REGULAR MEETING OF THE CITY COUNCIL
OF THE CITY OF SAN ANTONIO HELD IN
THE COUNCIL CHAMBER, CITY HALL, ON
THURSDAY, JUNE 3, 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.

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76-27 The invocation was given by Mr. Frank J. Dunn, Shenandoah Church of Christ.

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76-27 Members of the City Council and the audience joined in the Pledge of Allegiance to the flag of the United States.

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76-27 The minutes of the meeting of May 20, 1976 were approved.

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76-27 RESOLUTION OF RESPECT

Mayor Cockrell read the following Resolution:

A RESOLUTION OF RESPECT
NO. 76-27-36

WHEREAS, life came to a close for J. Edwin Kuykendall on May 29, 1976, and

WHEREAS, J. Edwin Kuykendall served as Mayor of the City of San Antonio from May 1, 1955 to April 30, 1961, and in addition to his duties as Mayor, Mr. Kuykendall gained fame as the number one "greeter" and goodwill ambassador of San Antonio, and

WHEREAS, during his term in office he led many goodwill junkets over the State and southwestern area of the United States promoting San Antonio, and

WHEREAS, J. Edwin Kuykendall was admired for his outgoing personality and the manner in which he carried out his duties and responsibilities as Mayor and was loved for his fairness and generosity and constant devotion to the interest of San Antonio, and

WHEREAS, in his passing, the City has lost a staunch and loyal friend, NOW, THEREFORE:

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

SECTION 1. That this Council, on behalf of City officials and employees, as well as the citizens of this community, does hereby express profound regret on the occasion of the death of J. Edwin Kuykendall and tenders, to his family, our heartfelt sympathy.

SECTION 2. That this Resolution be spread upon the minutes of this meeting and a copy thereof delivered to the bereaved family.

* * * *

June 3, 1976
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After consideration, on motion of Mr. Billa, seconded by Mr. Pyndus, the Resolution was passed and approved by the following vote: AYES: Pyndus, Billa, Cisneros, Black, Hartman, Rohde, Teniente, Nielsen, Cockrell; NAYS: None; ABSENT: None.

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76-27 THE FREEDOM FOLKSINGERS, U.S.A.

Mayor Cockrell recognized The Freedom Folksingers, U.S.A., who were present in the audience. She stated that they had participated in Bicentennial activities during Texas Day in Philadelphia and in Washington, D. C. She read a letter from Governor Dolph Briscoe asking her to present a certificate of appreciation to each member of the group on his behalf.

Mayor Cockrell then read the following Citation and presented it to the Freedom Folksingers:

CITY OF SAN ANTONIO
(State of Texas)

Hereby Presents This

CITATION

to

THE FREEDOM FOLKSINGERS, U.S.A.

IN RECOGNITION OF THEIR PARTICIPATION IN BICENTENNIAL ACTIVITIES IN PHILADELPHIA AND WASHINGTON, D. C., WHERE THEIR PERFORMANCE WAS OUTSTANDING. THE CONTRIBUTIONS MADE BY THIS TALENTED GROUP OF YOUNG PEOPLE REFLECTS GREAT CREDIT ON OUR CITY.

THE CITY COUNCIL EXPRESSES ITS SINCERE APPRECIATION FOR A JOB WELL DONE WHICH MERITS THE COMMENDATION OF A GRATEFUL COMMUNITY AND EXTENDS VERY BEST WISHES FOR CONTINUED SUCCESS.

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The Mayor and members of the City Council commended the group for their participation.

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76-27 PRESENTATION OF CITATIONS TO WINNERS OF THE WEST TEXAS DISTRICT OF THE NATIONAL FORENSIC LEAGUE SPEECH CONTEST

Mayor Cockrell recognized the winners of the West Texas District of the National Forensic League Speech Contest, Randall Smith, Russell McKee, and Thomas Simmons. They are all students at Thomas Jefferson High School and were accompanied by Mr. Lanny Naeglin, their speech teacher.

Mayor Cockrell then read the following Citation:

CITY OF SAN ANTONIO
(State of Texas)

Hereby Presents This

CITATION

to

RANDALL SMITH
RUSSELL MCKEE
THOMAS SIMMONS

IN RECOGNITION OF HIS ACCOMPLISHMENTS IN WINNING A SPEECH COMPETITION IN THE WEST TEXAS DISTRICT OF THE NATIONAL FORENSIC LEAGUE AND EARNING THE RIGHT TO PARTICIPATE IN THE NATIONAL COMPETITIONS IN COLORADO SPRINGS, COLORADO.

THE CITY COUNCIL CONGRATULATES HIM ON HIS ACHIEVEMENT AND EXTENDS VERY BEST WISHES FOR SUCCESS IN THE NATIONAL COMPETITIONS.

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Mayor Cockrell and City Council Members then congratulated them for their achievement.

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76-27 RESOLUTIONS REQUESTED BY COUNCILMEN

Mr. Teniente stated he would like to officially recognize a young lady from Thomas Jefferson High School who has just received the Tommy Nobis Award, at the next Council Meeting.

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Dr. Cisneros stated he would like to have a Resolution prepared for consideration by the City Council at next week's Council meeting recognizing the six Zamora brothers who have been outstanding in the field of baseball.

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Mayor Pro-Tem Hartman stated he would like to have a Resolution placed on next week's agenda with the Council's concurrence stating the City's position on the proposed changing of standards by the Texas Water Quality Board.

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Dr. Cisneros asked that a Resolution be placed on next week's agenda with the Council's concurrence requesting that the Defense Mapping Agency Topographic Center at Fort Sam Houston not be closed by the Federal Government.

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76-27 REPORT ON BICENTENNIAL ACTIVITIES FOR WEEK OF JULY 4, 1976

Mr. Bob Marsh, Chairman of Independence Week, recognized Mrs. Vivian Hamlin, Chairperson of the Bicentennial Committee, who was in the audience. He explained the reason why their Committee was formed and the functions and activities planned for the week of July 4, 1976. Mr. Marsh then asked Mayor Cockrell to officially proclaim the week as Independence Week. He said that Sunday, June 27, 1976, a balloon race will be held with Councilman Rohde as Uncle Sam participating. A 200 mile canoe race will be held and there will be many activities held at HemisFair Plaza during the week. Mr. Marsh invited all Council members to attend the many festivities to help celebrate the United States' 200th birthday.

Mayor Cockrell thanked Mr. Marsh and the Bicentennial Committee for preparing a very entertaining program for the week of July 4, 1976.

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76-27 Councilman Teniente read the following Resolution:

A RESOLUTION
NO. 76-27-37

ESTABLISHING A FREE TRADE ZONE ADVISORY COMMITTEE AND APPOINTING MEMBERS.

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The following persons representing the business community are hereby appointed members of the committee for an indefinite term:

Dr. Jose San Martin, Jr., Chairman
Robert Diaz De Leon
Jack Skipper
Ruben Munguia
Bill Finck
Roland Castaneda
Mike Morrow
Barbara Banker
Anthony Cangelosi
Hector Ortiz
R. E. Bob Montalvo

Councilman Richard Teniente representing the City Council.

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Councilman Teniente stated that Councilman Cisneros had asked that Mr. Roland Castaneda be included in the list of members appointed to the committee. Mr. Teniente asked that Mr. Louis Garcia, Assistant City Attorney, act as Legal Staff Representative.

Councilman Pyndus then asked that Mr. Robert Montalvo also be included.

After discussion, the Council concurred with the requests.

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

76-27 The Clerk read the following Ordinance:

AN ORDINANCE 46,721

BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO, TEXAS, APPROVING AND AUTHORIZING THE GIVING OF NOTICE OF INTENTION TO ISSUE $60,000,000 "CITY OF SAN ANTONIO, TEXAS, ELECTRIC AND GAS SYSTEMS REVENUE BONDS, NEW SERIES 1976-A;" AND DECLARING AN EMERGENCY.

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The following discussion then took place:

MAYOR LILA COCKRELL: All right. Mr. Jack Spruce is here representing the City Public Service Board. Mr. Spruce.

MR. JACK SPRUCE, GENERAL MANAGER: Mayor Cockrell and members of the Council, we are here to request approval for the ordinance to issue $60 million in bonds to continue our construction program of City Public Service. Our budget this year calls for an expenditure of some $400 million plus a large portion, as you very well know, going for fuel. Some $187 million will go for fuel this first part of the operating budget. Our revenues are forecast at a little bit over $300 million. I believe that you will recall we came to you earlier in the year and

said that we anticipated a need for approximately $150 million in bond funds during 1976. We had approved a $60 million bond issue earlier in the year. This money was received in March and has been expended or is being expended and will be exhausted approximately by the first of July or by the last of July.

We believe that all of our construction programs have been reviewed by the City staff and by the City consultant. We feel that you do have an understanding of the programs on which we will embark. We hope that you do have an understanding of the need for this money. We've had some very heavy expenditures during the last two or three months. We've had some $8.5 million payments that had to be made for a turbine generator. We're now in the midst of the heaviest spending portion of our coal plant project. We're having to pay now for our coal cars which are being manufactured coming off the line which will be used later this year to haul coal to San Antonio. The expenditures to date on the coal plants is approximately $165 million. The estimated total cost of coal plants is $236 million. San Antonio's share to date in the South Texas Project is $23 million. As you know, this project goes on until 1982. San Antonio's share in this total project is over $400 million.

We anticipate that probably we will need later in the year in addition to this $60 million bond issue another small increment, not as large as this. However, during the fall months the expenditures should taper off to some degree. It will not be as heavy as the expenditures during this period of time and in the later summer, therefore, we think that we probably won't be back for the next bond issue until later in the year, but we do earnestly solicit at this time your approval of this $60 million. The funds will be required probably as soon as they could be practically delivered to us.

MAYOR COCKRELL: All right. For the Council's benefit, as you recall, we asked Mr. Kubik, our consultant, yesterday for his analysis of this particular bond issue, and he stated that it was in accordance with the capital improvements program which he has reviewed and that he did recommend that we proceed with this. All right, Dr. Nielsen.

DR. D. FORD NIELSEN: Just one question. Where do we stand relative to resolving the difference of opinions between the consolidated computer services?

MAYOR COCKRELL: May I just make a comment on that? Yes, I think, you perhaps had left yesterday, but I raised the issue with Mr. Kubik, and he is going to do a study and come back to us with an approach or a proposal as to whether or not he can review the consultant's report and the two reports and come back with a recommendation. We had, as you know, the original consultant's report and then the City Public Service had their own consultant's report which was at odds with the first one and so it appears that we need someone to reconcile the difference between the two positions.

DR. NIELSEN: That's all well and good. What has been the management's or the trustees' position relative to where things are right at the moment, though, Jack? Has anything been expressed one way or the other?

MR. SPRUCE: At the present time, the CPS staff, and I believe probably the other trustees are of the opinion that there would not be savings to the City Public Service Board for certain and possibly not even a savings to the consortium for consolidation of the computers. One of our main concerns, of course, is lack of control. The computer to us is a very integrated part of our operating system. It's a valuable tool that we use from day to day. Aside from the savings, we feel that the loss of control would have a deleterious effect on the operation of City Public Service. We also feel that it would act to the detriment of the gas and electric utility ratepayers. We feel that they would be forced to subsidize other operations because we think it would cost us more money if we had to consolidate our EDP programs with the other City agencies.

DR. NIELSEN: So, there's been no movement one way or the other then?

MAYOR COCKRELL: There was one vote taken which was a four to one vote, as I recall, I think Dr. West was still on the Board at that time. I voted against the move to defeat the consolidation and so that was the only vote that was taken.

DR. NIELSEN: There was one other question, Madam Mayor. What is the latest, Jack, on the yellow cake, or aluminum oxide discussions the whole possibility of the contract and so on, the more long term volume.....

MR. SPRUCE: The aluminum oxide for the nuclear power plant? Discussions are moving forward favorably with Westinghouse and other suppliers. We have not yet achieved a wrap up on that. I think probably we told you that Westinghouse has now agreed to furnish the initial loading, and one reload at the contract price. There are no setbacks in our negotiations so far. The thing does seem to be moving forward favorably. Houston Lighting and Power Project's Manager has several contacts going and all of these seem to be heading in a productive direction.

DR. NIELSEN: Thank you.

MAYOR COCKRELL: Yes, Mr. Hartman.

MR. GLEN HARTMAN: Back to the computer consolidation question again, Jack, if I may, I would just like to get - make sure that I understand what process is ongoing on reaching or coming up with a finalized conclusion as to the consolidation of computer services.

MAYOR COCKRELL: I can give you that answer.

MR. HARTMAN: Fine.

MAYOR COCKRELL: At the present time, what has happened is what the joint committee, the Mayor's Committee had commissioned a study which indicated or the result of the study was made public and then the City Council endorsed the study. The City Water Board endorsed the study. The City Public Service Board has their own consultant review it, and based on his findings, the majority of the City Public Service Board voted against participation. Now, there it has stayed and in order to get it off center, my proposal yesterday was that Mr. Kubik, our consultant, who has assisted the City in a number of matters, look at the possibility of submitting a proposal to review the two positions again just as he has done with the Water rate issue. And so he is going to make a report to us.

MR. HARTMAN: I am happy to hear that which because, of course, I was absent at that part of the meeting yesterday, but I would like to, I think the Council should provide encouragement toward the objective that I think has been stated before by previous Councils because I think we need to be shown why computer consolidation is not in the best interest of efficiency and the citizens of this community. Jack, I'm sure your point is well taken, but I think it's, as a rule, it tends to be the best interest of any operation when you can consolidate computers.

MAYOR COCKRELL: Well, it seems to me that where we are again is obviously we have two opposing computer studies and so we have to have a referee. Yes, Mr. Rohde.

MR. AL ROHDE: Mayor, I only question, and this is not to be misunderstood, but you're dealing in an entirely different area in utilities, and I question the credentials of the party you mentioned to ask to study, do they have the credentials to really do this and rely on the hard evidence and testimony for this area. In other words, are we not going back to - in other words, it is not a utility matter.

MAYOR COCKRELL: Yes, let me ask Mr. Kubik since he is here to give the comment that he gave yesterday on that particular aspect. Mr. Kubik, would you just like to comment. You were asked yesterday to take a look at the role that you might, that your agency might play. Would you comment on that?

MR. ADAM KUBIK: Let me just restate a few things which I said yesterday at the special meeting and also some of the things which I've since done. During most of 1974 and 1975, I was invited by Mayor Becker to sit in on some of the deliberations of the special task forces which were developed as part of the Mayor's Committee. So, I do know a little bit of background of the development of the proposals to consolidate the various overhead services including computers. I feel that the approach here is the management type of approach rather than the approach of the software and hardware package development. We are fully qualified in utility and organization management matters. We would look at it from this point of view. As I understand it, a very exhaustive study was performed by the consultants to the consortium regarding the software and hardware package. We certainly would not propose to redo that. We would propose to look at applicability, at the organization that it might implement, at expressed concerns of various organizations including Mr. Spruce's for a possibility of loss of control. We would weight the benefits versus costs and we would report to the City Council on it. I have since read a little bit of the material published on the subject, and at this point, I can report to the City Council that I would be pleased to submit a proposal on this matter. It will take about a week or two to determine the scope but within two weeks if the City Council desires, I will have such a proposal.

MAYOR COCKRELL: All right. I think that yesterday, we asked that you at least submit the proposal then the Council can review the scope of work and determine if it wants to use this approach.

Mr. Rohde, did you have another question?

MR. ROHDE: Yes, Mayor, I am thinking back again if the study is made, is it going to be trepid and be binding on the parties they are making it for. I think that's a responsible feeling. We can study that thing to death over there and nothing be done about it. We've just got another study. I do feel that the spirit ought to be entered into of cooperation and if we do authorize a study, that it is binding.

MAYOR COCKRELL: Yes, MR. Hartman.

MR. HARTMAN: Of course, this Council has the prerogative of terminating that uncertainty of making a decision and saying there will be consolidation. I think that the study...I'm happy to see that we're on course getting the study here and I think this Council should finalize this issue.

MAYOR COCKRELL: Well, I think that Council could at least adopt the strong policy statement that after review from all points of view and review the report which we might be commissioning that we would support the policy of a unified data processing service. I think we have to recognize that under the terms of the indentures and so forth that the City Public Service has a role and the City has a role. We can spell out what we see as the overall policy statement but I think we also recognize that legally the Board has certain rights and responsibilities.

MR. HARTMAN: Right, Madam Mayor, I recognize that they would have certain residual rights with regard to management of their particular utilities, but ultimately it is the decision of this Council which is a policy decision that could direct consolidation of the computers and if the study so indicated, then I think we ought to take that action.

MR. ROHDE: I'm looking at both views, Mayor, and to me you're the Council fighter on the CPS Board over there and I know where you stand on this. I will give you all the support I can and on this and on the other side, Mr. Hartman idea, I don't want to go that far and dictate the policy. I don't mean it that way really but this is a management

function and I think you've got a dividing line here. I think that we're on the right track of showing them the evidence, the plan and try to maybe disspell some of the fears you may have, Jack, and take a good close look at it because you're operating the people's utility over there. We finally said it, but if the study came in and said we should do it, I would certainly wage a real battle with the help of this Council and the Mayor to encourage it. I don't know if I would go that far to say that you have to do it.

MR. BOB BILLA: Mayor, I think we can exert pressure to implement policy if the Council feels it is right. I would like to move for adoption of the ordinance.

MAYOR COCKRELL: All right. We have a motion for adoption of the ordinance on the giving of notice of intention. Did you read that caption? Yes, you did. This is on the ordinance giving the intention to issue $60 million of bonds. Is there any further discussion? Mr. Pyndus.

MR. PYNDUS: I would second it and I would like to ask a question of Mr. Spruce if I might. I have favored the partnership of the nuclear project and I realize that a portion of these bonds will go into that project. I am concerned that we may lose a partner as far as Austin's reluctance to live up to their commitment. What will our position be if Austin drops out of this nuclear project? Will we be further committed with regard to our proportionate share or will we maintain the same share? How will we handle that portion that they do not accept as far as expense and participation is concerned?

MAYOR COCKRELL: This was also discussed yesterday and you might to ahead and comment, Mr. Spruce.

MR. SPRUCE: Councilman Pyndus and Mayor, the obligation, of course, of Austin as a party or a partner in the project is to continue to pay its dues and represent itself until such time as it may dispose of its interest. There are provisions made for them to sell their interest if they so desire. The interest, of course, would be first offered to the other participants in the project. Austin has a 16 percent interest in the South Texas nuclear power plant. San Antonio would have an opportunity to, I would say, at least take up to 28 percent of that even if the others wanted it, you see. If none of the other participants wanted it and San Antonio did, well, then it would be available to us at a negotiated bargain price. There are some other utilities who are not in the project who have also expressed an interest to buy into the project. Of course, if none of the participants that are in it now wanted that interest, then it would probably be available to some one on the outside. It would be my assessment that some of those in the project including San Antonio would be interested in it. In our opinion, there is not going to be any other nuclear power plants built in the future that are going to cost less than this one. So, if we're going to want some more nuclear power, it might be a very good opportunity for us to try to get some more if we can afford it and if all the facts weigh in that direction.

MAYOR COCKRELL: Yes, Dr. Nielsen.

DR. NIELSEN: Jack, I am very concerned about two things. The somewhat inflexible position, I don't know whether it's management or Board or both relative to the consolidation thing, and I, if I approve this, I sure hope we have some sort of understanding relative to that because it's not fair to say yes to this and somebody changes their mind in the meantime, either you or me or anyone else. Would you abide by the, would you recommend, you're not the trustees, I realize that, but would you abide as far as management with the recommendation that O'Brien and Gere would come up with? Or is that something you can't even commit to?

MR. SPRUCE: Well, it would be awful hard. We would have to see if we agreed with the facts. I think if we all started over, if nobody had any computers and we started from scratch, that would be one way to

look at it. We have a fairly comprehensive consolidated computer system in our own operation. I'd say that if we started over, we wouldn't consolidate what we've got consolidated now. We think that further consolidation is not the direction to go. We think that technology in the present day and time is more to unitize smaller computer systems. In fact, we operate four or five computer systems at CPS. You have to start with what you have and look at it and see what is the best economic interest of everybody.

DR. NIELSEN: I know. I don't dispute that at all.

MR. SPRUCE: We certainly would want to be objective and give every consideration. I just don't feel that I can say, "Yes, I'll do whatever they say." We recognize the authority of the Council. The Council has the authority to approve bond issues or withhold the authority. We're trying to run the utility in the best economic interest of the rate payers. We are trying to do that for the City and the City Public Service Board. We'll work with O'Brien and Gere in every way. I think Mr. Kubik will tell you that he's had full cooperation. In most cases, we have reached concurrence on the study they have made. We think they have been very objective in their analysis and I think that we would certainly want to give them full cooperation on this and possibly we may come to some common denominator. I would hate to make a promise to you that no matter what they said we would agree to. I have the Board to answer to, of course, as well as the Council. We certainly will cooperate in every way.

MAYOR COCKRELL: All right, then, there is a motion and a second. Additional questions? Mr. Rohde.

MR. ROHDE: Jack, we've had some hot days lately and I'm just wondering if your current sales based on this same time last year, is it down or up?

MR. SPRUCE: Councilman Rohde, based on last year, the sales have been up a little bit. We reached a new peak for the year just before the end of May. I think it was 1186 KW against last year's high of 1493. We've had several days where the kilowatt hours sales were in an excess of 20 million. As I recall, our peak kilowatt hour sales day has been about 25 or 26 million. So, when we get two or three hot days in a row, we've seen the demand go up and the usage go up.

MR. ROHDE: Well, fine, that answers some questions for me.

MAYOR COCKRELL: All right, we have a motion and a second. Any further discussion? 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, Hartman, Rohde, Cockrell; ABSTAIN: Black, Nielsen; ABSENT: Teniente.

REV. CLAUDE W. BLACK: I would like to abstain.

DR. NIELSEN: I am registering my abstention at this time also.

MAYOR COCKRELL: All right. There are two abstentions. There are six favorable points. That means that...thank you, sir.

MR. SPRUCE: Thank you.

MAYOR COCKRELL: All right. We now will proceed to items submitted by the Manager.

76-27 METROPOLITAN TRANSIT AUTHORITY

The Clerk read the following Resolution:

A RESOLUTION
No. 76-27-38

CREATING A METROPOLITAN TRANSIT AUTHORITY COUNCIL ADVISORY COMMITTEE: DEFINING ITS RESPONSIBILITIES AND DUTIES.

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Mr. James Parker, City Attorney, explained that there were two versions of this resolution offered for consideration. One version designates the Director of Traffic and Transportation to be the Coordinator of the Committee within the City limits. The other version deletes this section from the resolution.

After discussion, Mayor Pro-Tem Hartman then moved that the version for the resolution omitting the appointment of the Director of Traffic and Transportation as Coordinator be approved. The motion was seconded by Dr. Cisneros and carried by the following roll call vote: AYES: Pyndus, Billa, Cisneros, Black, Hartman, Rohde, Nielsen, Cockrell; NAYS: None; ABSENT: Teniente.

Councilman Rohde suggested that the Council not restrict membership to the Committee to citizens of San Antonio since this will be a metropolitan advisory committee.

76-27 CITY WATER BOARD POLICY

CITY CLERK G. V. JACKSON, JR.: Read a proposed resolution setting policy concerning rates, rules and regulations for utility systems operating within the City limits and applying these policies to rates, rules and regulations proposed by the City Water Board.

MAYOR LILA COCKRELL: All right, now then do we have two different resolutions prepared on this one?

CITY CLERK: Yes Madam.

MAYOR COCKRELL: All right, who is going to present this, the City staff? Is Mr. Ivy presenting this?

CITY MANAGER SAM GRANATA: Mr. Schaefer, we got down the Water Board to present it to you. Mr. Kubik will make the initial presentation, I guess, and then...

MAYOR COCKRELL: Now, this is one the policy addressing alternate policies. There are two separate resolutions and, all right, perhaps Mr. Hartman might like to outline one of them then, if the staff is not going to do it. Is that correct?

MR. GLEN HARTMAN: I'll be happy to preceed. I think that basically what we have left, you know, the Council had previously informally agreed to accept the policy with regard to cost of service-rate setting policy. That I think has been agreed to informally, however, needs to be formally. The second point was the agreement by the Council to establish a new priority system with regard to the application of capital improvements money. That I think needs to be resolved and, as I recall, there was not real disagreement between the Planning and Policy Objectives Committee and the City Water Board on that point.

The area, the third area that needs to be resolved is the matter pertaining to main extension policy and here there has been some difference of opinion. The recommendation of the Committee of course, it's in. First of all, well, I should say, in effect, a return to the 1972 City policy, eliminating the provision of assistance in main extensions, either for on-site materials or for approach mains and eliminating the Community Water Development fund. That was the recommendation of the Committee. That would be the recommendation that I would make here today.

MAYOR COCKRELL: All right, let me just say that you all, I know, are in receipt of a memo that I had sent. I think each one of us, you know, will have to review these issues, but I would concur and recommend concurrence in the recommendation to eliminate the matter of the materials for the on-site main.

CITY MANAGER GRANATA: Inside the City limits?

MAYOR COCKRELL: Inside the City limits. That and that will have a substantial affect on the budget. Now, on the other matter, I really look at it this way. I recognize that in one sense realistically it can be looked at as assistance to the industry. We are a Council that has come out very strongly in favor of economic development and we are working to encourage industries, business to locate here. We are working to encourage existing businesses to expand. At this particular time we recognize that the development and homebuilding industry is one

that has undergone considerable financial stress. We have two separate policies here, each of which have an impact very strongly upon that industry. Now, I am a little reluctant at a time when the industry is trying to make a recovery to, in effect, implement both policies at the same time. I am not saying I am not willing to take another look perhaps in a year or so, but I would prefer to go with the phasing out of the reimbursement for the cost of materials in on-site mains as a step to be accomplished now and delay at this time the other aspect and take another look at it possibly in a year. That is really my evaluation of the situation. Yes, we will let Mr. Hartman respond and then hear from other members of the Council.

MR. HARTMAN: Madam Mayor, your point is well taken. I would certainly join with you in insuring that we take no action which in any way affected any industry. On that score I would agree completely. However, I think looking at the two aspects of the problem. First of all, comparing the time periods during which we have had existing policy versus the preceeding policy, the impact or the difficulty that the homebuilding industry has had here in San Antonio has been a result of external forces - the economy, the high interest rates, and I think generally a slowing down nationwide. This has been true despite the fact that the City has provided an assist in the form of, since 1972, of both on-site materials and approach mains. However, taking 1972 in contrast before this assistance was provided, there was a period during which the homebuilding industry reached an all time high in terms of its activities here in the local area. I think that in essence what I am, what I would like to stipulate is this, that I think the homebuilding is in and of itself what is a spin-off industry. The market place, the free market determines the level of homebuilding. In other words, if there is demand there, the builders will build. The converse is not true. What builders build, people would not necessarily buy unless they have something to buy it with. Unless they can get loans at reasonable rates. The point that I am making that homebuilding does not in itself excellerate the economy unless you have someone there to buy the home. So, this gets us back to our very basic problem in San Antonio. And that is the need for economic development to provide jobs with which people can buy homes. I think that type of excelleration of that sort certainly catalyzes the industry. But I maintain that at the present time, the market simply is not there, unfortunately. I would hope that the market will some day very soon again be there because, which would in turn then reflect the fact that people once again have money to spend on homes, and that is what we have to work on.

MAYOR COCKRELL: All right, let's see, Dr. Nielsen, I think had been next.

DR. D. FORD NIELSEN: I think for the record, we need to let everyone know, Glen, that there was no vote as such taken on the recommendations of which you spoke; the Committee Chairman put together a draft that nobody said yes nor maybe on. I guess in terms of...

MR. HARTMAN: Well, there were three members for the record who didn't say yes.

DR. NIELSEN: Okay, a minority position then that I do not concur that the Community Water Development fund should at this time be discontinued. It is fundamentally a management tool and once this Council and the Water Board are of a little clearer in terms of what general policy direction we are going, I think that it will be managed very well.

It can be a tremendous management tool in terms of where this City invests its resources, whether it's in replacement or relocation or new development inside City limits outside City or whatever and, of course, Madam Mayor, I am sure you know too, and so does the Council that I still maintain that as far as an incentive to inside City limits growth and contiguous growth therein, we should maintain the main extension fund as it presently is, take another look at it in a year. The Water Board has time and time again and it has given us a lot of statistics relating to that portion of the Water Development fund that the main extension policy reinforces because we have had such a slow down, we don't really have much of a base line data on which to make any kind of decision other than some sort of a gut political decision. I think that is hasty at this time. So, any resolution that we come up with I hope would certainly support only the inside City limits. I am not supporting at all in way, shape or fashion for any outside City limits subsidy and I think the Water Board has already amended their policy. They are in the process of doing it, and that we continue the Community Water Development fund and the present management policies for one more year and take another look at it.

MAYOR COCKRELL: All right, Mr. Rohde.

MR. AL ROHDE: Mayor, I have never made my position very clear on the Community Water Development fund, but I think it is a viable thing. We should have it. I do feel that it has been under pretty heavy attack and there is a lot of questions and answers that should be done. I feel that this Council has appointed a Planning Commission of citizens that, looking at the Master Plan for this City, and I see that they need to face and conquer some problems for this Master Planning and I am going to recommend or when the proper time is that we refer this item to the Planning Commission for study in connection with the Master Plan. It goes with it; it goes with the water; it goes with the utility; it goes with the whole ball of wax and I feel there it will get a proper study. So, if this Council had the evidence really, to say yes or no, I don't believe we have enough information at this time to pass judgment on this matter.

MAYOR COCKRELL: All right, I'll come around and hear from the other members of the Council. I will advise the Council, there are two citizens who are signed on this particular issue with whom I'll call on in just a moment. Mr. Billa, I believe was next.

MR. BOB BILLA: I just want to say that I support and I sort of agree with Mr. Hartman, but homebuilding does play a vital part in the economy and it is a circle that is followed. I mean if home-building declines, well all the economy gets depressed. It is just like cars are not essential in some respect. When sales on cars fall off, well the whole economy gets depressed. I think that we like to use other things as vehicles for incentives that have spin-off benefits and I think that the Community Water Development fund is very good. A friend of mine is opposed to it in the building business, but I think it has lots of merit and certainly should be continued and given an additional time to see if it does work out satisfactorily.

MAYOR COCKRELL: All right fine. Dr. Cisneros.

DR. HENRY G. CISNEROS: Madam Mayor, I used to think that San Antonio would be and other Southwestern cities would be exempted or immune from the problems that has beset so many large cities in other parts of the country like the Northeast, for example, where the life virtually has been drained out of the central cities where they are now the center of a

donut that nothing more than a deteriorated core. In a sense I think that is correct for San Antonio in a sense that we're not losing our tax base everytime industries, residents move to the periphery of the metropolitan area. Because of our enlightened annexation laws in Texas, we've been able to hold on to the tax base and so our tax base in secured. But the other physical matter of the manifestations of that problem of central city deterioration are clearly with us in San Antonio. Downtown is deteriorating rapidly despite our efforts in Centro 21 and other areas of the City continue to suffer from out migration and reduction of the physical aesthetic appeal.

I personally am committed to provide life in downtown and personally am committed to the central city areas and am personally committed to real economic development, real jobs where the people live so that we can get the unemployment rate in this City down and begin for the first time to deal with the problem of the economy of San Antonio. You don't deal with the problem of the economy by dealing with secondary industries that live off of or appear to be living off basic industries in town.

I think that the other aspect of thinking has to do with what is much discussed these days about limits and the problem of limited resources and increased competition for resources and so forth, and it's an either/or game. Either this Council is committed to the central city revitalization development and it's going to do it and spend resources on it; or we are going to try and play both ends. If we're going to play both ends, then obviously we'll fritter away our resources and spend some to do one thing and some to do something else and end up not accomplishing very much. What I'm saying is if we have scarce resources, scarce dollars, it is a zero sum game and dollars need to be spent and I think that's what we're really committed to. I'm not suggesting that we place obstructions or limits to growth or no growth or anything of that sort at all. I am saying that we won't be in the ball game providing the incentive for one thing which is the very thing that we're trying to keep from deteriorating the rest of the central city. Sprawl is expensive. Sprawl is what these particular incentives were designed to increase.

The City Manager, I just talked to him a few days ago as to why our City budget has increased from 1968 to 1976 by almost 100 per cent, well, more than 100 per cent, it was $68 million in 1968 and it's now $136 million. He says it's because we've annexed 53 additional areas and when you annex additional areas and when you have that particular sprawl growth, you provide new fire stations and new police sub-stations. You need to provide all those amenities. That's the kind of expenditures that are killing cities all over this country and we're continuing to provide the incentives for the continuation of that kind of growth.

That persuades me that we're making the wrong decision if we decide to continue the policy of extensions in the Community Water Development funds. I'm further persuaded by the fact that it is no longer, it should no longer be hidden in San Antonio that the last years of politics of this City have been dominated by an attempt by the developers who gain increasing power in some of these vital aspects of the City services including the City Water Board. As long as they continue to exercise a very strong influence, for example, in the Water Board in day to day decisions, I think this Council needs to act as a check and balance and in that role of check and balance I intend to vote no on these propositions of the Community Water Development funds in the continuation of these policies.

MAYOR COCKRELL: Just a minute. Mr. Pyndus, then Reverend Black.

MR. PHIL PYNDUS: I almost forgot what I was going to say. The point that I would like to make and not to take off on a basic industry and the building industry, is not a spin-off industry. It constitutes a great part of the economy, free enterprise economy of this country and the point that I would like to make briefly and Glen Hartman's, I believe that Community Water Development funds can be used very effectively within the City limits. I think we have to review the main extension policy. We have settled a lot of the rate setting decisions that have faced us and I think that the Water Board needs some guidance with regard to the clear cut policy that has been set forth previously and now that we have distorted that policy to some degree, I think that these elements that we're discussing this morning should be set aside for another week and we would come up with a middle position rather than vote on it today. I would suggest that we hold this particular resolution off because it pertains to policy. It does not pertain to rate setting and I would so make that motion.

MR. ROHDE: I would second that with this feeling, Mayor, that I think the debate ought to continue a little bit the way we're going, but I am talking about voting for the actual resolution that sets the rate at 10 per cent. I want to study that evidence on how they reached that and I have not had time to do it. I would like to continue this debate on the two items we have, and not postpone that.

MAYOR COCKRELL: The motion was to postpone Item 3, is that correct"

MR. PYNDUS: Yes Madam.

MAYOR COCKRELL: Until next week, did you say?

MR. PYNDUS: Yes Madam.

MR. ROHDE: That's setting the rate now, is that correct?

MAYOR COCKRELL: No, this is the policy, primarily the policy. Is there a second to the motion to postpone?

MR. ROHDE: Second, yes.

MAYOR COCKRELL: All right, we did have citizens who were registered on the original item and I think that if it's agreeable that even though it's not specific on the motion to postpone that we will hear the citizens before we consider the motion to postpone. Reverend Black.

REVEREND CLAUDE W. BLACK: I've had that opportunity to and I've listened to similar presentations with regard to the Community Water Development fund in the last session of our Council. At that time I was persuaded by that position and supported that fund, but it seems to me that the evidence has not been forthcoming that the maintenance of this policy does provide for what it has indicated that it would provide. It does not seem to me that it generates the kind of service, the kind of help, the kind of rise in the economy that it was proposed to provide and for that reason it seems to me that the - a policy that does not perform what it is proposed to perform should not invite our continued support. If we are going to seek out to do something then it seems to me that we ought to do that in terms of the realities that we've got to deal with, and I don't see it actually performing what it, I have no evidence that it has performed what it indicated it would.

MAYOR COCKRELL: All right, yes, Mr. Rohde.

MR. ROHDE: In view of that, I see the problems you both gentlemen see and that's the reason I asked your support and cooperation to send this to the Planning Commission for study and get more evidence. I'm not prepared to vote on this matter because there's been some serious charges made here several months ago about the fund, about a million dollars of pipe missing and all this business or it's in the ground or something like that, but the thing of it is that it may help the inner city and rather than cut it off without full study, I think it's the proper place to send it to the Planning Commission with the Master Plan Study and see how it relates. It's not going in now so it's just a matter of time, but I would ask that support.

MAYOR COCKRELL: All right, let me just make this comment. We want to hear from the two citizens who were registered on this item and then we will continue with the discussion. Yes, Mr. Hartman.

MR. HARTMAN: If I may, I think it would be pertinent to make an amended motion to that effect, if I may amend your motion, to the effect that the matter be referred to the Planning Commission for consideration. If I can get a second on that. Could that be a substitute motion on that case?

MAYOR COCKRELL: All right, the motion to postpone has by the concurrence of the maker been adjusted to include that it be referred to the Planning Commission.

MR. PYNDUS: We have a Planning Commission; we should utilize it.

MAYOR COCKRELL: All right, was that agreeable with the seconder. All right, in the meantime we'll go ahead and call on the two persons registered. Mr. Karl Wurz is the first to be signed.

MR. KARL WURZ: Good morning Council. My name is Karl Wurz, a citizen of San Antonio, Texas. I'm not opposed to the cost of service in its category of residential, general and wholesale but to the bond sale which will raise the costs. I prepared a text which may be applicable at this time but I wish to read it for the record.

Having been accused of presenting false economics, I have no choice but to continue pointing out the bringing down the sacred ivory towers which have enslaved millions without distinction as to race or creed. This is the fourteenth time I'm here to speak against bond sales. The economics of bond sales has gone unanalyzed far, far too long. Theories have been erroneously applied. I should say assumptions rather than theories. These assumptions can only be attributed to gross stupidity or on the other hand evil cunning which is known to the general public as uninformed of the true facts regarding bond sales. Another example of this mindless stupidity is the false and pathetic new math used to steer the public away from the facts of life, how is it done? By investing in United States securities, say the defenders of bond sales, we offset the interest debt so that is we sell municipal bonds at 5 per cent and buy U. S. securities at 4 per cent. Wwe have actually experienced only a nominal cost of 1 per cent. Five minus four always equals one except when applied to municipal bond transactions. Their over simplified explanation is an overlook of the facts: One, we no longer have interest rates of one and three-quarters or two and one-half per cent which made borrowing practical many years ago. Two, interest rates have increased in many cases more than 200 per cent and are inflationary. Three, income from

municipal bonds is not taxable, therefore, a lost to the federal government. Four, the interest debt whether on municipal bonds or federal government securities comes out of the same pocket, the general public's pocket. Wehn a city buys U. S. securities to offset municipal bond interest, the public has to dig down into its pockets not once but twice to settle the debt and the only ones who benefit are the power brokers who have vast resources to invest.

The greatest and the main point of this presentation is that the general public is put into jeopardy not once but twice by bond sales. It is the general public which has to pay off not one but two debts. A local debt and a federal debt. Adding injury to insult. These monstrous interest debts drain away hundreds of millions of dollars from our locality. Knowing this full and well, why do our financial wizards continue to sing praises to bond sales? It is time they cease and desist to advance false economics. To pay interest twice on the same project is false economics.

In going through the presentation which was made by City Water Board this morning, construction program and financing plan 1976 - 1977, we find in schedule three that debt service requirement for $50 million revenue bond issue, Series 1976, which is proposed. Looking at the interest on this page, I find that it is $50,700,000 that's 100 and 4.7 per cent. This is far, far too much for a citizen to pay. We find that the costs for the construction will be doubled, whatever you buy now this we will add this $15 million interest to it, doubling the construction cost. This, to me, is impractical. Looking further at the total revenue bonds sold plus the proposed, we find that it's $56 million, a total interest on that will be $35 million for a total of 62.3 interest cost. Why we have to pay twice for anything is beyond me. It seems to me that we should pay once for what we're going to get. When I go to the store and I buy a can of beans, I pay just one time that can of beans. I don't pay double the price, but this is the principle that is advanced here when we sell bonds. When we buy anything, we pay twice the price that is on the shelf. Thank you very much.

MAYOR COCKRELL: Thank you. The next speaker is Father Benavides.

FATHER AL BENAVIDES: Members of the Council, I would like to point out as an alternative that I would like very much and that we from COPS would like very much for you to consider as being the same alternative that was presented to you this morning by Mr. Van Dyke when he pointed out that if this fund, the Community Water Development fund, were allowed to be run out then the uncommitted funds would then be used for replacement of sub-standard mains, for replacement of mains which after having talked with most of you, most of you agreed should be the number one priority. This is an excellent opportunity to get funds in order to replace some of the sub-standard mains that we still have in San Antonio. I think also when you look at the Community Water Development funds on the basis of allocations, you will find a very extraordinary situation.

First of all, since April 1973 to August 1975, $3.9 million have been allocated from this fund, of that amount $2 million have been spent within the City limits and $1.8 million have been spent outside the City limits, and when you look further at those figures you will find that subsidies that have gone to developers are $786 million as subsidies to developers inside the City limits and yet $1.6 as subsidies for developers developing outside the City limits. Dr.

Nielsen mentioned that this should be an incentive for within City development but yet the truth of the matter is that approximately half of the monies allocated from the Coomunity Water Development fund are going outside the City limits. They are not going within the City limits but outside and of the figure going outside more than two-thirds goes to developers, $1.6 million outside, $776,000 inside. That type of subsidy, that type of encouragement I feel borders on favortism.

We talk much about slumping industries in San Antonio, well, there's another slumping industry and that's us citizens, and we feel that attention should be given to that slumping industry. We feel that this Community Water Development fund should be allowed to run out and that the unexpended, the uncommitted funds should then be spent on replacement of sub-standard mains. If it is going to be studied any more and if it is going to be given to the Planning Commission, then I urge very strongly and we from COPS urge very strongly that the funds be frozen in that interim until such time as we know whether it is encouraging or discouraging within City development, we should not expend or allocate any more monies from it. We feel that it's a unique opportunity to replace sub-standard mains within the City. We ask and encourage this Council to allow it to run out and if it does not that you suspend it until such time as you feel you are ready to move one way or the other. We also urge that if any type of this fund is retained that it be specifically stipulated that none of it should go outside of the City limits because right now we're finding that twice as much goes outside as remains inside, and I don't see how this is encouraging within City development.

MAYOR COCKRELL: Thank you very much. All right, now the pending motion is to defer decision on this issue and instead submit it to the City Planning Commission. Before a vote is taken, I would urge that the Council vote against this motion and my reason is that the Hartman Committee has studied the issues involved for months. The Council has had the issue pending for months. I feel that the Council one way or another has information available, the Water Board people are here, they can answer our questions. I think it's time for us to go ahead and make up our minds, and so I urge that we not postpone it or not refer it to another group to start at ground zero. This is a decision for the Council. Mr. Pyndus.

MR. PYNDUS: I'd like some clarification, Mayor. As I understand, Mr. Hartman wishes to discontinue the Community Water Development fund, and you wish to continue it or let it run out?

MAYOR COCKRELL: Yes, sir, there are several individual points that if we make the decision today, we will have to decide and vote on. We will have to decide first of all about the portion on the main extensions, the on-site mains, the general main extension policy, the Community Water Development fund, all of those related issued. But there's just two or three issues that really have to be decided and they could be decided on way or another today. Yes, Dr. Nielsen.

DR. NIELSEN: Just for the Council's information, all that we're going to do is set some general direction of, there's a legal process, this whole thing has to have hearings, and things like that.

CITY MANAGER GRANATA: May I read the two...

MAYOR COCKRELL: These are just recommendations from the Council in effect to the, on these...

CITY MANAGER GRANATA: May I read, there's two resolutions, and they are identical in every way except for two paragraphs and they differ this way. Mrs. Cockrell is proposing that further regulations for extension of service shall be so structured to eliminate the policy providing for on-site materials inside the City limits to be paid for by the Board, but the Board's Community Water Development fund should be continued to provide for approach main extensions where economically feasible.

The Hartman resolution reads in the same paragraph that further regulations for extension of service shall be so structured that as nearly as possible new customers pay all costs of extending service to them both inside the City limits and outside the City limits. Everything else is identical.

MAYOR COCKRELL: All right, were the Council members all furnished with copies of both of these?

CITY MANAGER GRANATA: No, they...

MR. JAMES PARKER, CITY ATTORNEY: I don't think because of the short work week, Mayor Cockrell, they weren't prepared in time to go in the packet.

CITY MANAGER GRANATA: They weren't even in my packet. I got them from Garland now myself. We can get you copies but that's the only difference in the resolutions, but we'll run copies for you if you like.

MAYOR COCKRELL: Mr. Pyndus.

MR. PYNDUS: I'm in an honest dilemma. Portions of your resolution I like and there are portions of Glen's resolution that I like and I want a balance between the two. I want to keep that Community Water Development fund viable in certain areas of the City.

MAYOR COCKRELL: All right, the first, I think we have to determine as to our procedure whether we are going to in effect refer this to Planning Commission for their action. If the Council does that that takes care of that action. If they do not, then we can further resolve how the Council will make the decision.

MR. PYNDUS: Could I get some idea as to how long it would take for the Planning Commission to review, could they do it in a week?

MAYOR COCKRELL: No, no way, it has taken the Hartman Committee, on which you served, months to make a final recommendation. Mr. Rohde.

MR. ROHDE: I have to address my question, though, it's very vital to the vote, Mr. Van Dyke, I've talked to you several months ago about this matter might come up and we talked about freezing the funds and you said that that would probably not be a very big issue if this is voted for study. Do you see any problem that the funds could not be forzen without putting in any amendment? I'm talking about any new funds, planning funds.

MR. ROBERT VAN DYKE: Mr. Rohde, I'm Robert Van Dyke, General Manager of the Water Board, I'm not cognizant that I ever said any funds could be frozen.

MR. ROHDE: I'm not talking about any...

MR. VAN DYKE: This is a matter that would have to definitely be decided by the Water Board's Board of Trustees. The funds that have been given to them are completely in their charge and must be spent in accordance with the policies that they have set.

MAYOR COCKRELL: All right fine. Mr. Pyndus.

MR. PYNDUS: Mayor Cockrell, may I withdraw my motion, and see if I can review the two resolutions for a later period in the day?

MAYOR COCKRELL: Well, I think the...we do have the motion for postponement and it was seconded.

MR. PYNDUS: I would like to withdraw my motion and look at the two resolutions.

MAYOR COCKRELL: Does the seconder concur with the withdrawal?

MR. ROHDE: Well, make yourself clear, Phil, what are you saying?

MR. PYNDUS: There are two positions taken by the two different resolutions. My feeling is that I can work an amendment to one of the resolutions, and go with one today. And so, my point is to review it during lunch time and this afternoon bring the matter to the table and make a decision on it today.

MAYOR COCKRELL: Do you agree with the removal of the resolution, Councilman Rohde?

MR. ROHDE: Mayor, I'm trying to weigh all the alternatives here and I don't.

MR. PYNDUS: Well, I don't want to put it into months.

MR. ROHDE: Well, it will be months and I'll favor this.

MAYOR COCKRELL: All right. The motion has not been withdrawn since we do not have the concurrence of the...

MR. ROHDE: I withdraw the motion, Mayor.

MAYOR COCKRELL: All right fine. The motion has been withdrawn and agreed to by the seconder and the motion was for postponement. We now having pending the issue of the resolutions. There are two resolutions. We have had a voice request to have this pulled at this time and placed on the agenda later today. Now, does that meet with the Council's concurrence? Fine, all right, I was not aware that all the Council members had not been furnished with both resolutions. All right, this issue will be pulled. We will act on it later in the day. All right, we then call for the next item.

(Later in the meeting the conversation continued as follows.)

MR. CLIFFORD MORTON: Madam Mayor and members of the Council, I want to thank you for the opportunity to address you concerning the two resolutions that you are considering this afternoon. I would like to start my presentation by saying that this is the first time to my knowledge that a member of the development community has been asked to give input on this particular question. To my knowledge, the committee that addressed itself to this particular question did not at any time ask the development community to come before it for input. So, we do not feel that we have had our day in court until today. By virtue of the fact that you did not have a copy of either of these resolutions in your Council package which would typically be on a Tuesday if I remember correctly, did not have them until some time this morning, I would tell you that for us to be able to try to figure out what was in each one of those resolutions and have time to actually be prepared, I would be kidding you and myself. I have not had time to fully address either resolution but I would like to say that I think personally that the committee should have asked the development community who is going to be directly affected by either of these resolutions to come before it and for our input. Second point I would like to raise is did the committee ever officially vote on either one of the resolutions that you are about to address? It is my understanding that no official vote was ever taken.

MR. HARTMAN: May I respond to that Mayor?

MAYOR COCKRELL: Yes.

MR. HARTMAN: First of all, with regard, Mr. Morton, to representation by the home builders, I would call upon the memory of my fellow committee members, but as I recall I think there were during the period of six months or so that these considerations were being given, I think that there were members from the San Antonio Homebuilders Association present on one or two occasions. I think that there was a member of the North San Antonio Chamber of Commerce, I think was present on one or two occasions. The point is these absolutely were open meetings and Mr. Schaefer was present I think on three or four occasions. These were absolutely open meetings. The media attended, and they were I think meetings, I don't know what the posting procedure was, but the meetings were open to anyone who attended. With regard, if you would repeat the second question, Mr. Morton.

MR. MORTON: Well, may I respond to the first one? It would seem to me that obviously there are one or more sides to this particular question. It would seem to me if you would want to get both sides, or three sides, or however many sides there were, so would say to you I do not think that you really had a balanced input, if that's the correct word, in making your decision. I do know for instance that you did ask the City Water Board for their recommendations which brings me to my third point after the question on whether you ever officially voted on it. My third point is how does, what your recommendations, either of the two ordinances, compare with the recommendations of the City Water Board?

MR. HARTMAN: Well, with regard to the vote, the particular committee recommendation was prepared, or the committee report which was prepared, this committee report, as a matter of fact, was dated the 1st of March. Each of every one of the items were discussed in detail by the committee, but I might add that regular representation from, I know for example there was representation besides the Committee at each and every meeting. I know that one regular participant was the Greater San Antonio Chamber.

I'm also aware of the fact that as far as the specific proposals were concerned that there were three members of the committee that were generally favorable to the recommendations that were submitted and one was unfavorable.

MR. MORTON: But did you ever vote on it?

MR. HARTMAN: In terms of calling for a vote within the committee, I don't think this was a function within the committee. Mr. Pyndus.

MR. PYNDUS: No, I think the committee's job was to gather as many facts and make a recommendation without a vote. But I am kind of puzzled, Mr. Morton. I firmly believe that you should have input into this problem because you are a builder and you are a developer, and a prominant one, and you have had experience on the City Council and your guidance and leadership is needed, but as I recall, I asked you personally and you personally were present at one of our meetings yourself, and I asked you the question, would you give us your opinion with reference to the Community Water Development fund. Because I am the only one on the committee that felt it had at that time an element, and it may have changed, it had usefulness and purpose. I feel that way today. I would say that with your knowledge and with your background in government that right now with these simple resolutions before us we would welcome your input. I would ask for it right now if it's all right with the Council.

MR. HARTMAN: By all means.

MR. MORTON: Frankly, I am not prepared to address this issue today in the kind of detail that I think it deserves. What you're looking at is something that on the surface looks very simple. But in the end, it is very complex. Councilman Pyndus, I do recall that you and I have had some conversations about it privately and I believe I did respond with like fourteen pages of typewritten information, and I hope it was helpful. I tried to make it objective. I do not say that this thing is black and white. I do not think it is. It is not that kind of an issue. There are many facets to it.

For instance, does the Council know when you capitalize the revenue from one water connection, what that does to your ability to borrow how much the revenue is? Does anybody know? If you capitalize it over the term of the bond, which is 25 years typically, a typical connection, not a new connection, the net revenue annually is $40 per year per connection, capitalized over 25 years at 6 1/2 per cent, comes up to $480.00. Your cost on that on contributing materials inside the City is $50.00. That is a pretty good return on your money. I think that if you will look at the track record that is beginning to develop on inside versus outside the City development, I think you can begin to see a trend that would show that the intent of contributing the materials inside, not contributing outside, is beginning to work. As I mentioned before, I do not think that a 12 month time frame is a very long period of time to judge whether the policy is working or isn't working and especially during the last 12 months because of the dormancy of the industry. But, I think you can see the trend. Let's just say that you can increase the number of connections inside the City and into your system as opposed to jumping out beyond the ETJ or Selma or Schertz or some place like that to build, I think that you would find that this $50.00 for connections, well, you would say, gee this is nothing. Well it really isn't a whole lot, but I will guarantee that in my operation I'll get down to where I will argue with a subcontractor about $1.50 item every day. So, it's $50 here and $100 there and so forth.

On the issue of the offsite mains where your recommendation is to do away with the Community Water Development fund, I would have to say from a personal standpoint I perhaps would like that. And the reason I would, Mr. Hartman, is because I would lessen the competition. There are less and less people who can afford the front end costs for the offsite mains. Now, if we can get it down to where there are three or four developers who have the only mains in town, we're going to have less competition and less competition means higher prices. It's just that simple. That's just the capitalistic system that we operate within. But I don't think that is really good for the community. I think that the more competition that you have, as far as developers are concerned, I think the less the lot is going to cost. And the less the lot is going to cost, the less the house costs. It's just that simple.

MAYOR COCKRELL: All right, Mr. Hartman.

MR. HARTMAN: Yes, Madam Mayor. Mr. Morton, with regard to the situation that now exists, and we're talking in terms of depressed market. Of course, we have all of the policies that we're now addressing in existence. I'm not, I don't see where ..... we do agree, of course, that the present situation is due to external economic problems and nothing has been done by the City. In other words, the market is now depressed. There is nothing that has been done in terms of City policy.

MR. MORTON: That's correct.

MR. HARTMAN: Okay, I would also like to add or ask the question with regard to the matters of return on investment. The present procedure provides that your money for water mains, approach mains and on the onsite materials at the time a house is built is provided by the City Water Board, and it is later, the approach mains are later recoupe to proceed. Now, is it now true that we do indeed have quite a few mains in the ground now where there are no houses being built for connections? Is that or is that not the case?

MR. MORTON: Are you talking about offsite mains?

MR. HARTMAN: I'm talking about approach mains.

MR. MORTON: You are talking about offsite mains.

MR. HARTMAN: Yes, offsite mains.

MR. MORTON: This is very true. There's no question about that.

MR. HARTMAN: Well, my only point, Dr. Nielsen, if I may finish, is the fact that I don't see very much return on that investment either at this point.

MR. MORTON: Councilman Hartman, I think this. I think that is if we start looking at a utility on a one year time frame and that's how far ahead we plan, I'm afraid that we would have a bunch of tinker toys utilities. Because let's face it a Water Board or a City Public Service Board doesn't plan for one year at a time. I would say that ten years from now that all of the capacity of the mains that are now in the ground that were put there by the Community Water Development fund in some cases will not actually all be used. But I don't find that alarming at all.

MR. HARTMAN: Well, I think that one would have to hope that within a reasonable period of time we would recoupe our investment on the mains. I mean after all, this is taxpayer money that is being used as front money.

MR. MORTON: I agree with you one hundred per cent. I think that any way that you can encourage development to get that revenue you should do it as long as it makes good economic sense for the City.

MR. HARTMAN: May I ask one further question, Mr. Morton. With regard to encouraging development, encouraging house building, the market has now been depressed or has been depressed for a good period of time basically for several reasons. One, high interest rate which I think you and I are both reasonably familiar with. I remember from my association with the lending institution that this hit in about early of '74, in fact even predated from that period.

MR. MORTON: I believe June of '73.

MR. HARTMAN: Beginning in '73 and during '74, but secondly there doesn't seem to be a demand for housing right now and there has not been for a period of time.

MR. MORTON: That's not true, sir. There is a demand for housing. the problem is the ability to build housing within the income levels of the San Antonio market. That is the problem.

Mr. Hartman: Well, that's my point exactly. The income levels of the people who are available to buy houses in San Antonio right now is too low to be able to afford houses at a reasonable level. That gets back to my point this morning exactly. The thing we've got to do is to make darn sure that our economy is broadened and bring in some industry that generates jobs so that people can buy houses. And that's the crux of the problem. We are not able to expand a community or a City by building more houses. But we do expand the ability to buy the houses by building factories and getting employment so that people can pay for them.

MR. MORTON: I could not agree with you more, but I will tell you this that every time you add $50 to the cost of the house you eliminate a certain number of people who can't buy for $50 less. You have been in the lending business and you know that as well as I do.

MR. HARTMAN: I don't recall people turning down houses because they were $50 or $200 higher.

MR. MORTON: It's not a matter of people turning it down. It's the ability for them to qualify within their budget to put it. And you say $50, well okay, you're not just talking about $50. When you start talking about the offsite mains, you're talking about much more than $50.

MR. HARTMAN: You're talking about 50 feet of main per lot.

MR. MORTON: That's the onsite.

MR. HARTMAN: Right, that's the onsite main.

MR. MORTON: But if you're talking about doing away with both you're talking about a lot more than $50 a house. As I say, you can get it down to a dollar if you want to, as far as the number of people that you eliminate from the market. I agree with you on the economic climate that you are trying to create. I would suggest to you that you are making my last point.

The best thing that you can do to attract industry is to create an environment as far as your local government is concerned to where outsiders as well as those who are already here in plan. They know what you're going to do. Within the last year, I was discussing today at lunch with an individual who had had one of the three large electric manufacturers in the United States. I won't name which one it is, but I will say they have a large plant in Austin. They have two in Houston, one in Dallas and one in El Paso. And they were looking at San Antonio and the President of the Company came here and spent three days with this one individual and after three days, said, we're not going to do it and the reasons we're not is we're concerned about your energy supply and number two we are concerned about the uncertainty of your City government. Any uncertainty that you have I think raises questions as far as industry is concerned. To change policies, as fast as you are suggesting that we change this one, I think, would be a big mistake. Give it two years, three years, and have a look at it again. I don't think there's anything wrong with looking at it every year. But, I am saying I don't think that you had enough time and experience on this particular issue to say that it is good or bad.

MR. HARTMAN: Mr. Morton, I would like to respond to with regard to the matters of changing policy. This Council, for the first Council ever, has established as an absolute objective to have a master plan for the first time this City has ever had a master plan. In terms of changing policies, I think this is quite to the contrary of what you have indicated. For the first time, we have said we will build a master plan so that we know where we're going. So, we do not have band-aid type of decision-making which I think is characterized here.

MR. MORTON: I think that's exactly what you're doing here. You're taking an issue that should be dealt with within the context of a master plan isolating it in a band-aid situation and acting on it without really having all the facts that you need to make an intelligent responsible decision.

MR. HARTMAN: In that case, sir, I would think that it would perhaps be appropriate to refer this matter to the Planning Commission for their consideration. Would you be agreeable to that?

MR. MORTON: That's your decision to make, Mr. Hartman, not mine.

MR. HARTMAN: I would like to so move.

DR. NIELSEN: We've been through this this morning once before and, Cliff, I guess you weren't here, I don't have any idea, the question before us is fundamentally whether we're going to eliminate, keep the same or modify the extension policies and the Community Water Development fund. None of us did get the copy of either one of these resolutions until this morning. I'm not sure that this thing is so complicated. I suggested this morning that we keep it just as it is for one more year, and then we'll have more time for the Planning Commission to begin to get some facts and figures. I do agree, Glen, we've talked about this. I think there's a reasonable process with which you do change policies and the water policy in this town in the last few years, and I've said it publicly over and over again, has flip flopped so bad that nobody knows what to do. We've got to level it out a bit. Nothing wroing with examining it, good gosh. For whatever reasons, gut politics or whatever, we've got to use our heads about changing policies, and sure they reflect the image of the City, they reflect the quality of alliance and everything else. I'm not opposed to changes. Sometimes the

methodology you use is very seriously up for question. I would suggest, Madam Mayor, rather than send this to the new Planning Commission who's got their hands full in a whole lot of other areas any way, that if we can't resolve it today, that we put it off one week, think about it, get some more input of whatever else, and put it on the agenda for next week. I don't see any reason to send this to the Planning Commission.

MR. ROHDE: I've listened to Mr. Morton, and he has a lot of wisdom in his thoughts and this matter has been bothering me. I've never made my position clear on this, Cliff, because I don't have the evidence to act on this. In other words, it's a vital decision because it does effect the economy of this City, and I think that maybe you're looking for a way to build a cheaper house to get to the person who can do. I still say this is related to the master plan, and we've heard a lot about the master plan. I want to second this motion to send this to the Planning Commission for a recommendation, an advisory recommendation for the extension policy of the Community Water Development Board. And further add to the thing on the Community Water Development Board that any funds that are otherwise pending be frozen but not in the extension policy. I second the motion.

MAYOR COCKRELL: All right, the motion has been made and seconded to send the matter to the Planning Commission and what was the part about the freezing?

MR. ROHDE: To freeze any expenses out of the Community Water Board but not the extension policies while the study comes back, Mayor, that no funds be expended out of the Community Water Development fund pending the study.

MAYOR COCKRELL: I think the ..... I'm not sure that exactly what the legal status of that is. May I ask some clarification from the City Attorney?

CITY ATTORNEY JAMES PARKER: I don't know exactly..... you're going to send it to the Planning Commission, and then for the year, you're not going to spend any money out of it.

MR. ROHDE: Plan any new money.

CITY ATTORNEY PARKER: Well, it's actually a matter, as I understand it, of the City Water Board anyhow, of their policy, and it would to into the rate-making aspect, as I understood it.

MR. ROHDE: Let me say that it is the wish of the Council, let's put it that way .....

CITY ATTORNEY PARKER: It would not be a binding, legal .....

MR. ROHDE: That's right, this applies to only new plans being planned, not any past projects.

MAYOR COCKRELL: May I also advise the Council that there were four other persons that were signed up to speak. Do you want to hear anyone else before we take final action? Let's hold the motion for just a moment while we hear from some citizens. Thank you. Mr. Morton.

MR. MORTON: Thank you

CITY ATTORNEY PARKER: Mrs. Cockrell, if I might add something to that. If, and I may be incorrect, but I think that this policy, isn't this part of the subdivision regulations as it exists today, and

if it is then it's got to go originally through the Planning Commission to come through the hearing state from the Planning Commision to approve it first and then it has to come to the City Council. And then the City Council acts on it. If it has been adopted as part as the subdivision regulations, then I don't know that, but if it has been, then that's the only way you can change .....

MAYOR COCKRELL: Okay, Mr. Denton.

MR. LLOYD DENTON: I would like to say a few words, but I would like to premise those remarks with the statement that I have not given any personal opinion or having had discussed it with any member of the Council in any depth whatsoever on this subject. Nor have I ever had any discussion in depth with any other developer on this subject on a person-to-person basis or otherwise. I have been following the policies as I knew about them, and as I've heard of them from Mr. Watson and as I read them in the newspapers and I have attended some of the hearings.

Very briefly and to the point, more or less stand still at the moment, I have to agree and stipulate that for the most part as I know it, I do not see anybody coming in at this time with a subdivision that would require any offsite approach mains of any consequence, as I know the City in general and where the development is taking place. So, I don't think we have a major concern there. My first and primary concern for, say these few words, is to take a position against no policy of payment with regard to offsite or approach mains. That's cannibalistic. It's self-defeating. You're going to reward somebody at the expense of somebody else, the minute you do it. Because you can't say that because an area to be developed, that 3 or 4,000 feet beyond the existing main with some vacant land in between that could run 300,000, 500, 600,000 or more to get that water main there and all the costs put on that land is fair and equitable to everybody else. Furthermore, you do not end up putting the burden on my back or the back of any other developer. You put it on the back of the consumer because it's in my cost and the cost of every other developer, and we intend to get our costs back, those of us who are still alive. As a result of what's happened in the past two years. I have seen this City in past years when we had policies or whether we had no policies and you play the game in this City of how did you wait until somebody else got that sewer main past you at their expense or that water main past you at their expense and you got a free ride. And what you're doing if you take this all or nothing policy, that's what you're doing. You're going to make somebody rich, and you're going to make somebody pay a lot more and this other guy over here is going to get the free ride. It's that simple. I don't want to go into details, I know you are well aware of them, you've had plenty of hearings, but I do want to make that point if I make no other.

MAYOR COCKRELL: All right, sir. Mr. Hartman.

MR. HARTMAN: Well, I had a question, Mr. Denton, with regard to the policy as in existence say in 1972 which was a no policy period. Actually, there has consistently been a period of time of recoupment of costs of the initial development by subsequent hook-ons, is that not correct?

MR. DENTON: Would you .....

MR. HARTMAN: In other words, as connections are made, there is a - in other words, the person who rebates, the whole rebate policy actually provides theoretically for the recoupment of that initial cost.

MR. DENTON: I understand, but I understand we also are contemplating a basis here where approach or onsite water mains will not have any formula reimbursement.

MR. HARTMAN: Oh, no.

MR. DENTON: That's my understanding.

MR. HARTMAN: No, the point that's being made here is the fact that - in other words, what this would in effect be would be to go back to the 1972 policy where you had a recoupment of the costs by subsequent hook-on's. In other words, the person would recoup the costs of those mains by subsequent hook-ups. In other words, there was a seven year period in which you recoup and the rebate and the rebate would in effect be back. But the front end money would be provided by the developer, and it would not be provided by the City Water Board.

CITY MANAGER GRANATA: And then intervening developers would pay their pro rata share, that's what he's talking about.

MR. DENTON: If that is fully carried out ..... and if that is fully contained, we do have something that is possible to live with. But let me remind you that the water main we're dealing with today cost-wise, is five to six times the cost it was 15 years ago. And I don't think anybody's net worth in this business has gone up 300 percent in the past two years. In fact, for a lot of us, it's been the other way around.

MAYOR COCKRELL: Mr. Denton, in terms of how this is all financed, if for example, the developer has to finance that cost instead of it being financed by the City in the front-end cost, how does that affect your overall financing of your entire project?

MR. DENTON: It's going to make it almost impossible, frankly. Because when you add that other 300,000 to 500,000 dollars on top of your load, and we have a great change in policies here since 1959, and if you will bear with me a moment, I would like to say that I lived with the creation of the 1959 subdivision ordinance which, under the City Manager then, and he did a good one .....

CITY MANAGER GRANATA: Is that San Pedro Hills?

MR. DENTON: Sam, I'm talking about our City Manager that was in Austin.

CITY MANAGER GRANATA: No, I know the name but the subdivision - I'm not going to mention the name but it was San Pedro Hills is what you're talking about the sewer treatment plant.

MR. DENTON: That's a good example, that's a good example. I built the sewage treatment plant out there at - and it took ..... we gave it to the City because that was the way it had to be. But, Mayor, you see nowadays we got development costs three times what they were 15 years ago. We also got a requirement that to get that plat filed, and you can't do anything till the plat is filed, you got to file that instrument. It says all of that money in cash is available, and it is pledged to the City, a half million dollars, a million dollars, two million dollars. That money's tied up. You've got to get that money approved, you're responsible for it. You've got to eat it until you get through, and the City is 100 percent protected, and you've got this front-end load up to the point that you make it almost impossible except for a few people to develop. And I started with nothing, and I know how hard it is to get there when you can't get anything bonded. There's a lot I can't get bonded now.

DR. NIELSEN: How would you respond to the fact partly because of economics, partly because of policies and decisions of the past that whereby very candidly and I don't think there's anything to hide about

it, there has been a great deal of capital investment in our whole water system, long term, that it's going to be a while before we recoup it. I guess what some of the concern is we don't want to see that happen again.

MR. DENTON: I don't think that main is out there. I think within ten years you'll see every bit of it used.

DR. NIELSEN: We'll try to figure from 5 to 7 years, okay. I've stated publicly on a number of occasions that I have problems in terms of public investments beyond five or seven years at the very most. You know, you just got a limited return or there's a less of a return, the longer you have to go. I realize the public shares a responsibility and I'm not afraid of subsiding to a reasonable extent. But how would you suggest, Mr. Denton, that we in terms of some policy deal with the very tough decision, management anf fiscal, of financing the - especially the large capital costs of these outfalls or main extensions in this City, on one hand we've got the present policy and the other side of that's being presented, may as well just dump it all on the private sector. Is there any way out of this dilemna?

MR. DENTON: I think we badly need some formula that recognizes that in doing that development and in parenthesis, we at one time here if there was a reasonable clause, a reasonable extension. In other words, you can walk over to the City Water Board, say I want an extension two miles out there. If it was two miles or something like that, you couldn't see that it was not reasonable growth going to take place there, then it could be turned down, or the developer could pay the whole thing. If it's a reasonable extension, then there should be a reasonable proration of that economic value that exists because there is a big economic value existing there to be used.

DR. NIELSEN: Well, now, I understand at least in the ETJ we do have some sort of a formula per distance or whatever. We will extend so much so far at least on the oversize and beyond that, we don't. Or there's a decreasing amount of public monies and an increasing amount of private monies in terms of those oversized, is that correct or not? That's the way I understand we do it.

MR. DENTON: I'm not complaining about present policy on that. I was addressing myself solely to the point that the developer had to finance and carry that whole thing himself, and I understand I may be partly, from what you said, Mr. Hartman, may be partly in error. I am addressing myself to the point that the economic growth that the economic growth can be put on there to the point that you eliminate the ability of anyone in this business to proceed.

DR. NIELSEN: Let me ask, Mr. Hartman, then. In terms of the outside City limits main extension policy - oversized, the whole thing. Is it your understanding of - or at least your recommendation that there would be no public monies involved in any main extension for outside the City limits.

MR. HARTMAN: That was the basic regulation, yes.

DR. NIELSEN: Then there is - yeah.

MAYOR COCKRELL: All right. Let me just get this clarification. Now, the motion that is now pending is to refer this to the Planning Commission, and do I understand what the City Attorney is saying now that actually it is inappropriate for the Council to pass these resolutions today because they have to go to the Planning Commission?

CITY ATTORNEY PARKER: Well, they would not be binding as far as the subdivision regulations would not change any of the policies if the policies have already been established pursuant to the subdivision regulations.

MAYOR COCKRELL: Will you outline what the procedure would be?

CITY ATTORNEY PARKER: The procedure would be there that the Council would suggest to the Planning Commission that they want to make certain changes to it, and then it will be up to the Planning Commission to make their recommendations if it's part of the subdivision regulations. And they would then come forward with those recommendations to the Council. If the Planning Commission saw fit not to make those recommendations, then we would have other problems.

MAYOR COCKRELL: All right. Then what is the relation to the City Water Board and their relation to the policy?

CITY ATTORNEY PARKER: Well, it would stay where it is at the present time as far as that matter would be concerned.

MAYOR COCKRELL: All right. So then actually perhaps the caption is wrong. If the Council were going to give any indication of its feelings today the caption it really can't set policy in effect .....

CITY ATTORNEY PARKER: It would be setting of policy what ..... the policy direction it would be more appropriate really to direct it to the Planning Commission to proceed to implement or the desires of the Council in that matter.

MAYOR COCKRELL: All right, and also in the caption of these it says regulations for utility systems and operating within the City limits. Now, if we are talking primarily about the, we are talking primarily about the City Water Board?

CITY ATTORNEY PARKER: The caption is .....

MAYOR COCKRELL: The caption is a little too broad?

CITY ATTORNEY PARKER: Well, the caption is presented, is limited by the last sentence I believe of the caption, it says the utility systems and then which would include anything and then pulls it back in the last sentence of it.

DR. NIELSEN: By the City Water Board, is that what you mean?

CITY ATTORNEY PARKER: Yes, sir.

MAYOR COCKRELL: I wonder what the relation would be, yeah, all right. Let's see I believe those were all that were registered then because several citizens passed and than you so much.

MR. DENTON: One more sentence, Mayor.

MAYOR COCKRELL: Yes, sir.

MR. DENTON: I forgot I had in my pocket a current publication of Urban Land Institutes, a report prepared by the Worden School of Finance and a substantial number of the faculty of the University of Pennsylvania. It's on land development. It says, "in ten to fifteen years, there will be nobody in the land development business but big corporations and City and State and Federal Government because they're doing all the land development".

MAYOR COCKRELL: All right. We have one more speaker who has requested to be heard. A Mr. Dugas.

MR. MELVIN DUGAS: My name is Melvin Dugas with Ray Ellison Industries. Mr. Hartman, in talking about the cost of qualifying a homeowner purchasing a house, we just lowered our fire rates out in the Valley Hi area by, from 9¢ a 100 to 4.5 a 100. And by lowering the fire rates out there, it means that we can qualify somebody that makes $40 a month less just on that 4.5 on a $100 fire insurance. So, that if you take a main run through, it probably will be far more than $40.

MR. HARTMAN: Well, Mr. Dugas, can I ask you at this point, what are you saying in terms of, first of all on site materials we have said at $350 roughly. Okay, approach mains, how much do you consider that to be per house. Roughly, ball park. A $100?

MR. DUGAS: Probably.

MR. HARTMAN: Okay. That will be $450. My only point earlier, just to insure this remains in the proper context, is the fact that a person qualifying, and I know this from being in the lending business for a while myself, the fact that there is $450 tacked on to a price of a house, doesn't make that much difference in terms of qualifying that person to borrow the money. Unless it's a very shaky deal to begin with and which case the person shouldn't be qualified any way. And I don't know of many cases where a person would say I am not going to buy this house because it is $32,450 but I would buy one at $32,000. I mean it's not that kind of a ball park we are talking about. We are talking about a relatively small park the cost of that house.

MR. DUGAS: Yes, sir, but we lose a quarter of our sales a month to people that can't qualify, and we talked about $15 to $20 in the income. They don't make enough by $15 or $20 a month, we lose a quarter of our sales a month.

MR. HARTMAN: Well, I don't argue with that statistic, but I am not saying that they are losing it because of the fact that there would not be a subsidy for water mains. I mean, I just don't see where that follows.

MR. BILLA: Could be, Mr. Hartman.

MR. HARTMAN: Well it could be, yes. They could get hit by a meteorite, but I don't think .....

MR. BILLA: No, but realistically, if I may respond a bit. I am in the business myself and every dollar that you put on there, I think the thing that we all lose sight of, is the Water Board gets all the revenues from whatever water they sell. I mean any other business, I mean provides all those services part of the cost and here you're imposing, you're trying to have economic development and you try to impose as many hardships as you can on the developers and then we get the people making the accusation that we are giving developers something. You are not giving developers anything. You are providing these services for the citizens.

MAYOR COCKRELL: All right. Basically, let me just summarize at this point. There are several positions that have been enunciated. One, yes sir, in just a second. One position, is that there be no change in existing policy. Another position is that the, which I think Dr. Nielsen had mentioned for one year. All right. The second position is that the present policy be continued except that the cost of the on site mains be deleted from the policy. And then the third position is that, that, in addition, the Community Water Development fund approach main, the entire thing be deleted. So those have been sort of the three .....

DR. CISNEROS: The fourth one was Mr. Rohde's plan to go back to the Planning Commission.

MAYOR COCKRELL: Oh, well that was more of a procedural rather than a substantive of policy direction. I just, I would like to clarify one thing. It had been my intention to add some words which I would like to give you, because I would like to have it on the record that on the resolution which alternative which I was offering, under that on the first page, Number 1, we add these words: "replacement of substandard facilities within the existing system and make every effort to complete the replacement in five years or less".

MR. HARTMAN: I am sorry, Madam Mayor, which paragraph is that?

MAYOR COCKRELL: That is under one, the first order of priorities. Put in the words "making every effort to complete replacement of the substandard facilities within five years or less".

MR. BILLA: Or make a concerted effort to replace in five years or .....

MAYOR COCKRELL: So I had planned to offer those words .....

MR. HARTMAN: Make every effort to complete .....

MAYOR COCKRELL: The replacement of substandard facilities within five years or less. All right, with that one clarification, Father Benavides asked to be recognized.

FATHER BENAVIDES: I would like to be recognized very briefly.

MAYOR COCKRELL: Would you come to the mike so that we can just have it on the record, sir.

FATHER BENAVIDES: In the name of COPS, the organization that I am representing we would just like to make it very clear that we would like very much, and we insist as much as we possibly can, that this Community Water Development fund be allowed to run out and the uncommitted funds be spent on replacement of substandard mains. And we do so in light of the fact that I suppose the word went out, the developers sent their big guns in, and I think it is about time that this Council decides who it is that they are going to listen to. We have the ver real situation of 250 miles of substandard mains. You smile, but I bet your mains aren't substandard, Dr. Nielsen. And yet what are you going to do about that. You take very good care of the developers, but do you take good care of the people who are serviced by substandard mains? We have asked over and over for a response from this Council and have yet to get one. We have hedged on every single inch of the way. We hedged in June, when you gave them a 10 percent rate increase, we are hedging on the on sight main policy, we hedged on the off sight main policy, we will not hedge on the Community Water Development funds.

At some point this Council will have to take a stand and tell the developers who come pleading poverty and let me tell you that doesn't go over with the San Antonio public, that somehwere along the line this Council has to make a response to the people who are serviced by 250 miles of substandard mains. I am sure if you check their subdivisions, you will find that their mains are very standard, and I am sure that you will find if you look, for the past three years, that these gentlemen have not built within the City limits of San Antonio but have built outside and want the money of the City of San Antonio to help them build outside the City limits. The on site main policy doesn't mean that much to them. Because none of them are developing within the City limits. You have to look at the developments and see how they are located to see

that. Now who are you going to serve? Them, or the people of San Antonio who are still suffering from low pressure and high insurance rates because their mains are substandard. And when are you going to make a response. When are you going to make a response. We have asked over and over and over and over, we will not hedge on the Community Water Development Fund, if you decide to retain it as it is, we will clearly tell the story that the developers came in here intimidated, and you saw it their way and we are going to make sure that the next time around every single one of the substandard main replacements are taken care of because it's tragic that 250 miles exist. It's tragic that people are served by those substandard mains while outside the City limits they are 16, 20, and 30 inch mains. That is a tragic situation and it's time this Council decides who it is going to serve and how it is going to serve those people, and we ask that you let this money run out and that as a sign of your commitment to the people who live inside the City of San Antonio that you use the uncommitted funds of the Community Water Development fund to replace the substandard mains that are presently serving a great, hundreds of thousand probably of San Antonio people. We ask that that be done and we ask that that be done now. And we will not hedge any more on that issue.

MAYOR COCKRELL: Dr. Nielsen.

DR. NIELSEN: I don't think anybody has been hedging, Father Benavides.

FATHER BENAVIDES: Then why are there substandard mains? You tell me why. I know exactly where you stand, and I think we all know where you stand.

DR. NIELSEN: You know exactly where I stand. There are a lot of problems in this town. Now let me straighten you out on a couple of things, Father Benavides.

FATHER BENAVIDES: No, no, we are through listening to that, now you do something about the substandard mains.

DR. NIELSEN: Oh this is not a democratic society then?

FATHER BENAVIDES: (Inaudible)

DR. NIELSEN: There is a very serious committment. Let me talk. There is a very serious committment in this present rate increase and everything else, relative to those substandard mains and you know that as well, let me finish, let me finish..... we are all citizens of this town, young man. Everyone of us ..... just the same as COPS is, the developers and everybody else. We are all citizens of this town.

FATHER BENAVIDES: You sure can't tell by the mains .....

MAYOR COCKRELL: Father, un momento, por favor. Go ahead.

DR. NIELSEN: You sure do make it difficult for a reasonable decision to be rendered.

MAYOR COCKRELL: All right, the Council is going to have a five minute recess.

DR. NIELSEN: Thank you, Madam Mayor.

76-27 The meeting was recessed at 3:50 P. M. and reconvened at 4:00 P.M.

76-27 The following discussion took place:

MAYOR COCKRELL: I would like to ask the Chairman of the City Water Board to make a summary statement of the City Water Board's position before we take any action because there have been a number of discussions that have taken place and certain statements made, and I think we ought to..yes.

MR. TENIENTE: Mayor Cockrell, before we call on our Chairman, I feel that it is my duty and responsibility as a Councilman to protest the actions that were held here just a few minutes ago, but more especially, on the part of you, Madam Mayor, as a chairman, not to conduct the meeting in such a way that it would have allowed our fellow Councilman the privilege that he so deserved in speaking out and responding to what I call a very respected audience on the part of the Council, and then to not allow our Councilman to return, I think that was out of order, and I just don't feel comfortable. I think I have to say this.

MAYOR COCKRELL: Not to allow the Councilman to return?

MR. TENIENTE: Not to return and talk about it, and respond to the actions that were...by a recess and I think more than that there was no order. The Chair did not handle the meeting properly.

MAYOR COCKRELL: Thank you. I just will take your comments under advisement. At all times, the Chair does her best to maintain order.

MR. TENIENTE: This has always happened.

MAYOR COCKRELL: Thank you, Mr. Teniente, for your comments. Mr. Schaefer, will you go forward then.

MR. JOHN SCHAEFER: Thank you. I'm John Schaefer, Chairman of the City Water Board. Very briefly, the Water Board's position in this is stated in the regulations as they now exist. These regulations were adopted or modified about a year ago. We feel that they are working, we do feel that there have been some changes since the regulations were adopted. That we are reviewing in fact some of these very recently. At just the last Board meeting, we passed a resolution outlining our service area which is a requirement of the Public Utilities Commission of Texas, and in doing this I feel and I know several of the other Board members feel that we want a staff review as well as a policy review of how this is going to affect, number one, the Community Water Development fund which is the subject of discussion here and main extension policies which is a subsidiary subject. If the Council wants to take the time now I have the maps and so forth here showing these areas that are being asked of the Public Utilities Commission to give us service areas on. The elimination of which areas and give you an overall of it or and time being short, I can give you this, ask the staff brief be given to each of you individually. So what I am saying is that we are in the process of reviewing the main extension policy as it would change due to the new law establishing the Public Utilities Commission. Now, so far as how the Community Water Development fund has functioned and what its

function is, it has functioned largely as it was expected to function. At the time the bonds were voted on and sold in 1973, thereafter, the bond reserved fund and the interest reserved funds, there was $4,718,000 to be used in the Community Water Development fund for community water development. To date total job allocations have been $4,775,000 in round figures.

MR. HARTMAN: Excuse me gentleman, could you repeat those figures?

MR. SCHAEFER: All right, the amount of funds we had to use after the bonding requirement, there was a bond of $6 million. Out of that there was $4,718,000 free to be used after the bond reserves and interest reserves, just say $4.7 in round figures. To date we have allocated $4,775,000, and we have uncommitteed funds of $1,960,000. We, in addition to that, have reimbursables receivable from contracts of $2,754,000 or a total available upon receipt of the receivable of $4,714,000. So that the fund, I'm giving you these figures, I know they're a lot of figures but the two significant, we started out with $4,718,000 and we have receivable and uncommitted $4,714,000. Now, that includes $1 million which was transferred from funds that were expected to be used to purchase private water systems under the sole purveyor system so I want that clear.

MR. HARTMAN: Excuse me. So actually, John, with that $1 million addition, you might say there has been a capitalization of $7 million, then $6 million in bonds plus the $1 million that was transferred, so there is a $7 million capitalization?

MR. SCHAEFER: Well, it's not all capitalization because the three year debt services but that amount of funds that have been allocated, let's put it that way. I'm not again going to go into every detail unless this Council asks me to, but in looking at the in City limit development versus the out of City development the number of jobs that we have had approximately 80 per cent have been in City and this is by category. They vary by a few percentage points, and 20 per cent out depending on whether it's single customer or developer customer, hardship petitions or what, but it is working.

Now, I will say that from the standpoint of the Water Board and why we want this development fund it is a management tool among other things. Rather than go out and say, we're going to be the sole purveyor regardless of what it costs. We have realized that we cannot be number one because of the state laws. We have no power of eminent domain to purchase this system but financially we couldn't do this. So, we have written our regulation, and these are the things that tie all in. So, if we have private water systems, or if we're wholesaling water to a water system that they have to abide by our regulations in installing that system, they have to make an agreement with us that we can purchase that system at a known depreciated cost so that we can eventually at least in a new census become the sole purveyor and these have to do with the Community Water Development fund. In some cases the funds to bring the water mains to these people may come out of there.

Now the other thing that I feel needs to be explained is that the Community Water Development fund is based, and this was brought up kind of around the corner, on economic feasibility in previous Boards, and guessed or forced where the mains are to go the Community Water Development funds are used on an application basis.

In other words a person has to come in to us if he's a single customer; he has to have an existing tract. If it's a developer, he has to come in and meet certain criteria that he will develop a certain number of lots. He will get approval of the Planning Commission that he will bond this, that it will be done the same as it is in the subdivision regulations in a three year period so that when these funds are committed the Board knows that the developer is going to have to provide the on-site mains and connections and services and lots, so that we have something to serve. Now we cannot guarantee that he's going to sell his house and that we'll have a customer, but we can guarantee that he is going to develop a lot or a platted homesite or industrial site or whatever it might be within a three year period because that's one of our requirements. So that it does take a lot of the guess work out of the management of where you are going to extend mains.

Now, as to the financial part of it, it was explained, brought up a minute ago that the average connection of the average cost and the average connection returns about $40 a year. New connections return about 30 per cent more than the average as they water their lawns and so forth. These would capitalize out at around $500 to $600 depending on whether you took new or took average so that for the $300 that we are transferring into the Community Water Development fund at the time of services connected, we're getting an item that would capitalize for $500 or $600. An item that on the private sector sells for somewhere between $500 and $800 depending on their rate structure. So the Community Water Development fund is a really profit maker for the City Water Board in that it assures them that when they put money in those mains that they're going to get connections, and that is why we feel that it is a viable tool.

Now, as to the final and last item that I have as to how does the City modify its policies and how does the Water Board as we say attract the City's policies, I feel that you would probably have two or maybe three options. One is, in this case, for the Water Board to complete its reassessment in line with the PUC rules and to make what recommendations we might have to the Planning Commission for any changes that would be needed to implement these changes and then they would bring them to you or you might request of your Planning Commission and your Water Board that they jointly arrive at what they feel these particular parts of the regulations should be.

Now, so far as the City policy, it's my understanding from previous meetings and the one today that you do have a master plan in the process, and I feel that frankly it's this Council's responsibility to accept over all policies for master planning, growth, no growth, limited growth, direction of growth just depending on how far this Council feels it should go. But, I don't feel that it's this Council's either responsibility or privilege to change these growth patterns by instructing the City Water Board to change certain spot regulations, and I think this goes against the ordinances. I think it goes against the overall understanding at least the understanding I have with what the Water Board would or wouldn't do following the City deciding on policies, and I'm talking about the City making policies in their overview and the Water Board making policies that would implement things but not the Council coming to the Water Board and saying we want to re-write your regulations, paragraph three, item C. I don't believe that personally in reading the ordinance. That is why the City Water Board was set up on eight years term to carry over in master planning and otherwise you should have this as a departmental function of the City if you are going to have day to day or week to week changes. Now, those are very briefly the position of the Board. As I say, I've got the area, service area maps here. I've got the statistics in more detail if you want them.

MR. PYNDUS: Mayor Cockrell, we've so many obvious sides to this question with regard to no change in present policy on the on-site mains, the Community Water Development funds. We had some input publicly from some of the developers and builders, and we have a motion on the floor to refer it back to the Planning Commission. I would like to offer a substitute motion. The thing that our committee, one that is headed by Glen Hartman, we have been in a constant communication and deliberation of dialogue with the City Water Board, we kind of lost sight of the distinct nature of this subject that we are trying to make policy on today. I do not feel that it should be sent back to the Planning Commission at this time because of the lapse of time involved and the fact that they are working on a long range master plan. I think what we should do, and I would recommend to this Council, is to review the policy the Water Board was following in 1972 versus the policy that the Water Board is now following that was changed in 1973. I would like to see where that policy has carried us regarding the main extensions and what direction and what changes the City has either benefitted by or have not benefitted by the pros and cons. I would like to have staff input with regards to analyzing this information that we can get from the City Water Board, and I would also like to have such input that Mr. Schaefer has. He said he has something in detail. I would like very much to see what you have because I think that all citizens should be given a very fair hearing and all citizens should be given consideration. I think that this can be done in a three week period, and I would move that we postpone this resolution that I received this morning without adequate study for a three week period.

MR. HARTMAN: I would second that motion.

MAYOR COCKRELL: It has been moved and seconded that the matter be postponed for three weeks, during which time the members of the Council will further review the issue. Is there discussion on the motion?

MR. ROHDE: Yes, do you withdraw the other motion? There was another motion.

MAYOR COCKRELL: This was offered as a motion to postpone.

MR. ROHDE: If it will give new evidence and a better plan which I need information on, I'll go along with it. But I definitely want to head it to the Planning Commission so that we can make a final decision.

MAYOR COCKRELL: All right is there any discussion?

REVEREND BLACK: I would like to add to the request for information. I indicated earlier in the, after we talked about this issue, that as a member of the former Council, I had supported the Community Water Development but had felt, was not led to support it now because I did not feel that I had the evidence that it had been productive. I would like the information that seems to be available, and I think Mr. Morton eluded to, that it has, that the policy has been productive. If that is so, then I would like to see that, that additional information. That is what I would like to see added to in addition to what has been requested.

MAYOR COCKRELL: All right, any further comments? The motion is to postpone for three weeks.

The motion to postpone for three weeks carried by the following roll call vote: AYES: Pyndus, Billa, Cisneros, Black, Hartman, Rohde, Nielsen, Teniente, Cockrell; NAYS: None; ABSENT: None.

76-27 CITY WATER BOARD RATE INCREASE

The Clerk read the following Ordinance:

AN ORDINANCE 46,722

REPEALING ORDINANCE NO. 45672 ADOPTED AND APPROVED SEPTEMBER 4, 1975; APPROVING THE ADOPTION OF SCHEDULES OF RATES TO BE CHARGED CUSTOMERS OF THE WATER WORKS BOARD OF TRUSTEES OF SAN ANTONIO FOR WATER SERVICE; PRESCRIBING REGULATIONS PERTAINING TO PRIVATE FIRE PROTECTION WATER SERVICE; PROVIDING A SEVERABILITY CLAUSE; AND DECLARING AN EMERGENCY.

* * * *

MAYOR LILA COCKRELL: All right. Now this sets - this has the figure of 10 percent, is that correct as recommended or what figure is in this?

CITY MANAGER SAM GRANATA: Yes, that's the ten percent.

MAYOR COCKRELL: All right. I want to call on Father Benavides who we did not have time to recognize across the hall and who is signed on this issue, and let's hear from him and then we'll have the Council discussion. Father Benavides.

FATHER ALBERT BENAVIDES: Members of the Council. We're very happy under this new schedule that the amount under the construction program for 1976 and 1977 being allocated for replacement of substandard mains has increased by 50 percent. I think a very legitimate question to ask is when the original request for 15 percent was made, why these figures were not included then. Secondly, in regard to this ten percent rate increase request, I would like to know why only approximately 1/7th of the construction program figure of $28 million is going for replacement of substandard mains. If indeed the replacement of substandard mains is going to become the number one priority, then why is only 1/7th of the construction figure allocated for replacement of substandard mains. I would like to get an answer from the City Water Board of the City Water Board staff, why the 7 million that they've allocated is the maximum amount that can be committed during the remaining period covered by this report. Why is that only the maximum amount that can be committed? Why can't more of an amount be committed?

MAYOR COCKRELL: All right. We will refer that question to them, and we'll call them up in just a moment.

FATHER BENAVIDES: The other thing is that the capital improvements in the construction program totaled $6.6 million. I think it's very vital to know once again according to the points that we've brought up where are those capital improvements going to occur? And to ask the very vital question, how much of that money will go outside the City limits and how much will stay within the City limits? If you recall, the construction program that was submitted with the 15 percent rate increase request had a great deal of that money going outside the City limits, and we've got to come to terms and decide how much of these monies are we going to allow to go outside of the City limits.

MAYOR COCKRELL: All right.

FATHER BENAVIDES: Another question that we have is why are we providing one million dollars for acception of the central heating and cooling plant facilities to serve the projected requirements of the new hotel to be built in the downtown area. Has this been established as a policy. Is this going to be done and why? And I think that's more a Council policy.

MAYOR COCKRELL: All right.

FATHER BENAVIDES: Is there any response that you might have to that?

MAYOR COCKRELL: All right. Let's take them - were these all the questions?

FATHER BENAVIDES: Okay. But specifically to the Council, is the City going to provide the one million dollars for the extension of the cooling and heating plants to the new hotels?

MAYOR COCKRELL: That would I assume be reflected in the Council's discussion of the rate. If this rate is approved, it will include that item. And so as we discuss the rate in just a moment, I'm sure that the Council members will be commenting, and I will urge that they take this point into consideration as they evaluate the rate.

FATHER BENAVIDES: If we did not provide that one million dollar subsidy, then what would the rate increase be?

MAYOR COCKRELL: All right.

FATHER BENAVIDES: And to speak very much against this one million dollar subsidy. I really see no justification for it whatsoever. In this bicentennial year, we make a lot about the free enterprise system and yet in two instances, we've seen a very generous subsidy, policy extended to the developer industry in San Antonio and now this subsidy being extended to the new hotels. It seems that that doesn't jive very well with the free enterprise system which we supposedly are under. It seems that for them it is more a socialized system and free enterprise is just for us who have to pay. We resent that subsidy very much and if the hotel wants to be cooled, they should pay for their own subsidy. And if a developer wants to build, then he should pay for his own approach mains. We shouldn't be the ones to pay and we feel that if that one million dollars were taken away, you perhaps would be looking at a rate increase of no more than from five to seven. And we feel that any more than that is not justified, it's not justified at all. And that you need to look at where the capital improvements program are going and you need to look at the other subsidies and I think that if they are adjusted, if the Community Water Development Fund were allowed to run out, you would have approximately three million dollars, which would then again would put the rate increase perhaps even lower than five percent, and you would have monies to replace substandard mains with. If we would adjust these things, then perhaps you would help the most slumping industry of all, which is us the citizens who have to pay so that these plush subsidy policies can be extended to developers and to hotels.

MAYOR COCKRELL: All right, thank you, sir. Mr. Pyndus.

MR. PYNDUS: Yes, just one word because I heard the free enterprise system being mentioned. You know, Father Benavides, the free enterprise system has provided for a lot of plush subsidies 100 times over this million to programs that you have supported. Don't get - you know, out of context with this subsidy to bring industry into San Antonio that will help the people and help your people - our people get jobs. But when you talk of subsidies, I can tell you this year, the millions of dollars that this Council has expended in support of programs that are subsidized that you support. So, you're taking a stance of one million dollars because you don't want to subsidize the free enterprise system, which has subsidized you and your programs for 100 million dollars, and I've seen it. So I would like to keep the record straight with regards to that free enterprise system that supports both of us.

FATHER BENAVIDES: That's right. But when you look at it, when you compare it, you'll find that the contribution of the ordinary citizen to the free enterprise system has been much more significant than the contribution of the free enterprise system to the ordinary citizen. And that when you look at it perhaps many times we find that we have these subsidies which we have to pay for and why, if it's a free enterprise system then we.....

MAYOR COCKRELL: Fine. I think we're going to have to get off the philosophical debate about the free enterprise system.

MR. BILLA: If we follow the good father's philosophy, they'd wind up with nothing.

MAYOR COCKRELL: Well, let's try to get to answering.....

FATHER BENAVIDES: We got two inch substandard mains, that's pretty close to nothing.

MAYOR COCKRELL: May I ask, Mr. Van Dyke, would you be kind enough to come back to the podium? And I would like - I think there are several questions here that we would like to just get some comments on. The number one was the question which recognized that the amount for replacement for substandard mains has been raised but questioning the overall allocation, in relation to the Council and the Water Board's commitment that this will be a top priority item. So, will you comment on the overall amount in the capital improvement program for the replacement of substandard mains, as a first comment.

MR. ROBERT VAN DYKE: Well, any program that the Water Board must have must be a balanced program that takes care of all of the needs of the system. And certainly the normal extensions and improvements that take place in a water system are vital to its everyday existence. Now, the replacements are important, the relocations that they've been brought about in massive quantities by the programs of the City Council must be taken care of so that we can progress and have the projects that you have decided to have and that will benefit our people.

Of course, we also have our capital improvements that's a part of it. We have the refunds that we have under our developer in CWB, CWDF, contracts that are part of this big growth. And we have certain interests, we have surface water, we have our heating and cooling. These are all important things that have been brought about as a part of the balanced program of your City Water Board. Now, when the Board chose to shift the funds for surface water development at some two million dollars a short time back in April, basically, these funds went into the replacement program because we sensed that this is something that the people and the Council felt was important. And I think we were being responsive, I think that we were trying to take care of a need that we saw was there and, of course, we have known that this has been a matter of having the money to do these things. There is a limit to the amount of construction that we can normally perform in San Antonio. First of all, we have to design all of these things. Secondly, we have to have contractors that have the equipment and the men and the expertise to do these jobs. And you can't just have a $10 billion program one day and get geared up to it and then not have it the next day. And, so our approach to all of these things, if you approach them in a moderate way to try to do the very best we can with the facilities and the monies that we have available and to try to see that the cost of the replacement work does not soar out of sight. We have seen in the past when there are very greatly accelerated programs that the bidding prices go extremely high because there just aren't enough contractors to do the work, and so they just put in any price because maybe they will get the job and, but when we have a good competitive situation, we all get a bargain. The citizen, the Council and the Board, and we get as good a job. So, I would have to answer it that way.

MAYOR COCKRELL: All right. Let me ask if you will comment on the Water Board's service area. The question is raised about the amount in the capital program for inside versus outside the City limits and would you just in general comment on what the Water Board sees as its service area and then relate that to the inside versus outside question.

MR. VAN DYKE: Yes, as you know, the City Water Board has sought to serve the metropolitan area. At one time we had a sole purveyor policy which envisioned that we would be providing service to all citizens within Bexar County. But yet you know that there are some 92 water purveyors in this County and so that dream was a - one that was something to work toward, but not very realistic to see in the foreseeable future. There are many water purveyors that are still here. But, because of the lack of funds to provide that service we have been unable to carry out that program, and now we are faced with a new law passed by the State Legislature and creating the Public Utility Commission where each water purveyor in each utility must have an area in which they operate. If we are designated as the utility to opertte in an area, then we also have that obligation to provide service to any citizen who asked for it within those areas. So, this is a matter of economics. If we don't have sufficient funds, and if the citizens and the Council are concerned about the expenditure of funds in the outlying areas, then certainly we have no business having an area to operate in that is far beyond our financial capability. Because of this, the Board at its meeting a short time ago, adopted a revised area of operation which in essence holds us back within inside of 1604. There are few places where we are beyond 1604, but those places are areas where we were serving or where we have contracts at the present time. But, it is this recognition that we do not have the financial resources to do this that this was done. I have talked with Mel Sueltenfuss, and he tells me that the service area of the City as far as sewers, very closely matches with the area that we are requesting of the Public Utility Commission of Texas. And, I think that the water and sewer go very close together. We seem to be paralleling each other in the philosophy of providing this service and in taking care of those citizens that we both serve.

MAYOR COCKRELL: All right. Now then, the question is raised from the financial point of view and the policy point of view as well as regarding the $1 million or the money for the hotel chilled water extensions and the policy matters is for the Council to address but would you address the impact upon the program.

MR. VAN DYKE: The current ordinance that establishes the rates for chilled water and steam was adopted by the City Council, if my recollection is correct, in 1967. This was, it may have been '68, but as we started into service of chilled water and steam for HemisFair. At that time, the concern of the City Council and the Board was the economics of the situation. If we could not provide chilled water and steam service that was competitive to people that did it themselves, then we wouldn't be able to sell our product.

Something that is apparently long been forgotten is that the City Water Board didn't ask to get into chilled water and steam business. We were asked to do it by the Council because the Public Service Board had refused to do it and everyone else in San Antonio had refused to do it. And the Water Board took on that task to provide heating and cooling for the HemisFair so that we could have a successful HemisFair. We weren't paid for those services. San Antonio City Water Board lost more money because of the result of HemisFair, I think, than any other private person or entity because they didn't pay their bills. And as a consequence, that plant has operated slightly in the red ever since it was built. But the City of San Antonio has an ordinance on its books that they will pay us a $100,000 a year if we have deficit operation, and we have not received one penny since that ordinance was passed. And so I say to you, that the Water Board has done its job. We have provided the service and we supported HemisFair, and we are now trying to sell to other people.

Now, let's go down to the $1 million. That is part of the rate that was set by the Council that we have the obligation to extend the pipes to the outside wall of a customer. And until that ordinance is changed, that is the way it must be done because that is the law that has been set by the Council.

MAYOR COCKRELL: All right. The - in terms of the impact, would it result in a lowering of the 10 percent raise of rate increase to remove that for example?

MR. VAN DYKE: Yes, it would lower our requirements if we did not have that obligation. Nevertheless, in talking with you all in the past, and your enthusiasm for attracting a new hotel, and we have been contacted by numerous City Councilmen as well as the Chamber of Commerce and other people.....

MAYOR COCKRELL: Yes, sir. That's the policy answer that the Council will have to give. And so I just ask about the impact on the rates, and it is correct that it would have some impact.

MR. VAN DYKE: Yes, madam.

MAYOR COCKRELL: Fine. All right. Now then, let me just make this comment to the Council. As you all know, the, one of the major industries in this City, so far as providing jobs, is the tourism industry. Our Convention Center is not yet operating at the full capacity that we would like for it to because of the fact that we do not have sufficient downtown hotels facilities. This has been pointed out by the Centro 21, it's been pointed out by our Hotel-Motel people, by private studies that have been made.

A year ago, this Council recalls that there were two different groups who came to the City and made public announcements of beautiful plans for major hotels in the downtown area. Hotels that would have a major impact on construction in the City. Hotels that would provide jobs for citizens and help bring in conventions to this City. Now, neither of those has been able to break ground yet, and I think we have to face the realistic fact that it is very difficult for hotels to get financing these days under the most optimum conditions. They have to be prepared to face years of loss with the just hope of possibly some day getting into the black. Now that is just the economics. So, the question is do we want to make it virtually impossible by not bringing the availability of the utility to their door and eliminating this from the Water Board's plan. I don't think we do. I think the investment through the Water Board of this facility, if it acts as any encouragement to get these hotels built, is an investment that will pay off many times in terms of jobs, in terms of the strengthened economy and in terms of the downtown. So, I want to leave it in and I recognize that it does have an impact on the rates, but I think it is worth it. Dr. Nielsen.

DR. NIELSEN: I concur. Thank you very much. There is a modest inconsistency in Father Benavides' position that, you know, COPS have been pushing so hard for downtown or Central City and here, in fact, we are going to invest long range a $1 million in the extending of service to the hotel which will bring in several $100 thousand worth of taxes and millions of dollars of revenue to the City generally, and I think it's a good investment and I certainly don't put it in a position of pitting the Central City versus the suburbs, as apparently some of our Council members do.

MAYOR COCKRELL: Mr. Billa.

MR. BILLA: Mayor, I think Mr. Van Dyke ought to tell us, of course, what the rate reduction would be, but the $1 million is really is just for a capital improvement would help the Water Board recuperate some of theinvestment because it's not operating at its peak capacity right now and that's all it amounts to, you really need to recover money that's invested already.

MR. VAN DYKE: That's correct. As far as the rate is concerned, this million dollars is part of the bond issue. So really, the only rate reduction would be that part of the rate which supports one million dollars in bonds. So, it's very tiny.

MAYOR COCKRELL: Mr. Hartman.

MR. HARTMAN: Yes, Madam Mayor, my only concern is with the fact that I mean here we have an item in the budget and there's no commitment for this particular structure. I know of none - I question it on that basis. With regard to, if I may, on the matter of the service area, Bob, as you recall in our discussion this morning, you said that the CIP that we're looking at now, is the same CIP that we had a year ago, right. Right, and yet, our service, excuse me Dr. Nielsen, we have reduced our service area, so wouldn't that reduce the CIP?

MR. VAN DYKE: Our City Water Board is a very conscientious group, and they have reviewed this program so thoroughly that no projects were included in it that were not needed for immediate customers or for contracts that we already have. And so by reducing the service area, it has no effect on the program that you have here. So, again the program that you have is one that we feel is the absolute bare necessity to keep your system viable and to take care of the customers and the contracts that we already have.

MR. HARTMAN: I would just like to finish with my line of questioning, if I may. The - if we reduce the service area, and we reduce the amount of obviously of mains and so on within that service, you know, because they're no longer in that service area, I have difficulty understanding why the capital improvements would remain exactly the same.

MR. VAN DYKE: The service area, Mr. Hartman, that we have reduced basically are areas in which there are no people. And so those areas are potential areas of growth for San Antonio. I.....

MAYOR COCKRELL: They were not reflected though in the capital improvement program.

MR. VAN DYKE: No, madam. I didn't run a planimeter around the areas that were removed but it's my off-hand estimate that approximately 40 percent of the service area that we had originally claimed with the Public Utility Commission which did include all of that area which was in the extra-territorial jurisdiction of San Antonio was deleted. And so, basically, those are the uninhabited areas around the City.

MR. HARTMAN: One last question, if I may. With regard to the capital improvements program as it now sets, does this not include an amount - I forget the amount at the moment but it seems like somewhere around $300,000 for purchase of land, for treatment plants of the GBRA water.

MR. VAN DYKE: Yes, I think that's a very good point. As you know, the Water Board was forced to condemn a site for the northeast treatment plant at the intersection of Evers Road and Nacogdoches at far northeast Bexar County. This condemnation ultimately went to litigation and finally the Supreme Court held that the Water Board does not have the right to condemn, and we put up $290,000 which was awarded by the condemnation court for this property. And that money is still in escrow, and I guess as far as the lawyers are concerned we still have possession of that property because the owners have never filed a writ of possession to get it back which they are entitled to do under the Supreme Court decision. But, in conversations since that time, the cost has doubled and it would appear that if the Water Board is to acquire this property that it's going to have to pay an additional $300,000 for an original purchase of $290, so that would make $590 if we buy it.

Now, in your questioning the wisdom of having that piece of property. That site is absolutely ideal for a water treatment plant to take care of the needs of San Antonio. Although, you have turned down the current GBRA contract, I have received a letter from the Mayor instructing me and the Board to continue those negotiations to see if we can't renegotiate a better contract. To also to look at the Cibolo and to look at the long-range program. In my estimation and my recommendation to you is that that site is necessary. It will be needed by the City Water Board and the City of San Antonio ultimately because you are going to have to have water from the Canyon Lake sooner or later in my opinion.

MAYOR COCKRELL: All right. Are there any other questions? Dr. Nielsen.

DR. NIELSEN: I didn't mean to interrupt you, Glen. I misunderstood when you all were talking CIP about the service areas as opposed to the capital improvements program. Yeah, that service area that you reduced was relative to the Utilities Commission and a definite clarification of what our service area is, is that what we're referring to now?

MR. VAN DYKE: Yes, Dr. Nielsen, as I stated before, the original application to the Commission included all that area within the ETJ of San Antonio minus the places where there were existing water purveyors.

DR. NIELSEN: We've eliminated, however, basically, the areas outside 1604 where there are no folks, so to speak.

MR. VAN DYKE: Precisely.

MAYOR COCKRELL: All right. Are there any other questions? Yes, Mr. Billa.

MR. BILLA: Yes, what happens, you know, I'd like for you to reiterate what happens if we don't provide the service and it is really economical or economically beneficial to the Board sometimes to extend water service to areas, you know, projected high density with high usage.

MR. VAN DYKE: Yes, it certainly is beneficial to us because we sell water, that's where all our revenue comes from, we have no tax support at all as you are aware. When we do have more customers, they defray the total cost of the operations of the Board, they provide funds for replacement, for new capital things, any business needs new customers. And certainly, when we are facing the very great expense for surface water, the more customers we have and the broader our financial base, the better off we would be. But, specifically, Mr. Billa, to answer your question, if an area is outside of our service area that has been designated by the Public Utility Commission, we have no obligation to provide service there unless we go back to the Commission and get that area added to our service area.

MR. BILLA: But if you don't provide it, they can establish their own water, and then we have the problem in the future of trying to acquire it.

MR. VAN DYKE: Yes, sir.

MAYOR COCKRELL: All right. We have had the caption read and is there a motion for adoption?

MR. PYNDUS: I so move.

MR. BILLA: I second it.

MAYOR COCKRELL: All right. It's been moved and seconded. Is there any further discussion? Now this will be the ten percent as recommended by the consultants.

MR. PYNDUS: I would like to make a statement in that regard.

MAYOR COCKRELL: All right. In support of your motion.

MR. PYNDUS: Yes, madam. Mayor Cockrell, we have looked at this increase for many months as you know and we've debated many issues and we have reached the point of making a choice between City staff's recommendation and the City Water Board's recommendation and wanting additional expertise, we went to a consultant firm for his guidance, and I feel that he has given a good direction for this Council to take, and I think that we should get this increase behind us. We have certain policies that I would like to see changed with reference to - outside the City development. And I'd like to discuss also the Community Water Development Fund. However, as far as this rate is concerned, I think it's a modest increase, and I move that we adopt it at this point.

MR. VAN DYKE: Mr. Pyndus, may I answer you that there were differences between the Water Board and the City staff. Initially, there were and in the negotiations and calculations that have taken place in the last day and a half to two days when the final figure was arrived at ten percent, it was voted on unanimously by the consultant, the Water Board staff and the City staff because we felt that maybe a little bit more than a ten percent and the City staff originally had been a little below that, but it was the absolute consensus of everyone there that the ten percent was the amount that was necessary and that would equitably take care of our needs and the citizens of San Antonio in the future.

MR. PYNDUS: I feel comfortable with that.

MAYOR COCKRELL: Fine. Mr. Hartman.

MR. HARTMAN: Madam Mayor, the only difficulty I would have, I have absolutely no difficulty with the compromise approach that was taken by Mr. Kubik and in conjunction with the two staffs. I guess the only difficulty I would have is knowing what capital improvements programs, in all detail we're voting for with this increase. I think there are, of course, it's basically the same capital improvements program we saw last June, and I just do not feel comfortable with, in-effect, endorsing all of those capital improvement programs.

MAYOR COCKRELL: All right. Any further discussion?

MR. VAN DYKE: Madam Mayor, I would not want the Council to not realize what you are voting on. You are voting on the capital program as contained in the report which was revised 14 April 1976 which has been furnished to you with two exceptions and that was the deletion of the surface water from M and O and then adding it into the special fund.

DR. NIELSEN: Also, Mr. Van Dyke, relative to the cash flow picture, adjustments for cost of living in a number of areas, both in the construction and labor costs and personnel, do you foresee any particular problem with this rate increase and the compensation of employees and everything else relative to the cost of living increase.

MR. VAN DYKE: I feel that we have included realistic amounts in our package that will take care of these needs and the Board has always tried to maintain its salaries and wages on a comparable basis with the City and other governmental entities and private business here. I know that we're a little bit below the City at the present time, but, nevertheless, I think we have a comparable wages for our people. As far as the inflation on materials and other things, we have included a little bit of inflation in our figures and we believe that they will accurately take care of the needs that we can foresee.

REV. BLACK: Madam Mayor, may I ask this question. Am I to understand that a vote at this time on the rate would nullify the issues raised by the policy because what I have understood Mr. Van Dyke to say that we are acting upon this schedule of capital improvements and so forth as suggested by this report.

MAYOR COCKRELL: By the report that was stated right. That's correct. Now the only other impact that you could have is if in those policies say regarding main extensions or particularly the on-site materials or anything else, if you took a policy recommending that certain changes be made there, you could also perhaps consider recommendations of reallocation of those resources.

REV. BLACK: That's why I wondered whether or not that option is open.

MAYOR COCKRELL: So there would be that possibility. Yes. Mr. Hartman.

MR. HARTMAN: Madam Mayor, that basically is the same question I had that we're, in effect, voting an increase. We're in effect making an appropriation before we've made our authorization. In other words, we have not yet decided on a policy, for example, the Community Water

Development Fund is a part of this budget. There are various other aspects of it that are part of this budget. It seems like we would have to settle the policy issue first.

MAYOR COCKRELL: I do know that Father Benavides, for example, spoke to the point that if that were discontinued, that he would hope that it would be reallocated to the replacement of the substandard mains, which is a very large issue. So, I would think that you know, that would be within the realm of possibility but that is a decision that could be addressed in the policy. Yes, Mr. Rohde.

MR. ROHDE: If I understand it right, according to the motion of postponing it, because I do intend to make some kind of motion maybe it's appropriate now, I'll make a substitute motion that I do want these two items that the Community Water Development and the main extensions to go to the Planning Commission, and I don't want to lose it on this vote. So I want my clarification clear.

MAYOR COCKRELL: Well, that is not pending at the present time.

MR. ROHDE: Yes, but it's getting - the water is getting a little bit muddy, and I want to know if I'm in clear water.

MAYOR COCKRELL: Well, let me just tell you exactly what is pending now. The motion is that was seconded, that we approve the rate increase in the amount of the ten percent that was recommended by jointly, the joint meeting of the City staff, the Water Board staff and the consultant. And that is the issue that's pending. If there's no further discussion...

FATHER BENAVIDES: I was wondering if I might make a suggestion and ask the Council to give the ten percent and use the figure that the Council is going to agree upon because we're not completely in favor of, is there any possibility that the allotment for replacement of substandard mains be raised to approximately 4 million in this year and 4 million in next year and replace approximately 80 percent.

MAYOR COCKRELL: I think that issue could relate to the policy discussion, if there is any recommendation of reprogramming?

FATHER BENAVIDES: Only if there is a commitment from this Council that they will allow the Community Water Development Fund to run out. Otherwise, we would want it in this increase so that we will be assured that over the next two years the substandard mains will be replaced. Otherwise, the increase is nothing to the people served by the 250 miles of substandard mains. That's the obligation that this Council must respond to.

MAYOR COCKRELL: I think that that is not an issue that can be addressed directly unless it is acted upon in the policy area this afternoon. Dr. Nielsen.

DR. NIELSEN: It goes beyond policy and we've talked about this before, Father Benavides, there's some engineering and sheer logistics everything else you can talk of that effect immensely how much any kind of work you do in one or two years. There's just some limits. I'm amazed at the consultants, I've checked with, have assured me that 25 percent was the maximum. Now the Water Board says they can do 40 per cent. I don't know in two years, but.....

FATHER BENAVIDES: My only point is this, Dr. Nielsen, that if the City Water Board were able to jump at 50 percent from the 15 percent rate increase to the 10 percent rate increase, if they were able to up the figure by 50 percent, then surely we could up it another 50 percent.

MR. PYNDUS: Not at all.

DR. NIELSEN: You may not be able to deliberate just in terms of sheer engineering, the manpower, construction forces and everything else.

MAYOR COCKRELL: Thank you so much. All right. We are pending with the question. Dr. Cisneros.

DR. CISNEROS: Madam Mayor, I'd like to make a substitute motion if I may. I'd like to move that the figure not be ten percent, that the figure be seven percent pending straightforward clarification of the policy issues.

MR. HARTMAN: I would second the motion.

MAYOR COCKRELL: All right. There has been a motion and a second to delete ten percent and substitute seven percent. Clerk will call the roll.

MR. VAN DYKE: Madam Mayor, may I speak to this before you vote?

MAYOR COCKRELL: Yes, sir, and then probably about five more will want to speak, Mr. Van Dyke, but go ahead.

MR. VAN DYKE: The Water Board initially made its presentation to this Council last summer, and we asked for a 30 percent rate increase which we felt was very justified at that time. And in September, this Council did give us an interim rate of 19 percent with the promise that we would have action taken within six months. Now this action coming today is about nine months later. The monies are needed. The bonds that we are going to have to issue are coming into a crucial period for the backwards test. We haven't talked very much about that today, but you're aware of it. And we need to take the action on the 10 percent that has been recommended by the consultants, by your own staff, by our people. This matter has been aired to death for nine months, and I ask you to reject the motion that has been made so that your utility can get on with its business and do the things that are needed for its citizens.

MR. BILLA: And Council can get on with its other business.

MAYOR COCKRELL: All right. The motion is to delete 10 percent and substitute 7 percent and the additional comment pending further clarification of the policy issues. Clerk will call the roll.

AYES: Cisneros, Black, Hartman, Rohde
NAYS: Nielsen, Cockrell, Pyndus, Billa
ABSTAIN: Teniente
ABSENT: None

CITY CLERK: Motion fails.

MAYOR COCKRELL: The motion failed. We now have the vote on the rate of 10 percent. Clerk will call the roll.

AYES: Teniente, Nielsen, Cockrell, Pyndus, Billa, Rohde
NAYS: Cisneros, Black, Hartman
ABSENT: None

CITY CLERK: Motion carried with six votes.

MAYOR COCKRELL: All right. The motion has carried with six votes which permit it to take effect. Now, then the other item will be discussed - is it agreeable with the Council if we review this during the noon hour and have a working lunch.....

MR. HARTMAN: These are the policy items.....

MAYOR COCKRELL: The policy items. All right. We're going to review those during the noon hour and.....

MR. VAN DYKE: Thank you very much, ladies and gentlemen.

MAYOR COCKRELL: I'm sorry, I didn't realize there were five people who had not agreed to that so it can't take place then. We'll just have to do it this afternoon then. All right. The next item.

76-27 Mayor Cockrell was obliged to leave the meeting and Mayor Pro-Tem Hartman presided.

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76-27 The following Ordinance was read by the Clerk and explained by Mr. Leroy Harvey, Careers Project Director, and after consideration, on motion of Mr. Pyndus, seconded by Mr. Billa, was passed and approved by the following roll call vote: AYES: Pyndus, Billa, Cisneros, Black, Rohde, Teniente; NAYS: None; ABSENT: Nielsen, Cockrell; ABSTAIN: Hartman.

AN ORDINANCE 46,723

AUTHORIZING THE OPERATION OF THE YOUTH CONSERVATION CORPS - 1976 PROJECT CONSISTING OF EMPLOYMENT OF 20 YOUTHS FOR EIGHT WEEKS COMMENCING JUNE 14, 1976 IN OUTDOOR PARK WORK, APPROVING A BUDGET AND PERSONNEL COMPLEMENT AND ESTABLISHING A FUND AND ACCOUNTS AND AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH THE ALAMO AREA COUNCIL OF GOVERNMENTS AS PRIME SPONSOR FOR THE PROGRAM IN THE AACOG AREA FOR ALLOCATION OF $12,178.00 IN PROGRAM FUNDS TO THE CITY IN SUPPORT OF THE CITY'S PROGRAM.

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76-27 MR. LEROY HARVEY

Councilman Teniente recognized and congratulated Mr. Leroy Harvey who came in seventh during the Marathon Race that was held Saturday, May 29, 1976. Mr. Harvey ran a total of 26 miles.

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76-27 GORDON HARTMAN

Councilman Rohde introduced Gordon Hartman, son of Mayor Pro-Tem Glen Hartman, who was visiting the Council meeting.

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76-27 The following Ordinance was read by the Clerk and explained by Mr. Cipriano F. Guerra, Director of Community Development, and after consideration, on motion of Mr. Rohde, seconded by Dr. Cisneros, was passed and approved by the following roll call vote: AYES: Pyndus, Billa, Cisneros, Black, Hartman, Rohde, Teniente; NAYS: None; ABSENT: Nielsen, Cockrell.

AN ORDINANCE 46,724

APPROVING AND ADOPTING RULES, REGULATIONS, AND BOUNDARIES FOR THE UNDERTAKING OF THE HISTORIC RESTORATION REVOLVING LOAN FUND PROJECT BY THE URBAN RENEWAL AGENCY OF THE CITY OF SAN ANTONIO.

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76-27 The Clerk read the following Ordinance:

AN ORDINANCE 46,725

PERMITTING MR. GEORGE L. WILLIAMS OF 3030 CHARTER CREST TO ERECT APPROXIMATELY TWO HUNDRED AND THIRTEEN LINEAL FEET (213') OF TEN FOOT (10') HIGH CHAIN LINK FENCE TO ENCLOSE A PROPOSED TENNIS COURT ON HIS PROPERTY.

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Mr.Russell Lindley, Assistant Director of Building and Zoning, explained the proposec ordinance. The four adjoining property owners were contacted and three expressed no objection. One neighbor was opposed.

Mr. Mark Holland, 3000 Charter Rock, appeared to speak in opposition. He stated that the rear of his house is approximately 20 feet from the proposed site of a proposed ten foot chain link fence. He protested the erection of the fence. He then distributed a plat showing the location of his house. He stated he would be more affected than the other three neighbors. Glaring tennis lights will shine on the rear of his residence.

Mr. George Williams, 3030 Charter Crest, the applicant stated he has lived at the same location for eight years. The tennis court is being put in for the sake of his three children. He asked for favorable consideration of his request . The fence is to protect the neighbors from any broken windows or doors.

In response to a question by Mr. Pyndus, Mr. Lindley stated that in the Zoning Ordinance 42-82 of the City Code requires that any light that shines in residentially zoned property must be shielded.

After discussion, Mr. Pyndus made a motion that the Ordinance be tabled for two weeks in order to give the applicant and the opponent time to work out a favorable compromise. The motion died for lack of a second.

Mayor Pro-Tem Hartman stated that both parties have indicated that they are not willing to arbitrate and stated that the Council had no alternative but to make a decision for them.

After consideration, Mr. Teniente made a motion that the Ordinance be approved. Dr. Nielsen seconded the motion. On roll call, the Ordinance was passed and approved by the following vote: AYES: Pyndus, Billa, Cisneros, Black, Hartman, Rohde, Teniente, Nielsen; NAYS: None; ABSENT: Cockrell.

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76-27 The following Ordinances were read by the Clerk and explained by Mr. Russell Lindley, Assistant Director of Building and Zoning Department, 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; NAYS: None; ABSENT: Cockrell.

AN ORDINANCE 46,726

PERMITTING DR. ROBERT J. NELMS OF 3631 BARRINGTON TO ERECT APPROXIMATELY THREE HUNDRED AND ELEVEN LINEAL FEET (311') OF TEN FOOT (10') HIGH CHAIN LINK FENCE AROUND A TENNIS COURT ON HIS PROPERTY.

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AN ORDINANCE 46,727

PERMITTING MR. GEORGE E. GRIMES OF 1103 MULBERRY TO ERECT APPROXIMATELY ONE HUNDRED AND THIRTY LINEAL FEET (130') OF EIGHT FOOT (8') HIGH PRIVACY FENCE ON HIS PROPERTY.

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AN ORDINANCE 46,728

PERMITTING MRS. SHARON PIERSON OF 5411 BILLINGTON DRIVE TO ERECT APPROXIMATELY ONE HUNDRED AND EIGHTY-FIVE LINEAL FEET (185') OF TEN FOOT (10') HIGH CHAIN LINK FENCE TO ENCLOSE A TENNIS COURT ON HER PROPERTY.

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76-27 The meeting recessed at 12:00 Noon and reconvened at 1:30 P.M.

76-27 CITIZENS TO BE HEARD

MRS. MATTIE TERRELL AND MR. JOE WEBB

Mrs. Mattie Terrell, 1626 Gorman, spoke to the Council on behalf of other residents of the 1600 Block of Gorman Street. She detailed the serious drainage situation that exists in the area and the problems and hardships that they have experienced over the past years. Mrs. Terrell said that she would be in charge of obtaining the right-of-way for any construction easements.

Mr. Joe Webb, 2226 Burnett Street, spoke about the condition of the streets in the same vicinity and the dire need for signal lights in the area.

City Manager Granata stated that streets in the area are torn up because of the construction of the Walters Street Overpass. The matter of signal lights will be referred to the Department of Traffic and Transportation for evaluation of the need for signal lights in that area, and will bring it in a report to the Council.

MRS. BEATRICE GALLEGO

Mrs. Beatrice Gallego, Vice President of the COPS organization, spoke of the serious drainage problems in their area. She said that the Ceralvo Project is their top priority for the next Revenue Sharing Budget and asked for favorable consideration by the Council.

MRS. INEZ RAMIREZ

Mrs. Inez Ramirez, 3219 Golden, also spoke of the Ceralvo Project as being COPS top priority in the Revenue Sharing funds. She stated that drainage is a very serious problem and asked for relief through the Revenue Sharing.

In response to Mayor Pro-Tem Hartman as to the option of funding this project, City Manager Granata stated that the Ceralvo Project could have been funded through a General Obligation Bond Issue which the City was planning to have in January. This is not possible until the Justice Department makes a ruling. The 39th series will cost approximately $1.8 million, so this year's budget would have to be trimmed by $2 million, or the Council could authorize the City staff to fund the engineers, to do the preliminary engineering for this project and appropriate 35 per cent until such time as funds become available in order to do the construction work.

Councilman Teniente suggested that Community Development funds might be reprogrammed to support drainage projects instead of parks. He said that Revenue Sharing funds should be used in all parts of the City, while Community Development funds should be used in the target areas.

City Manager Granata stated that the reprogramming of Community Development funds will come up in about 30 days.

MR. E. L. RICHEY

Mr. E. L. Richey spoke of the people's role in government and the cooperation that should exist between citizens and elected officials.

MRS. RENA McCALEBB

Mrs. Rena McCalebb stated that she represents the Westwood Village Coalition. They are requesting the City to provide a bus from Westwood Village to City Hall next Thursday at 12:00 Noon so that citizens from that area can appear personally before the City Council with their needs.

Mrs. McCalebb then reiterated her earlier appearance before the Council on the problems of the abandoned pool in Westwood Village and the possible dangers that exist for children.

Mr. Joe Madison, Assistant to the City Manager, stated that he had met with Mrs. McCalebb on this problem. The pool in Westwood Village has been abandoned due to the clubhouse burning down. The Health Department has investigated the pool and has determined that no mosquito breeding exists. Mr. Doug Saunders, the owner, has been advised of the dangerous situation that exists because of the burned clubhouse. Mr. Madison also stated that the fence surrounding the property has been repaired.

Dr. Nielsen asked the Legal Department to check into a case seven years ago regarding a similar case of a private pool on private property, and see if the City got directly involved in this, and if so, on what legal basis.

City Manager Granata was advised to report to the Council on this matter.

MR. DAVID WOLF

Mr. David Wolf, 6104 Blanco, said that he had applied for a City job at the Personnel Office and has been unable to learn what his status is. Each time he calls, he is told to call back in six months, and he wanted some information.

Mayor Cockrell stated that the City Council does not have any authority on this type of matter. As a matter of policy, she asked the City Manager to explain on personnel procedure.

City Manager Granata advised Mr. Wolf to check with the Personnel Office and find out what his status is. Mr. Granata stated Mr. Kaznowski in the Personnel Department will be asked to give Mr. Wolf the information he desires.

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76-27 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, Black, Hartman, Nielsen, Cockrell; NAYS: None; ABSENT: Billa, Rohde, Teniente.

AN ORDINANCE 46,729

CHANGING THE PRESENT PARKING SPACE FOR THE NICARAGUA CONSUL.

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AN ORDINANCE 46,730

AUTHORIZING AN ADDITIONAL PAYMENT OF $10,200.00 TO THE STATE TREASURER TO COVER COSTS OF IMPROVEMENTS TO SAN PEDRO AVENUE FROM BASSE ROAD TO RECTOR DRIVE.

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76-27 The following Ordinance was read by the Clerk and explained by Mr. W. S. Clark, Land Division Chief, and after consideration, on motion of Dr. Cisneros, seconded by Mr. Billa, was passed and approved by the following roll call vote: AYES: Pyndus, Billa, Cisneros, Black, Hartman, Nielsen, Cockrell; NAYS: None; ABSENT: Rohde, Teniente.

AN ORDINANCE 46,731

CLOSING AND ABANDONING PORTIONS OF RIVAS, DELGADO, ARBOR, NORTH SALADO, RUIZ, BANNER, LEAL AND NORTH MEDINA STREETS AND AUTHORIZING A QUITCLAIM DEED TO SAN ANTONIO DEVELOPMENT AGENCY FOR THE CONSIDERATION OF $1.00.

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76-27 The following Ordinance was read by the Clerk and explained by Mr. W. S. Clark, Land Division Chief, and after consideration, on motion of Mr. Billa, seconded by Dr. Cisneros, was passed and approved by the following roll call vote: AYES: Pyndus, Billa, Cisneros, Black, Nielsen, Cockrell; NAYS: None; ABSENT: Hartman, Rohde, Teniente.

AN ORDINANCE 46,732

APPROPRIATING THE SUM OF $109,395.00 OUT OF VARIOUS FUNDS FOR THE PURPOSE OF ACQUIRING TITLE AND/OR EASEMENTS TO CERTAIN LANDS; ACCEPTING THE DEDICATION OF EASEMENTS TO CERTAIN LANDS; ALL TO BE USED IN CONNECTION WITH CERTAIN RIGHT OF WAY PROJECTS; AND AUTHORIZING THE CITY MANAGER TO EXECUTE A RELEASE OF EASEMENT.

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76-27 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, Billa, Cisneros, Black, Nielsen, Cockrell; NAYS: None; ABSENT: Hartman, Rohde, Teniente.

AN ORDINANCE 46,733

AUTHORIZING THE CITY MANAGER TO EXECUTE LICENSE AGREEMENTS WITH THE MISSOURI PACIFIC RAILROAD COMPANY FOR CONSTRUCTION OF FIVE WATER LINES BENEATH THE RAILROAD RIGHT-OF-WAY AT VARIOUS LOCATIONS WITHIN THE VISTA VERDE DRAINAGE PROJECT AREA, AND AUTHORIZING PAYMENT OF $100.00 PER CROSSING.

* * * *

AN ORDINANCE 46,734

ACCEPTING THE LOW BID OF SACC, INC. IN THE AMOUNT OF $27,496.55 TO CONSTRUCT THE UNSEWERED AREA NO. 53 SANITARY SEWER SYSTEM, PHASE IA; AUTHORIZING EXECUTION OF A CONTRACT COVERING SUCH WORK, AUTHORIZING A BUDGET REVISION; APPROPRIATING FUNDS AND PROVIDING FOR PAYMENT.

* * * *

AN ORDINANCE 46,735

AUTHORIZING EXECUTION OF AN AGREEMENT WITH THE MISSOURI-KANSAS-TEXAS RAILROAD COMPANY RELATIVE TO THE SOUTH NEW BRAUNFELS AVENUE VEHICULAR AND PEDESTRIAN BRIDGE OVER THE RAILROAD TRACK.

* * * *

76-27 The following Ordinance was read by the Clerk and after consideration, on motion of Mr. Pyndus, seconded by Dr. Nielsen, was passed and approved by the following roll call vote: AYES: Pyndus, Billa, Cisneros, Black, Nielsen, Cockrell; NAYS: None; ABSENT: Hartman, Rohde, Teniente.

AN ORDINANCE 46,736

APPROPRIATING FUNDS AND AUTHORIZING PAYMENT IN THE AMOUNT OF $62,700.00 PLUS COURT COSTS IN FULL PAYMENT OF THE FINAL JUDGMENT IN DAMAGE SUIT NO. F-224,165, STYLED GASPER MENDOZA VS. THE CITY OF SAN ANTONIO.

* * * *

76-27 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, Nielsen, Cockrell; NAYS: None; ABSENT: Hartman, Rohde, Teniente.

AN ORDINANCE 46,737

ACCEPTING THE LOW QUALIFIED BID OF KIRBY BUILDING SPECIALTIES, INC. TO FURNISH THE CITY WITH BASEBALL SCOREBOARDS FOR A NET TOTAL OF $3,168.00.

* * * *

AN ORDINANCE 46,738

ACCEPTING THE LOW QUALIFIED BID OF VULCAN SIGNS AND STAMPINGS, INC. TO FURNISH THE CITY WITH ALUMINUM SIGN BLANKS FOR A NET TOTAL OF $8,811.00.

* * * *

76-27 CITY'S WRECKER SERVICE

The City Clerk read a proposed ordinance manifesting an agreement between the City of San Antonio and San Antonio Wrecker Service, Inc. to extend the existing wrecker service contract for a period of one year.

Mr. John Brooks, Director of Purchasing, rebriefed the Council on this matter. The contract in existence has a one year option within the contract itself. This one year option would be effective August 1, 1976 to July 31, 1977. This was discussed with Council in January and the matter referred to a Council sub-committee. The subcommittee, consisting of Councilmen Pyndus, Hartman and Teniente as Chairman, met with various people, and the staff was instructed to come back with this item at this week's meeting. The Chief of Police, the City Manager and the Purchasing Department staff recommend that the option be exercised for the next fiscal year, as has been done for each previous contractor in the past. This particular

contractor has given the City excellent service for the period of the contract. Mr. Brooks also stated that because of possible pending litigation in the courts, that if the present policy of providing wrecker service would be eliminated, it would be very difficult to solicit bids where people have to buy expensive equipment not knowing how long they would have a contract. They recommended approval of this ordinance.

Dr. Nielsen stated that through a lengthy "B" Session discussion, he had understood that there was going to be a 30 - 90 extension, and a serious look at freedom of choice for citizens.

Mr. Hartman stated that a citizen has been trying to contact the members of the sub-committee and has been unsuccessful. He then asked that this item be delayed for one week.

Mr. Brooks stated that a delay affects the service of the contract.

After discussion, Mr. Hartman moved that Council action on this matter be postponed for one week. The motion was seconded by Dr. Nielsen and on the following roll call vote, the motion was passed and approved: AYES: Billa, Cisneros, Black, Hartman, Rohde, Teniente, Nielsen, Cockrell; NAYS: Pyndus; ABSENT: None.

This item was postponed.

— — —

76-27 The Clerk read the following Ordinance:

AN ORDINANCE 46,739

ACCEPTING THE LOW QUALIFIED BIDS OF GENTEC HOSPITAL SUPPLY COMPANY AND STANLEY SUPPLY TO FURNISH THE CITY OF SAN ANTONIO WITH MEDICAL FURNITURE AND EQUIPMENT; AND AWARDING TIE BID TO EITHER HOPE MEDICAL SUPPLY OR STANLEY SUPPLY, AS DETERMINED BY CASTING OF LOTS.

* * * *

The Ordinance was explained by Mr. John Brooks, Director of Purchasing, who said that it accepts the low bid on all items except Item No. 6 where there was an identical bid between Hope Medical Supply and Stanley Supply where a casting of lots would be necessary.

Mayor Cockrell announced that the low number drawn would be awarded the bid. For Hope Medical Supply she drew number 34 and for Stanley Supply she drew number 70. Hope Medical Supply was awarded Item No. 6 of the bid.

After consideration, on motion of Mr. Pyndus, seconded by Mr. Billa, 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.

— — —

76-27 The Clerk read the following Ordinance:

AN ORDINANCE 46,740

ACCEPTING THE BIDS OF VARIOUS COMPANIES TO FURNISH THE CITY OF SAN ANTONIO WITH VARIOUS SUPPLIES AND SERVICES FOR FISCAL YEAR 1976-1977 AND ACCEPTING CERTAIN BIDS FOR LONGER PERIODS.

Section 1

Each of the bidders listed below will furnish the City of San Antonio with the certain parts and services specified in its bid proposal for a one-year period commencing August 1, 1976 and terminating July 31, 1977. The bids accepted in this section are single source of supply items.

COMMODITY	VENDOR
1. Asphaltic Equipment - CLEAVER BROOKS & ETNYRE PARTS AND SERVICE	Cooper Equipment Company
2. BLAW KNOX PARTS & SERVICE	Wehring-Goss Equipment Company
3. Bodies - Commercial, Garbage, etc.- HI-RANGER, STAHL, DAYBROOK, KNAPHEID AND GALION BODY PARTS AND SERVICE	Commercial Body Corporation
4. Bodies - Commercial, Garbage, etc.- HEIL BODY AND AUXILIARY ENGINE PARTS AND SERVICE	Davis Truck and Equipment Co.
5. Bodies - Commercial, Garbage, etc.- PERFECTION, HOBBS, KOENIG AND MAXON PARTS AND SERVICE	Hobbs Trailers
6. Cars and Trucks - AMERICAN MOTORS PARTS AND SERVICE	American Center, Inc.
7. Cars and Trucks - GMC PARTS & SERVICE	San Antonio Truck Sales and Service
8. Cars and Trucks - INTERNATIONAL TRUCK PARTS AND SERVICE	International Harvester Company
9. Cars and Trucks - HEAVY DUTY FORD TRUCK PARTS AND SERVICE	Grande Ford Truck Sales, Inc
10. GENERAL ELECTRIC COMMUNICATIONS EQUIPMENT PARTS	Com-Supply, Inc.
11. Loaders - MICHIGAN AND WAUKESHA PARTS AND SERVICE	Waudesha-Pearce Industries, Inc.
12. Mower Parts and Service - CUSHMAN, JACOBSEN, WORTHINGTON, KOHLER, RYAN AND SODMASTER	Watson Distributing Company

13.	Mower Parts and Service - TORO AND WEST POINT	Goldthwaite's of Texas, Inc.
14.	Mower Parts and Service - YAZOO	Jae Distributing Company, Inc.
15.	Offset Supplies - A.B. DICK	A. B. Dick Company
16.	Offset Supplies - MULTIGRAPH	Addressograph Multigraph Corp.
17.	DUPONT DU-LUX AUTOMOTIVE PAINTS	Gladwin Paint Company
18.	RCA COMMUNICATIONS EQUIPMENT PARTS	R.C.A. Corporation - Mobile Communication System
19.	Roller Parts and Service - INGRAM	Conley-Lott-Nichols Machinery Company
20.	Roller Parts and Service - TAMPO	Waukesha-Pearce Industries, Inc.
21.	Tractor Parts and Service - JOHN DEERE	Tom Fairey Company
22.	Tractor Parts and Service - FORD AND DAVIS EQUIPMENT	The Torgerson Company
23.	Tractor Parts and Service - GALION, DROTT, HOUGH, WAINROY, ROSCOE AND WAYNE SWEEPER	Plains Machinery Company
24.	Tractor Parts and Service - GRADALL, ASPLUNDH-CHIPPER, ESSICK, MAGINNISS, POWER CURBER, CASE AND ELGIN SWEEPER	Girard Machinery and Supply Co.
25.	Tractor Parts and Service - INTERNATIONAL	International Harvester Sales and Service
26.	AUTOMOTIVE WHEEL PARTS AND SERVICE	Southwest Wheel and Mfg. Co.

Section 2

The attached bid of each of the bidders listed below, wherein said bidder offers to furnish the City of San Antonio with the certain parts and services specified in its bid proposal for a one-year period commencing August 1, 1976 and terminating July 31, 1977, is hereby accepted.

	COMMODITY	VENDOR
1.	ALTERNATOR PARTS AND SERVICE	Alamo Auto Electric and Brake Company
2.	ARMORED CAR SERVICE	Brink's Incorporated of Texas
3.	AUTOMOTIVE AIR CONDITIONING PARTS	C & C Automotive Warehouse
4.	AUTOMOTIVE BEARINGS, GREASE SEALS AND PILLOW BLOCKS	Burgess Power Equipment
5.	AUTOMOTIVE BELTS, RADIATOR HOSE, HEATER HOSE, ALL TYPES AND HOSE CLAMPS	Reliable Battery Company

6.	AUTO AND TRUCK BRAKE SHOES AND/OR LINING	Southwest Wheel and Mfg. Co.
7.	AUTO AND TRUCK CLUTCH PARTS	Service Parts and Machine Co.
8.	AUTOMOTIVE IGNITION PARTS	Chapman Parts Warehouse, Inc.
9.	AUTOMOTIVE MUFFLERS, TAIL PIPES, EXHAUST PIPES AND RELATED ITEMS	Ackerman Auto Supply
10.	AUTOMOTIVE OIL FILTER, FUEL FILTER AND AIR CLEANER ELEMENTS	Sanantex Oil Company
11.	AUTOMOTIVE TYPE SHOCK ABSORBERS	Chapman Parts Warehouse, Inc.
12.	AUTOMOTIVE SHOP EQUIPMENT PARTS AND SERVICE	San Antonio Equipment Company
13.	AUTOMOTIVE SPRING PARTS AND SERVICE	Champ Spring Company
14.	AUTOMOTIVE STORAGE BATTERIES	Reliable Battery Company
15.	AUTOMOTIVE UNIVERSAL JOINTS AND SERVICE	Ackerman Auto Supply
16.	BOLTS AND SCREWS	Texas Bolt and Screw Company
17.	CONCRETE BUILDING BRICKS	Barrett Industries
18.	CARBURETOR AND STARTER PARTS AND SERVICE	Alamo Auto Electric and Brake Company
19.	Cars and Trucks - CHEVROLET PARTS AND SERVICE	Smith Motor Sales
20.	Cars and Trucks - DODGE-PLYMOUTH PARTS AND SERVICE	Jack Rieger Chrysler-Plymouth
21.	Cars and Trucks - FORD - (Passenger Car and Light and Medium Duty Truck) PARTS AND SERVICE	Gillespie Ford
22.	CERAMIC PAVEMENT MARKING BUTTONS	American Clay Forming Plant Electro Division Ferro Corporation
23.	CHLORINE, LIQUID	Diamond Shamrock Chemical Company
24.	CONCRETE, READY-MIX DRY	Barrett Industries
25.	DE-MINERALIZED WATER	Ozarka Water Company
26.	DETROIT DIESEL ENGINE PARTS AND SERVICE	Grande Ford Truck Sales, Inc.
27.	DRY DOG FOOD	Ferd Staffel Company, Inc.
28.	DUST CONTROL SERVICE	Fresh Uniform Rental
29.	FILM, POLARIOD	Labatt Company
30.	FUSEES, RED BURNING	Olin Corporation Signal Products Operation

31.	GARBAGE DISPOSAL SERVICE	Sanitas Waste Disposal of San Antonio, Inc. /dba/ Industrial Disposal Service
32.	GLASS REPLACEMENT - AUTOMOTIVE	Acme Glass Company
33.	GLASS REPLACEMENT - BUILDINGS	Thad Ziegler Glass Inc.
34.	HAND WIPERS	Graham Paper Company
35.	ICE (Items A, B and C)	Lone Star Ice & Food Store
36.	ICE (Item A)	Mission Ice and Fuel Company
37.	ICE (Item A)	Texas Ice Market
38.	JANITORIAL SERVICE	"A" Bldg. Maintenance
39.	KEROSENE	Bear Oil Company, Inc.
40.	KEY BLANKS	J & J Distributors
41.	KNIFE AND SAW SHARPENING	Moreno Carbide Company
42.	LUBRICANTS	Wright Oil Company
43.	MAINTENANCE OF GASOLINE PUMP ASSEMBLIES	S & W Service
44.	MAINTENANCE OF LUBRICATION EQUIPMENT AT VARIOUS LOCATIONS IN THE CITY OF SAN ANTONIO, INCLUDING PARTS AND LABOR	San Antonio Equipment Co.
45.	Mower Parts and Service - BRIGGS AND STRATTON	S.X. Callahan, Inc.
46.	Mower Parts and Service - ROSEMAN, COOPER, ROOF AND CLINTON (Items #2 and 5)	Jae Distributing Company
47.	Mower Parts and Service - ROSEMAN, COOPER, ROOF AND CLINTON (Items 1, 3, 4 & 5)	John H. Sorola, Inc.
48.	NAPHTHA	Bear Oil Company
49.	OXYGEN, ACETYLENE AND WELDING SUPPLIES	Big Three Industries
50.	PORTABLE CHEMICAL TOILETS	A.B.C. Service Company
51.	PUBLICATIONS, OFFICIAL (Item A)	Commercial Recorder
52.	PUBLICATIONS, OFFICIAL (Item A and B)	Express-News Corp.
53.	PUBLICATIONS, OFFICIAL (Item A and B)	San Antonio Light
54.	SPEEDOMETER CALIBRATION	S.X. Callahan, Inc.
55.	SYRINGES, STERILE DISPOSABLE	Scherer Medical and Scientific Inc.
56.	3M CAMERA PLATE SUPPLIES	Thompson Litho Supply, Inc.

57.	PASSENGER TIRES (Items 1, 2, 4 and 5)	Commercial Supply Company, Inc. /DBA/ International Tire
58.	PASSENGER TIRES (Item #3)	B.F. Goodrich Tire Company
59.	TIRE RECAPPING, RETREADING AND REPAIR SERVICE	American Tire Mileage Specialists, Inc.
60.	Tractor Parts and Service - ALLIS CHALMERS AND HYSTER (Items Ib and III)	Alamo Welding and Boiler Works, Inc.
61.	Tractor Parts and Service - ALLIS CHALMERS AND HYSTER (Items Ia, II and III)	Anderson Machinery Company
62.	Tractor Parts and Service - CATERPILLAR (Items B and Labor)	Alamo Welding and Boiler Works Inc.
63.	Tractor Parts and Service - CATERPILLAR (Items A and Labor)	Holt Machinery Company
64.	Tractor Parts and Service - GRAVELY	Bear Equipment Parts Company
65.	Tractor Parts and Service - INTERNATIONAL HARVESTER HEAVY EQUIPMENT (Items IB and II)	Alamo Welding and Boiler Works, Inc.
66.	Tractor Parts and Service - INTERNA-	Plains Machinery Company
67.	TRANSPORTING OF HEAVY EQUIPMENT	Texas Transport, Inc.
68.	ALLISON TRANSMISSION PARTS	Alamo White Truck Service, Inc.
69.	AUTOMATIC TRANSMISSION PARTS	Jim Brown Transmission Rebuilders, Inc.
70.	MANUAL TRANSMISSION PARTS	Nogalitos Gear Company, Inc.
71.	FLOOR WAX	Davis Manufacturing Company
72.	WHEEL ALIGNMENT SERVICE AND BALANCING	Central Tire Company

Section 3

The attached low qualified bid of each of the bidders listed below, wherein said bidder offers to furnish the City of San Antonio with the certain parts and services specified in its bid proposal for a one-year period commencing August 1, 1976 and terminating July 31, 1977, is hereby accepted.

	COMMODITY	VENDOR
1.	CLEAN AND REPAIR AUTOMOTIVE RADIATORS, GASOLINE TANKS, HEATING AND COOLING UNITS	Perrin Beitel Service Inc.
2.	ENGINE REBUILDING-MACHINE SHOP SERVICE (Items I, II, III and IVA)	H.H. Roper Auto Parts
3.	ENGINE REBUILDING-MACHINE SHOP SERVICE (Item IVB)	Huston's Machine Shop

4.	LOCKSMITH SERVICE	San Antonio Key Service
5.	PAINTING AND BODY REPAIR OF TRUCKS	Competitive Auto Service
6.	TRUCK AND HEAVY EQUIPMENT TIRES AND TUBES (Items #1, 2, 12, 20, 21, 22, 23, 27, 28, 29, 30, 31, 34, 35, 36, 37, 38, 39, 41 and 43)	Commercial Supply Company, Inc. /DBA/ International Tire
7.	TRUCK AND HEAVY EQUIPMENT TIRES AND TUBES (Items #5 and 7)	General Tire Company
8.	TRUCK AND HEAVY EQUIPMENT TIRES AND TUBES (Items #3, 4, 13, 24, 26 and 32)	B.F. Goodrich Company
9.	TRUCK AND HEAVY EQUIPMENT TIRES AND TUBES (Items #6, 9, 11, 14, 15, 16, 25, 33 and 40)	Littleton Tire Company
10.	TRUCK AND HEAVY EQUIPMENT TIRES AND TUBES (Items #42 and Tubes)	Fred Luderus Tire Service, Inc.
11.	TRUCK AND HEAVY EQUIPMENT TIRES AND TUBES (Item #19)	Westwood Village Tire Center
12.	WATER SOFTENER SALT	Alamo Fuel Company
13.	WIPING RAGS	Johnson Waste Materials, Inc.

Section 4

The attached bid of each of the bidders listed below, wherein said bidders offers to furnish the City of San Antonio with the certain parts and services specified in its bid proposal for a one-year period commencing August 1, 1976 and terminating July 31, 1977, is hereby accepted. In the bid situations the City Clerk shall underline hereon the bidder chosen by lot.

	COMMODITY	VENDOR
1.	PEST CONTROL SERVICE (Item #8)	ABC Pest Control, Inc.
2.	PEST CONTROL SERVICE (Items #3 and 7)	Bexar Exterminators
3.	PEST CONTROL SERVICE (Items #1, 2, 4, 5 and 9)	Getz Exterminators, Inc.
4.	PEST CONTROL SERVICE (Item #6)	(TIE BIDS) a. ~~ABC Pest Control, Inc.~~ b. ~~Bexar Exterminators~~ c. Getz Exterminators
5.	P.V.C. PIPE AND FITTINGS (Item #1C)	The Perry Shankle Company
6.	P.V.C. PIPE AND FITTINGS (Items #1A, 1B, IIa and IIB)	Trans-Tex Supply Company

7. P.V.C. PIPE AND FITTINGS (Item #IIC)	(TIE BIDS) a. Johns-Manville Sales Corp. b. ~~The Perry Shankle Company~~
8. P.V.C. PIPE AND FITTINGS (Item IID)	(TIE BIDS) a. Johns-Manville Sales Corp. b. ~~The Perry Shankle Company~~
9. SPECIAL SAND PRODUCTS (Items A1, B1, C1, D2, D3, E1, E2 and F)	Freddie E. Harris Sand and Clay
10. SPECIAL SAND PRODUCTS (Items A2, B2, C2, C3 and F)	Harris Sand Pit
11. SPECIAL SAND PRODUCTS (Item A3)	(TIE BIDS) a. Freddie E. Harris Sand & Clay b. ~~Harris Sand Pit~~
12. SPECIAL SAND PRODUCTS (Item B3)	(TIE BIDS) a. Freddie E. Harris Sand & Clay b. ~~Harris Sand Pit~~
13. SPECIAL SAND PRODUCTS (Item D1)	(TIE BIDS) a. Freddie E. Harris Sand & Clay b. ~~Harris Sand Pit~~
14. SPECIAL SAND PRODUCTS (Item E3)	(TIE BIDS) a. Freddie E. Harris Sand & Clay b. ~~Harris Sand Pit~~

Section 5

The bids of each of the bidders listed below, wherein the bidder offers to furnish the City of San Antonio with the certain goods and services specified in the bid proposal for a one-year period commencing August 1, 1976 and terminating July 31, 1977 is hereby accepted. These are extensions of current bid-contracts.

COMMODITY	VENDOR
1. LINEN SERVICES	Main Linen Service
2. PAMPHLET SERVICE	Bacon Pamphlet Service, Inc.
3. PHONOGRAPH RECORDS	Chambers Record Corporation

The attached low qualified bid of each of the bidders listed below, wherein said bidder offers to furnish the City of San Antonio with certain supplies and services specified in its bid proposal on a contract basis for a period longer than one fiscal year.

	COMMODITY	VENDOR
1.	Prefilled Disposable Syringes with Needle (Items #1, 2, 3, 4 & 7)	Bristol Laboratories
	Prefilled Disposable Syringes with Needle (Items 5 and 6)	Abbott Laboratories Hospital Products Division
	Term of Contract: The term of this contract shall commence on the day of acceptance by City Council and shall terminate on July 31, 1977.	
2.	Morgue Transfer Service	Goldcross Ambulance Service
	Term of Contract: The term of this contract shall be for a period of two years beginning on August 1, 1976 and terminating on July 31, 1978.	
3.	Library Books	The Baker & Taylor Company
	Term of Contract: The term of this contract shall be for a period of five years beginning on August 1, 1976 and terminating on July 31, 1981.	
4.	Library Paperback Books	Weiner News Company
	Term of Contract: The term of this contract shall be for a period of five years beginning on August 1, 1976 and terminating on July 31, 1981.	
5.	Periodicals and Newspaper Subscriptions	Popular Subscription Service
	Term of Contract: The term of this contract shall be for a period of five years beginning on August 1, 1976 and terminating on July 31, 1981.	

* * * *

The Ordinance was explained by Mr. John Brooks, Director of Purchasing, who said that this is the first group of 133 annual contracts for next fiscal year. In Section No. 3, Item 5, the low bidder did not complete his bid form and Mr. Brooks recommended award to the low qualified bidder.

Mr. Allen Kazer, representing the Bexar Body Shop, siad that his client had failed to fully complete a bid form although he did submit a bid. He asked the Council to waive this technicallity and award the bid to his client.

Mr. Brooks recommended that the Council follow past procedure and award the bid to the low qualified bidder, Competitive Auto Service. Council concurred with his recommendation. Mr. Brooks then called attention to other ties. These ties are listed below with the number drawn for each bidder indicated. Award was made to the low number:

Pest Control Service (Item 6)

ABC Pest Control	69
Bexar Exterminators	65
Getz Exterminators	7

P.V.C. Pipe and Fitting (Items 11C and 11D)

Johns-Manville Sales Corp.	36
Perry Shankle Corp.	65

Sand Products

Fred E. Harris	11
Harris Sand Pit	54

* * * *

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

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76-27 At this point in the meeting the City Council resumed discussion of the City Water Board policies. This portion of the conversation is included with the earlier discussion and begins on page 20 of these minutes.

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76-27 The meeting was recessed at 4:20 P. M. to go into "B" session and reconvened at 5:10 P. M.

— — —

76-27 The Clerk read the following Ordinance:

AN ORDINANCE 46,741

APPROVING A BUDGET FOR EXPENDITURE OF FEDERAL GENERAL REVENUE SHARING FUNDS FOR THE SEVENTH ENTITLEMENT PERIOD (1976), APPROPRIATING FUNDS IN ACCORDANCE WITH SUCH BUDGET, AUTHORIZING EXECUTION OF CONTRACTS WITH VARIOUS AGENCIES FOR CARRYING OUT CERTAIN PROJECTS, AND DESIGNATING VARIOUS CITY DEPARTMENTS TO CARRY OUT CERTAIN PROJECTS.

* * * *

Councilman Cisneros moved that the Revenue Sharing Budget as submitted by the City Manager be approved. The motion was seconded by Councilman Teniente. On roll call, the motion, carrying with it adoption of the ordinance, was passed and approved by the following vote: AYES: Billa, Cisneros, Black, Rohde, Teniente, Nielsen, Cockrell; NAYS: Pyndus, Hartman; ABSENT: None.

Dr. Nielsen suggested that certain small projects be included in with a general fund appropriation or any possible reprogramming of Revenue Sharing in the near future. The named projects were:

Arthritis Foundation	$11,000
R.S.V.P.	10,000
Cerebral Palsy	7,000
Inner City Development	14,000
Medical Center Park	50,000

Other "wish" projects which were mentioned were:

Mission Road Foundation	48,000
IMAGE of San Antonio	40,000
39M Drainage Project	50,000
Eastside Y.M.C.A.	1,060,293
San Antonio Ballet	20,000
39L Drainage Project	50,000
San Antonio Ballet	20,000

City Manager Sam Granata said that these projects would receive top priority as funds become available.

— — —

76-27 The Clerk read the following letter:

May 28, 1976

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

Madam 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 26, 1976 — Petition submitted by Mrs. Sharon Pierson, 5411 Billington Drive, San Antonio, Texas, requesting permission to build a ten (10) foot fence around the tennis court located on the property at 5411 Billington Drive.

G. V. JACKSON, JR.
City Clerk

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There being no further business to come before the Council, the meeting adjourned at 5:25 P. M.

A P P R O V E D

Lila Cockrell

M A Y O R

ATTEST: G. V. Jackson Jr.
City Clerk