUS: Would you please, because if you don't restate it correctly, I am going to vote against it because it is unrealistic. I would like to know specifically what you wish in this two week period and I would like to have Mr. Van Dyke's reply as to whether he can meet the two week period.

DR. CISNEROS: All right. Here is what the motion has. It has three elements. Element number 1 is within two weeks a report on the status of the Cibolo Project bringing us up to date on what has been done and what would be necessary to proceed from here forward with Cibolo relative to cost and relative to legal status and any other elements that have already been discussed. Secondly following up on that, the relationship of Cibolo to what might constitute an overall regional water plan. That need not occur within two weeks but it would be something that would be a natural follow-up from the two week discussion. Thirdly, the matter of deferring the present contract pending the discussions that will occur two weeks from now and whatever follow-up discussions that occur thereafter.

MR. PYNDUS: Are you saying, a point of clarification.

MAYOR COCKRELL: Well, on that third part, the deferring the present contract, the present contract has been rejected. At the point now....

DR. CISNEROS: All right. Then, that point has been.....

MR. ROHDE: Mayor.

MAYOR COCKRELL: Yes, Mr. Rohde.

MR. ROHDE: I urge the Council in the best wisdom it has to reject this motion for this reason. It gets away from the issue of the contract. I feel that this contract can be salvaged; I think it can be saved for the citizens of San Antonio. I think it is an important contract. I am asking here again that we get an insurance policy on this contract by going ahead and asking for an option. I think an option can be worked out. They've got no one else to sell this water to. I think some of the objections of the contract that I've had concern about and the rest of the Council has concern about it can be worked out in renegotiations and I think that's the issue here. In the meantime, we've got this contract and if we can get an option, I think it would be in the interest of the citizens and in the meantime go these other directions but the direction that Councilman Cisneros is asking is forget about this contract and go into another direction. I want to go into another direction but I want to have in my hip pocket, the insurance policy that we can salvage this contract and I urge you to reject this amendment.

MR. TENIENTE: Mrs. Cockrell, I'd like to ask legal staff whether we can have the motion that it includes in the motion options that have not been accepted by the people. It's not really a contract that is presented and accepted but the only thing we can vote on today and make sure we have it is the present contract as presented which was the reason why I was hoping for two weeks delay to try to add some options in there but obviously the rest of the Council did not think it was necessary.

MAYOR COCKRELL: May I ask the City Attorney for any comment you have.

CITY ATTORNEY PARKER: If I understand correctly, you're saying can you ask for them to go back and get other options?

DR. CISNEROS: No, no, we can't pass on this today.

CITY ATTORNEY PARKER: No, you can't pass on the terms of the options but you could request that City Water Board go back to.....

MAYOR COCKRELL: That was something different from the present contract.

CITY ATTORNEY PARKER: That would be correct.

MAYOR COCKRELL: The pending motion, however, is the one Dr. Cisneros has made which is to ask the City Water Board staff to report in two weeks on the status of the Cibolo, what would be necessary to put it into operation and at a later time, presumably, to report on the regional water development plan and how Cibolo would relate to the regional water development plan. Yes, Mr. Pyndus.

MR. PYNDUS: I would like for Mr. Van Dyke to tell us if he can do this in a two week period.

MR. VAN DYKE: Ladies and gentlemen of the Council, any request made by this Council should be made to the City Water Board for whom I work and they will consider your request and put it in writing and then our staff will undertake if we are directed to do so by our board. A two weeks time for the request, in my opinion, is not sufficient time and I think that if you would make your request, we would make an effort if directed by the Board to have it back to you as quickly as we get the information.

MR. PYNDUS: Mr. Van Dyke, can you give me an approximation to just gather the facts that we have had presented to other Councils and they made a decision on the Cibolo, and we would like to have these things back presented to this Council and how long will it take to get those back.

MR. VAN DYKE: We can have it in a month if the board decides they would like to proceed with that.

MR. PYNDUS: Thank you.

MAYOR COCKRELL: As I understand it, you don't feel that it would be possible just on your own to respond to the City Council's request?

CITY MANAGER GRANATA: Bob, what I think they'd like to know is how much time would you need if.....

MR. VAN DYKE: About a month.

CITY MANAGER GRANATA: They'll take care of the board or we'll request the board.

MAYOR COCKRELL: All right. It is agreeable with the maker of the motion to change the time request from two weeks to a month. Any further discussion? Mr. Hartman.

MR. HARTMAN: I guess I would like to ask a question of the maker of the motion who was Dr. Cisneros what all of this will address. I hear basically Cibolo.

DR. CISNEROS: (Inaudible) in a month they say is the broader question of the water plan (inaudible) and how Cibolo would relate to such plan.

MR. HARTMAN: Well, let me ask you a question. I guess the thing that concerns me is the fact that what we're asking for in effect again is a statement of requirement. That's what we're starting with and I think that's the basic fact that we need to be given a statement as to what is the requirement for water in this area and how do we intend to go about taking care of it. I think what we're looking for is a comprehensive water plan.

DR. CISNEROS: I think that where Mr. Hartman seems to be having difficulty is the fact that we disagree on some basic premises. You want to go back and investigate the entire matter of whether or not in the future we're going to need surface water. I've already reached the decision that we are. My quarrel with the contract was the side benefits that would accrue from development of our own basin as opposed to going to another basin. (remainder inaudible)

MR. HARTMAN: Okay, I withdraw my objections.

MAYOR COCKRELL: Mr. Rohde.

MR. ROHDE: Councilman Cisneros, are you asking us to throw the GBRA contract in the trash can and not walk back to it.

DR. CISNEROS: (Inaudible).

MR. ROHDE: I realize this but is this what you're asking.

MAYOR COCKRELL: There was already a vote on that.

MR. ROHDE: Okay, but we don't go back to that and your motion. Okay. I shall vote against it.

MAYOR COCKRELL: All right, Mr. Pyndus.

MR. PYNDUS: Al, I would like to state that after this vote is taken, I would like to discuss the GBRA contract with regards to renegotiations. So if you're going to vote on this issue because it's been left out, give it a little bit more thought.

MAYOR COCKRELL: Any further discussion? If not, Clerk will call the roll.

On roll call, the motion carried by the following vote:  
AYES: Pyndus, Billa, Cisneros, Black, Hartman, Teniente, Cockrell;  
NAYS: Rohde; ABSENT: Nielsen.

MR. PYNDUS: Mayor Cockrell, there seems to be no doubt that the need for surface water by San Antonio short range and long range is a necessary thing. There are certain elements of the contract that were not acceptable and I would like to ask that we direct the City Water Board to carry on negotiations to present to this Council a better contract than the one that has been negotiated previously.

MR. ROHDE: Why didn't you second my motion when I made it, Mr. Pyndus?

MR. PYNDUS: Because you put some terms in it that had limitations and I didn't want to accept those terms.

MR. TENIENTE: I second the motion.

MAYOR COCKRELL: All right. There is a motion that the City Council request the City Water Board to continue negotiations on the GBRA contract with the hope that possibly terms more acceptable to the City Council can be achieved and that motion has been seconded. Any further discussion on that motion?

MR. ROHDE: I would like to make a substitute motion that we make them the contract that they were to accept it that the word option would appear in it so that it can be an option contract.

MAYOR COCKRELL: All right. Contract with possibility of an option. All right. Any further discussions? Clerk will call the roll.

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

MAYOR COCKRELL: All right. We have now taken three actions; number one, we have rejected the proposed contract with GBRA; number two, we have requested through the City Water Board Chairman that we get a report from City Water Board and staff that we get the report on the Cibolo, the background, the cost, the projected timetable, and that that be done within one month. That, in addition, we are presented with a regional water development plan no time limit put on that and third, we have directed that the City Water Board continue negotiations with GBRA in the hope that a contract more acceptable to the City Council might possibly result. Those are the actions that have taken place today and we are now going to take a ten minute recess.

76-26 The following Ordinance was read by the Clerk and explained by Mr. M. Winston Martin, Executive Director of the San Antonio Development Agency, and after consideration, on motion of Mr. Pyndus, seconded by Dr. Cisneros, was passed and approved by the following roll call vote: AYES: Pyndus, Billa, Cisneros, Black, Hartman, Rohde, Teniente, Cockrell; NAYS: None; ABSENT: Nielsen.

AN ORDINANCE 46,688

APPROVING THE PRICE AND CONDITIONS OF THE SALE BY THE URBAN RENEWAL AGENCY OF THE CITY OF SAN ANTONIO OF DISPOSITION PARCELS C-C-8 (A) AND C-C-8 (B), LOCATED WITHIN THE ROSA VERDE URBAN RENEWAL PROJECT, TEX. R-78 TO SAN ANTONIO CITY EMPLOYEES FEDERAL CREDIT UNION FOR THE SUM OF \$164,947.75 BEING \$2.75 PER SQUARE FOOT.

\* \* \* \*

76-26

PUBLIC PARKING

Mr. Rohde said there is an agreement with the Federal Government which allows free parking at the Federal Building after office hours. He asked Mr. Martin for a copy of the agreement so that the Parking Committee can arrange to have proper signs installed.

76-26 The following Ordinances were read by the Clerk and explained by Mr. Thomas A. Raffety, Director of Aviation, 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, Teniente, Cockrell; NAYS: None; ABSENT: Nielsen.

AN ORDINANCE 46,689

MANIFESTING THE ADDITION OF 58,098 SQUARE FEET TO THAT CERTAIN LEASE BETWEEN THE CITY AND BEECH HOLDINGS, INC., AT SAN ANTONIO INTERNATIONAL AIRPORT; AND FURTHER MANIFESTING THE CONSENT OF THE CITY TO THE SUB-LEASE OF SAID LEASED AREA TO CHAPARRAL AVIATION, INC.

\* \* \* \*

AN ORDINANCE 46,690

MANIFESTING AN AGREEMENT WITH MOBIL OIL CORPORATION TO EXTEND THE PRESENT LEASE AGREEMENT AT STINSON MUNICIPAL AIRPORT FOR A PERIOD OF ONE YEAR UNDER THE SAME TERMS AND CONDITIONS.

\* \* \* \*

AN ORDINANCE 46,691

AUTHORIZING THE CITY MANAGER TO EXECUTE LEASES WITH AMERICAN AIRLINES, INC.,

BRANIFF AIRWAYS, INCORPORATED, CONTINENTAL AIR LINES, INC., EASTERN AIR LINES, INC., COMPANIA MEXICANA DE AVIACION, S.A., SOUTHWEST AIR LINES CO., AND TEXAS INTERNATIONAL AIR LINES, INC., WHICH ARE IDENTICAL IN RATE OF FEES AND CHARGES.

\* \* \* \*

AN ORDINANCE 46,692

ESTABLISHING FEES AND CHARGES FOR COMMERCIAL AIR TRANSPORTATION ACTIVITIES WHICH DO NOT OPERATE UNDER LEASE OR CONTRACT AT INTERNATIONAL AIRPORT.

\* \* \* \*

76-26

GENERAL AVIATION FACILITIES

Mayor Cockrell made reference to recent publicity regarding the possible shortage of general aviation airport facilities and asked Mr. Raffety to comment on the City's plans in this area.

Mr. Raffety said that the Airport Master Plan has specific recommendations on the need for a general aviation airport. It will be necessary to retain and further develop Stinson Field. If there is a continuing loss of privately owned airports in the immediate area and the loss cannot be taken up by airports in smaller surrounding cities, then it will be necessary to look at the need for a second general aviation airport.

Mayor Cockrell asked Mr. Raffety to make a review of this situation and give the Council a report on it.

In answer to a question by Mr. Pyndus, Mr. Raffety said that the 20 year Master Plan adopted last year by the Council did survey a location for a second general aviation airport. At that time there were five such existing airports of varying sizes. One of those has closed and two others are threatened with closing.

76-26

The Clerk read the following Ordinance:

AN ORDINANCE 46,693

AUTHORIZING THE CITY MANAGER TO SUBMIT MODIFICATION NO. 7 TO THE TITLE I COMPREHENSIVE MANPOWER PLAN UNDER THE COMPREHENSIVE EMPLOYMENT AND TRAINING ACT OF 1973, AUTHORIZING THE CITY MANAGER TO EXTEND THE CONTRACTS OF THE CURRENT OPERATING AGENCIES PROVIDING MANPOWER DELIVERY SERVICES PROGRAMS FOR FISCAL YEAR 1976 AS OUTLINED HEREIN THROUGH SEPTEMBER 30, 1976, INCLUDING A NECESSARY BUDGET REVISION. FURTHER AUTHORIZING THE CITY MANAGER TO SUBMIT TO THE TEXAS EDUCATION AGENCY A

MODIFICATION TO THE NON-FINANCIAL  
AGREEMENT DUE TO EXPIRE JUNE 30, 1976,  
AND EXTENDING THE AGREEMENT TO  
SEPTEMBER 30, 1976 AND AUTHORIZING  
AN ADDITIONAL POSITION IN THE CITY'S  
EQUAL EMPLOYMENT OPPORTUNITY DEPARTMENT.

\* \* \* \*

The Ordinance was explained by Mr. Sam C. Dominguez, Director of the Manpower Program Office, who said that it provides for a three month modification to the CETA Program which will be a transition period. He also explained change in allocation to the various participating agencies.

Mr. Pyndus said that there is an allocation provided for the United Organizations Coalition (MITP) of \$43,961. At the present time some people involved in that program are being called before the grand jury. He asked that these funds be deleted and held until after the grand jury reports.

Mr. Dominguez said that staff has not received any word of such investigation and is proceeding on the basis that they are innocent until proven guilty.

The matter was discussed by the Council and after consideration, on motion of Dr. Cisneros, seconded by Mr. Billa, the Ordinance was passed and approved by the following roll call vote: AYES: Billa, Cisneros, Black, Hartman, Rohde, Teniente, Cockrell; NAYS: Pyndus; ABSENT: Nielsen.

76-26 The Clerk read the following Ordinance:

AN ORDINANCE 46,694

REVISING THE SECOND YEAR COMMUNITY  
DEVELOPMENT BLOCK GRANT PROGRAM APPLICATION  
SO AS TO DELETE CERTAIN ITEMS AND ADD OTHER  
ITEMS.

\* \* \* \*

The Ordinance was explained by Mr. Cipriano F. Guerra, Director of the Community Development Department, who said that it has been adjusted to the decisions made earlier in the week by the Council in its work session. It includes reprogramming of funds from the Pecan Valley Project, the Day Care Center Project. He then outlined how the money had been reprogrammed.

Councilman Cisneros moved that the Ordinance be adopted. The motion was seconded by Reverend Black.

Several citizens spoke to the Council concerning various projects they were interested in. They were:

Mrs. Cruz Sellers.  
Mrs. Helen Dutmer.  
Mrs. Anita Lopez.  
Mrs. Nancy Negley.

92  
06

Councilman Teniente said that there is great need for some lighted softball diamonds in the Southwest area near Judson High School. He asked that at least \$200,000 be allocated for this project.

The Council then considered where funds could be obtained from other projects. It was suggested that the allocation to St. Paul Square be reduced \$100,000 and the amount allocated to Rice Road Bridge reduced \$100,000 and the total of \$200,000 be allocated to the softball field.

In answer to a question, Mr. Mel Sueltenfuss, Director of Public Works, said that the original plan for Rice Road Bridge called for a 42 foot road bed. He said that a 30 foot road bed would be entirely adequate and this would allow a saving of the \$100,000.

There was a general discussion after which Mr. Rohde moved the previous question and his motion was seconded by Mr. Teniente. On the following roll call vote the motion was defeated: AYES: Billa, Rohde, Teniente; NAYS: Pyndus, Cisneros, Black, Nielsen, Cockrell; ABSENT: Hartman.

The discussion continued and after further consideration, Mr. Pyndus moved that the original motion by Dr. Cisneros to adopt the ordinance be amended by reducing the St. Paul Square allocation by \$100,000 and the Rice Road Bridge allocation by \$100,000 and adding a project of Lighted Softball Fields with an allocation of \$200,000. The motion was seconded by Mr. Billa and was passed and approved by the following roll call vote: AYES: Pyndus, Billa, Rohde, Teniente, Nielsen; NAYS: Cisneros, Black, Hartman, Cockrell; ABSENT: None.

On call for the question on the original motion as amended, the motion carrying with it adoption of the Ordinance, was passed and approved by the following roll call vote: AYES: Pyndus, Billa, Cisneros, Black, Hartman, Rohde, Teniente, Nielsen, Cockrell; NAYS: None; ABSENT: None.

76-26 The following Ordinances were read by the Clerk and explained by Mr. Bob Hunter, Director of Planning, 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, Teniente, Nielsen, Cockrell; NAYS: None; ABSENT: None.

AN ORDINANCE 46,695

ACCEPTING 224.628 ACRES OF LAND WHICH HAS BEEN RELEASED FROM THE EXTRATERRITORIAL JURISDICTION OF HILL COUNTRY VILLAGE INTO THE EXTRATERRITORIAL JURISDICTION OF SAN ANTONIO.

\* \* \* \*

AN ORDINANCE 46,696

RELEASING 158.2 ACRES OF LAND IN THE CITY OF SAN ANTONIO EXTRATERRITORIAL JURISDICTION SO THAT SAME MIGHT BECOME PART OF THE CITY OF LIVE OAK EXTRATERRITORIAL JURISDICTION.

\* \* \* \*

AN ORDINANCE 46,697

PROVIDING FOR AN EXCHANGE OF PROPERTY WITHIN THE CITY OF LEON VALLEY TO BE RELEASED INTO THE SAN ANTONIO EXTRATERRITORIAL JURISDICTION FOR OTHER PROPERTY WITHIN THE SAN ANTONIO EXTRATERRITORIAL JURISDICTION TO BE RELEASED TO THE LEON VALLEY EXTRATERRITORIAL JURISDICTION.

\* \* \* \*

76-26 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 roll call vote: AYES: Pyndus, Billa, Cisneros, Hartman, Rohde, Teniente, Nielsen, Cockrell; NAYS: None; ABSENT: Black.

AN ORDINANCE 46,698

AUTHORIZING THE VALLEY HI COMMUNITY PARK LAND ACQUISITION PROJECT AT A COST OF \$151,300.00, APPROPRIATING FUNDS FOR THIS PROJECT, ACCEPTING A GRANT OF \$75,650.00 FROM THE FEDERAL BUREAU OF OUTSIDE RECREATION THROUGH THE TEXAS PARKS & WILDLIFE DEPARTMENT, AND PROVIDING FOR A CONTRIBUTION OF \$75,650.00 FROM 1970 PARK IMPROVEMENT GENERAL OBLIGATION BOND FUNDS.

\* \* \* \*

AN ORDINANCE 46,699

ACCEPTING A GRANT FROM THE U. S. DEPARTMENT OF AGRICULTURE FOR OPERATION OF THE CITY'S 1976 SUMMER NUTRITION PROGRAM; APPROVING A BUDGET FOR SAID PROGRAM; APPROPRIATING FUNDS AND PROVIDING TEMPORARY FUNDING FOR SAID PROGRAM.

\* \* \* \*

AN ORDINANCE 46,700

AMENDING ORDINANCES 43862 PASSED AND APPROVED JUNE 6, 1974 AND 45429 PASSED AND APPROVED JULY 3, 1975, TO PROVIDE FOR ELECTRIC RATE APPLICATIONS FOR ILLUMINATION OF STATE EXPRESSWAY SYSTEMS.

\* \* \* \*

76-26 The following Ordinances were read by the Clerk and explained by Mr. Stewart Fischer, Director of Traffic and Transportation, and after consideration, on motion made and duly seconded, were each passed and approved by the following roll call vote: AYES: Pyndus, Cisneros, Hartman, Rohde, Teniente, Nielsen, Cockrell; NAYS: None; ABSENT: Billa, Black.

## AN ORDINANCE 46,701

ACCEPTING THE PROVISIONS OF TEXAS HIGHWAY COMMISSION MINUTE ORDER NO. 71201 DATED MAY 4, 1976 PERTAINING TO JOINT PARTICIPATION IN THE RECONSTRUCTION OF 36TH STREET FROM U. S. HIGHWAY 90, NORTH TO CULEBRA ROAD, A DISTANCE OF APPROXIMATELY 3.0 MILES.

\* \* \* \*

## AN ORDINANCE 46,702

AUTHORIZING THE CITY MANAGER TO EXECUTE A MAINTENANCE AND OPERATION AGREEMENT WITH THE STATE OF TEXAS WHEREBY THE CITY OF SAN ANTONIO WILL MAINTAIN AND OPERATE THE EXPRESSWAY LIGHTING SYSTEM ON INTERSTATE HIGHWAYS 10, 35, 37, 410 AND U.S. HIGHWAY 90.

\* \* \* \*

76-26HILDEBRAND AVE. AND ZARZAMORA AVE.

Mr. Stewart Fischer said that he had been informed that the State Department of Highways and Public Transportation has approved 11 safety projects coming to a total of \$580,000. Included is the straightening out of the kink in Hildebrand Avenue at the entrance to Brackenridge Park. This project includes construction of two new bridges. Also included is the improvement of Zarzamora at Frio City Road.

76-26 The following Ordinance was read by the Clerk and explained by Mr. Stewart Fischer, Director of Traffic and Transportation, and after consideration, on motion of Dr. Cisneros, seconded by Mr. Hartman, was passed and approved by the following roll call vote: AYES: Pyndus, Cisneros, Hartman, Rohde, Teniente, Nielsen, Cockrell; NAYS: None; ABSENT: Billa, Black.

## AN ORDINANCE 46,703

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 RIGHT TURN ON RED LIGHT AT CERTAIN INTERSECTIONS; AND PROVIDING THAT VIOLATIONS HEREOF BE PUNISHABLE BY A FINE OF NOT LESS THAN \$1.00 NOR MORE THAN \$200.00.

\* \* \* \*

76-26 The following Ordinance was read by the Clerk and explained by Mr. Stewart Fischer, Director of Traffic and Transportation, and after consideration, on motion of Mr. Pyndus, seconded by Mr. Hartman, was passed and approved by the following roll call vote: AYES: Pyndus, Cisneros, Black, Hartman, Rohde, Nielsen, Cockrell; NAYS: None; ABSENT: Billa, Teniente.

AN ORDINANCE 46,704

NAMING U. S. 281 NORTH EXPRESSWAY THE  
WALTER W. McALLISTER, SR. FREEWAY,  
REQUESTING THE STATE TO PREPARE AND  
ERECT SIGNS DESIGNATING THIS FREEWAY  
BY SUCH NAME.

\* \* \* \*

76-26

ROUTING OF TRUCKS

Councilman Pyndus called attention to a serious accident that occurred in Houston when a truck loaded with dangerous chemicals overturned and exploded. He asked if there is any way to route trucks around the City on specified routes.

Mr. Fischer said that signs are being erected and placed on major freeways urging trucks to bypass the City. It is doubtful that they can be required.

76-26

ALAMO SIGN

Mr. Rohde called attention to the sign on Houston Street calling attention to the Alamo. He asked if it could be taken down as a measure to beautify the Alamo.

Mr. Fischer related the circumstances of how the sign got placed there in the first place. He said he would be glad to remove the sign if the Council wishes.

76-26

Mayor Cockrell was obliged to leave the meeting and Mayor Pro-Tem Hartman presided.

76-26

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

AN ORDINANCE 46,705

ACCEPTING THE LOW BID OF HOUSE-BRASWELL  
CO. IN THE AMOUNT OF \$77,469.14 FOR  
CONSTRUCTION OF THE CARSON STREET BRIDGE,  
AUTHORIZING EXECUTION OF A CONTRACT  
COVERING SUCH WORK, APPROPRIATING FUNDS,  
AUTHORIZING PAYMENT AND PROVIDING FOR A  
CONTINGENCY ACCOUNT.

\* \* \* \*

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-45-

## AN ORDINANCE 46,706

AUTHORIZING EXECUTION OF PROFESSIONAL SERVICES CONTRACTS FOR ARCHITECTURAL SERVICES IN PREPARING PLANS AND SPECIFICATIONS FOR THE SOUTHSIDE LIONS PARK AND THE MISSION COUNTY PARK.

\* \* \* \*

## AN ORDINANCE 46,707

ACCEPTING THE LOW QUALIFIED BID OF M. H. BRADEN ENTERPRISES IN THE SUM OF \$98,833.21 FOR THE UNSEWERED AREA 53, SANITARY SEWER SYSTEM, PHASE I, PROJECT; AUTHORIZING EXECUTION OF A STANDARD PUBLIC WORKS CONSTRUCTION CONTRACT FOR SAID WORK; AUTHORIZING A BUDGET REVISION IN THE PROJECT; AND APPROPRIATING THE SUM OF \$98,833.21 PAYABLE TO M. H. BRADEN ENTERPRISES AND THE SUM OF \$4,941.79 FOR MISCELLANEOUS CONTINGENT EXPENSES.

\* \* \* \*

## AN ORDINANCE 46,708

ACCEPTING THE LOW BID OF MEADER CONSTRUCTION CO., INC., IN THE AMOUNT OF \$2,274,709.79 TO PERFORM THE VISTA VERDE PUBLIC WORKS IMPROVEMENTS PROJECT, AUTHORIZING EXECUTION OF A CONTRACT COVERING SUCH WORK, APPROVING A BUDGET, APPROPRIATING FUNDS, PROVIDING FOR PAYMENT OF THE CONTRACT AND ADDITIONAL ENGINEERING FEES, AND PROVIDING FOR A CONTINGENCY ACCOUNT.

\* \* \* \*

76-26 Mr. Mel Sueltenfuss submitted a proposed plat of Hidden Forest Subdivision, Unit 3, which lies over the Edwards Aquifer. The Council made note of the plat and referred it to the Planning Commission.

76-26 Item No. 25 of the agenda being a proposed review of Helotes Park Commercial Subdivision was withdrawn from consideration at the request of the City Manager.

76-26 The following Ordinance was read by the Clerk and explained by Mr. Edward C. Garcia, Veterans Coordinator of the CETA Program, and after consideration, on motion of Mr. Billa, seconded by Mr. Rohde, was passed and approved by the following roll call vote: AYES: Pyndus, Billa, Black, Hartman, Rohde; NAYS: None; ABSENT: Cisneros, Teniente, Nielsen, Cockrell.

AN ORDINANCE 46,709

AUTHORIZING THE REALLOCATION OF THE BUDGET OF THE CETA TITLE VI EMERGENCY JOBS PROGRAM OF THE ALAMO MANPOWER CONSORTIUM AND AUTHORIZING THE CITY MANAGER TO MODIFY CONTRACTS WITH CONSORTIUM MEMBERS AND DELEGATE AGENCIES OF THE CITY.

\* \* \* \*

76-16 The following Ordinance was read by the Clerk and explained by Mr. Edward C. Garcia, and after consideration, on motion of Mr. Cisneros, seconded by Mr. Billa, was passed and approved by the following roll call vote: AYES: Pyndus, Billa, Black, Hartman, Rohde, Cisneros; ABSENT: Teniente, Nielsen, Cockrell; NAYS: None.

AN ORDINANCE 46,710

AUTHORIZING THE CITY MANAGER TO SUBMIT MODIFICATION NUMBER EIGHT TO THE CETA TITLE II PUBLIC SERVICE EMPLOYMENT PROGRAM OF THE ALAMO MANPOWER CONSORTIUM ACCEPTING THE MODIFICATION WHEN APPROVED BY DOL, AND TO OBLIGATE FY 1976 SUPPLEMENT AND TRANSITION QUARTER ALLOCATIONS IN THE AMOUNT OF \$4,228.362 TO CONTINUE THE PROGRAM THROUGH JANUARY 31, 1977. ALSO, AUTHORIZING THE CITY MANAGER TO EXECUTE CONTRACTS WITH CONSORTIUM MEMBERS AND AGENCIES OF THE CITY.

\* \* \* \*

76-26 Mayor Pro-Tem Hartman was obliged to leave the meeting and Councilman Phil Pyndus presided.

76-26 The Clerk read the following Ordinance:

AN ORDINANCE 46,711

AUTHORIZING EXECUTION OF AN AGREEMENT WITH GERALD C. HENCKEL TO ACT AS THE LEGISLATIVE CONSULTANT FOR THE CITY (MAN IN AUSTIN), APPROPRIATING FUNDS AND PROVIDING FOR PAYMENT.

\* \* \* \*

The Ordinance was explained by Mr. James Parker, City Attorney, who briefly described the terms of the contract.

Mr. Raymond F. Stone, 6907 Callaghan Road, spoke against the approval of the contract with Mr. Henckel. He questioned the necessity of having a consultant to represent the City in legislative matters.

Mrs. Helen Dutmer asked if this consultant would be restricted to working only for the City and whether this would be monitored to be certain it is carried out.

Mr. Parker assured Mrs. Dutmer that employment by any other entity would require approval of the City Council.

After consideration, on motion of Mr. Rohde, seconded by Mr. Pyndus, the Ordinance was passed and approved by the following roll call vote: AYES: Pyndus, Cisneros, Black, Rohde, Teniente, Nielsen; NAYS: Billa; ABSENT: Hartman, Cockrell.

76-26 The following Ordinance was read by the Clerk and explained by Mr. James Parker, City Attorney, and after consideration, on motion of Mr. Billa, seconded by Mr. Teniente, was passed and approved by the following roll call vote: AYES: Pyndus, Billa, Cisneros, Black, Rohde, Teniente, Nielsen; NAYS: None; ABSENT: Hartman, Cockrell.

AN ORDINANCE 46,712

APPROPRIATING THE SUM OF SIXTY THOUSAND AND NO/100 (\$60,000.00) DOLLARS AND AUTHORIZING THE PAYMENT OF ALL COURT COSTS OUT OF FUND NO. 62-009, INDEX CODE 430504, IN FULL AND FINAL SETTLEMENT OF PLAINTIFFS' CLAIM IN DAMAGE SUIT CAUSE NO. 74CI-2381, IN THE 131ST JUDICIAL DISTRICT COURT OF BEXAR COUNTY, TEXAS, STYLED PATRICIA A. SCHAEFER VS. THE CITY OF SAN ANTONIO.

\* \* \* \*

76-26 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, Rohde, Teniente, Nielsen; NAYS: None; ABSENT: Hartman, Cockrell.

AN ORDINANCE 46,713

ACCEPTING THE LOW QUALIFIED BID OF STANDARD REGISTER TO FURNISH THE CITY OF SAN ANTONIO WITH PARKING TICKETS FOR A NET TOTAL OF \$8,584.00.

\* \* \* \*

AN ORDINANCE 46,714

ACCEPTING THE LOW QUALIFIED BID OF ALTO FENCE COMPANY TO FURNISH THE CITY OF SAN ANTONIO WITH GALVANZIED TUBING FOR A NET TOTAL OF \$9,074.91.

\* \* \* \*

AN ORDINANCE 46,715

ACCEPTING THE LOW QUALIFIED BID OF NAYLOR SUPPLY COMPANY TO FURNISH THE CITY OF SAN ANTONIO WITH A HIGH VELOCITY SEWER CLEANER FOR A TOTAL OF \$13,976.00, LESS 1% - 10 DAYS.

\* \* \* \*

AN ORDINANCE 46,716

ACCEPTING THE LOW QUALIFIED BID OF STURDI-STEEL CO. TO FURNISH THE CITY OF SAN ANTONIO WITH PORTABLE BLEACHERS FOR A NET TOTAL OF \$5,784.00.

\* \* \* \*

AN ORDINANCE 46,717

ACCEPTING THE LOW QUALIFIED BID OF VAN WATERS & ROGERS TO FURNISH THE CITY OF SAN ANTONIO WITH PESTICIDE FOR A TOTAL OF \$6,987.60.

\* \* \* \*

AN ORDINANCE 46,718

ACCEPTING THE LOW QUALIFIED BID OF COOPER EQUIPMENT COMPANY TO FURNISH THE CITY OF SAN ANTONIO WITH A PNEUMATIC IMPACT HAMMER FOR A NET TOTAL OF \$7,792.55.

\* \* \* \*

AN ORDINANCE 46,719

AUTHORIZING THE PAYMENT OF \$4,842.58 TO IBM CORPORATION FOR THE MAINTENANCE OF IBM TYPEWRITERS LOCATED IN CITY OFFICES FROM JULY 1, 1975 THROUGH DECEMBER 31, 1975.

\* \* \* \*

AN ORDINANCE 46,720

AUTHORIZING THE PAYMENT OF \$3,193.98 TO MILLER-BRODY PRODUCTIONS, INC. FOR FILM MATERIAL FOR THE SAN ANTONIO PUBLIC LIBRARY.

\* \* \* \*

76-26

The Clerk read the following letter:

May 27, 1976  
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May 21, 1976

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

Madam Mayor and Gentlemen:

The following petition was received in my office and forwarded to the  
City Manager for investigation and report to the City Council

May 21, 1976

Petition submitted by Mr. Bruce  
Waitz, Attorney, in behalf of The  
First Mexican Baptist Church, San  
Antonio, Texas, requesting a hearing  
before the City Council regarding  
the dissatisfaction with the action  
of the Director of Building and  
Zoning in Case No. 414, Board of  
Review, Historic Districts and  
Landmarks.

G. V. JACKSON, JR.  
City Clerk

\* \* \* \*

76-26      There being no further business to come before the Council,  
the meeting adjourned at 6:20 P. M.

A P P R O V E D

*Lela Cockrell*

M A Y O R

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

May 27, 1976  
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