

REGULAR MEETING OF THE CITY COUNCIL  
OF THE CITY OF SAN ANTONIO HELD IN  
THE COUNCIL CHAMBER, CITY HALL, ON  
THURSDAY, MAY 9, 1974.

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The meeting was called to order at 8:30 A. M., by the presiding officer, Mayor Charles L. Becker, with the following members present: COCKRELL, SAN MARTIN, BECKER, BLACK, LACY, MORTON, BECKMANN, PADILLA, MENDOZA; Absent: NONE.

74-21 The invocation was given by The Reverend Charles Kemble, Universal City Baptist Church.

74-21 Members of the City Council and the audience joined in the Pledge of Allegiance to the flag of the United States of America.

74-21 The minutes of the meeting of May 2, and the special meeting of May 6, 1974, were approved.

74-21 AIR FORCE WIFE OF THE YEAR

Mrs. Lila Cockrell recognized Mrs. Sherril Lee Presar, Air Force Wife of the Year, who was visiting in San Antonio. Mrs. Presar is the wife of Major Don Presar who is currently based in England. Mrs. Presar was accompanied by Mrs. Travis McNeil, wife of Maj. Gen. Travis McNeil, Commander of Kelly Air Force Base.

Mrs. Cockrell reviewed Mrs. Presar's background and many charitable and community activities. In all Mrs. Presar has donated 3,200 hours of volunteer service to many worthy projects.

Mrs. Cockrell welcomed Mrs. Presar to San Antonio and presented her with a certificate appointing her Alcalde of La Villita.

74-21 SUMMER RECREATION PROGRAM

Mr. Henry Dillard, 950 Ceralvo Street, spoke to the Council concerning the need to get the 1974 Summer Recreation Program underway on June 1, 1974. He acted as spokesman for a large group of persons living on the westside. He pointed out that nearly every year federal funds are late being allocated and he would like to have the City get the program started on time regardless of federal funds.

City Manager Sam Granata said that funds have been applied for and feels certain that the funds will be made available.

Mr. Ron Darner, Director of Parks and Recreation, said that the House and Senate are supposed to vote on this bill this week.

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After discussion, Mr. Padilla moved that the City commit itself to the Summer Recreation Program starting June 1, 1974, whether or not federal funds are made available. The motion was seconded by Mr. Mendoza and carried by the following roll call vote: AYES: Cockrell, San Martin, Becker, Black, Lacy, Morton, Beckmann, Padilla, Mendoza; NAYS: None; ABSENT: None.

74-21

ANNEXATION

The Clerk read the following Ordinance in its entirety for the first time:

AN ORDINANCE 43,744

PROVIDING FOR THE EXTENSION OF CERTAIN BOUNDARY LINES OF THE CITY OF SAN ANTONIO, TEXAS, AND THE ANNEXATION OF CERTAIN TERRITORY CONSISTING OF 5,887 ACRES OF LAND, MORE OR LESS, WHICH SAID TERRITORY LIES ADJACENT TO AND ADJOINS THE PRESENT BOUNDARY LIMITS OF THE CITY OF SAN ANTONIO.

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The following conversation took place:

MAYOR BECKER: Okay, the effective date would be June 24. Okay, Cipriano.

MR. CIPRIANO GUERRA: Do you have any questions, sir. Of course that outlines the area and outlines the three districts that we're proposing for the airport district overlay. The historic ordinance is another matter. I'd like to emphasize that that ordinance is still in draft stage, sir, we do not have it. It has not been brought to Council yet, and it's coming up to you through the Planning Commission.

MR. CLIFFORD MORTON: Mr. Mayor, may I ask this question. It's my understanding that there are two ordinances, as far as two versions on the same subject, is that correct?

MR. GUERRA: No, sir. We have the overlay ordinance which creates the overlay districts, and we have another ordinance in which we were trying to develop an agricultural zoning district as another classification of zoning. That was designed to try to preserve the agricultural nature of some of that area at the request of what we perceive to be the desire of some of the property owners. On the other hand, there's quite a diverse group out there. Some people have bought land out there for investment. Others have been there for many years and wish to preserve it as agricultural. We are not going forward at this point with agricultural zoning on the advice of the Building and Planning Administration and Legal, who feel that we don't need it to provide the tax break that we can provide if they will claim agricultural exemptions under Constitutional Amendment I, which provides for a 50 percent reduction in the tax if you can show that your land, that you're deriving your income - at least half of your income - from working the land or from grazing.

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MR. MORTON: Well, are you telling me then that the ordinance that was in draft stage that would create this agricultural zone as opposed to zones, a series of zones, and also provide the tax break that this ordinance is now, has been abolished.

MR. GUERRA: Yes, sir, we're not working on it any more.

MR. MORTON: Okay, how quickly could the Council have the package on zones that would show the map of that area and what zones, where each of these zones would lie, and also, I know, here in our package we have this tax status thing, but we also ask the question on the water which is somewhat vague in here. This is something that's very important to this group. But it seems to me that even though I know we have the procedure when we amend a subdivision ordinance, it does have to go up through Planning Commission. It seems to me more that it would be important that this Council have this right away so that whatever we are circulating out among these property owners is something that we feel fairly comfortable with as far as what the ordinance is going to look like, even though we have the procedure. It takes longer. In other words, I would hate to lead them to believe that we're going to do one thing and then upon annexation do something that might be different.

MR. GUERRA: Our intent at this point is to, this is our draft and we feel this is the version we would like to implement. Now, we have provided that to the homeowners and I believe, it's in your package. Now, we had planned to meet with the property owners to get their reaction to this ordinance, but when the suit came up, we were trying to schedule meetings for beginning this Friday and early in the next week with the property owners, so when the suit came up, again, on the advice of the City Attorney, we held off on scheduling those meetings. He felt it wouldn't be wise at this time to deal, at least not with the property owners, who are filing the suit.

MR. MORTON: I understand that.

MR. GUERRA: But beyond that, this is the ordinance that we think will be the final one, sir.

MR. MORTON: In other words, what we have in our package is what is now recommended and we do not have a difference of opinion.

MR. GUERRA: No, sir, we're pretty well in agreement on this one. If we make changes it will be because somebody has brought up some new point, or, you know, some other factor has come to light. But right now we're pretty well in agreement on this one. Now, with regard to the water question, we tried very hard to get a more specific answer.

MR. MORTON: You don't have to explain.

MR. GUERRA: That's about the best answer that you can get.

MAYOR BECKER: Well, I don't have to impress anybody with the importance of this particular item here. The fact that Randolph Air Force Base is contributing some \$200 million or whatever the amount be, it's in the excess of \$178 million, I know that, to the economy of the City of San Antonio. The fact that they have tried in a very patient, understanding, polite manner in the past indicates to us that if something isn't done they may be forced to move that installation from this area as they've done in six other instances, Bolling Field, Andrews Field, Mitchell Field, and what was the other one?

MR. GUERRA: I don't recall the other two.

MAYOR BECKER: The City cannot suffer a loss of this Air Force installation. So, whatever we're doing, let's make sure that we're doing it correctly and that we don't get sideways in the shoot, because it's terribly important. Crawford, did you have something that you wanted to say?

CITY ATTORNEY CRAWFORD REEDER: No, sir, I didn't have anything I wanted to say. I just was anticipating maybe you might ask me something.

MR. ALFRED G. BECKMANN: I think we want to know the status of the suit.

MAYOR BECKER: I'll ask you than.

CITY ATTORNEY REEDER: Well, some of the people filed a suit for injunction to keep us from passing the ordinance we just passed, and we had a little parley yesterday with the lawyers for those people. Those lawyers were highly intelligent, reasonable men and therefore they could see that I was right that they ought to drop their injunction action. But I made a little promise along with it. I told the lawyer that we would get together with him, Cip, and I'll give his name and everything and we'll tell him exactly what we're going to do and what we plan to do and everything. Because I mean, you know, we can give him that constitutional tax break and also about the zoning. Frankly, when I was talking to him, I didn't know if it's a fact. He just said that everybody agreed on the zoning ordinance. I think, that's what you said. Is that what you just said a while ago. I haven't seen it.

MR. GUERRA: But your people have.

CITY ATTORNEY REEDER: Oh, you mean Mr. Cosgrove.

MR. GUERRA: Right.

CITY ATTORNEY REEDER: Okay, well,.....

MR. GUERRA: Mr. Tom Finlay.

CITY ATTORNEY REEDER: Oh, Tom, okay, I'd like to be in a position to follow through on what I told Mr. Allison, the lawyer, because I did tell him that I'd work this out with him, if he'd drop the injunction.

MR. MORTON: Could I make this as a recommendation? Would counsel look over this package on this question to where we feel comfortable that this is what we want to do even though we don't have official action in it before we have a briefing of these property owners. I think that to go out and be able to sit down and talk with them on what the plan is at the earliest possible date is very important. I think it will eliminate a lot of fears of the unknown. I don't think an attitude has really been crystalized with the majority of the property owners about this whole question. There are certain benefits that we know that we're going to offer this particular area that, because of its location, it doesn't have now. And, it's a little bit of a unique situation, but I would like for us to feel comfortable with what we plan to do even though we're waiting for Planning Commission action. Prior to this briefing, let's say as soon as next week as possible that we set up a meeting, and I would suggest, let's say, a meeting room at Judson High School would be a good place to have it. It's very proximate to the area. And that the staff be instructed to go out there and meet with them and explain exactly what is going to take place, when and what effect it will have on them.

MAYOR BECKER: Cliff, in that connection, and Mr. Granata, I'm going to ask that you please make sure that we don't have any misfires on this thing. We don't want any herky-jerky motion in this deal at all, because of the implications and the ramifications. We don't want these people to think that we're purposely and premeditatedly misleading them. Let's have our ducks in a row.

CITY MANAGER SAM GRANATA: Yes, sir, we will.

MAYOR BECKER: Crystal clear before we go out there and present anything to them, you know.

CITY MANAGER GRANATA: We're on schedule with the annexation procedure. I will request that Mr. Reeder make sure that he gets together with Mr. Guerra. We'll have our meeting in the morning and set up a meeting as you suggested for next week. If you all have any input from what's in your packet, let us have it back, please.

MR. GUERRA: We also intend, of course, that this will apply to other areas. We intend to meet with the property owners around Kelly also.

MRS. LILA COCKRELL: Mr. Mayor, one other little thing. I have read the letter from Mr. Van Dyke and it seems to me it might be helpful if at their next Board, the Water Board could review the situation and possibly give a little more definitive answer.

DR. SAN MARTIN: Amen.

MAYOR BECKER: Well, I think that's a good suggestion, Lila.

DR. SAN MARTIN: Mayor, may I ask Mr. Granata to be sure to have all the services that would be available to the area as soon as they are annexed. In other words, what you can and what you cannot do and the time frame in which certain things - services like police protection.....

CITY MANAGER GRANATA: Yes, sir, I believe Cip already knows that. We'll give them immediate police protection, garbage pick up and street lights as we get to them, just like anyone else, yes, sir.

MAYOR BECKER: Captain, did you care to say anything this morning, sir?

CAPTAIN MAYWARD: No, sir.

MAYOR BECKER: All right, thank you. Is there a motion?

DR. SAN MARTIN: I so move, Mr. Mayor.

MAYOR BECKER: Is there a second?

MR. BECKMANN: I second it.

ROLL CALL VOTE: AYES: Cockrell, San Martin, Becker, Black, Lacy, Merton, Beckmann, Padilla, Mendoza; NAYS: None; ABSENT: None.

MRS. COCKRELL: When is the final reading?

MAYOR BECKER: When is the next one?

CITY CLERK: The second reading will be in 30 days.

MAYOR BECKER: All right, thank you very much. Thank you, Captain, for being here this morning.

The following discussion took place:

MAYOR CHARLES BECKER: All right. Item IX is, Consider an Ordinance regulating the rates for electrical and gas service through the San Antonio electric and gas system operated by the City Public Service Board of San Antonio.

MR. TOM DEELY: Mr. Mayor and members of the Council, I have presented this before to you. We have experts here who will be glad to go into any of the details that you might like and I'll call them and would welcome your questions.

MAYOR BECKER: All right. Any Council members have any comments to make at this time?

MR. CLIFFORD MORTON: I don't have all the information I'd like to have on this rate request, therefore, I move that it be pulled.

DR. JOSE SAN MARTIN: I'd like to second the motion that it be postponed for further determination and, Mr. Mayor, if I may, I'd like to ask Mr. Deely, I will have a memo to you early this week. I understand that Commissioner or one of the staff members of the Texas Railroad Commission, Mr. Wendtlandt, made some recommendations to the Railroad Commission and that everybody has answered and responded to that suggestion, Mr. Deely, and that there was a deadline of May 10th at which all customers of Lo-Vaca were, if they wished, to respond to the suggestions of Mr. Wendtlandt. I understand, am I right in saying, we have not responded or have we responded?

MR. DEELY: I believe, Doctor, that our attorneys have responded. I'll call on Mr. Matthews to give you information on this.

DR. SAN MARTIN: The reason for my question, Mr. Deely.....

MAYOR BECKER: Mr. Matthews, would you please come forward because the microphone won't pick you up back there.

MR. WILBUR L. MATTHEWS: I'm W. L. Matthews, attorney, City Public Service Board. The time was set as stated by Dr. San Martin but before the time arrived for filing, they extended the time for two weeks on a petition of Central Power and Light Company for everyone. As a consequence, practically everyone that hadn't already filed their exceptions decided to take the additional two weeks to, you know, reexamine and maybe make some perfections in it. You know lawyers don't like to give their opponents two weeks for tearing up what they've filed if they don't have to. So just frankly, we thought we'd take our time along with the rest of them. It would all come out even on the filing dates. So that's the situation on that.

DR. SAN MARTIN: Mr. Matthews, may I refer to the meeting that we had in executive session with you and the Board, Mr. Deely, at which time it was pretty well agreed that, or at least we had an understanding, that the response to Lo-Vaca would be formulated by a committee, a joint committee of City Public Service Board and the City Council. Now, do you think we have time to put that committee, I understand the Mayor was going to name two, and the Board was going to name two, and then we would formulate the answer that we thought would be acceptable to the best interests of the citizenry of San Antonio. Now what is the status of that meeting?

MR. MATTHEWS: Well, Dr. San Martin, I frankly didn't get anything as specific as you stated from that meeting, but I don't know, I could be wrong and I don't know just how the people had in mind, the people on the Council and the Board of coordinating it.

DR. SAN MARTIN: It was this specific to the point that Mr. Centeno made suggestions as to which members of the Council might be well to serve on this committee.

MR. MATTHEWS: I don't think that's right, but I don't - I think, as far as I know I've heard nothing further from it. Now, that's all I can say.

MR. MORTON: Well, that's very true, but what we're asking, sir, is what has your Board done in this connection. I mean, don't you think we should be in this committee. We agreed between the Board and the Council that this committee would be formed.....

MR. MATTHEWS: Well, what I don't know is, and of course, you gentlemen know a lot more about it than I do because I'm just the attorney and I don't know what, you know, unless I'm called on and advised what's being done day by day about the myriad of things that go on over there. I think you would realize that.

MR. PADILLA: Modesty doesn't fit you.

MR. MORTON: I'm well aware that you're not not apprised of every request for a disconnect but I feel that this particular question that we're talking about here is of such magnitude that you probably are very well aware of.

MR. MATTHEWS: I think this that....

MR. MORTON: I can't think of any other issue that right now is more important to the City Public Service Board or the City (inaudible) on our position on Lo-Vaca.

MR. MATTHEWS: Yes, but I might say that following that legal conference that we had, we had this report that put pretty much a completely new complexion on many of the things that we are talking about.

MR. MORTON: I think this committee should address that report, don't you?

MR. MATTHEWS: Well, I do yes, but, of course, that report has been in the hands of the City Attorney and I assume that the data that was referenced to it has certainly been available. I don't know if actually it's been handed to members of the City Council or not.

MAYOR BECKER: Well, I'd like to at this time take the opportunity to appoint Dr. San Martin and Clifford Morton to represent the City Council. So, Mr. Granata, would you please send that information to the City Public Service Board and Mr. Berg and Mr. Deely. They already are here and listening, but....

MR. MATTHEWS: I want to say, in all frankness, that I understood there was a suggestion that this be done, but I never did hear that it had been done. That was the point of my comments. I just didn't know whether it had. It seems to me that here and now is the first time anything like that has been actually confirmed. At least that would be my recollection of what occurred.

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CITY ATTORNEY CRAWFORD REEDER: I'm getting a little confused, Mr. Mayor and Bill. The meeting, the last meeting that we had did brief the Council on the Wendtlandt report, I think, didn't it? I think you briefed them and I did some talking too. And it was after that that someone said, let's have the committee. You're thinking of the first conference. Now, they've been over the Wendtlandt report. But the committee was for the purpose of studying yours and presumably my recommendations with reference to the Wendtlandt report and I never did hear a committee get appointed until just this minute.

MR. PADILLA: Mr. Mayor. My recollection of that was that it was agreed to. No committee was named at the time but it was agreed to as I recall and I would deviate just a bit. As I recall the agreement, it was that the Mayor and two members of the Council serve on this committee and that the Chairman of Public Service and two members of that Board be named.

CITY ATTORNEY REEDER: Well, now, I don't recall. I don't want to argue with you. I don't recall what the agreement was, Mr. Padilla, but I do know if you do that you are going to run right smack into the teeth of the open meetings law if you start getting quorums of both bodies. If you want, have a little flexibility in operation if you have three members of the Public Service Board, the Mayor is already a member, you're not going to be able to be informal. You can call a closed meeting and say you are going to discuss litigation and that will be true and I suppose it would comply with the open meetings law but you've got to post notice, you've got to tie yourself up. Now, that's all right with me. I just wanted to point that out.

MR. PADILLA: As I recollect, Mr. Reeder, perhaps you didn't think of it at the time, but you didn't make that recommendation at the time.

CITY ATTORNEY REEDER: I didn't hear anything about three members of each being appointed.

MR. PADILLA: If you will recall, Mr. Centeno made a comment almost at the last moment there and it was changed.

MR. MATTHEWS: Yeah, I think Al is right about that. It was first two and then somebody said three and then everybody left.

MAYOR BECKER: All right. Leo?

MR. LEO MENDOZA: That was my question. I was going to ask the question on that.

MR. MATTHEWS: Does anyone have a question of me?

MRS. LILA COCKRELL: No, not a question. I just really wanted to ask a question about the motion, Mr. Morton, and that is in postponing it - in pulling it for action today, I didn't know if you wanted to indicate any time at which we would be addressing it. Under the open meetings law, of course, we've got to give notice of when we would be hearing it and I didn't know whether you wanted to suggest a time or leave it open ended or what your plans were.

MAYOR BECKER: How much time do you have to have?

MR. PADILLA: Three days.

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CITY MANAGER GRANATA: Yes, if you want to hear it next Thursday, we must post it by Friday at four o'clock this week.

MR. PADILLA: We can leave it indefinite. We can hear it any time.

MAYOR BECKER: I think the best thing to do is to leave indefinite at this point.

MR. MORTON: One of the items that I would like to have cleared up, it is my understanding that you take the position that you cannot have a differential in rate between those areas that are inside the City versus those areas that are outside. It is my understanding that the City Attorney concurs in that opinion. I've gone outside to other utility attorneys who have quite a different opinion. So I would like to have a rebuttal to that opinion and I have submitted that report this morning to the City Manager, that brief, with a request that copies be made available to each member of the Council as well as to Mr. Matthews.

MR. MATTHEWS: Well, I think, Mr. Morton, you have to look at the facts and analyze the facts as compared to the opinions that effect the Water Board situation and you may get the opposite result.

MR. MORTON: Oh, I understand. We're talking about reasonableness and differential in costs to serve. But the burden of proof lies upon the person who is being charged the surtax, to prove that you are being discriminatory.

MR. MATTHEWS: Yes, but that raises a question of, do you conscientiously, yourself, measure the discrimination before you commit it for them to challenge. So, it isn't just a litigating thing, it's a public policy thing, obviously. And, of course, this total area here, these are pretty artificial lines. I think this is one thing that all of us don't like, is that they are not all in the City limits.

MR. MORTON: I understand this, sir.

MR. MATTHEWS: And those artificial lines don't provide service areas for utilities.

MR. MORTON: I want to provide as much encouragement to eliminate the lines as possible. This is one way to do it.

MR. MATTHEWS: Well, I certainly would be with you on that. I was the first Mayor of Terrell Hills and I left the office after two years with a report that the City should not exist. It should be a part of the City of San Antonio and that every effort should be made for it to become so.

MR. MORTON: I agree with you.

MR. MATTHEWS: But you know the history since then hasn't brought any results from that.

MR. PADILLA: Mr. Mayor. I move the question.

MAYOR BECKER: All right.

CITY CLERK: Who seconded the motion?

MAYOR BECKER: Dr. San Martin.

ROLL CALL VOTE: AYES: Cockrell, San Martin, Becker, Black, Lacy, Morton, Beckmann, Padilla, Mendoza; NAYS: None; ABSENT: None.

MR. PADILLA: Thank you, Mayor.

MR. MATTHEWS: Can I ask you a clarifying question about this? You see, this rate thing, I think all of you, I don't want to re-argue any point about it, but this rate thing has one element in it and that is the urgency to start the cash-flow situation to support bonds, to support buying, to support some \$75 million of purchases that are now absolutely necessary and the coal and so forth.

MR. MORTON: Do you have a source for coal?

MR. MATTHEWS: That's being worked on. It's just like this right now. It's in negotiation.

MR. MORTON: That's where it's been for a long time.

MR. MATTHEWS: Well, that's right and it's very disappointing that it hasn't been resolved.

MR. PADILLA: We have the trains ready.

MR. MATTHEWS: But it takes two to make a deal. We haven't found the other one that we could really sign up at all on any.....

DR. SAN MARTIN: Mr. Mayor. I have one more question that I think has not been properly evaluated so far and that is the question of the rate of growth which has been projected at 11 percent, historically and traditionally, and I'm not so sure that this particular time that we can stick to it without any hesitation or without any reservation. I think we need a little more information on this particular thing.

MR. MATTHEWS: Dr. San Martin, I think a study of it will show that even if you assume no growth you would need this rate increase. You may not need subsequent ones because of the necessary funds to convert from oil and gas, which, of course, we all know are going out as boiler fuel for the generation of electricity and at a not too distant a date. But that conversion is going to require these additional cash flows and revenues in this bond issue to accomplish that to maintain service here. I think we are way ahead, a year ahead of most utilities, in getting at this conversion - maybe more than that. But it takes the money to do it and even if you assume no growth, you still would need at this time this rate increase and this bond issue. The 11 percent projection is subject to, any time it falls off, that is not something that we, that the Board determines, it's something the people that turn on the electricity and the gas determine what the growth and requirements are. It's uncontrollable as far as this City Council is concerned. It's completely uncontrollable except by the method that we are all familiar with of moral suasion. I don't think that any of us feel that we should go into legalized pressure, you know, at this time.

DR. SAN MARTIN: Let me include this, Mr. Matthews, and that is the reason why I was willing to second Mr. Morton's motion to delay. I'm not satisfied that we have all the information that was brought out by our consultants for the lack of a reserve energy pool where you could sell some of your excess when you have a lot. I know that you have some kind of agreement with other utilities but I don't see any definite plan to try to market some of your excess energy and make some money in that way. I think we should have some more information as to what the plans are going to be.

MR. MATTHEWS: Of course, I think you ought to be fully informed on any questions that come up.

DR. SAN MARTIN: I don't think we are in this particular question.

MR. GLENN LACY: Mr. Mayor. I've had numerous telephone calls from people that were extremely unhappy. I explained to them about the meeting where the rates were going to be discussed. They are unhappy because they didn't, they really weren't afforded an opportunity to hear the side of the City Public Service Board and the presentation that was made and have the opportunity of having some input themselves. They were asking, if they thought, perhaps we might have a rerun. I know it would be a lot of trouble involved.

DR. SAN MARTIN: No reruns on that. It was well publicized, Mr. Lacy. It was on television, the newspaper, we made public expressions of that thing, and I'm not about to sit three hours just looking at our friends.

MR. LACY: That's just the input. I was just merely answering.

MR. MATTHEWS: Mr. Mayor, is there anything further?

MAYOR BECKER: No sir, thank you, Wilbur. Mr. Deely, am I correct in assuming that the next meeting of the City Public Service Board is scheduled for May 27th at 3:00 o'clock, is that correct?

MR. DEELY: That is an official holiday, Mr. Mayor, and we have set that for Tuesday morning at 10:30, May 28th. Letters went out yesterday to the members of the Board suggesting that date.

DR. SAN MARTIN: What time?

MR. DEELY: 10:30.

MAYOR BECKER: Chances are I'll be in New York that Tuesday but be that as it may, there is one matter and I'm not addressing this to you, Tom, but here's a matter that I don't think the Board itself is cleared up and that is - so that you won't be included in these remarks, you can retire if you care to.

MR. DEELY: Thank you.

MAYOR BECKER: Quite often the TV cameras showing the poor fellow that's standing there at the podium in the light, like Don Thomas last week or a week before last, whenever it was. In my opinion, the Board has not acted sufficiently with respect to the matter of apologizing to the military in the City of San Antonio. Now, until we do so unanimously, every member of the Board being recorded as having offered his apology, I think we're being derelict in our duty and I think we're being inconsiderate and ungrateful of an institution. And I use that as a generic term that's been a part of this community since 1878 or whenever Fort Sam Houston was first here, going on up to Kelly Field and Duncan Field and Camp Normoyle, and all the rest of them, Randolph Field and I don't know how many other military installations and I'm not trying to recite them all by memory, but by the same token, I don't want to overlook any of them. They have been the backbone of this community for some almost hundred years or a fraction of that part of the time, a century let's say, and aside from the money that they contribute

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which is in the neighborhood of a billion dollars a year to the City of San Antonio and its environs, we have the distinction and honor of being blessed with their presence, because I don't think there's anything in our nation today that has the worthwhileness, the merit, and the honor attached to it that and the glorious history connected with it as our military does. I am one of these simple-minded souls that still thinks it patriotic to respect the flag and patriotic to respect a man in uniform. I am sure that view, I think, is shared by every member of this Council. So until that act is actually done, in its fulfillment, and on a just and proper and forthright basis, I, for one, will not be satisfied with anything that has been done up to this point. I do appreciate the fact that attempts and efforts were made by Mr. Berg, the Chairman of the City Public Service Board, to apologize but I don't think it was incumbent upon him to do so. So, I am going to say simply that until every member of that Board goes on record as apologizing, I, for one, will be most unhappy and disenchanted with the situation that has existed from recently up to this point. So, let's just decide.....

MR. PADILLA: Mr. Mayor. May I make a comment on that same subject? I think a couple of things have to be cleared up. In the first place, if the remarks that were made were a general indictment, I couldn't disagree more, first hand. Number two, I sincerely feel that it is inappropriate at any time for one member of a governing body so to speak, to make a comment and another one to take it upon himself to apologize for that individual. Number three, I wonder, I really wonder whether the remarks that were made, if they were made, were intended for perhaps a group of people fulfilling a particular function or whether the remarks were intended to include every member of the military in the community of San Antonio, every member of the civilian work force at the military installations. I doubt seriously though, I do not know, that the remarks were intended towards all those people. I think that there is just as much of a chance that if the remarks were made, they were intended for people who were fulfilling a certain function that happened to come as representatives of certain military establishments. I think if the matter is that important, that we should at least determine, one, were the comments made, two, why were they, three, who were they intended, for whose benefit were they intended and to what people did the individual have reference to? But I do feel that it is very inappropriate for any member of a public body to presume or assume that he can apologize for someone else's remarks, particularly when the individual has not been asked point blank why did you say that, and who were you talking about?

MAYOR BECKER: That's an interesting side light on it, and I appreciate the point you are trying to convey, but I am a member of the City Public Service Board, and I feel rather shabby about what has occurred up to this point, to say the least. So I don't know what other feelings of the Council are, but that's my feeling anyway.

DR. SAN MARTIN: The only thing I would like to say, Mr. Mayor, is definitely that I as a member of this Council regret the incident and I surely do not in any way concur with Mr. Centeno's opinion or the remarks that he made and I feel that as a member of this Council, I would like to say not only that I do not approve, but also I personally would feel that the City of San Antonio does not have that feeling towards the military. Of course, Mr. Centeno's remarks are his own, and it's up to him to either sustain or retract whatever he wants to do, but I don't feel that as a member of this Council, I can stay quiet without saying that I disagree and disapprove very strongly of his remarks.

MR. PADILLA: My point is this, that we have not established. I think that we have to be fair about this as well. I think we have to be fair first. I am not satisfied that the remarks attributed to Mr. Centeno were intended for all of the military installations and the personnel from the military installations. He wasn't talking about every officer and enlisted man. I am not satisfied that he was talking about every officer and enlisted man out there or every member of the work force that happens to work for the military establishment.

MR. MORTON: Al, that may be true, but I would just like to say this. First of all, the assumption is being made that he did make the remarks. It was in the press, certainly I think an allegation as strong as this one was, if he did not make the statement, I think he does have the obligation to his Board, to the public, to say I didn't make the statement or, if he did not intend it for everyone as the statement was reported, but he intended it for just say one person, I think he has the responsibility to his Board and to the public to state his position on this. To date, this man has not done anything except say, I will not apologize or retract. And, so if that be the case, all we are saying is our position is entirely different from what was reported in the paper as far as the military is concerned. We want to let him know that. It is up to him to clarify his position. I don't think - I can't, I don't walk around inside his shoes, I don't know what his intention was. I know what the papers said and I know that I disagree with what his position, as stated in the paper, was. I want to go on record as being opposed to his position entirely. If this wasn't his position, I think it is incumbent on him to state what his position is. Let's not suppose what his intention was, what he said. It was what was reported. That's the important thing.

MR. PADILLA: I think that this kind of thing should be determined though, before anyone presumes to apologize for someone else.

MR. MORTON: Well, I don't think we are here to....

MAYOR BECKER: Well, I appreciate what you are saying, Al, but what did occur though, was a remark was made two weeks ago. I have waited now for two weeks and I don't mind telling you I have waited with a certain amount of impatience and unhappiness attached to the wait and I am still waiting and I think I have waited long enough. I am not going to wait anymore, that's all there is to it.

MR. PADILLA: Let me say just one other thing, Mr. Mayor. As you have waited, Mr. Centeno has been strongly discouraged from bringing up the subject once again and this is the only reason why he has not done so. I asked him about that and.....

MAYOR BECKER: By whom, Al?

MR. PADILLA: By the people on the City Public Service Board, Mr. Mayor.

MAYOR BECKER: Well, I guess I have to get it all out. It occurred down here Thursday, and Friday morning, I called Mr. Berg at home and I regretted to have to call him because the man was seriously ill with phlebitis and a very serious situation, but I felt it incumbent upon myself to call him when I read it in the paper and I asked him to please contact Mr. Centeno and ask him to apologize to the military. Mr. Berg did call Mr. Centeno and requested that he apologize to the military and Mr. Centeno, as I am told, said he would not apologize. So Mr.

Berg apologized for him and I told Mr. Berg, after he had told me of his actions, that I thought it was rather a sorry thing for him to have to do to apologize for something he did not himself do and I - that I still thought Mr. Centeno should apologize and was going to ask him to reask because he is the Chairman of the Board of the Public Service and I am nothing but a member. So it was his position, in my opinion, to make this request of him. I have since discussed it several times. I also have been told several times that apology was not forthcoming, and that the military commanders in the area were satisfied with Mr. Berg's apology, and so forth and so on, which shows they were being gracious, considerate, and kind, to say the least. I still think that the apology should be forthcoming from every member of the City Public Service Board to the military and after two weeks of waiting and waiting and waiting, I think we have waited long enough. I just feel that way about it. I am sorry.

MR. PADILLA: Well, I respect your feelings and I even agree that this sort of, if the remark was intended as a general indictment of the entire group, I would agree. I would not, of myself made such a remark, but I still feel that Mr. Centeno, one should apologize or two, should state the reasons for the remark and he has been discouraged from doing this.

MR. MORTON: His silence has been deafening, wouldn't you say?

MR. PADILLA: Yes, but I think it's germane to the discussion this morning to state that he has been discouraged by the very same people who have seen fit to apologize for him. He has wanted to state his reasons.....

MAYOR BECKER: As of this morning, Al, I'm not discouraging him. I can say that to you. I'm encouraging him to come forward. Now, if we're going to put it on that basis, you know. I'm sorry to have to bring it up this morning but I just think it's time to do some - I can't help it but I feel strongly about it and I don't like to be included in a group, frankly, that sees fit to go along with this sort of thing and just let it slide or let it ride. I know that it's probably impolite, ill-mannered and everything on my part to reopen the situation when, from all outward appearances, it looked like it had been kept down to at least somewhat of a minimum amount of uproar and upheaval but I don't think that that is satisfying what actually should be done. I'm sorry but that's my position.

DR. SAN MARTIN: Mr. Mayor, before we conclude this, I'd like to ask Colonel Ball if he has all the information that he requested of our consultants, if there's anything else he would like to add in the next few days before this rate hearing is concluded, the next couple of weeks. Do you have any information that you want or you did not get from our consultants?

COLONEL THOMAS BALL: No, Dr. San Martin, we received full cooperation from your consultants and we had people up there in Syracuse, New York and the only thing I would like to do this morning, if it's proper under the rules and procedures this morning, is to just place a statement in the record for the executive agencies of the federal government. I would like to thank the Mayor for those kind words about the military. I'm sure all the commanders in the area feel the same way.

MAYOR BECKER: Well, I appreciate that Colonel. All right. Colonel.

COLONEL BALL: I'd like to present for your information and judgement, "Statement in Behalf of Executive Agencies of the United States".

May 9, 1974

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CITY COUNCIL  
CITY OF SAN ANTONIO, TEXAS

In Re: Application of City Public Service Board    X  
of San Antonio, Texas for Increases in            X  
Gas and Electric Rates                               X

STATEMENT IN BEHALF OF EXECUTIVE AGENCIES OF THE UNITED STATES

The gas and electric rate increases proposed by the City Public Service Board of San Antonio and the suggested rate increase submitted by O'Brien and Gere Engineers, Inc. are not considered equitable or valid for the following reasons:

1. An important factor for increasing the rates is the need for additional generating plants to meet estimated growth and to provide means of using coal as an alternate fuel, on the assumption that the supply of natural gas and oil is on the decline. According to figures published by City Public Service Board their generating capacity exceeds their peak demand by 41.2% (one set of figures shows it to be 45.2%). We note that the nationwide average of reserve capacity is 17.2% and that the Electric Reliability Council of Texas, to which City Public Service Board belongs, has an average excess of 18%. This wide margin of safety is considered most conservative and demonstrates a lack of prudent management.

2. The program to build new facilities to burn coal appears to be a prudent and farsighted action; however, we find no evidence that any study was developed by the City Public Service Board that considered the economic feasibility of converting existing facilities to coal burning. If this has not been studied, we think it should be considered in Phase II of the O'Brien and Gere Engineers, Inc. Report. Without a study of this item along with the O'Brien and Gere Engineers, Inc. analysis of the need for a building program, the City Public Service Board of San Antonio might well expend an undue amount of capital on unnecessary construction at a large cost to its customers and to the citizens of San Antonio.

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3. A statement was made in the O'Brien and Gere Engineers, Inc. Report that the gas system was operating at a loss. The proposed rates attempt to cover this loss primarily by increased electrical rates. This places the burden of the Gas Department loss on the electrical user. Consideration should be given to allow each department to make its own profit through a proper rate increase. Consideration should be given to the fact that many consumers are not gas customers of the City Public Service Board of San Antonio and, therefore, should not be placed in the position of subsidizing the gas customers.

4. The Cash Flow Method used by the City of San Antonio does not follow the normally accepted method of judging utility company profits, that is, "Rate of Return Method", and does not provide the substantive information required to properly determine a rate base upon which an accurate rate of return can be computed to justify a reasonable rate increase.

5. There is no evidence that consideration has been given to savings that may result from exchanging power with neighboring interconnected electrical utilities systems, thereby eliminating or delaying for several years the need for major construction of generating facilities which would result in lower rates for all customers. This is considered a lack of prudent management and bears further study.

6. The proposed rates are not equal in percentage increase to all classes of customers and is discriminatory in its application to large residential and industrial customers when compared to small residential, city-county-state, and municipal rates. Therefore, the rates need to be reconstructed on an equal percentage basis.

7. The City Public Service Board in presentations before the City Council of San Antonio, and in numerous releases to the press, emphasizes that the rate increase petitioned for is a direct result of increased fuel costs. This is quite misleading to the general public as well as not being correct. All customers of the City Public Service Board are now paying for the increased fuel costs by means of fuel adjustment

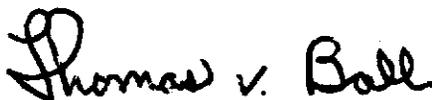
clauses and adjusted utility bills. Therefore, a rate increase philosophy based upon increased cost of fuel is invalid and without merit.

8. A major cost item that reduces the net operating income is the 14% payment of gross operating revenues to the City of San Antonio. We propose that the Council consider the fact that as the ultimate owners of City Public Service Board that this money is, in effect, a profit realization that should be reduced. This income is, in fact, a collection in lieu of franchise taxes and as such is most excessive. It is recommended that the City of San Antonio accept 8 million dollars less for 1974-1975 and that the proposed rate increase be 11% in lieu of 19% proposed by O'Brien and Gere Engineers, Inc. This will still provide the net operating income of 38.9 million dollars as proposed by O'Brien and Gere Engineers, Inc. The city's income would be reduced from 14% of operating revenue to 8% for the following years.

It is strongly recommended that the Phase II of the O'Brien and Gere Engineers, Inc. Report be completed prior to any additional rate increase, since any other action is precipitous and would not allow consideration of the aforementioned facts. It is submitted that the rates proposed by City Public Service Board and O'Brien and Gere Engineers, Inc. are unreasonable, excessive and in many instances discriminatory.

It is the recommendation of the United States that a rate increase in the amount of approximately 11% would be fair and reasonable to all parties concerned.

Respectfully submitted,



THOMAS V. BALL, Lt Col, USAF  
Office of the Staff Judge Advocate  
Lackland Air Force Base, Texas

FOR THE EXECUTIVE AGENCIES OF THE  
UNITED STATES

Dated this 8th day of May 1974.

May 9, 1974  
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VERIFICATION

STATE OF TEXAS

COUNTY OF BEXAR

Thomas V. Ball, Lt Col, USAF, after being duly sworn, deposes and says that he is an attorney representing The Office of The Judge Advocate General, USAF, and as such has signed the foregoing Statement for and on behalf of the Executive Agencies of the United States; that he is authorized to do so; that he has read such document and is familiar with the contents therein; and that the matters contained therein are true and correct to the best of his knowledge, information, and belief.

Thomas V. Ball  
THOMAS V. BALL, Lt Col, USAF

Subscribed and sworn to before me this 8th day of May 1974.

Elizabeth A. Ward  
ELIZABETH A. WARD  
Notary Public in and for Bexar County, Texas  
My Commission Expires 1 June 1975

Filed at Council Meeting 5-9-74  
JMS

May 9, 1974  
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MAYOR BECKER: I see Mr. Kubik in the audience. Mr. Kubik, would you care to comment on your opinion of that report with respect to the completion of the second phase of the report and so forth before any rate increase could be granted by the Council. Would you care to comment?

MR. ADAM KUBIK: My name is Adam Kubik. I am vice president of O'Brien and Gere Engineers and I would like to address these remarks partly in response to the statement made by Colonel Ball and also in relation to the information presented in the report which was submitted to the City Council approximately three weeks ago.

The substance of the review of the rate finding by City Public Service by O'Brien and Gere rest upon the assumption, which was accepted on January 31 by the City Council when we were authorized to proceed with the review, that the City Public Service filing rests on a large and complex capital program, the comprehensive and complete review of which cannot be performed in the time which reasonably would be allowed for approval of the first step of the rate increase. The City Public Service in effect has requested two steps of rate increases; the 25 percent in the original filing which was scheduled to be implemented on February 1, 1974, and the 17 percent overall rate increase scheduled for implementation one year later in February of 1975. We have completed in this report the review of the first step filing resting upon the assumption which was made only for the purpose of reviewing the first rate filing that the capital program is valid as filed. Now that assumption, and I want to emphasize very strongly, was made solely for the purpose of making the review of the first step of the rate increase possible. We at that time proposed that following action or submission of all of the reports on the first step of the rate increase O'Brien and Gere would proceed to review the capital spending program and the operations of the City Public Service to the effect of suggesting any possible efficiencies that might be realized and any possible de-escalation of the capital program for which task we estimated that approximately seven to eight months would be required. We still feel that this task can be completed in that time prior to the next requested step rate increase which would be February of 1975.

Now addressing myself specifically to the remarks to the statements of Colonel Ball, all of which I do not remember but the principal ones, the first one, which is quite valid, is the effect upon the capital spending program of the reserve which the City Public Service requires. Now, this is one of the most complicated questions which any utility faces - how much to provide in the way of reserves. With the present utility market place for construction, for availability of equipment and so on - the normal lead time for major conventional steam generation units is approximately five to six years. For nuclear units, it's nine to ten years. Now, in order to plan the capital spending program - the reserve policy - the utility must make commitments many years in advance of commissioning of these units. The reserve policy of City Public Service could be reduced. For example, if the load factor of the San Antonio Municipal Electrical System could be increased. I think that this subject was discussed rather extensively at the last hearing which was two weeks ago by the Mayor who knows it that the City of San Antonio should make some steps and develop a program to attract industry. It is typical in warm climates, that loads which are predominantly residential will have a poor load factor because of the summer peak. The industry will tend to equalize it permitting the reduction in the reserve which is unused during the off-peak periods.

It is also true and probable that interchanges of power provided that these are all interchanges of energy can reduce the overall - the overall system reserve requirements.

The outline of the proposed scope of the second phase review includes these features, but the majority of the items which are in the statement or in the position by the military for response in the second phase are included in the proposed review under the second phase. This is the substance of the remarks which I would like to at this point address to the City Council in response to the Mayor's question and I would invite questions and anything that I've neglected to answer at this point.

MAYOR BECKER: Mr. Kubik, Colonel Ball made mention of the fact of joining with other utilities in drawing on their power at slack times or to try to bring about a loop, I guess that's what it's called, I'm not sure, but the other evening we had a hearing over at the Convention Center, Tuesday night, I think it was Tuesday night and a Dr. Davidson who is a scientist and a member of a research organization here in the City, I think I'm correct in saying that he mentioned the same thing, and that is, trying to join these various utilities together throughout this part of the country, or whether any steps are even done in this area in the United States in other parts of the country or whether, ultimately, maybe all these utilities should be joined together if such a thing is feasible at all. Would you care to comment on that?

MR. KUBIK: Yes, sir. The pooling arrangements among utilities, both investor-owned and consumer-owned, in the United States are becoming more and more common. There are areas of the country where those pooling arrangements are well developed in the northeast and in the midwest, for example, and in the pacific northwest pooling arrangements are well developed. The State of Florida, for example, with which I'm quite familiar because we're doing quite a large generation expansion study there for the City of Gainesville. The State of Florida is approximately 10 years behind the northeast and the midwest in the development of pooling arrangements. The high voltage transmission lines there are lacking. But, there is - there are pool committees - operating committees formed between the utilities on a voluntary basis which are developing these kinds of pooling arrangements. One of the things which we proposed to do here as part of the Phase II review is to make a survey of the existing power interchange agreements and also the opportunities to enlarge these power interchanges between the City of San Antonio, between the City Public Service and the adjoining utilities. We have proposed that a company of utility representatives will schedule meetings with the executives of other utilities in the reasonable transmission distance to investigate the abilities of joint - of joint projects, of power interchanges to see what mutual savings could be realized.

MAYOR BECKER: Isn't it almost a foregone conclusion, really, that someday in the United States, perhaps in the world, that energy is going to become almost a natural resource, looked upon as a natural resource, a national treasury you might say and that there's going to be greater and greater supervision by the federal government, I think that's a nice word to use, so as to preclude waste and direct and guide the usage of natural gas and oil and all that sort of thing. The reason I bring this up is because, and it may not be related, but yet I think it is, and I commend it to anyone who would care to read it in this May 13 issue of Time Magazine, the one which Mr. Nixon, President Nixon, on

the cover, and on page 50 of that magazine commences a story with photographs of the most shocking things I think any of us could hope to see or read about and that is world-wide famine that's occurring in the and it mentions all the countries. India is right on the verge of having millions of people perhaps die because of the drought period over there, a drought that resulted in not sufficient waters to turn the hydro-electric pumps and generators in the dams and consequently, there isn't any power to run the irrigation pumps in the fields where the farming is done.

MAYOR BECKER: Then all through Ethiopia, and Sinigal and Martinia, Chad, and all the way over to the African coast south of the Sahara. There's a half a billion people in the world today that are on the verge of starvation - 500 million people. Now this isn't any figment of anybody's imagination. There's supporting evidence to substantiate all this. As a matter of fact, there are pictures themselves of starving children and dying children and all. It's a shocking, tragic thing. So, along with energy, will ultimately probably come food someday and what not. But can you foresee where someday all the various utilities publicly or privately owned for that matter, will be compelled to do the very thing that you're talking about and that's pooling these resources and all this?

MR. KUBIK: Mr. Mayor. I do not possess a crystal ball but I will venture to speculate on these issues. Energy is and always has been a natural resource. The principal difference between the energy issues of situation in the United States and other countries has been until recently, that we have had an economy of plenty and we have had an economy of extravagance in this country. This extravagance is characterized by such things as having automobiles, 4,000 pounds of automobile transporting one individual to work back and forth, 5 miles, 10 miles a day round trip and that's about the extent of the use of that automobile. We've had the extravagance in architecture, in utilization of energy for home uses, appliances for every conceivable gadgetry, electric can openers and what not. In architecture, we have developed the design concept where windows are virtually eliminated or used for architectural effects only. The buildings are totally dependent upon artificial lighting, upon heat and air conditioning applied at the same time for comfort heating and cooling and total environmental control within buildings. Now the United States is unique in this respect among all the other countries in the world. Shortages in all other countries have existed and these shortages are beginning to be felt here.

Now the natural follower of shortages is governmental control. As far as utility services are concerned and utility services include not only gas and electricity, they include all essential services and those that come to mind immediately are also water, sewerage, transportation, these are the basic utility services, communications, telephone. Utility services are basically the obligation of government. They are the obligation of federal, state, and local government. In this country, and it is unique among other countries of the world, the climate has developed where the local government, again because of the economies of affluence, has been able to afford some options. There are basically two options. The government, and in this particular case, I'm referring to local government here, cities, villages, and towns, counties, may elect to provide the utility service by its own efforts such as the City of San Antonio has elected to do. The local government in other cities such as Houston may elect to hire it done by a company, by an investor who will provide risk capital, plow this risk capital into enterprise and provide the utility service. I think that long range we

are going to, because of shortages, there'll be more need for control but we'll see more federal control. We will see more state control and we will see more local control on a local basis where that control is possible. The State of Texas is an exception because cities here have regulating authority over all utilities, even investor owned, but I think that in other states it would be recognized that those cities there have that regulatory power too because the franchises are always granted by local government.

I think that we will see perhaps a few more systems, quite large systems, being formed for that very reason because local government can provide the utility service more efficiently and more economically than investors simply because it does have access to tax exempt capital. It does have access to - it doesn't have to pay dividends, and it does provide opportunities for municipal employment.

So, in answer to your question, Mr. Mayor, I do feel that we will see more governmental control and that will mean pooling. I know that utilities and at this point perhaps justifiably, are concerned about this governmental control. Where you have pooling, you always have the overview of the federal power commission of the pooling arrangements because the Federal Power Commission does have jurisdiction over all transportation of goods, which includes electric power in interstate commerce. It does have jurisdiction over all wholesale power contracts, not retail but wholesale, and pooling means control by the Federal Power Commission. Utilities are concerned about that.

MAYOR BECKER: Mr. Kubik, and members of the Council, there's only five of us here but I'd like to suggest that we ask Mr. Kubik, I was going to say, I'd like to ask Mr. Kubik to make a critique in conjunction with his work with the City Public Service and in conjunction with discussing the matter with them. The matter, I should say, not what's the matter, but the matter with them that would furnish this Council with an overview of your suggestions as to what you would recommend that be done for the welfare of the City of San Antonio both from the standpoint of pooling with some other City, if such a thing is possible, and I know that many of these things couldn't be done immediately but looking down the road and in the future, that you make your comments with respect to any other suggested changes or directions that might be followed that you would consider beneficial to the City and to the welfare of the people. I make that in the form of a suggestion. I would recommend that the City of San Antonio engage you to do this on a fee basis, we're not trying to get something for nothing, but on a fee basis and I might also encourage you to make the fee as small as possible, naturally. And if you'd like to give us this report for \$5.00, well, we'd appreciate it very much, you see. But I think it's something to consider and I think it's something that would be in order and would be done in conjunction and in cooperation with the City Public Service Board.

REV. CLAUDE BLACK: Mr. Mayor, I certainly would like to join support of that but I would like to first say this too. In addition, I have been greatly impressed by the statement read by Colonel Ball. I would like in some way to have available any exceptions that might be taken to that report because to me it - he has presented some very impressive positions with regard to where we are and in terms of other reports I've read. I would be better prepared for my vote if both the City Public Service Board as well as our consultant, if they found in this that which they disagreed with or took exceptions to, or in any way saw in a different manner would be presented in similar manner because presently I've been greatly impressed by what has been presented here.

MR. ALFRED BECKMANN: Mr. Mayor. I just have a word of caution I'd like to inject. Where we have what I call economic levity, I just don't want this Council to mistake the fact that we do need capital improvements and I hope it doesn't haunt us later on. I think we're all aware of this and I think we should be aware of the fact that we do need capital improvements to convert and as a word of caution in this economic leverage we seem to be using today.

MAYOR BECKER: Al, the only thing I'm trying to say is that we recognize the necessity for the capital improvements right at this point. The only thing I'm trying to do is to ask that a report be made by Mr. Kubik that would deal with perhaps 5, 10, 15, 20 years in the future, you see.

MR. BECKMANN: Are you talking about Phase II?

MAYOR BECKER: Yes, sir.

MR. BECKMANN: And that is about what a five month.....

MAYOR BECKER: What I'm trying to say Al, is that I'm not meaning to infer or in any way indicate that we would withhold our decision on what we're dealing with or would have - or were going to deal with here today that this merely be set as an analysis as to what direction perhaps we should be taking as far as the future is concerned, you see.

MR. BECKMANN: Right.

MAYOR BECKER: So that the concern of the citizens, Colonel Ball's report and Dr. Davidson the other night, and very many of the people, how could we minimize these capital.....

MR. BECKMANN: Right. I know there's some questions that need to be answered and I'm in favor of that. I merely put this out as a word of caution for the Council.

MAYOR BECKER: I know. I don't want to tie the thing up indefinitely but this would be Phase II, so to speak.

DR. SAN MARTIN: Mayor, I'd like to address myself to Mr. Kubik specifically on Colonel Ball's recommendation here. I'd like for Mr. Kubik to go very carefully over Colonel Ball's recommendation of 11 percent. I want to be sure that we know where it was obtained. I'm not questioning it. I'm just saying that it behooves you to know how this figure was arrived at. Also I'd like for Mr. White to address himself to the same question with Mr. Granata and explain to Colonel Ball the necessity for the 14 percent payments to the City in lieu of taxes because this, of course, ties in with whether it's 11 or 19 percent. I'm sure that Colonel Ball does not have the historical background of the payments in lieu of taxes and how it has helped to support the City of San Antonio. So I would specifically ask to find out how this 11 percent was arrived at, Mr. Kubik.

MR. KUBIK: Doctor, I feel that all of the questions raised by Colonel Ball should be carefully answered by us. But with regard to this specific question, let me only state what I think I heard in listening to the statement. What I think I heard was that the statement did not disagree with the amount of rate increase with which we recommended, which is \$20.4 million, which would result in a 19 percent rate increase if enacted on the first of February, 1974 for the fiscal year ending January 31st, 1975. The statement also suggested that the City of San

Antonio give consideration to reducing the 14 percent of the various contributions which result in a figure, which I don't remember right now, X million dollars in the total added revenue of the City. If this were reduced to about 8 percent in lieu of 14, then it would be possible to get by with a rate increase of about 11 percent rather than 19 percent, still producing the same income, the same added income. As I understood the statement, the statement was not in disagreement with the amount of added revenue which we indicated but only with the method of application of this added revenue.

MAYOR BECKER: All right. Okay. Does anyone else have anything to ask Mr. Kubik?

MR. MORTON: One other thing that I would like for us to look at in your Phase II evaluating capital expenditures would be the issue of philosophy of growth. This I'm talking about geographical areas to be served. Essentially, we serve Bexar County today and beyond that certain areas. I'm wondering if we could not reduce the amount of the capital expenditures if we had utilities that surround us that were willing to serve - let's say, where we extend out of Bexar County, serve that area and perhaps even reduce the areas which we have the exclusive right to serve, within the boundaries of Bexar County itself. If this should not be an alternative that we would consider assuming we had other utilities that were willing and capable of serving these - some of the areas that we now have the exclusive right to serve.

MR. KUBIK: Mr. Morton, I think that this suggestion should be followed and we have included a study of that type of service in our Phase II proposal. I would, in anticipation of what we might find, I would like to make a few remarks. It is quite possible that there are some areas that are unprofitable to serve. It is possible.

DR. SAN MARTIN: I didn't hear that, Mr. Kubik.

MR. KUBIK: It is possible that there are some areas which may be unprofitable to serve. Now, if so, alternatives should be looked at. However, I would like to offer one word of caution here. Like any other enterprise, the utility has two types of expense; the fixed expense which doesn't depend upon the amount of kilowatt hour or cubic feet of gas sales and then the variable expense which depends on the sales. Now by reducing the service area, sales are reduced without reducing the fixed expense. So any territorial reductions should always be viewed with caution as to what would happen to those fixed expenses because unless a corresponding reduction in the fixed expenses can be made and those expenses have to be rolled into the average cost of units of sale to the remaining service area and that increases the cost to the other customers. Now this is exactly the reason why when we go way back when into the history of the electric utilities into this country, first, we had a lot of small fragmented systems with high utility rates and then these utilities went into consolidation. I know in my own home town we have a private power company called Magamor Power Corporation, who has about 67 predecessor companies that they slowly acquired the ownership of and gradually their rates have to be reduced because of economies of sales that could be realized. The general trend is, the philosophy of growth, not only in sales but in the territorial rights, tends to reduce the utility cost rather than increase but provided that such a territorial growth will result in profitable loads. Now, what many utilities have found is that sometimes they can achieve indirect territorial growth by selling to other utilities at wholesale. For example,

an excellent example of it are REMC's, Rural Electric Membership Corporations, which are subsidized by the Rural Electrification Administration with low interest cost loans. They can afford to serve the generally unprofitable rural areas where there are few customers per mile wire. Other utilities can supply energy to them at wholesale, make profit on the wholesale sales. The cooperative can make a profit on the retail sales which the publicly-owned, which the city-owned or investor-owned utility could not realize a profit. So this should be looked at, I agree with you.

MR. MORTON: We're not saying then, that the utilities are not also subject to a loss as far as size is concerned. Is that right?

MR. KUBIK: Yes, sir.

MAYOR BECKER: Well, is it the Council's desire to ask Mr. Granata to effect a contract of some shape.....

CITY MANAGER GRANATA: We'll request a proposal on the second phase plus giving consideration to the additional things that you requested. We'll get a proposal from Mr. Kubik.

MAYOR BECKER: Anybody care to comment on that?

DR. SAN MARTIN: I'd just like to say, Mr. Mayor, that I think the Council should express its intention of not delaying this matter unduly but rather to proceed expeditiously with the items that still need to be resolved. I urge cooperation between CPS, Mr. Kubik and Colonel Ball so that we can come back as soon as possible and decide this thing as quickly as possible. I don't think it's the intention of this Council to delay this unduly.

MR. KUBIK: May I address a question to Dr. San Martin? Would it be - is it your intention that the Council take action on the finding now before the Council, which is the request for the first step of the rate increase where the City Public Service requested 25 percent and O'Brien and Gere recommended not less than 19. Would the City Council take action on it at some near future date between now, let's say, and February 1st, or would the City Council defer action on it until the second phase is completed because if so, let me assure you that this study cannot be completed in a few weeks.

MAYOR BECKER: Well.....

MR. KUBIK: This study will take about six or seven months at least.

MAYOR BECKER: Mr. Kubik, I would say that the Council would act on the 19 or whatever per cent increase sometime perhaps within the next two to three weeks at the very maximum amount of time. Now then, the second phase of your study would require, I don't know, how many weeks, months, but that...this first rate increase would not hinge on the completion of the second phase of your study, your analysis, you see.

MR. KUBIK: Yes sir.

MAYOR BECKER: Is that the feeling of the Council? All right. Now then....

CITY MANAGER GRANATA: Mr. Mayor, may I clear up a point? It's not to.....

MR. KUBIK: Earlier you indicated that I'm to advise Mr. Deely and Mr. Berg - you appointed Councilman Morton and Councilman San Martin to the committee and then the question came up whether it should be three and three. Is it going to be two and two or three and three?

MAYOR BECKER: Well, let's have it two and two. If it means that we don't have to have all of the other what you call its that are - the attendant of the open meeting law thing.

CITY MANAGER GRANATA: Should they name their own chairman? Should I name a chairman and ask them to have a meeting because I'm concerned who will call the first meeting of the committee.

MAYOR BECKER: Well, let's just name, I don't know who they're going to appoint. I think they should elect their own chairman.

CITY MANAGER GRANATA: Okay, may I suggest a date for their first meeting?

MAYOR BECKER: Yes.

CITY MANAGER GRANATA: Okay. Thank you.

MAYOR BECKER: All right, are there any other questions for Mr. Kubik?

MR. MORTON: May I ask this question?

MAYOR BECKER: Yes sir.

MR. MORTON: Essentially, what we're asking for in this phase II is the answer to the question where do we go from here as far as our utility company is concerned to serve our needs at the lowest possible cost and still be responsible, isn't that what we're asking for?

MAYOR BECKER: That's correct. Now we have one of our utilities who was embarked on a program that was ultimately going to require capital expenditures of something in the neighborhood of \$170,000,000 or something as I'm told.

MR. KUBIK: If it's the City Public Service you're referring to.....

MAYOR BECKER: No sir, this is another one and those of us who are uninitiated in those matters, frankly, I don't see how on earth they could even hope to pay the interest on the bond with the revenues that would be derived from such a program. So I just think that what we need is an outsider's view, an outsider who also happens to be an authority and a bonafide rate analysis expert and so forth, so we're just not choosing anyone, we're choosing you and your firm so Mr. Morton summarized it in essence.

REVEREND BLACK: While I'm concerned about the future of energy and utilities and how they will be tied together and all this matter, also the more I listen to the discussion the more I realize the great burden of a great deal of capital improvement where the method which we use for financing this falls upon a great group of this community, that's in least position to take care of the obligation. Even though we talk about \$14,000,000 in lieu of taxes, it seems to me that what we do then is raise the rates of a utility that people cannot reject and therefore, the people with fixed incomes, with low incomes they're not prepared - have to participate in that rise of cost whereas it seems to me that if we put this directly into our tax system rather than - then the people who would be most able to pay for it would also be the person that would be responsible. It seems that the more I listen to it, it seems to me that what we need to really do is start looking at new methods of financing a public utility, new methods of dealing with its financial needs and its capital improvements. Otherwise if our utilities continue to simply impose this kind of burden upon persons - upon the consumer who is least capable of taking care of it because even in our business enterprises where they will increase their cost they will pass that cost on in their commodities to the consumer out here and he in the end ends up paying for whatever capital improvements and often those capital improvements are not altogether addressed to the areas of his needs, but in other areas. So I don't know how you put that into what you have to investigate but it seems that the whole system of financing public utilities needs a new examination.

MR. KUBIK: This is the area of greatest concern.....which is facing all utilities today. There are new philosophies being developed in rate making. There have been some new philosophies that were applied into the structure of the rates which are - which have been proposed and reviewed by us and found as reasonable in this filing. There has been, for example, a restructuring applied here which provided for equalizing the cost of energy (inaudible) over the years by (inaudible). The differential rates of return realized from the various consumer classes are not the same. One of the things in Colonel Ball's petition or statement is a request for restructuring the rates of the large users such as the military would not be paying a greater rate of return than the small users. The small users at present who are the residential customers who have no choice than to buy the utility service are experiencing a relatively smaller rate of increase than the larger users. I think these trends in the future in all utilities will increase but again we are playing only the numbers game here because, for example, if this City were to attract an industrial base which I think it should in the long run then this City has to provide utility services at rates which would be competitive with rates of other utilities. Now other utilities particularly private utilities customarily provide large users services at low rates of return and they provide residential services at high rates of return. Now, so, the small users, the residential customer depends again upon the industry and the large user for employment, for payment of large sums and fixations to the general City fund so really the utility City management, the City Council as regulator had to take a look at the balance of these two things, opportunities for great employment in the future, opportunities for greater tax base by attracting large utility users and opportunities to reduce the utility rate to the small users, both pay rates by restructuring the rates and by realizing the economies of scale due to growth. And all of these factors have to be taken under consideration.

DR. SAN MARTIN: I have one more - Mr. Morton are you finished?

MR. MORTON: I have one other thing that I wanted to suggest as an alternative to be considered and I could get burned pretty bad on this one but I do not think that we should rule out as one alternative would be the evaluation of selling this utility to a private company that might have recourse for fuel that we don't have. It seems to me that as I look over the events of the last year other than buying

crude oil, I see no significant steps which have been taken that is in the acquisition of fuel. It seems to me that we can summarize our position by saying we're long on plan and short on fuel and that situation has not changed in the last year. There may be a private utility who wants to expand who does have a large reserve of fuel that perhaps is more than it can project in its needs and you can put what they have with the asset that we have and match it up with, I would say this, this is one way we could get alot of capital improvements that you've talked about. So I don't think we should rule out something as far out as that. I realize that there might be a few hangings around here before that took place - of people that suggested this is what I'm talking about.

MAYOR BECKER: At least effect a merger.

MR. MORTON: Yes. I think it's something that should be considered as an alternative.

MR. KUBIK: This apparently is not now in our proposal. We can add it if this is the Council's desire.

MAYOR BECKER: One of the most misunderstood things about all these subjects that we're talking about is when someone talks about having a lower rate for an industry, for a commercial user or a factory or whatever you care to call it than the residential rate, most people seem to think and it's understandable why they would make this assesment of it, that they're being treated unfairly and put upon. They don't stop to consider in most instances that that industry, that corporation, or whatever it might be is furnishing jobs to many of the people that reside in the City or in the area that makes it possible for them to have an income, that that corporation or that industry is providing taxes far in excess of what perhaps that one individual homeowner might be paying and so forth. So it isn't a question of trying to give anybody a break over the other. It's merely a recognition of the role that's being played by whether the industry or individual or whatever it is and this has never been, I don't think, thoroughly or sufficiently or properly explained to the people of this community as to what employment does mean to this community. The military that we were referring to earlier today is one of these very things we're talking about. They do furnish tremendous employment in this area and you know, that's their role so to speak, as far as Kelly Field and all those kind of installations are concerned and this should be brought forth I think, Mr. Kubik.

MR. KUBIK: Yes sir.

DR. SAN MARTIN: I just want to take a few seconds more, Mr. Kubik. One of the specific questions which I requested when we first engaged you was also as far out as what Mr. Morton said and that was the proposal that I made that perhaps the City Public Service Board should in the future set up its own gas gathering system. In other words, where we don't have to rely on Lo-Vaca or make contracts with anybody and I think that should be included in your long range program. I asked for that before and I'm sure you have it somewhere. The next thing is for Colonel Ball. I'd like to point out to you, Colonel, that your proposal to review the 14 per cent in lieu taxes to the City must be reviewed in light of another action that this Council took recently and where we were forgoing the 14 per cent of the fuel adjustment plus income which I understand amounts to about half a million dollars a year in lost revenue to the City. So before we go and exchange, is that correct Mr. Granata?

CITY MANAGER GRANATA: The fuel adjustment clause?

DR. SAN MARTIN: Yes.

CITY MANAGER GRANATA: For the entire year, our estimate.....

DR. SAN MARTIN: No, I mean since we passed the ordinance.....

CITY MANAGER GRANATA: Right up above a million seven, right at two million.

DR. SAN MARTIN: Okay.

CITY MANAGER GRANATA: Since we passed the ordinance.....

DR. SAN MARTIN: Yes.....

CITY MANAGER GRANATA: There's been about \$600,000 projected for the year that would be about \$2 million.

DR. SAN MARTIN: Okay. I think Colonel Ball that before we change any of the 14 per cent in lieu taxes to the City I would - we must also take a look at the fact that the City has already given up this substantial amount of income in order to lighten the load on the low income citizen of our community.

MAYOR BECKER: Well alright. Any other questions for Mr. Kubik? Thank you very much.

MR. KUBIK: Thank you sir.

MAYOR BECKER: We will go into the Citizens To Be Heard portion and call on those people that signed up to speak on the rate increase, and if at all possible, we can try to limit our remarks to a reasonable period of time. I would appreciate it as the Council would. Yes, Tom.

MR. DEELY: Mr. Mayor, I don't want to take up all your time but I would like to make two points. I'd hate for the Council to leave here just thinking that we were not doing planning in regard to the questions that were raised and I'd also like to call on Mr. Jolly to tell you just a bit about our operation with Texas Interconnected Systems. Now, our interconnections at the present are for emergency purposes. We have looked at interconnections for a firm transfer of power, this has been looked at over the years. I would remind you that where they have firm transfer of power, they've also had a lot of problems. The Pennsylvania, Maryland, New Jersey area for example, the City of New York, even out in Nebraska they've had problems. This is the story of interconnections. I'm not saying they should not be made but what I am saying is that it's not - it may not be the answer to all of our problems. But I would like to - one other thing on our reserves. I believe Colonel Ball mentioned 41 per cent reserves. We have, when you put a unit on a line, 465,000 kilowatt units and you measure reserves at that time, you do have large reserves. Our planning criteria for reserves is 15 per cent, so I would like the Council to know that also - that we're not trying to live high on the hog, insofar as building units is concerned. But I would like to ask Mr. Jolly to just give you a few words about our interconnections and how they operate.

MR. PADILLA: Mr. Mayor, let me ask Mr. Deely one question. Will you clarify this for me, Mr. Deely? You said your planning criteria is 15 per cent.....

MR. DEELY: Reserves.

MR. PADILLA: Yes. But you also said that when you put a unit on a line, you have high reserves. Now your criteria is 15 per cent and yet, I seem to understand that you're saying that you do have reserves in excess of that or perhaps more in line with what Colonel Ball said.

MR. DEELY: If we could put on.....

MR. PADILLA: Can you address the question of reserves at this time? Not your planning criteria but what you actually have.

MR. DEELY: Yes, sir. When you put on a unit, if you could put on a unit that would account for the immediate growth that you had or that you anticipated in the next year or two years or three years before you got

the next unit on, you would put on 150 megawatt units. But you get into a kind of scale in generating units and you put on a large unit which has an efficient operation and a low cost of operation and that unit lasts you over a period of two or three years or possibly four years, depending on when you can get the next unit on. As a result, when you add a block of load like that you have taken up and put in the requirements for several years, so if you at that time....

MR. PADILLA: Plus a substantial reserve at that time.

MR. DEELY: Yes. What is your reserve now and we just added one now, as you know, at Sommers and that is the situation insofar as reserves. You have this same problem in every rate confrontation you have. It's a common thing, this particular thing about saying you've got too much reserves or saying that your load growth pattern that you projected is too much. We had it in 1962 in the hearings that we had at that time so it's nothing unusual and, of course, we will get with and answer and determine what the other side of this picture is insofar as each one of, I believe 11 items were and we have good answers to those I think and I think it will be clear when we do get the others.

MR. PADILLA: All right. Thank you.

MR. DEELY: Thank you, sir. This is Mr. Jolly, who's Assistant General Manager for Operations.

MR. MURRAY JOLLY: It just so happens I just completed a term as Chairman of the Texas Interconnected Systems Administrative Committee. We've been interconnected with the other utilities in Texas now for some 20 years, I guess, and both Mr. Kubik and Colonel Ball have raised a real fundamental question about economic power pooling. The Texas systems are interconnected and operate as part of the Electric and Reliability Council of Texas. We are not interconnected with the other utilities across the state line and as a result, they're not regulated by the Federal Power Commission. The philosophy of the Texas Interconnected System is entirely different and we've had many arguments about this with the other power pools and the other reliability councils of the country. For many years, we have operated on the premise that each company that's a member of this interconnected system would supply their own generation and be, in effect, self-sufficient. We would have interconnections and we do at 345,000 volts as well as lower voltages and we operate an emergency, what we call spinning reserve in the system, so that if anybody loses a large unit or has occasion to demand a great deal of power due to a fault in a system, it can be supplied. In fact, I think last year we had some 35 large generators due to mechanical reasons, at one time or another, suddenly went off the line and I don't think the public even realized they were off because of the ability of the system to pick it up. Now we have argued again, as I said, with those that operate an interconnected system which Mr. Kubik is talking about like the northeast power pool, where they operate primarily, basically, for economics. And as a result of this, you all remember the northeast blackout, where they just lost a whole area and this is just one thing that we have taken a real hard look at and the feeling of the companies in the Texas area feel like that our operation we give much more strength and reliability but we do look at economics as well. You try to balance it too. You can't go really whole hog one way or the other. We studied this - Mr. Deely said, we've studied interchanges of power for economic reasons but practically in every case, we did - we have interchanged power with other companies and

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under certain conditions but practically in every case, we have let the reliability of the total interconnected system be the ruling criteria. This is the philosophy of the other companies. As an example here, I think two years ago, an airplane went through a line in Houston and it wiped out practically every transmission line out of a very large generating plant. They lost some 1200 - 1400 megawatts, almost as much load as the City of San Antonio has and the Texas Inter-connected System, due to the advanced planning and the way of its designed and the contributions from San Antonio and Dallas and Fort Worth and Austin and the rest of the members were able to pick this load up and have a very minimum outage in Houston, which could have been a very, very serious thing if our interconnecting lines had been overloaded. So there is a fundamental difference in philosophy of the economics of transfer of power versus the reliability of the system and this is something that we are well aware of. We've had many discussions with it. There are some proponents of a national grid as you well know and I think in the electrical engineering fraternity, you can get as many pros as you can cons on the pluses and minuses of such an interconnection. So if anybody has any questions on this, I'll be glad to try to answer them.

MAYOR BECKER:        Anyone have any questions of Mr. Jolly? I think not. Thank you very much, sir. We appreciate the explanation. Now, Tom, did you have anything further that you wanted to.....

MR. DEELY:        No, thank you.

MAYOR BECKER:        Okay. Now the first person that signed up was Howard Atwell.

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MR. HOWARD ATWELL: My name is Howard Atwell. I reside at 7407 Buckboard and greetings to you ladies and gentlemen of the Council. I'm pleased to be here to speak on behalf of myself and hopefully for the other taxpayers and consumers of this City. I'd like to address myself to the issue of the ones that are going to pay for this increase. Without denying that there is a possibility that there should be an increase, I think that what they're asking for is quite a lot, quite a lot. As Reverend Black here said the people that's going to pay for this is going to be you and me and the little man and even the poor man. So, I'd like to state my position as being against this increase at this time, especially until such time as a study can be made and to see if there can't be some other method to raise revenue other than just raising the prices. I remember some talk back before the last campaign about checking into the CPSB structure, their management, to see where wastes could be cut and this is what I propose be done before any increase is even considered. By way of analogy, if I should go into Handy Andy meat market to buy a steak, which last week I couldn't afford and I find lo and behold he raised his prices because his profits have been down, the first thing I'm going to look at is to see that the fat has been trimmed off and ladies and gentlemen.....

MAYOR BECKER: Which fat are you referring to? That in the counter or that at the office?

MR. ATWELL: By way of analogy, I think it would be both, sir.

MAYOR BECKER: I would agree with you.

MR. ATWELL: And this is just what I'm saying that I'm requesting that before any increase can be considered, that the CPSB, their members be thoroughly checked on their management and see if there isn't some other way to cut and submit to you that the first place to start is with the fat, again, if you'll forgive the metaphor of the very top dogs of CPSB. Thank you.

MAYOR BECKER: Thank you, Mr. Atwell. Mr. Cantu.

MR. MARIO CANTU: My name is Mario Cantu. I'm here representing Tu Casa Organization that fights for the defense of aliens here in San Antonio. I wanted to ask Dr. San Martin. Doctor, you were mentioning that you were opposed to having a public hearing again.

DR. SAN MARTIN: I didn't say that, Mr. Cantu. I said a rerun of what we had last Tuesday night, where I counted 81 persons in the audience from my place, where I was sitting, and only five were actual citizens, the other ones were either representatives of Public Service Board or the City staff or people connected with the rate hearing. Anytime that we spend three hours and only five citizens take the time to show up, I don't think it's productive, Mario. I think we have more response right here where we are, and if you can show me that you're going to have a substantial number, and you said that last week that there would be hundreds, but I only saw five or six, and we spent three hours there. So, the arrangements were made, the expense was gone into, and if it's not going to produce more than five citizens, Mario, I can't for the life of me go through the expense of another hearing. I'll be glad to stay here all day as long as citizens respond, but when only five people show up, I can't see that.

MR. CANTU: I'm sure, Doctor, that if that meeting had been held on top of the Tower less people would have showed up. You know, I feel I'd like to maybe perhaps report to you that we had 60 people for our march last Saturday and that's how many more times the people that showed up for the public hearing?

DR. SAN MARTIN: Why didn't they go Tuesday?

MR. CANTU: Well, because we were meeting to decide whether to picket Handy-Andy or Centeno, which we felt was more effective.

MAYOR BECKER: It wouldn't take long to decide that. I would think that would be an easy decision to make.

MR. CANTU: Mayor Becker, you know we spent a lot of time here this morning, how you were indignant and so was Mr. Morton and Mr. Beckmann about the remark Eloy Centeno made in regard to the military. You were also indignant because Mr. Centeno had not apologized to the military. Well, we feel that you owe an apology to the citizens of San Antonio for even allowing the City Public Service Board as a Board member, the audacity to come here once proven by the military of discriminatory practices in the rating of the utilities and showing them an apology.

MAYOR BECKER: Well, I don't know if that's actually occurred here, but I will say to you, Mario, if it has occurred here and there has been any discriminations against the military and all that sort of thing, and if it were shown very plainly that it had occurred, I would apologize.

MR. CANTU: No, I'm saying that the military has presented evidence that the City Public Service Board has discriminatory practices in the rate that they figure for an industry and the home users and that in reality, the home users are the ones that are the ones that are maintaining big industry here in San Antonio.

MAYOR BECKER: I don't know that that's actually the case. So, I can't comment any further on that at this time.

MR. CANTU: Well, you have \$8 million in reserve there at the City Public Service Board.

MAYOR BECKER: It's less every day I'll put it that way, because they're actually showing loss operation figures over there. Operating in the red.

MR. CANTU: Well, maybe if the utilities belonged to the people instead of a profit venture on the part of a few individuals, maybe it would be better.

MAYOR BECKER: Mario, we discussed this last week or whenever it was and I don't think that the situation has changed greatly from that day to this.

MR. CANTU: May I remind the Mayor that the citizens to speak here should be given the same courtesy as the other industry and we should be allowed a little bit more time to view our opinions.

MAYOR BECKER: If you had anything new to bring to the meeting today, I would certainly grant you that time, Mario, but we discussed the very same identical issues last week with you.

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MR. CANTU: That's right, and we're going to continue to protest.

MAYOR BECKER: You can come up here anytime you want to. But for this occasion, it's a five minute limitation.

MR. CANTU: You took 20 minutes to go drink water.

MAYOR BECKER: Sorry you don't approve of that. Now, if you'll please step down, I'll call on Mr. Ramon Rodriguez, Jr.

MR. CANTU: I'd like to make a recommendation first before...

MAYOR BECKER: All right.

MR. CANTU: Sir?

MAYOR BECKER: Go right ahead.

MR. MORTON: Let me ask you, Mr. Cantu, can you vote?

MR. CANTU: Sir?

MR. MORTON: Can you vote?

MR. CANTU: No, but I can pay taxes.

MR. MORTON: But you can't vote?

MR. CANTU: Yes, but I can pay taxes.

MR. MORTON: Would you like to tell us why you can't?

MR. CANTU: Sure, everybody knows. I have a criminal conviction. Also everybody knows I paid 10 years for that. Are you saying that people who can not vote shouldn't get the benefits of the taxes that they pay?

MR. MORTON: I'm not saying that at all.

MR. CANTU: Well, you sure are inferring it.

MAYOR BECKER: Mr. Rodriguez.

MR. CANTU: I'd like to recommend, you know, that the City Council take seriously into consideration the charges the military made here and if the military cannot afford but 11 percent, which is the biggest payroll that we have here, that with the \$8 million and the 11 percent that the military is willing to pay that should save the homeusers from having to pay any increase at all.

MAYOR BECKER: Mr. Cantu, this may come as a surprise to an awful lot of people in the City, but we, as a Council, try to take all kinds of things into consideration. If we were running through this job just like a stalker would and paying little time in the pursuit of our duties and responsibilities down here, I think we'd be, perhaps subject to all kinds of criticism for not having given the sufficient or appropriate amount of time to consider these various subjects. As it is, this Council spends an inordinate amount of time trying to help solve the problems of the City. Now, we're giving as much consideration to every facet of the economic and political and human side of this thing as we possibly can. We are just not glossing over it, you can rest assured of that.

MR. CANTU: Well, as long as you, you know, keep in consideration that the military here, came here to object to the rate increase that the Council was very indignant of the words of Mr. Centeno that the Council should take into consideration that we, too, are going to protest and we, too, demand some type of an apology, and that you don't take the attitude that Mr. Morton took because I feel that our dollar is worth or should be worth the same at Handy-Andy that just because we have a record.

MAYOR BECKER: Well, I don't think that bears any further discussion really, Mario, so if you'll forgive me.

MR. CANTU: I think our people who do not vote demand an apology from Mr. Morton for even inferring that we don't count in terms of citizens.

MAYOR BECKER: Mr. Cantu, would you please take that up with Mr. Morton personally, please, because we have matters to do here. Mr. Rodriguez, would you care to come forward.

DR. SAN MARTIN: Mr. Mayor, I'd just like to tell Mr. Cantu that I'm ready to meet with your organization any time of the day or night, I'm free tonight at 8:00 o'clock, if you want, I'll be very happy to meet with your organization, just let me know.

MR. CANTU: Thank you.

MR. RAMON RODRIGUEZ: My name is Ramon Rodriguez. I'm president of the Southwest District of the Holy Name Society, your Honor. A couple of months ago, I asked the City Council if they would try to do something in reference to eliminate the double taxation on water and gas and electric light rates. I know that the Public Service has to operate and we've got to have the power. We can't let them run if they don't have the money to run efficiently and the idea was not - this tax rate was not established by this Council of putting sewer tax on top of water bill rate is wrong. It's absolutely wrong. I'm going to explain to you in a little while, as I'm not going to take time - excess time. Now the City Public Service Board sends someone a bill for \$7.00 for electric lights and gas, \$3.00 for garbage collection. On the water rate, the bill was \$7.50 altogether. The water rate was 12 cubic feet of water which you know 12 cubic feet of water is 7.10 times 12 is about 900 gallons of water and we are paying too much for water in one way but that's not the City Council's fault. But this here extra \$3.50 on there for sewerola is taxes - has been taxes ever since you and I were a boy and we have taken in other suburbs in the outside of the City of San Antonio and now we've got a burden of sewer tax, sewerage from them that we have to build sewer plants.

I know when the first sewer plant was built. I went out there and laid out the survey on the land when it was built out there as Mitchell Lake, when Mitchell Lake was our sewer plant. It was a disgrace to the City of San Antonio. It was running overflowing into the Medina River and today we have right over here just outside of right here Leon Creek, we've got sewage flowing into them - from these suburbs out here. I turned it into the state game department because the fish were dying. There's a lot of kids go swimming and fishing in the Leon Creek down there.

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The idea of double taxation on this is wrong. Why? Last year I had 15 families that couldn't pay their gas and light bills. The St. Vincent de Paul Society helped them by paying part of it for them because they couldn't pay it on account of the bill was for \$12 for gas and electricity, it was \$6.00 for garbage. Now that's not fair, your Honor. It's not fair and I pray that this City Council will eliminate that extra burden on the poor people because there's a lot of them out there, you know your ownself. They can't even afford to buy groceries because they call on us. We know because we get help from Handy-Andy to feed these poor people every year on Christmas but they - the people ain't got the money if they're getting \$60.00 a month pension.

MAYOR BECKER: We realize this, Ramon.

MR. RODRIGUEZ: And I hope that we can do something about this in the near future. Thank you, gentlemen.

MAYOR BECKER: Thank you very much. Maria Dominguez.

MRS. MARIA DOMINGUEZ: Well, I know that you need some capital improvements, all the time it's needed but I don't think it's fair they come from the property owners. We were told when the sales tax was established, it was going to solve all the problems. And one thing I haven't heard anybody mention is that liquor by the drink or why don't you put revenue sharing? After all, we are paying the round trip to Washington with all the people that is paid with - their salaries, is for what it's needed and really it's needed here. To get the rates low because many people can't pay them. If it is needed, let's have means that we can pay, I'm sorry, Mr. Granata, but we can't pay \$30,000 for the City Manager, we just can't. Why don't merge or whatever you call it - the City and the county, after all, what is left of the county doesn't justify all the expense that we are going through and apply it to that because we both think - I'm going to tell you a little story, it's not little but I think most of them are adults. There was a person in Mexico since they have to serve on term and can't be reelected, he put a puppet but the old president was pulling the strings. One day the lady, the wife of the new president was playing with all the ladies there and all of a sudden began crying. And they said why did you cry? But why do you cry? Well, I'm pregnant. But why do you have to worry, you are the wife of the President. You have everything and just the best of everything and she says well, what you don't know is that every time that my husband do something, they blame the old president. And we feel that way. We feel like everything that you think of in a rate and everything the poor homeowner begins to shake because we know that somebody's going to have the benefits when we are going to have to pay for it. So I think that you should - if the shoe fits, put it on. But look - now we have a bunch of taxing agencies, why do you need so many people to pick pockets, when it is only one pocket that you are picking. Everything goes to the property owner.

MAYOR BECKER: I don't make the rules, Mrs. Dominguez.

MRS. DOMINGUEZ: I know, I know that you don't make them but you can do something about it. You decide where the revenue sharing goes, you decide where the liquor by the drink goes, you decide where everything goes and why it don't go to have some relief for the poor property owner.

MAYOR BECKER: I can think of a lot of things I'd like to correct in this world if I just had the chance.

MRS. DOMINGUEZ: Well, we hope - we know that you are trying to correct but this is one area that you can do something about it. Get from some place to help....

MAYOR BECKER: I've been hearing about county-city consolidation of government now for how many years in this town. How long has that been going on, 25 or 30 years?

MRS. DOMINGUEZ: Yeah, but now what is left of the county is very little.

MAYOR BECKER: But Mrs. Dominguez, please let me finish. I would say that we're closer to having at least the beginning of it today than we've ever had in the past and they've been talking about it for 25 or 30 years. Now imagine how long it takes to get something done about something that looks as obvious and as self-evident as that is, you see. If there were a simple way to do these things, if we could just take a short cut and cut right through all this red tape and monkey business and what not, don't think we wouldn't do it.

MRS. DOMINGUEZ: We have paid for all the monkey business.

MAYOR BECKER: I feel like I'm in a pot of glue down here, I really do.

MRS. DOMINGUEZ: Like a what?

MAYOR BECKER: I say, I feel like I'm living in a pot of glue in this job in this City.

MRS. DOMINGUEZ: You don't deserve it really.

MAYOR BECKER: I'm not used to this sort of thing, you know.

MRS. DOMINGUEZ: No, I know but you've fought for it, Mr. Mayor, and you have to take the responsibility.

MAYOR BECKER: And we're going to finish it too. And we're doing the best we can.

MRS. DOMINGUEZ: Yes. And we are very glad because we know - that's why I come to you because I know that you are doing the best you can but it will be if you find a way to have some relief, why everything has to come to the property owner.

MAYOR BECKER: Well, unfortunately, that's the only person there is left for it to come out of. You see, it's the people, you, me and everyone else of us that pay all these costs of the federal government and everything else that goes on.

MRS. DOMINGUEZ: But why - I mean, this is not something that you can do something that you can do anything about it. But why they take the taxes, pay it off and then they send back to share. What are they going to share if we're - I don't know which color, but we're in debt, it's a lot of liability, so who is sharing? We are just paying for everybody what anybody is sharing, whoever is sharing, I don't know, I'm not going to say who because I don't know.

MAYOR BECKER: We're not sharing with them, they claim to be sharing with us.

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MRS. DOMINGUEZ: No, they are taking our (inaudible) and just make him pay for everything.

MAYOR BECKER: That's right. I'm in agreement with you on that, Mrs. Dominguez, for heaven's sake. Now, let's see, what is agenda item No. 17?

CITY MANAGER GRANATA: That's an item that will come up later with the Manager. So we'll have to wait for that, yes, sir.

-END-

Dr. San Martin introduced and read the following Resolution:

RESOLUTION OF RESPECT  
74-21-29

WHEREAS, life came to a close for Peter D. Reed on May 1, 1974, ending a life full of love for his fellowman with a special affinity for children, and

WHEREAS, Peter D. Reed founded and organized the Pan American Optimist Little League and for many years personally made sure that underprivileged boys were provided with transportation to participate in its activities, and

WHEREAS, he gave generously of his time and talents in any endeavor for the benefit of young people, and

WHEREAS, Peter D. Reed was named Father of the Year by the Father's Day Council and named Good Neighbor of the Week by the Council of Pan American Relations, and

WHEREAS, the entire life of this gentle man was dedicated to improving the quality of life for all mankind,  
NOW, THEREFORE:

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

SECTION 1. That with the passing of Peter D. Reed, the City of San Antonio and the thousands of children who have enjoyed wholesome recreational activities for the past 25 years because of his efforts have lost a valued citizen, leader and friend.

SECTION 2. That the members of the City Council do hereby express profound regret upon the passing of Peter D. Reed and tender to the bereaved members of his family our heartfelt sympathy.

SECTION 3. That this Resolution be spread upon the minutes of this Council and that a copy thereof be delivered to the family in token of our sympathy.

\* \* \* \*

The Resolution, which was adopted unanimously, was presented to Mr. Peter N. Reed, son of the late Peter D. Reed, who thanked the Council for its expression of sympathy.

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74-21CLASS FROM OUR LADY OF THE LAKE COLLEGE

Mayor Becker recognized a class of students from Our Lady of the Lake College accompanied by their instructor, Dr. Leon Tolle.

74-21CLASS FROM RILEY JUNIOR HIGH SCHOOL

Rev. Black recognized a class of students in the audience from Riley Junior High School who were accompanied by Rev. C. A. Callies, Sr.

74-21CITIZENS TO BE HEARDMRS. EDWARD C. DUNCAN

Mrs. Edward C. Duncan, 110 Ferris Street, Phone 224-5986, spoke of the need for a post office substation on the City's east-side. She said she had requested one about a year ago.

City Clerk Jake Inselmann advised the Council that Mrs. Duncan's request had been conveyed to the postmaster who had a survey made. The postmaster advised that the survey did not show sufficient need in the area at that time.

The Clerk was asked to contact the postmaster again to see if circumstances have changed.

REV. C. A. CALLIES, SR.

Rev. C. A. Callies, Sr., distributed a brochure listing seven projects which he said were badly needed on the eastside. (A copy of the brochure is included with the papers of this meeting.) He also presented Council with a petition requesting a traffic light at the intersection of Nebraska and Rosary Streets.

City Manager Granata stated that the requests will be investigated and Rev. Callies will be contacted.

MRS. LOY TINGLEY

Mrs. Loy Tingley, 10906 Lazy Oaks, presented a petition with 429 signatures requesting that certain street and sidewalk improvements be made in the Nacogdoches Road area between Astronaut Drive and Starcrest Drive. (A copy of the petition is included with the papers of this meeting.)

CPSB MONTHLY RATE REPORT

Mr. Don Thomas, rate analyst for the City Public Service Board, reported to the Council that the average utility bill in San Antonio will increase from \$18.16 to \$21.68 in the month of May. (A copy of his written report is included with the papers of this meeting.)

74-21 The meeting was recessed for lunch at 12:30 P. M., and reconvened at 2:00 P. M.

A. CASE 5521 - to rezone Lot 19, Block 13, NCB 11488, 4235 Culebra Road, from "E" Office District to "B-2" Business District, located on the north side of Culebra Road being 140' east of the intersection of Laven Drive and Culebra Road; having 50' on Culebra Road and a depth of 150'.

Mr. Gene Camargo, Planning Administrator, explained the proposed change, which the Planning Commission recommended be approved by the City Council.

No one spoke in opposition.

After consideration, Mr. Mendoza made a motion that the recommendation of the Planning Commission be approved, provided that proper replatting is accomplished and that a six foot solid screen fence is erected on the north property line. Mrs. Cockrell seconded the motion. On roll call, the motion, carrying with it the passage of the following Ordinance, prevailed by the following vote: AYES: Cockrell, San Martin, Becker, Black, Padilla, Mendoza; NAYS: None; ABSENT: Lacy, Morton, Beckmann.

AN ORDINANCE 43,745

AMENDING CHAPTER 42 OF THE CITY CODE THAT CONSTITUTES THE COMPREHENSIVE ZONING ORDINANCE OF THE CITY OF SAN ANTONIO BY CHANGING THE CLASSIFICATION AND REZONING OF CERTAIN PROPERTY DESCRIBED HEREIN AS LOT 19, BLOCK 13, NCB 11488, 4235 CULEBRA ROAD, FROM "E" OFFICE DISTRICT TO "B-2" BUSINESS DISTRICT, PROVIDED THAT PROPER REPLATTING IS ACCOMPLISHED AND THAT A SIX FOOT SOLID SCREEN FENCE IS ERECTED ON THE NORTH PROPERTY LINE.

\* \* \* \*

B. CASE 5523 - to rezone a 43.566 acre tract of land out of NCB 14853, being further described by field notes filed in the office of the City Clerk, 15900 Block of I. H. 10 Expressway, from Temporary "R-1" Single Family Residential District to "B-3" Business District, located northeast of the intersection of I. H. 10 Expressway and North F. M. 1604 West; having 465.28' on North F. M. 1604 West, 1329.6' on I. H. 10 Expressway and 782.7' on the cutback between these two expressways.

Mr. Gene Camargo, Planning Administrator, explained the proposed change, which the Planning Commission recommended be approved by the City Council.

No one spoke in opposition.

After consideration, Dr. San Martin made a motion that the recommendation of the Planning Commission be approved, provided that proper replatting is accomplished. Mr. Mendoza seconded the motion. On roll call, the motion, carrying with it the passage of the following Ordinance, prevailed by the following vote: AYES: Cockrell, San Martin, Becker, Black, Padilla, Mendoza; NAYS: None; ABSENT: Lacy, Morton, Beckmann.

## AN ORDINANCE 43,746

AMENDING CHAPTER 42 OF THE CITY CODE THAT CONSTITUTES THE COMPREHENSIVE ZONING ORDINANCE OF THE CITY OF SAN ANTONIO BY CHANGING THE CLASSIFICATION AND REZONING OF CERTAIN PROPERTY DESCRIBED HEREIN AS A 43.566 ACRE TRACT OF LAND OUT OF NCB 14853, BEING FURTHER DESCRIBED BY FIELD NOTES FILED IN THE OFFICE OF THE CITY CLERK, 15900 BLOCK OF I. H. 10 EXPRESSWAY, FROM TEMPORARY "R-1" SINGLE FAMILY RESIDENTIAL DISTRICT TO "B-3" BUSINESS DISTRICT, PROVIDED THAT PROPER REPLATTING IS ACCOMPLISHED.

\* \* \* \*

C. CASE 5525 - to rezone Tract B, NCB 15052, 3900 Block of N. W. Loop 410 Expressway, from Temporary "R-1" Single Family Residential District to "I-1" Light Industry District, located on the northwest side of Loop 410 Expressway, being approximately 1100' northeast of the intersection of Ingram Road and Loop 410 Expressway; having 1760' on Loop 410 Expressway and a depth of 710'.

Mr. Gene Camargo, Planning Administrator, explained the proposed change, which the Planning Commission recommended be approved by the City Council.

No one spoke in opposition.

After consideration, Mr. Mendoza made a motion that the recommendation of the Planning Commission be approved, provided that proper replatting is accomplished. Mrs. Cockrell seconded the motion. On roll call, the motion, carrying with it the passage of the following Ordinance, prevailed by the following vote: AYES: Cockrell, San Martin, Becker, Black, Padilla, Mendoza; NAYS: None; ABSENT: Lacy, Morton, Beckmann.

## AN ORDINANCE 43,747

AMENDING CHAPTER 42 OF THE CITY CODE THAT CONSTITUTES THE COMPREHENSIVE ZONING ORDINANCE OF THE CITY OF SAN ANTONIO BY CHANGING THE CLASSIFICATION AND REZONING OF CERTAIN PROPERTY DESCRIBED HEREIN AS TRACT B, NCB 15052, 3900 BLOCK OF N. W. LOOP 410 EXPRESSWAY, FROM TEMPORARY "R-1" SINGLE FAMILY RESIDENTIAL DISTRICT TO "I-1" LIGHT INDUSTRY DISTRICT, PROVIDED THAT PROPER REPLATTING IS ACCOMPLISHED.

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D. CASE 5527 - to rezone the west 30' of the east 50' of Lot 15, NCB 11257, 3936 S. W. Military Drive, from "B" Two Family Residential District to "B-3" Business District, located on the south side of S. W. Military Drive, being approximately 1370' west of the cutback between S. W. Military Drive and Bynum Avenue; having 30' on S. W. Military Drive and a depth of 415.6'.

Mr. Gene Camargo, Planning Administrator, explained the proposed change, which the Planning Commission recommended be approved by the City Council.

No one spoke in opposition.

After consideration, on motion of Mr. Mendoza, seconded by Mr. Padilla, the recommendation of the Planning Commission was passed and approved by the passage of the following Ordinance by the following vote: AYES: Cockrell, San Martin, Becker, Black, Padilla, Mendoza; NAYS: None; ABSENT: Lacy, Morton, Beckmann.

AN ORDINANCE 43,748

AMENDING CHAPTER 42 OF THE CITY CODE THAT CONSTITUTES THE COMPREHENSIVE ZONING ORDINANCE OF THE CITY OF SAN ANTONIO BY CHANGING THE CLASSIFICATION AND REZONING OF CERTAIN PROPERTY DESCRIBED HEREIN AS THE WEST 30' OF THE EAST 50' OF LOT 15, NCB 11257, 3936 S. W. MILITARY DRIVE, FROM "B" TWO FAMILY RESIDENTIAL DISTRICT TO "B-3" BUSINESS DISTRICT.

\* \* \* \*

E. CASE 5528 - to rezone a 3.054 acre tract of land out of NCB 14445, being further described by field notes filed in the office of the City Clerk, 9100 I. H. 10 Northwest, located northwest of the intersection of I. H. 10 Expressway and Faircreek Drive; having 348.55' on I. H. 10 Expressway and 302.12' on Faircreek Drive, from "R-3" Multiple Family Residential District to "B-3" Business District.

Mr. Gene Camargo, Planning Administrator, explained the proposed change, which the Planning Commission recommended be approved by the City Council.

No one spoke in opposition.

After consideration, Dr. San Martin made a motion that the recommendation of the Planning Commission be approved, provided that proper platting is accomplished. Mr. Padilla seconded the motion. On roll call, the motion, carrying with it the passage of the following Ordinance, prevailed by the following vote: AYES: Cockrell, San Martin, Becker, Black, Padilla, Mendoza; NAYS: None; ABSENT: Lacy, Morton, Beckmann.

AN ORDINANCE 43,749

AMENDING CHAPTER 42 OF THE CITY CODE THAT CONSTITUTES THE COMPREHENSIVE ZONING ORDINANCE OF THE CITY OF SAN ANTONIO BY CHANGING THE CLASSIFICATION AND REZONING OF CERTAIN PROPERTY DESCRIBED HEREIN AS A 3.054 ACRE TRACT OF LAND OUT OF NCB 14445, BEING FURTHER

DESCRIBED BY FIELD NOTES FILED IN THE  
OFFICE OF THE CITY CLERK, 9100 I. H.  
10 NORTHWEST, FROM "R-3" MULTIPLE FAMILY  
RESIDENTIAL DISTRICT TO "B-3" BUSINESS  
DISTRICT, PROVIDED THAT PROPER PLATTING  
IS ACCOMPLISHED.

\* \* \* \*

F. CASE 5529 - to rezone Lot 1, Block 1, NCB 15025, save and except the north 215.27' of the west 230', 5700 Block of Culebra Road, from "R-3" Multiple Family Residential District and "B-2" Business District to "B-3" Business District, located 230' east and 215.27' south of the intersection of Culebra Road and Canterbury Drive; having 772.03' on Culebra Road and 353.11' on Canterbury Drive.

Mr. Gene Camargo, Planning Administrator, explained the proposed change, which the Planning Commission recommended be approved by the City Council.

No one spoke in opposition.

After consideration, Dr. San Martin made a motion that the recommendation of the Planning Commission be approved, provided that a six foot solid screen fence is erected along the entire south property line. Mrs. Cockrell seconded the motion. On roll call, the motion, carrying with it the passage of the following Ordinance, prevailed by the following vote: AYES: Cockrell, San Martin, Becker, Black, Padilla, Mendoza; NAYS: None; ABSENT: Lacy, Morton, Beckmann.

AN ORDINANCE 43,750

AMENDING CHAPTER 42 OF THE CITY CODE  
THAT CONSTITUTES THE COMPREHENSIVE  
ZONING ORDINANCE OF THE CITY OF SAN  
ANTONIO BY CHANGING THE CLASSIFICATION  
AND REZONING OF CERTAIN PROPERTY  
DESCRIBED HEREIN AS LOT 1, BLOCK 1,  
NCB 15025, SAVE AND EXCEPT THE  
NORTH 215.27' OF THE WEST 230', 5700  
BLOCK OF CULEBRA ROAD, FROM "R-3"  
MULTIPLE FAMILY RESIDENTIAL DISTRICT  
AND "B-2" BUSINESS DISTRICT TO "B-3"  
BUSINESS DISTRICT, PROVIDED THAT  
A SIX FOOT SOLID SCREEN FENCE IS  
ERECTED ALONG THE ENTIRE SOUTH  
PROPERTY LINE.

\* \* \* \*

G. CASE 5532 - to rezone the south 203' of Lots 1 and 2, NCB 14662, 8443 Lincoln Road, from Temporary "R-1" Single Family Residential District to "B-2" Business District, located west of the intersection of Lincoln Road and Eckert Road; having 203' on Lincoln Road and a depth of 653.4'.

Mr. Gene Camargo, Planning Administrator, explained the proposed change, which the Planning Commission recommended be approved by the City Council.

No one spoke in opposition.

After consideration, Mrs. Cockrell made a motion that the recommendation of the Planning Commission be approved, provided that proper replatting is accomplished and that a six foot solid screen fence is erected on the north property line. Dr. San Martin seconded the motion. On roll call, the motion, carrying with it the passage of the following Ordinance, prevailed by the following vote: AYES: Cockrell, San Martin, Becker, Black, Padilla, Mendoza; NAYS: None; ABSENT: Lacy, Morton, Beckmann.

AN ORDINANCE 43,751

AMENDING CHAPTER 42 OF THE CITY CODE THAT CONSTITUTES THE COMPREHENSIVE ZONING ORDINANCE OF THE CITY OF SAN ANTONIO BY CHANGING THE CLASSIFICATION AND REZONING OF CERTAIN PROPERTY DESCRIBED HEREIN AS THE SOUTH 203' OF LOTS 1 AND 2, NCB 14662, 8443 LINCOLN ROAD, FROM TEMPORARY "R-1" SINGLE FAMILY RESIDENTIAL DISTRICT TO "B-2" BUSINESS DISTRICT, PROVIDED THAT PROPER REPLATTING IS ACCOMPLISHED AND THAT A SIX FOOT SOLID SCREEN FENCE IS ERECTED ON THE NORTH PROPERTY LINE.

\* \* \* \*

H. CASE 5545 - to rezone Tract P and Q, NCB 8696, 1442 Austin Highway, from "B" Two Family Residential District to "B-3" Business District, located on the southeast side of Austin Highway being 740' southwest of the intersection of Austin Highway and Harry Wurzbach having 160' on Austin Highway and a depth of 250'.

Mr. Gene Camargo, Planning Administrator, explained the proposed change, which the Planning Commission recommended be approved by the City Council.

No one spoke in opposition.

After consideration, Dr. San Martin made a motion that the recommendation of the Planning Commission be approved, provided that proper platting is accomplished. Mr. Padilla seconded the motion. On roll call, the motion, carrying with it the passage of the following Ordinance, prevailed by the following vote: AYES: Cockrell, San Martin, Becker, Black, Padilla, Mendoza; NAYS: None; ABSENT: Lacy, Morton, Beckmann.

AN ORDINANCE 43,752

AMENDING CHAPTER 42 OF THE CITY CODE THAT CONSTITUTES THE COMPREHENSIVE ZONING ORDINANCE OF THE CITY OF SAN ANTONIO BY CHANGING THE CLASSIFICATION AND REZONING OF CERTAIN PROPERTY DESCRIBED HEREIN AS TRACT P AND Q, NCB 8696, 1422 AUSTIN HWY., FROM "B" TWO FAMILY RESIDENTIAL DISTRICT TO "B-3" BUSINESS DISTRICT, PROVIDED THAT PROPER PLATTING IS ACCOMPLISHED.

\* \* \* \*

74-21 The Clerk read Items 1 and 2 of the agenda being proposed Ordinances approving the price and conditions of sale by the Urban Renewal Agency of two parcels of land in Rosa Verde Urban Renewal Project, TEX. R-78.

The following conversation took place:

MR. BILL TOUDOUZE: Mr. Mayor and members of the City Council. This parcel of land is located at the intersection of Dolorosa and North Laredo Street. The parcel is described as CC-23A and CC-23B. We received two bids on this tract of land. One is from the J. R. Building Corporation for the purchase of Parcel CC-23A, which contains 29,443 square feet. The bid is the amount of \$93,039.88 or \$3.16 per square foot. The minimum bid condition price of this land was \$92,245.45 or \$3.15 per square foot. It exceeded the minimum disposition price and we recommend that the bid be accepted by the Council.

DR. JOSE SAN MARTIN: Mr. Mayor. May I address myself to some of these areas here. Last Thursday, I asked the Council to request before the San Antonio Development Agency to come to this Council for a briefing session. I'm concerned as to, first of all, the direction of this particular area is going. I'd like to have a little more information, but I don't mean to hold this. I'd like to know what time limitations do you have here because before I approve any of these sales, I'd like to know a little bit more about the philosophy of the Urban Renewal Agency in developing not only the particular tract but for the entire tract, especially around the market.

Now, I've been a little bit disappointed but I get the impression that the Board and the staff sometimes are not for, I would say, working in the same direction. I specifically refer to one of the parcels CC-20, which was put out for bids and then suddenly withdrawn. Now this to me, that's an indication that it was put out for bids to begin with, it was following a certain pattern, a certain policy and then it was withdrawn quite suddenly and I still haven't been able to find the justification for withdrawal of that parcel. And yet here we have three parcels which are ready to be sold and one of the explanations I read is that it's for temporary parking. Now.....

MR. TOUDOUZE: This tract of land is to be used for parking by the J. R. Building Corporation. They own the tract just above it, as it's been outlined here in green. It is the Continental Hotel. It presently has no provisions for parking and the owners of that property has submitted a proposal to buy adjoining tract to provide parking for their retail and also to accommodate the hotel provisions.

DR. SAN MARTIN: I still go right to the same thing. I think it's time for the Council and SADA to sit down and let's find out exactly where you're going. Now you have an area there on Buena Vista Street between San Saba and what is it, there is an indentation right there between I. H. 35 and Santa Rosa. I'm still wondering why that line cannot be straightened out. That is a very wide street. We don't need seven lanes there or six.

I'd like to know many more questions about what you are doing in that area. I am specifically referring to that vacant parcel of land there on Concho and Buena Vista. I want to know why that was withdrawn and I have not been able to find out from some of the members of the SADA Board. In fact, some of them were not even aware that it had been withdrawn. I am just wondering how much coordination there really is between the Board and the staff.

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MR. TOUDOUZE: Let me make a comment here. The Board was made aware of the withdrawing of that particular tract from its advertising.

DR. SAN MARTIN: It was at the last moment.

MR. TOUDOUZE: Let me say that Mr. Martin was intending to be here. He is at a meeting here of the Texas Urban Renewal Association. He had some guest speakers to introduce and he intended to be back and he is apparently going to be a little bit late.

CITY MANAGER SAM GRANATA: Dr. San Martin, as you requested, the letter has been written and they will be here next Thursday for "B" session and address themselves to the Logo....

DR. SAN MARTIN: We need to know a little bit more about the philosophy of the Board with respect to some of the things - some of the reasons that they gave me for withdrawing that parcel of land. I just don't understand it because if we are ever going to make that what we want it - a people place - we are going to have to have a philosophy of involving private enterprise along with the City. I don't see that philosophy developing. I would like to see what you are going to do with that indentation of that street because to me you could have additional parking there. There is no need as I see it unless the Traffic Department tell me otherwise, to have that indentation there for no reason at all. Now that street could be straightened and additional land sold adjoining those parcels.

CITY MANAGER GRANATA: I'm sure it went through the Traffic Department. There must be some good reason for it. We can get a report on it.

DR. SAN MARTIN: The main thing, Mr. Granata, is that I want to know exactly where we are going and what direction because by the time the Market is built, we've got to have a commitment from private enterprise to utilize the area fully. We can't be withdrawing parcels when somebody wants to start planning ahead of time. I'm not satisfied that coordination between the staff and the Board has been what it should be.

One of the areas where I think there was not the proper coordination, Mr. Granata, is in the selection of the logo for the market. To me that logo looks more like an advertisement for the Aubodon Society and not for the Mercado.

CITY MANAGER GRANATA: The letter we sent to them was to have their Chairman and Mr. Martin come and address themselves to the theory of the development of the area of the Farmer's Market and the logo.

DR. SAN MARTIN: I think this Council has to know how this logo was commissioned and how much SADA paid for the sign of the logo. If the figures that were given to me are correct, it was an exorbitant expense, an unjustified expense of money as far as that particular logo is concerned. It is not indicative of the area we are trying to promote as a mercado and I certainly feel that it was not a wise expenditure of public money.

Unless there is an urgent need for passage of this resolution right now, I would just as soon hold back everything until next Thursday when the Council may have an opportunity to see the overall plan for the area.

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CITY MANAGER GRANATA: Can we hold the first two items of today until next Thursday?

MR. TOUDOUZE: There would be no problem.

MRS. LILA COCKRELL: I would like to ask for a timetable on the market. This is our only project - one of our only projects - that has a possibility of being finished by the Bicentennial and I think it is just crucial that it is finished.

CITY MANAGER GRANATA: Let me ask that you do this in two weeks because the Council will not hear the thing until "B" session when the agenda will have been over so let's pass these. It will be two weeks.

MR. TOUDOUZE: Thank you very much.

MR. PADILLA: Sam, coupled with what Dr. San Martin said about the concerns he expressed, I would like to hear too, just what sort of coordinated effort we are making in the area of the market. Who is making the decisions? Who is involved in the general policy for the market? I think we have to maintain, if we are to have a Mexican market, a certain flair, a certain tempo, a certain atmosphere, and so forth. I think we have to take certain things into account. You cannot make that a Central Park Mall and call it a Mexican market and have any sort of feeling that you might find in a Mexican market in Guadalajara or somewhere. You are just talking about two different things. As to the criticism that Dr. San Martin voiced about the logo itself, it might be a beautiful logo perhaps somewhere else but it is not necessarily indicative of the thing that you are trying to preserve.

DR. SAN MARTIN: From what I gather, the concept of the area is emphasized in what I think is the wrong direction. They are emphasizing the Farmer's Market, which is only a part of the entire area. We are trying to develop a mercado and my concept is an area which includes not only the selling of vegetables and produce, but a place where people can go and eat and enjoy themselves buying souvenirs and having a darn good time. If they are after a bushel of apples or what not makes no difference. I think we are going in the wrong direction.

CITY MANAGER GRANATA: I share those thoughts with you. There are many unknowns. All I know of the Farmer's Market is that we were to provide a Farmer's Market parking garage since 1970 and it's been very difficult to even do that at this point.

DR. SAN MARTIN: If we are going to spend the kind of money that we may have to spend, we are just going to have to see to it, especially in the areas of involvement of private enterprise because those people are going to put their money on the line and I think we have got to work with them right now, not when it is too late.

CITY MANAGER GRANATA: I agree with you and in defense of Mr. Martin, I believe he has reported as often as he has been asked previously and each time he has gotten certain directions to go ahead. We need a review of what is happening so this Council can give direction.

\* \* \* \*

May 9, 1974  
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74-21 The following Ordinance was read by the Clerk and explained by Chief of Police Emil Peters, and after consideration, on motion of Mr. Beckmann, seconded by Mrs. Cockrell, was passed and approved by the following vote: AYES: Cockrell, San Martin, Becker, Black, Morton, Beckmann, Padilla, Mendoza; NAYS: None; ABSENT: Lacy.

AN ORDINANCE 43,753

AUTHORIZING SUBMISSION OF AN APPLICATION TO THE TEXAS CRIMINAL JUSTICE COUNCIL FOR A \$120,004.00 GRANT FOR A ONE YEAR CONTINUATION OF THE SAPD CRIME PREVENTION PROGRAM.

\* \* \* \*

74-21 Item 5 of the agenda being a proposed ordinance giving the Gill Companies permission to install planters on public property in front of their buildings was withdrawn from consideration at the request of the City Manager.

74-21 Items 6 and 7. The Clerk read two proposed ordinances for the renewal of agreements with the City of Alamo Heights and the Town of Olmos Park for the maintenance of traffic signals in those cities.

Mr. Stewart Fischer, Director of Traffic and Transportation, stated that these are simply minor contracts for maintenance which San Antonio has performed for a number of years. Rates have been increased in an effort to recover all of the City's cost.

Mr. Padilla inquired if any benefit accrues to San Antonio from these agreements.

Mr. Fischer stated that there is no benefit other than the fact that citizens from San Antonio constantly go through these cities.

Mr. Padilla as well as Dr. San Martin and Mayor Becker expressed the feeling that the rates charged are entirely too low.

After discussion the two ordinances were withdrawn from consideration and the staff was asked to review the rates charged.

74-21 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 vote: AYES: Cockrell, San Martin, Becker, Black, Morton, Beckmann, Padilla, Mendoza; NAYS: None; ABSENT: Lacy.

AN ORDINANCE 43,754

AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH THE STATE OF TEXAS TO IMPROVE A PORTION OF WEST COMMERCE STREET AND APPROPRIATING THE AMOUNT OF \$258,800 FOR SUCH IMPROVEMENTS.

\* \* \* \*

## AN ORDINANCE 43,755

AUTHORIZING THE CITY MANAGER TO SIGN AN AGREEMENT WITH THE TEXAS HIGHWAY DEPARTMENT FOR THE CONSTRUCTION, MAINTENANCE AND OPERATION OF A PUBLIC PARKING FACILITY IN THE RIGHT-OF-WAY OF I. H. 35 BETWEEN WEST TRAVIS AND WEST HOUSTON STREETS.

\* \* \* \*

74-21 The following Ordinance was read by the Clerk and explained by Mr. Stewart Fischer, Director of Traffic and Transportation, and after consideration, on motion of Mr. Morton, seconded by Mr. Mendoza, was passed and approved by the following vote: AYES: Cockrell, Becker, Black, Morton, Beckmann, Padilla, Mendoza; NAYS: None; ABSENT: San Martin, Lacy.

## AN ORDINANCE 43,756

AUTHORIZING THE CITY MANAGER TO SIGN A MUNICIPAL CONSTRUCTION AND MAINTENANCE AGREEMENT FOR LOOP 345 (FREDERICKSBURG ROAD) FROM CALLAGHAN ROAD TO HAMILTON-WOLFE ROAD WITH THE TEXAS HIGHWAY DEPARTMENT.

\* \* \* \*

74-21 Item No. 11 of the agenda being a proposed ordinance authorizing an insurance contract with the United States Fire Insurance Company was withdrawn from consideration at the request of the City Manager.

74-21 The following Ordinances were read by the Clerk and explained by Mr. Carl White, Director of Finance, and after consideration, on motion made and duly seconded, were each passed and approved by the following vote: AYES: Cockrell, Becker, Black, Morton, Beckmann, Padilla, Mendoza; NAYS: None; ABSENT: San Martin, Lacy.

## AN ORDINANCE 43,757

AUTHORIZING THE EXECUTION OF FIRE AND EXTENDED COVERAGE INSURANCE CONTRACTS BY THE CITY OF SAN ANTONIO WITH THE AMERICAN AND FOREIGN INSURANCE COMPANY AND THE AETNA FIRE UNDERWRITERS INSURANCE COMPANY, BY ENDORSEMENT TO POLICY NUMBER AKF 91 06 13 AND POLICY NUMBER 56 34 07, RESPECTIVELY, AND AUTHORIZING THE PAYMENT OF AN AGGREGATE PREMIUM IN THE AMOUNT OF \$2,032.00.

\* \* \* \*

May 9, 1974  
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AN ORDINANCE 43,758

AUTHORIZING THE EXECUTION OF AN INSURANCE CONTRACT BY THE CITY OF SAN ANTONIO WITH THE SAFEGUARD INSURANCE COMPANY, AND AUTHORIZING THE PAYMENT OF AN INSURANCE PREMIUM IN THE AMOUNT OF \$9,125.00.

\* \* \* \*

74-21 The following Ordinance was read by the Clerk and explained by Mr. Carl White, Director of Finance, and after consideration, on motion of Mr. Morton, seconded by Mr. Beckmann, was passed and approved by the following vote: AYES: Cockrell, San Martin, Becker, Black, Morton, Beckmann, Padilla, Mendoza; NAYS: None; ABSENT: Lacy.

AN ORDINANCE 43,759

AUTHORIZING A TRANSFER FROM THE GENERAL FUND TO FEDERAL REVENUE SHARING FUNDS IN THE AMOUNT OF \$93,089.42 TO REIMBURSE FOR DIRECT WELFARE PAYMENTS PAID THEREFROM.

\* \* \* \*

74-21 Mayor Becker was obliged to leave the meeting and Mayor Pro-Tem Alvin G. Padilla, Jr., presided.

74-21 The following Ordinances were read by the Clerk and explained by Mr. Carl White, Director of Finance, and after consideration, on motion made and duly seconded, were each passed and approved by the following vote: AYES: Cockrell, San Martin, Black, Morton, Beckmann, Padilla, Mendoza; NAYS: None; ABSENT: Becker, Lacy.

AN ORDINANCE 43,760

APPROPRIATING \$20,911.25 OUT OF THE INTERNATIONAL AIRPORT REVENUE BOND FUND, SERIES 1974, TO REIMBURSE THE AVIATION ADMINISTRATION FUND FOR EXPENSES INCURRED IN THE SALE OF \$2,100,000 INTERNATIONAL AIRPORT REVENUE BONDS, DATED FEBRUARY 1, 1974.

\* \* \* \*

AN ORDINANCE 43,761

APPROPRIATING \$21,819.56 OUT OF VARIOUS GENERAL OBLIGATION BOND FUNDS TO REIMBURSE THE GENERAL FUND FOR EXPENSES INCURRED IN THE SALE OF \$15,000,000 GENERAL OBLIGATION BONDS DATED NOVEMBER 1, 1974.

\* \* \* \*

The Clerk read a proposed ordinance authorizing a contract with the Texas Municipal League to administer a Workmen's Compensation Insurance program for the City of San Antonio.

The ordinance was explained by Mr. Carl White, Director of Finance, who said that a committee appointed by the City Manager had studied the various ways of providing workmen's compensation insurance for the City as required by a new state law. After studying and evaluating many plans the committee has recommended contracting with the Texas Municipal League for the administration of the program. This is a three year plan with a 30 day cancellation clause. TML has contracted with Texas Employers Insurance Association. The TML cost is about \$30,000 less than the plan recommended by the Insurance Advisory Committee.

Mr. Fred W. Riley, Chairman of the Insurance Advisory Committee, then addressed the Council. He said that the committee has studied this matter carefully and feels that the plan offered by Aetna Insurance Company would be better for the City. He pointed out that the City has no loss experience to go on and an estimate of losses is all that can be used. If the losses should be low than the TML plan would be cheaper. He also said that there are many things that could happen that could make one plan turn out better than another.

Mr. Mark Watson, representing Corporate Risk Management, Inc., made a presentation designed to show that a self-insurance program administered by his company would be most advantageous to the City. He explained the services offered by his company and asked that the Council consider using his services.

Mr. Carl White stated that the staff had taken a close look at the plan offered by Mr. Watson. The primary reason that this plan was not recommended was because he had a small staff and might not be able to administer the program as it should be. Mr. White said that he felt the quality of service under the TML plan would be better. He also urged that a decision be made soon as there is a lot of work to be done before July 1, when the City is required to be insured.

Various aspects of the program were discussed by Council members.

After consideration, Mr. Beckmann moved that the Council accept the recommendation of the Insurance Advisory Committee as to Aetna Insurance Company's plan. The motion was seconded by Mr. Morton.

Mrs. Cockrell said that she would vote against the motion in favor of the TML plan because it is estimated to cost \$30,000 less.

Mr. Morton said that he didn't think that the Council had enough detailed information to make an intelligent decision at this time.

Mr. White again reviewed the plans offered and pointed out that it is impossible to make accurate comparisons because the rates are not broken down item by item.

On the following roll call vote the motion by Mr. Beckmann to accept the Insurance Advisory Committee's recommendation failed: AYES: Beckmann, Padilla, Mendoza; NAYS: Cockrell, Black, Lacy; ABSTAIN: Morton; ABSENT: San Martin, Becker.

Then Mr. Beckmann moved that the TML plan be adopted. The motion was seconded by Mrs. Cockrell and on the following roll call vote failed to carry: AYES: Cockrell, Black, Beckmann, Padilla; NAYS: Lacy, Morton, Mendoza; ABSENT: San Martin, Becker.

Mr. Morton asked if this matter could be delayed one week in order for the Council to be given additional data.

Mr. White said that this would be all right and he would see that more detail is provided.

Mr. Morton then moved that the matter be tabled for one week. The motion was seconded by Mr. Mendoza and carried by the following roll call vote: AYES: Cockrell, San Martin, Black, Lacy, Morton, Beckmann, Padilla, Mendoza; NAYS: None; ABSENT: Becker.

74-21 The following Ordinance was read by the Clerk and explained by Mr. Mel Sueltenfuss, Director of Public Works, and after consideration, on motion of Mr. Beckmann, seconded by Dr. San Martin, was passed and approved by the following vote: AYES: San Martin, Black, Morton, Beckmann, Padilla, Mendoza; NAYS: None; ABSENT: Cockrell, Becker, Lacy.

AN ORDINANCE 43,762

AUTHORIZING SUBMISSION OF APPLICATIONS  
FOR GRANTS UNDER THE FEDERAL WATER  
POLLUTION CONTROL ACT IN CONNECTION  
WITH CERTAIN SANITARY SEWER CONSTRUCTION  
PROJECTS.

\* \* \* \*

74-21 The following Ordinances were read by the Clerk and explained by Members of the Administrative Staff, and after consideration, on motion made and duly seconded, were each passed and approved by the following vote: AYES: San Martin, Black, Morton, Beckmann, Padilla; NAYS: None; ABSENT: Cockrell, Becker, Lacy, Mendoza.

AN ORDINANCE 43,763

ACCEPTING THE LOW QUALIFIED BID OF  
SCOTT AND JENNISON IN THE AMOUNT OF  
\$69,714.00 FOR THE FREIGHT ELEVATOR  
ADDITION AT THE CONVENTION CENTER,  
APPROPRIATING FUNDS, PROVIDING FOR  
A \$3,485.70 MISCELLANEOUS CONTINGENCY  
ACCOUNT AND A \$3,471.40 PAYMENT FOR  
ADDITIONAL ARCHITECTURAL FEES.

\* \* \* \*

## AN ORDINANCE 43,764

ACCEPTING THE LOW QUALIFIED BID OF PHILLIPS CRANE & RIGGING COMPANY IN THE AMOUNT OF \$186,672.00 FOR THE HEIMER ROAD TREATMENT PLANT EXPANSION PROJECT; APPROPRIATING FUNDS AND PROVIDING FOR A \$10,000.00 MISCELLANEOUS CONTINGENCY ACCOUNT.

\* \* \* \*

## AN ORDINANCE 43,765

AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH R. MARVIN SHIPMAN AND COMPANY FOR ENGINEERING AND OTHER RELATED SERVICES AND AUTHORIZING PAYMENT FOR SUCH SERVICES.

\* \* \* \*

## AN ORDINANCE 43,766

AUTHORIZING THE PAYMENT OF ENGINEERING FEES TO HENSLEY-SCHMIDT, INC., AND W. E. SIMPSON, INC., FOR THE INSPECTION OF OLMOS DAM AND RELATED WORK.

\* \* \* \*

## AN ORDINANCE 43,767

ACCEPTING THE LOW QUALIFIED BID OF BAUSCH & LOMB TO FURNISH THE CITY OF SAN ANTONIO WITH AUDIOMETERS FOR A TOTAL OF \$1,386.00.

\* \* \* \*

## AN ORDINANCE 43,768

ACCEPTING THE LOW QUALIFIED BID OF CRANE SUPPLY CO., TO FURNISH THE CITY OF SAN ANTONIO WITH HORIZONTAL NON-CLOG PUMP AND RELATED IRRIGATION EQUIPMENT FOR A TOTAL OF \$9,381.22.

\* \* \* \*

## AN ORDINANCE 43,769

ACCEPTING THE LOW QUALIFIED BID OF GENTEC HOSPITAL SUPPLY COMPANY TO FURNISH THE CITY OF SAN ANTONIO WITH MEDICAL EXAMINATION ROOM FURNITURE FOR A TOTAL OF \$5,160.00, LESS 2%-30 DAYS.

\* \* \* \*

AN ORDINANCE 43,770

ACCEPTING THE LOW QUALIFIED BID OF AMERICAN ROOFING & METAL COMPANY TO FURNISH THE CITY OF SAN ANTONIO WITH MATERIALS AND LABOR FOR THE RE-ROOFING OF THE FALSTAFF BUILDING AT HEMISFAIR PLAZA FOR A TOTAL OF \$1,949.00.

\* \* \* \*

AN ORDINANCE 43,771

ACCEPTING THE LOW QUALIFIED BID OF K. C. ERECTION CO., INC. TO FURNISH THE CITY OF SAN ANTONIO WITH MATERIALS AND LABOR TO OVERHAUL A COOLING TOWER FOR A TOTAL OF \$6,654.50.

\* \* \* \*

AN ORDINANCE 43,772

ACCEPTING THE LOW QUALIFIED BID OF ROBERT WHITE, TO REMOVE ACCUMULATED RUBBER DEPOSITS FROM RUNWAYS AT INTERNATIONAL AIRPORT FOR A SUM OF \$8,500.00; AND APPROPRIATING THE SUM OF \$8,500.00 FROM FUND 801 PAYABLE TO SAID CONTRACTOR.

\* \* \* \*

74-21

BOARD APPOINTMENTS

Mr. Morton stated that there are five members on the Board of the Urban Renewal Agency whose terms are expired and the Chairman has recommended that all of them except himself be reappointed.

Dr. San Martin asked that a special executive session be held on May 23, to consider board appointments.

Other members concurred and it was agreed to have this special executive session as requested.

74-21

WATER RATES

Mr. Padilla stated that he has had numerous telephone calls concerning an increase in water rates by the Lackland City Water Company and asked City Attorney Reeder to state what the City's position is.

City Attorney Reeder stated that under the law the City has the right to regulate rates. However, he suggested that someone be designated to talk to the owners of these water companies and negotiate with them. This might be more effective than having all of the legal hearings, etc. He suggested that he and Mr. Carl White might handle it.

This was agreeable to the Council.

74-21 The Clerk read the following letter:

May 3, 1974

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

Gentlemen and Madam:

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

May 1, 1974

Petition of Mr. Thad Iglehart,  
in behalf of Alamo Council of  
Camp Fire Girls, Inc., requesting  
permission to conduct a bonfire  
for ceremonial purposes in the  
courtyard of the St. Andrews  
Methodist Church at 722 Robinhood,  
on May 24, 1974, at 8:00 P. M.

/s/ J. H. INSELMANN  
City Clerk

\* \* \* \*

There being no further business to come before the Council,  
the meeting adjourned at 4:05 P. M.

A P P R O V E D



M A Y O R

Charles L. Becker

ATTEST:   
City Clerk

May 9, 1974  
nsr