

Intergovernmental Relations Council Committee

Wednesday, September 21, 2005

Municipal Plaza "C" Room

1:30 p.m.

Members Present: Councilmember Chip Haass, District 10
Councilmember Roland Gutierrez, District 3
Councilmember Patti Radle, District 5
Councilmember Elena Guajardo, District 7

Staff Present: Melissa Vossmer, Assistant City Manager; Ray Baray, Intergovernmental Relations Manager; Chief Robert Ojeda, Fire Department; Pat Major, City Auditor; District Chief Mario Guerra; District Chief Carl Weidege; Martha Sepeda, City Attorney; Ben Gorzell, Public Utilities Director

Also Present: James Jonas, Holland & Knight; Rich Gold, Holland & Knight; Peter Murphy, Holland & Knight; David Jungman, CPS; Steve Bartley, CPS

I. Call to Order

Chairman Chip Haass called the meeting to order.

At this time the committee addressed item IIIc.

III. Issues to be considered

c) Federal Legislative Update – Holland & Knight, L.L.P.

Mr. James Jones presented an overview of the Holland and Knight Firm and Mr. Rich Gold detailed the area of issues for the City of San Antonio to include Military Affairs, Homeland Security, Environmental, Water and Air Quality, Grant Identification and Federal Appropriations Requests for Fiscal Year 2006. He spoke to the Hurricane Katrina Relief Effort and the appropriations process, citing the difference between emergency spending and normal appropriations spending. Mr. Gold noted that Holland and Knight will be meeting with City Departments and City Council in a workshop, October 7, 2005, to assist in formulating an agenda for the City's Federal Initiatives Program.

Councilmember Radle asked if the workshop format was used in the past to form the City's program. In response, Mr. Ray Baray stated that this is the first time the workshop has been implemented and noted that direct dialogue between Department Directors, City Council and the Lobbyist Firms would yield a more dynamic federal program.

Mr. Peter Murphy briefed the committee on the Base Realignment and Closures (BRAC) and stated that San Antonio could receive \$1 billion and over 3000 jobs from the realignment and closure recommendations.

Councilmember Radle asked for clarification regarding the timeline and guidelines for receiving the \$1 billion and 3000 jobs. Mr. Murphy stated that the funds would come from the Department of Defense Fund over a period of five years, if a joint resolution against the recommendations is not passed by congress.

Chairman Haass proposed both lobbyist firms meet individually with each council member and the Mayor to discuss options for funding for district sensitive projects. Patton and Boggs meeting with Districts 1-5 and Holland & Knight meeting with Districts 6-10 and the Mayor. Chairman Haass would like a District Sensitive Program in addition the City of San Antonio Initiatives Program.

At this time the committee addressed item IIIa.

a) CPS Energy 2005 Financial Transaction

Mr. David Jungman presented information on the CPS Energy proposed financial transaction to include:

- Issuance of revenue refunding bonds with a par value of \$186.7 million at a premium of \$13 million for total proceeds of \$200 million.
- Refund \$200 million in commercial paper notes
- True interest cost: 4.33%
- Maturity Dates: February 1, 2021-2025

Mr. Jungman outlined the debt management policy, debt and capital structure, the underwriting pool (16 firms), underwriting team and agency credit ratings. He detailed the requests for City Council approval and summarized the transaction calendar with the bond sale to begin September 27, 2005 and closing October 27, 2005.

The committee members present unanimously moved and seconded to forward said item to City Council.

b) CPS Energy Line Extension Policy Adjustments

Mr. Steve Bartley presented an update on the proposed electric and gas system line extension policies. He stated that the current policy on construction of new facilities or upgrades to existing facilities to provide energy delivery service to retail electric or gas customers have been in place since 1986. The policy for gas main extensions and service connections were last updated in 1995.

Mr. Jungman stated the proposed changes to be: 1) market based prices for trenching and conduit installation instead of a schedule of fixed charges and 2) gas service allowance based on number and types of gas appliances. He concluded that the phase-in mechanism

will not adversely impact CPS Energy's financial position and that CPS and affected parties have reached agreement on phase-in methodology.

The committee members present unanimously moved and seconded to forward said item to City Council.

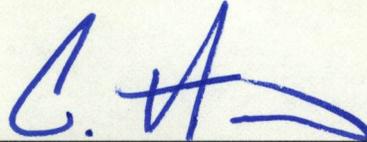
d) Emergency Medical Services Agreements with Suburban Cities

This item was not address

V. Adjournment

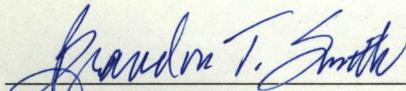
There being no further discussion, the meeting was adjourned at 3:15 p.m.

Copies of these presentations are made part of the file and are available upon request.



Chip Haass, Chairman

Respectfully Submitted,



Brandon T. Smith
Administrative Assistant II
Office of the City Clerk