

REGULAR MEETING OF THE CITY COUNCIL
OF THE CITY OF SAN ANTONIO HELD IN
THE COUNCIL CHAMBER, CITY HALL, ON
THURSDAY, JULY 8, 1976.

* * * *

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

76-32 The invocation was given by The Reverend D. A. Watson, Highlands Assembly of God Church.

76-32 Members of the City Council and the audience joined in the Pledge of Allegiance to the flag of the United States.

76-32 CORRECTIONS TO MINUTES

Councilman Billa called attention to typographical errors appearing on pages 8 and 9 of the minutes of July 1, 1976.

Councilmen Rohde and Pyndus said that their comments had been left out of the discussion of the IMAGE, Inc. project. The City Clerk advised the Council that a transcript of that item would be published as an addendum.

With those corrections, the minutes of July 1, 1976 were approved.

76-32 RESOLUTION OF APPRECIATION
KELLY AIR FORCE BASE

Mayor Cockrell read the following resolution:

A RESOLUTION
NO. 76-32-48

WHEREAS, traditionally there has always been a spirit of cooperation and friendship between the City of San Antonio and the Military which is manifested in many ways, and

WHEREAS, the staff of the San Antonio Air Logistics Center recently became aware of the City's desire for an imaginative and unique Resolution and Proclamation form, and

WHEREAS, Major General John R. Kelly and Colonel Kenneth R. Milam, having the staff and facilities, offered their assistance to the City of San Antonio, and

WHEREAS, through the efforts of Mr. Arthur Rodriguez, Coordinator, and artists Emilio Torres, Jeffrey Borth and Neff Balderas, a very handsome work was produced which will be a great credit to our City;
NOW, THEREFORE:

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

July 8, 1976
el

SECTION 1. The City Council expresses its sincere appreciation to Major General John R. Kelly, Commander of the San Antonio Air Logistics Center and to Colonel Kenneth R. Milam, Director of Maintenance, for their generous cooperation.

SECTION 2. The City Council commends the artists Messrs. Torres, Borth and Balderas for their contribution of time and talent to this project.

* * * *

Mayor Cockrell and members of the Council presented a framed copy of the resolution to General Kelly and expressed their personal appreciation for the assistance given the City by his staff.

General Kelly said that he felt that Kelly Air Force Base is indeed a part of the community and was happy to be able to contribute.

Mayor Cockrell then presented citations to the three artists:

CITY OF SAN ANTONIO
(State of Texas)

Hereby Presents This

CITATION

to

EMILIO TORRES
JEFFREY BORTH
NEFF BALDERAS

IN RECOGNITION OF HIS IMAGINATION, TALENT AND GENEROSITY IN DESIGNING FORMS TO BE USED BY THE CITY OF SAN ANTONIO. THE WORK HE HAS CREATED IS HIGHLY PROFESSIONAL AND UNIQUE AND WILL REFLECT MUCH GOOD WILL ON OUR CITY.

A GRATEFUL COMMUNITY COMMENDS HIM AND EXPRESSES ITS SINCERE APPRECIATION FOR HIS EFFORTS.

* * * *

City Clerk Garland Jackson then expressed his appreciation to the General and his staff. He then commented that one of the members of the Kelly Field staff is Mr. Arthur Rodriguez, husband of Norma Rodriguez, Assistant City Clerk and presented Mr. Rodriguez with the following citation:

CITY OF SAN ANTONIO
(State of Texas)

Hereby Presents This

CITATION

to

ARTHUR RODRIGUEZ

FOR BEING A PATIENT, CONSIDERATE, UNDERSTANDING AND FOREBEARING HUSBAND WHILE NORMA SERVES AS ASSISTANT CITY CLERK OF THE CITY OF SAN ANTONIO. SUCH CONTRIBUTIONS TO THE HEALTH, WELFARE AND MORALE OF THE COMMUNITY MERITS THE GRATITUDE AND RECOGNITION OF HIS FELLOW CITIZENS.

* * * *

76-32

RECOGNITION OF HONORS WON BY
SAN ANTONIO TRANSIT SYSTEM

Mayor Cockrell read the following resolution:

A RESOLUTION
NO. 76-32-49

CONGRATULATING AND COMMENDING THE
TRUSTEES, MANAGEMENT AND PERSONNEL
OF THE SAN ANTONIO TRANSIT SYSTEM
ON BEING AWARDED THE TOP MAINTENANCE
EFFICIENCY AWARD FOR 1975.

* * * *

Mayor Cockrell congratulated Mr. Norman Hill, General Manager of the Transit System on this accomplishment and presented a copy of the resolution to him.

Mr. Hill thanked Mayor Cockrell and the Council for their recognition.

76-32

AMERICAN PENTATHLON TEAM

Mayor Cockrell recognized the Pentathlon Team which will represent the United States in the Olympic Games this year. They were:

Keith McCormick, Pennsylvania
Robert Nieman, Illinois
John Fitzgerald, Illinois
Mike Bruley, Ohio

Mayor Cockrell congratulated the men on being selected for the team and wished them every success. Members of the Council greeted them also.

76-32

EDWARDS AQUIFER
PUBLIC HEARING TO CONSIDER AMENDMENTS
TO CHAPTER 42 (ZONING) OF THE CITY CODE

The following conversation took place:

MAYOR LILA COCKRELL: The public hearing is now open to consider amendments to Chapter 42 Zoning of the City Code. Mr. Gene Camargo, will you present that. We have just one citizen signed to be heard.

MR. GENE CAMARGO: That is correct. The purpose of this public hearing is to designate the boundaries of the Edwards Recharge Overlay Zoning District. This ordinance creating this district was approved by the City Council back on October 2, 1975. Then later on the 31st of March, 1976, the Planning and Zoning Commission held a public hearing. At this time it recommended that those portions of the City, which are the areas shaded in blue on this map, which are inside the City and on the Recharge Zone of the Edwards Aquifer, be placed under the district boundaries of the Edwards Recharge Overlay Zoning District.

There were some 2,000 notices mailed for this meeting. Notices being mailed to the property owners within the subject property and also adjacent to the subject property and, ironically, out of those 2,000 notices there were 55 notices returned in opposition and 55 notices returned in favor. It was recommended for approval by the Planning and Zoning Commission to the City Council.

MAYOR COCKRELL: All right. Are there any questions? All right. At this time I will call on Mrs. Fay Sinkin who is signed to be heard.

July 8, 1976
el

MRS. FAY SINKIN: Good morning. My name is Fay Sinkin and I am the Coordinator of the Aquifer Protection Association. In August of 1975, the Aquifer Protection Association warned against the adoption of the Edwards Recharge Zone District. We pointed out that with few exceptions the overlay district was "business as usual". Nevertheless, on October 2nd, you passed Ordinance 45792 and two weeks later zoned for the "super mall". In the largest turnout for any special election in San Antonio's history - larger even than the last run-off election - 78% of the people of San Antonio overturned that zoning and said in loud, clear terms that the quality and quantity of their water must be protected. Now, ten months later you are considering the geographical boundaries that are affected by a set of inadequate permitted uses. And even though Ordinance 45792 clearly states in Section 42-77.3 "the recharge area also can provide entrance to the underground water supply for contaminated water run-off from uses on the recharge zone as well as from the related sensitive area" - Read drainage area - we find the geographical boundaries do not include those sensitive areas or drainage areas.

We suggest, therefore, that instead of saddling the people of San Antonio with the expense of implementing an inadequate set of rules and regulations that pertain to an insufficient area - we suggest you do what at least 44,000 people want you to do, what we think you really want to do, have the Zoning Commission and its staff revise all facets of the overlay district, include the drainage area, write run-off regulations, review carefully permitted uses and come up with a document that meets the problem of keeping the water pure for generations to come after us.

We must draw your attention to the fact that the overlay district was initially drawn by a Zoning Commission - a majority of whose members have a conflict of interest. Many of those same members now serve in commanding positions on the Planning Commission, one as chairman, another as chairman of the sub-committee which was responsible for the four page newspaper supplement supposedly designed to encourage citizens to participate in master planning meetings. Isn't it appalling that nowhere in the four growth sketches as they now appear in the newspaper is the Edwards Aquifer Recharge Zone identified, not even in the Aquifer deflection growth sketch? We remind you that when the growth sketches were originally presented to the City Council and the general public the Aquifer was clearly identified on all four sketches. When I called the Planning Department to ask why the clear identification of the recharge zone was removed the answer was, "we didn't want to draw attention to it", as though by not drawing attention to it, it was going to go away. In our view, the removal and the reason given mean the decision was a political one which destroys the credibility of the planning process. You will hear more on this subject from the A.P.A. at the Commission's hearings.

To summarize then, we urge you to refer back to the Zoning Commission both their maps and their permitted uses - that you instruct them to regard the uniqueness of the land over San Antonio's sole supply of water and that they finally, at last realize their responsibility to protect the quantity and quality of that water. Thank you.

MAYOR COCKRELL: Thank you, Mrs. Sinkin. Mr. Hartman, you have a question?

MR. GLEN HARTMAN: Your point is well taken. I see, I get what you are saying. In other words, you are saying it's inadequate and doesn't include the drainage area which we discussed at the time. Of course, it also will be remembered, at that time this was a step that at that time looked like it was further ahead than where we had been before. So, we're sort of in that situation now where other events have overtaken what we have here. I think that's basically what we both recognize when you say that there are shortcomings in the present overlay district as you indicated back in August. Now the question I would like to ask is this. In terms of the mechanics, and I would like to address this to Mr. Camargo at the same time, in terms of mechanics, right now do we have any vehicle at all with regard to precluding the construction of certain types of activities anywhere in the recharge area or drainage area?

MR. CAMARGO: Statement inaudible.

MR. HARTMAN: In other words, there's no, there is nothing right now that says, for example, that open storage facilities could not be constructed over the recharge zone?

MRS. SINKIN: Yes, you do have that.

MR. CAMARGO: Inaudible.

MR. HARTMAN: So, we're now back to the point of strictly relying on the TWQB Order.

MR. CAMARGO: In my opinion, yes.

MRS. SINKIN: Not in mine.

MR. HARTMAN: What would be the area where we would be able to rely on because this is a point that I think need explanation?

MRS. SINKIN: Okay, they have certain uses that they have eliminated from the recharge zone in the overlay district, and one is wool pulling and scouring. Another one is.....

MR. HARTMAN: Outside storage of chemicals.

MRS. SINKIN: Stockyards, another one is tamale and tortilla factories. These are the things that cannot be done.

MR. HARTMAN: Those are the more colorful ones, but there are such things as asbestos storage. I think that's also in there, things of that sort.

MRS. SINKIN: Yes.

MR. HARTMAN: All I'm driving at, Madam Mayor, is to identify, would this adoption provide any kind of an interim benefit until...we realize now we've got a study going on and we've got a lot of other things going on...would this be a net plus while we're waiting for these other things to happen?

MRS. SINKIN: Well, I think you have to do something, and I think while the other things are happening, this ought to be returned and ought to be worked on properly and include the drainage area in the geographical location.

MR. HARTMAN: How about if we adopted this and then identified the additional areas that need to be addressed and recognizing that again a lot has happened since last August.

MRS. SINKIN: Right.

MR. HARTMAN: In effect, this would be adopting this thing, okay, we've gone this far now. Now it needs further development and further identification beyond that.

MRS. SINKIN: Well, I don't think you ought to adopt this unless you include the drainage area.

MR. HARTMAN: But you see, without this we actually have no mechanism by which to preclude certain things which I think we would want to preclude.

MRS. SINKIN: You don't really have it any way.

MAYOR COCKRELL: May I ask Mr. Camargo one question that I think might be pertinent. In relationship to those uses that are prohibited in the zoning overlay ordinance, what is the relationship of the adoption of this mechanism today to the effectiveness of that ordinance?

MR. CAMARGO: The effect would be that no permits would be issued or could be issued by our office without special approval from the City Council. (Remaining remarks not audible).

MAYOR COCKRELL: What I'm saying though, what I'm trying to get at is whether or not the overlay district as it was adopted is enforceable without the definition of the area.

MR. CAMARGO: It is not.

MAYOR COCKRELL: It is not.

MR. CAMARGO: (Inaudible).

MAYOR COCKRELL: Okay, so what I guess what Mr. Hartman was trying to say is even though we recognize this does not include the entire drainage area that the ordinance that we already have doesn't mean anything at all until we least get some kind of a definition of boundaries. So, I think what Mr. Hartman was trying to say is although this is not all inclusive and we would be willing to stipulate that, many of us, wouldn't it be better perhaps to go ahead and adopt this much with a view that it can then be expanded after further study.

MRS. SINKIN: Why can't you adopt it with the drainage area right now?

MAYOR COCKRELL: I don't think we have that...that hasn't been...it hasn't come out in that form, and I think we cannot add to it today without, in other words, we can send it back and say please take a look at adding the drainage area. But, you know, the question is, do we adopt anything even though it may not have everything that you want? Do we adopt something today that therefore makes that much of the ordinance enforceable?

MR. HARTMAN: Yeah, that's.....

MAYOR COCKRELL: And I guess that's what we're looking at. You understand the dilemma.

MRS. SINKIN: Well, I do understand the dilemma, but I think that this Council ought to make it very plain to the Zoning Commission that the whole thing is inadequate. The staff actually prepared a pretty good set of land use permission for zoning permits on it and then at the very last moment it was all redone so that it was completely changed. So the staff knows what could be done in this set of rules and regulations that they have done. I think it behooves the Council to simply recommend to the Zoning Commission that they do a better job and include the drainage area.

MR. BILLA: Mayor, I just want to say to Mrs. Sinkin, the staff is generally very thorough and very complete in any recommendations they make but then it's the input of citizen groups and persons such as you that come in and change or modify those recommendations. They go strictly by the book of rules and I think it's subject to change certainly. Each citizen group or commission revises or revamps them.

MRS. SINKIN: Or developer or homebuilder, Mr. Billa.

MR. BILLA: Well, also, Mrs. Sinkin, I want to remind you that you've made a tremendous impact on this study by being here, you're on a commission, you're not even a citizen of San Antonio and we permit you to come in here and make input into this whole subject and I think that you have been extended every courtesy that's possible. I appreciate the interest you have but you can't come in here and stifle the growth of this city just based on a whim that you have.

July 8, 1976
el

-6-

MAYOR COCKRELL: All right. Let's not get into personal situations. Now then, the question that is before the City Council is the fact that we have had a public hearing and there was no other person registered and so the Chair declares the hearing to be closed and there is an ordinance and we have been - it has been recommended by Mrs. Sinkin that this be referred back to the Zoning Commission and that is what the Council will have to decide. So may we read the caption.

CITY CLERK: Read the following Ordinance:

AN ORDINANCE 46,854

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:

The rezoning and reclassification of property to designate land located on the Recharge Zone of the Edwards Aquifer, within the corporate limits of the City of San Antonio as an Edwards Recharge Zone District (ERZD), listed below as follows:

All property located on the Recharge Zone of the Edwards Aquifer and within the corporate limits of the City of San Antonio as shown in Exhibit "A" attached hereto.

* * * *

MAYOR COCKRELL: All right, what is your pleasure?

MR. HARTMAN: Madam Mayor, the dilemma is still there.

MAYOR COCKRELL: Yes, it is.

MR. HARTMAN: We have an ordinance that has no effect whatsoever unless there is identification of the limits which is what this is trying to do. I think the point with regard to the further identification of sensitive areas is, I don't argue with that at all, I think that's definitely sensitive. There's been a lot more accomplished since this original overlay was drawn up. So to me it's still, if we were to adopt with very strict instructions to the Zoning Commission to include these other areas that have been considered, it would seem to me that we would be taking steps in the same direction. In other words, we would be adopting this in order to make the zoning ordinance functional as it now is, then with the stipulation that it has to be further modified and improved at which time then that would be - that would supersede what we would be approving here today.

MR. PYNDUS: Mayor Cockrell, I would move for adoption hoping for a second of this ordinance because I think it's a step forward and I think we have room for amendments and I think we have room for alterations. We're trying to do the right thing here. I would say that action this morning to begin, another beginning step, I so move for adoption of the ordinance.

MR. BILLA: I second the motion.

MAYOR COCKRELL: It has been moved and seconded for approval of the ordinance. Is there further discussion? Mr. Hartman.

MR. HARTMAN: Madam Mayor, is that with the precise stipulation, however, that the matter be referred back to the Zoning Commission with specific instructions as to what additionally is to be included with that?

MR. PYNDUS: I have no problem with that.

MR. HARTMAN: Okay. Then I would - if an amendment is necessary, I would so amend, if it's implied by the ordinance, by the motion, I will not amend. But that would be my intent.

DR. HENRY CISNEROS: Why don't you make it an amendment?

MR. HARTMAN: I will make it an amendment.

MAYOR COCKRELL: All right. Will you state the amendment?

MR. HARTMAN: Okay, the amendment would be to the effect that while the adoption of this identification of the recharge zone is made here, that the Zoning Commission be directed to review this matter of the recharge zone identification with the understanding that they would include the drainage area and/or such other sensitive areas as may be pertinent. That's about as close as I can get.

MAYOR COCKRELL: All right. There is a motion and a second for an amendment which would be added to the motion for adoption of the ordinance to the extent that the Council would refer back to the Zoning Commission the question of expanding the area that is included and would point out that the drainage area and sensitive areas need to be identified further.

MR. HARTMAN: I would make it to the extent that the Council would communicate its desire that this area be added or that these areas be added.

MAYOR COCKRELL: All right. There is a motion and a second on the amendment. Is there discussion on the amendment? Yes, Mr. Billa.

MR. BILLA: I again question what we're trying to accomplish here maybe it would be better to send the whole thing back to them and instead of adding amendments - what effect is it going to have. I mean is it going to permit something out there to happen with proper safeguards that satisfy those people that have those problems? And will it, in fact, offer that protection? So if we have a recommendation from the Zoning Commission now, I don't know whether.....

MAYOR COCKRELL: All right. I think there is still a dilemma for all the Council members as to what to do. Is there further discussion first on the amendment? Mr. Rohde.

MR. AL ROHDE: I'd like to have Councilman Hartman accept - not an amendment but include also the statement that concerns Mrs. Sinkin go back with it to the Planning Commission.

MR. HARTMAN: I would certainly accept that.

MAYOR COCKRELL: Go back what now?

MR. ROHDE: It has got to be accompanied by this statement of concern.

MAYOR COCKRELL: I don't quite understand that comment. Would you clarify, Mr. Rohde, what your comment was.

MR. ROHDE: She expressed concern about the matter was handled by the Planning Commission. I'm just asking that when it goes back to the Planning Commission and that her statement of concern be accommodated by the motions.

MR. HARTMAN: To be accompanied by it.

MAYOR COCKRELL: You mean to refer the statement back to - I see.

MR. HARTMAN: Would it be - it would be the Zoning Commission not the Planning Commission.

MAYOR COCKRELL: Yes, it's the Zoning Commission. Yes, all right. The question has been called on the motion to amend. Clerk will call the roll on the amendment.

ROLL CALL VOTE: AYES: Pyndus, Cisneros, Black, Hartman, Rohde, Teniente, Cockrell; NAYS: Billa; ABSENT: Nielsen

CITY CLERK: Motion carried.

MAYOR COCKRELL: The amendment has carried. We now call for the motion on the main - to vote on the main motion. Is there any further discussion? Clerk will call the roll.

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

MAYOR COCKRELL: All right. Both motions have passed and the motion as amended has now passed.

* * * *

76-32 The Clerk read the following Resolution:

A RESOLUTION
NO. 76-32-50

SETTING POLICY, RULES, AND REGULATIONS FOR
UTILITY SYSTEMS OPERATING WITHIN THE CITY
LIMITS, AND SETTING APPLICATION OF THESE
POLICIES TO RULES AND REGULATIONS PROPOSED
BY THE CITY WATER BOARD.

* * * *

The following conversation took place:

MAYOR LILA COCKRELL: The staff has some recommendations at this point.

City Manager Sam Granata read the following statement:

"Although the City Water Board is a municipally owned utility, it should still be operated in accordance with sound business principles.

This view should clear away much of the confusion surrounding the present extension policy. In the long run, the interests of the City, the utility and the customers of the system are best served if the extension policy is simply business.

In the past, the City Water Board has had an aggressive extension policy. One of the reasons for this has been the fact that the Board has been in competition with the many private companies and districts within the metropolitan area.

Under recently enacted law, every utility is assigned a service area. Within the area it has the duty to serve all customers, present and prospective. Also, within the area it has the exclusive right to serve. This means that there is no longer competition between utilities.

The second reason for the present extension policy has been the Board's belief that the impending cost of surface water must be spread over the broadest possible customer base. This also, in turn, led to claiming an unrealistically large service area. The Board recognized that it does not have the financial resources to serve such a large area. It, therefore, in seeking certification of its service area from the Texas Public Utilities Commission, drastically reduced it.

These two reasons, given as partial justification of the present extension policy, therefore no longer have any validity. Their elimination permits the extension policy to be evaluated purely on an economic basis.

To make this evaluation it is only necessary to review the three basic elements of the policy and the financing plan which supports it.

The first policy element is the Board regulation that when extending service, costs of the oversize portion of the main and that portion of the border main not serving the subdivision are paid for by the Board. This is based on the position that a customer cannot be charged for what he does not receive.

It is the practice of the Board, when installing an extension for a new customer, to size the main, not according to the customer's need, but to conform to the master plan for ultimate need. This is a commonsense measure, because if only a line big enough to serve the new customer were laid, it would have to be paralleled by more lines as additional customers come on the system. Although this does involve a heavy investment at first, it results in the least ultimate investment when the entire area is developed.

As the area develops, the pro-rata payments from new customers connecting to the extension should recover the investment.

This policy element is a sound business practice. However, there is always the risk that the area may not develop; in which case the investment may not be recovered for a long time, and perhaps never recovered at all. This risk can be minimized if every extension is carefully examined by the Board in light of the potential development in the area, as compared with the investment required.

The regulations should be so written that they clearly spell out the Board's right to refuse to extend service unless the financial feasibility of the extension is clearly demonstrated. The Board should have the power to interpret financial feasibility as including the probability that oversize costs will be recovered in a reasonable time from additional pro-rata payments.

However, no matter how carefully the Board analyzes the feasibility of an extension, the policy cannot succeed unless the method of recovering costs is sound. At present, neither the manner of assessing pro-rata charges nor the amount of the charge is realistic. Both should be changed.

It appears that the present inequities in the pro-rata system came more from custom than intent. During the last two decades, there have been several major changes in CWB policy, and errors like this can easily occur.

The second basic element of extension policy is the practice of giving materials for on-site mains laid within the City Limits. This has never been defended on the grounds that it is good business for the utility. It is frankly intended as an incentive to development inside the City Limits.

This policy is obviously harmful to the utility. It is a steady drain upon the CWDF, for which there is no method of recovery. The only possible way to make good the loss to the CWDF is to transfer funds from general revenues. This raises the rates of other customers on the system.

There are possible economic benefits to the City, itself, if the policy creates additional development inside the City Limits. First is the growth of the tax base; second, is the fact that it costs less to extend City services into areas contiguous with developed areas. These benefits, of course, are realized only if the policy is a real incentive. It would be difficult to call a savings of approximately \$50 per lot a real incentive, in light of today's home prices.

It should be noted, also, that for this policy to work, it must be an incentive to the home builder. A savings of \$50 in the purchase price to a home buyer would never be a decisive factor.

July 8, 1976
el

-10-

It cannot be established that the policy is effective. When there is no apparent benefit, but a very apparent expense, there seems to be no choice but to abandon the practice.

The third policy element provides that the Board, at its expense, will provide an extension of 50 feet per lot, or 100 feet per acre. The cost of this free extension is paid for out of the CWDF. It, in turn, is reimbursed from the system's general funds. The reimbursement comes almost entirely from the current practice of granting a \$300 credit for each connection within the subdivision.

This policy is in effect both inside and outside the City Limits. It operates almost exactly opposite from the free on-site materials policy, as it makes leapfrog development outside the City Limits attractive. This is obviously an inherent conflict within the overall policy of the Board.

The policy was established before the Texas Public Utilities Commission came into being, at a time when there was competition between utilities for customers. This condition no longer exists; the City Water Board now has, within its service area, the exclusive right to serve.

Had conditions not changed, the policy might have produced certain benefits. It could, through incentives, make the Board the sole purveyor. It would have protected potential citizens from the usual higher rates charged by small private systems. By lowering land development costs, it might have encouraged some speculative building, with a resulting increase in employment.

But conditions have changed. The Board is, by law, the sole purveyor within its service area. Protection of potential citizens from the higher rates of small water systems is no longer something the Board can achieve. The service areas of these systems will be defined by the Public Utilities Commission, which will also regulate their rates.

The last benefit claimed for the policy under previous conditions, stimulation of speculative building, was a doubtful one. It was a subsidy of unproven value, and may well have been unnecessary. Yet, today, it may have some effect on the homebuilding industry.

The local industry is trying to come out of the worst building slump in 20 years. Building starts are up, more people are being employed, and many local builders are attempting to broaden the market by producing lower-priced homes. The question must then be asked, would ending the subsidy at this time be harmful to the industry and its employees and therefore to the City as a whole? In deciding the value of this policy element, the Council must weigh its benefits against its cost borne by the water customers.

A subsidy by government, if its overall effect upon the community is beneficial, is not wrong. But subsidy by local government should be limited in scope and in time. It is also questionable if a subsidy should be embodied in the rates and regulations of a utility.

However, the CWDF does exist and debt service on its bonds is included in the current water rates. It would seem that the decision which must be made is how much longer it will be necessary to continue its use to help one of our largest employers out of its present difficulties. Based upon the normal lead time for developing a new subdivision, two years would appear an adequate period. It should not be less. "

MAYOR COCKRELL: All right, then. I want to point out one additional thing and that is whatever Council recommendations come at this point, we do recognize that they are a statement of Council desire, Council policy, but they would come in the form of recommendations back to the City Water Board which will have to review these policies. It has been pointed out that in the set up of our Board structure, that the Board does have the authority over their rules and regulations but certainly the Council and Mr. Schaefer has indicated that they are very interested in knowing the Council's desires and Council policy direction. So, this will come in the form whatever the Council decides to do of recommendations to the Water Board about these policies and a statement of what we see as the policies we would like to have carried out. I don't know who was first. Mr. Pyndus. I think Mr. Pyndus was first.

MR. PYNDUS: There's a question with reference to staff report that I would like answered and there's also a little bit of criticism that I would like to give to the Manager.

Last evening I worked some long hours trying to get some direction from the vast material that we have on this subject, and I rather resent the fact that this is laid on my desk this morning. Wherein I have some preconceived notions about the answers to this thing, and I would like to eliminate the receiving of information as important as this at such a late period of time and this has happened before. I would like to make this a positive request and if this is sufficient, I would like to put it in a form of an order because I do resent getting something of this nature at such a late period of time. I feel strongly about that, Mayor.

My other feeling is that there is a statement made with reference to this fund. I would like to read it it's page 2, paragraph 4, "However, no matter how carefully the Board analyzes the feasibility of an extension, the policy cannot succeed unless the method of recovering costs is sound. At present, neither the method of assessing pro-rata charges nor the amount of the charges is realistic. Both should be changed". Now, could you tell me how that could be changed so that it would be realistic?

CITY MANAGER GRANATA: I'm going to let Mr. Ivy respond but first I accept your criticism. We worked late last night finishing it. We kept changing it and rechanging it. I, too, never see any of the statements that are coming at all until I come to a meeting and this doesn't make it any different. However, I will do my best. I'll accept your order in the future. I guess my horoscope was right. It says I should have stayed home.

MR. PYNDUS: Me too.

MAYOR COCKRELL: Mr. Ivy. I think this is to answer the question that Mr. Pyndus had raised. The question was to clarify the statement in the report, that says "at present neither the manner of assessing pro-rate charges nor the amount of the charges is realistic". So, I think that is what Mr. Pyndus had asked and for you to clarify.

MR. PYNDUS: As you know, I have verbally supported this fund inside the City limits. Now, you are giving me another aspect of it that says that it is not realistic to make it revolving and both should be changed.

MR. TOM IVY: We have discussed that at committee meetings, and it's not a major point. What it is is that, you know, for instance, like everybody does, you know you have one rate pro-rate charge citywide. We have discussed before with the Water Board staff the possibility of when you go into rock excavations, things like that, you could change it. They also have a little maneuver off the side, for if you approach the line at a certain direction you can have a savings, which, you know, it really isn't necessary. These are policy matters within the Board itself that they can change which I think their staff is well aware of.

It's just something that seems to us has occurred over a period of time, and it's not that major point. but it is something that needs to be corrected, we feel. And I thought we were in agreement with the Board - with the staff at that time, that there were some variations that they could change in this thing to make the thing more realistic. That's all it is. Basically, a board problem of go back and review and take a look at it, and see as they lay it out. Now, Mr. Van Dyke may disagree. But as they lay out their policy to insure that they do recover the costs. Having a pro-rata payment that doesn't recover the costs doesn't really help them any. And it's not that much of a burden because you're not talking about that much per foot anyway. But it does in an accumulative amount begin to amount to some money. And we just feel that while you're touching every point that we ought to just say, let's be sure that this point which they've changed this policy so many times that maybe they ought to take a new look at the pro-rata and get that thing adjusted. It's not a question of Council resolution. It's a question of saying to that staff more than anything else, that they ought to look at this a second time and see if you updated it through all these many changes.

MR. PYNDUS: My question was, if it's not realistic and I'm supporting it, I kind of feel at loose ends. This is why I need clarification.

MR. IVY: Okay, Mr. Shields.

MR. JOHN SHIELDS: The pro-rata charge is actually right now is \$4.25 a front foot. It is based upon the extension deposit charge. We calculate what it costs us to extend a six inch main, which is the normal customer. The extension deposit charge is \$8.50. The pro-rata is based on the presumption that we're going to serve both sides of the street and, therefore, the customers on each side of the street will pay their pro-rata share of the cost of that extension which is \$4.25 a front foot. And this is the way we arrive at it. It is specifically stated in the regulations that we can change the schedules at any time, and we do review them periodically. We do change them periodically, and if you look at the schedules, they have different dates on them because we changed some of them and haven't changed the others because we haven't seen the necessity. As of now, we think it's only been in the last two months that the cost of construction is starting to escalate again. We will be looking at those but as we see the need to change them, we will change them.

There was one other thing in the staff report which I have not seen. I didn't get a copy of it which says that there is no recovery for on-site materials and I would beg to differ with that in that I realize these regulations are a little...."refunds from materials on on-site main costs will be made to the Board's Community Water Development Fund for a period of seven years following the date of the contract in the following manner", and it is in here, we do.....

MR. HARTMAN: Where do the refunds come from?

MR. SHIELDS: Well, they come from the same place all refunds come from, the general fund.

MAYOR COCKRELL: Let me just make this suggestion. There are a lot of details here that possibly we're going to have difficulty in clarifying to that extent. I think we have several other persons to be heard, and so can we ask that it just be summarized very quickly.

MR. IVY: I would say on the minor details in it, but the staff has today as we always had confidence that the Chairman of the Board is going to get it adjusted and get it changed. This has been changed since before and are somewhat different than they are now. So, we just brought it up and we do think it's a valid point, and we appreciate you're looking at it.

MAYOR COCKRELL: Mr. Hartman. Oh, I beg your pardon. I have two other people that were before you and I had failed to recognize them. Dr. Nielsen.

DR. D. FORD NIELSEN: What's happening is that we need to make some decisions relative to extension policies. They are inter-related with the Community Water Development Fund, but we've got that all mixed up together. What we're trying to do, I hope, is clarify the realities of the Community Water Development Fund as a management and planning tool. Okay. Then we've got this other question of extension policies, practices, whatever some of which have to do with the flexibility of the Water Board's own inherent management decisions and everything else. It is my recommendation that if we just decide not to just turn this whole thing over to the Planning Commission we try to separate in terms of our debate and resolve because looking at this resolution even, we're mixing Community Water Development, yes it is...right here it says that we're talking about extension policy change and yet we're still talking about Community Water Development Fund in the same resolution. Now, that may be the Council's wish, but I would suggest, however, that in terms of either a resolution or a debate we try to deal with them separately because they are not absolutely inherent. They really aren't. That's all I wanted to say.

MAYOR COCKRELL: All right, there was one other, who else, Mr. Billa? All right, then, Mr. Hartman.

MR. HARTMAN: Madam Mayor and members of the Council, there is no doubt, Dr. Nielsen, that this that any kind of a policy of this sort serves as a mechanism for you say planning, I say for influencing growth. I mean there's no question about it. That is the very matter that we're trying to address here. I think there is a point that needs to be clarified with regard to the reimbursement of on-site materials. The point was made where does this come from and the response was from the General Fund. Well, that's not reimbursement. That's just moving it from one pocket of the City to another. I think there's a last question I would like to raise, and that is the fact the main extensions of reimbursement so called of \$300.00, you'll never recover, you will not ever recover the total amount of the fund with that reimbursement. I would like to ask Mr. Tom Ivy or Charlie Cross to address that particular question. What are we actually talking about in terms of a \$300 reimbursement? Where do we wind up in terms of total money in the fund?

MR. IVY: I think under the policy in which they are operating under now, we have to look back to the three reports that were given to us by the Water Board which show the economic feasibility of extensions that they're now doing. Under that through the transfer of the \$300, they will recover the costs. I think they have a backlog of extensions, that's personal opinion, I think they have a backlog of some extensions that they're going to have trouble recovering on. I don't think that's a problem now on their extensions. They will recover it from the \$300. If you accept the \$300.00 as being right, then it revolves.

MR. HARTMAN: But if, the question that I'm posing is precisely this - with the \$300 recovery, do we eventually recover the total fund - do we actually wind up with a zero balance by the time it's all over?

MR. IVY: I think so. I think.....

MR. HARTMAN: If so, I'd like to see your arithmetic because.....

MR. IVY: The only thing that is drawing it down is the on-site materials now, the potential connections should recover the fund. Now, that's a question of, are all the potential connections good, are they going to be realized?

MR. HARTMAN: Another observation that I have in regard to the materials that on the data presented by the City Water Board is the fact that for the outside City limits money for main extensions, we see a ratio of about 10 to 1 in terms of that money that is provided to the developers versus that which is actually resulted in any kind of reimbursement. Would you like to address that portion?

MR. IVY: You're talking about the.....

MR. HARTMAN: My point is very simply that the place where most of this money has gone has been outside the City limits of San Antonio. That's what we're dealing with, here.

MAYOR COCKRELL: That's the issue that Mr. Pyndus has raised and several of us concurred with that we would like to see it confined within the City limits.

MR. IVY: I don't think most of it, I think a significant amount of it has gone. It's approaching that way if we continued this way, but I think there are two things you have to remember. One, they have changed their service area.

MR. HARTMAN: That's true.

MR. IVY: Which reduces the amount that will go outside. Two, under the policy which they are following now, I don't know whether it's a written policy, Mr. Schaefer's policy or the economic feasibility policy that they are following now, that policy now is highly unlikely that they are going to end up with a 10 to 1 ratio again.

MR. HARTMAN: You say it's highly unlikely.

MR. IVY: I would say so, based on what they showed us before on those economic feasibility studies at the time of recovery all of that.

MR. HARTMAN: But the point is that the status right now as shown by these figures is that we have a 10 to 1 ratio versus an overall 4 or 5 to 1 ratio from the overall figure including inside the city limits. So, we're really seeing the main outflow outside the City limits. Isn't that true, Mr. Ivy?

MR. IVY: They are paid 16. They show the number of actual connections as 1383, potential connections, 2530 and then you take a look at their OCL developer, it's 10 to 1, it's 274 actual connections to 2,539 potential connections.

MR. HARTMAN: That's my point. It's outside the City limits.

MAYOR COCKRELL: Now, then at this point we did have two citizens. Would you like to hear them now or does the Council want to make some more comments. Rev. Black.

REV. CLAUDE W. BLACK: I would like to make a brief comment. I think that it is impossible to separate the growth policy from the Community Water Development Fund. I think you've got to recognize the relationship and that's what we are really working on. I think it is an error to say that unless we subsidize the building industry that we will not grow. I think that's not the way the market works. I don't think it works in that direction. I think that another thing is that I think we've got to deal with a greater problem and that is the direction in which this subsidy addresses itself to our growth. Whether or not we can deal subsidy in such a way that it brings about equity and growth, and the way in which the City grows. Now when we talk about subsidizing growth and we talk about no growth, we're also talking about enlarging the economic responsibility of the City in other areas if the City does not grow in proper proportions. We're not just talking about well, it stops growth. It could grow in such a way that it poses other obligations and responsibilities upon the citizens at a tax level.

So, this is my concern. It's not only my concern of the inequities but also does the process of growth as subsidized by this fund actually lead to problems that we're going to face in the future in terms of the extension of services in areas and the high cost of extension of those services. I think that has to be faced by the Council and here you're not just simply talking about your relationship to one particular area. You're talking about an obligation that every citizen will have to share in terms of transportation and all the systems that are related to that kind of growth.

MAYOR COCKRELL: All right, Mr. Billa.

MR. BOB BILLA: Well, I just want to say that you keep referring to subsidizing the builders. I view this Community Water Development Fund as helping citizens that would be citizens too, and we keep referring to subsidizing the builders. The user ultimately benefits and the Water Board receives all the benefits, and I think there is equity if you analyze it in every respect the way it is proposed now.

MR. PYNDUS: Mayor Cockrell, I would like to make a motion and a statement if I may, with reference to the resolution, option no. 2. I would like to add to this paragraph after "Be it resolved by the City Council of the City of San Antonio: Paragraph one, two, three, the third paragraph, the last line of that paragraph, it reads like this, "further regulations for extension of service shall be so structured to eliminate the policy providing for on-site materials inside the City limits to be paid for by the Board, but the Board's Community Water Development Fund should be continued to provide for approach main extensions". I would like to add after that, "within the City limits only where economically feasible". Now, to me that brings this policy into our City limits, and I would like to say this. There have been some remarks made that the \$6 million that we have utilized, some interest funds to finance the \$6 million. We use interest funds to finance any bonding issue, and there was decision made that \$6 million would be set aside. I think for the length of time that the \$6 million has been in effect that it has not had a reasonable length of time to show whether it operates or doesn't operate as we want it. I think some good points have been made that we've had some growth in a certain direction of our City. I say this growth is good because we get a better tax base. But, also if this fund continues as it is, as we can watch it, this will also throw that growth to the south portion of our City just as well. So, I would move for adoption of Option 2 with the change "within the City limits only" on the paragraph that I mentioned.

MAYOR COCKRELL: Is there a second to the motion?

MR. ROHDE: Mayor, I will second it for debate.

MAYOR COCKRELL: All right, we do have citizens to be heard. We will not take a vote on any motions until we complete our hearing. But we do have this motion and a second before us for discussion.

DR. HENRY CISNEROS: I just have a question. I'm trying to relate what Phil has made by way of a motion to three policy elements that the City Manager described in his staff paper this morning. As I understand it.....

MAYOR COCKRELL: This resolution I think already addresses itself to the issue of the on-site mains, the elimination of the payment of costs for materials.

DR. CISNEROS: Of on-site materials and it reads inside the City limits.

MAYOR COCKRELL: The on-site materials, yes, that was the only place where they are paying costs and so that.....

DR. CISNEROS: The second item I guess of the City Manager's three policy element. Now, with respect to the third item which he deals with, and he says he doesn't really make a decision about that other than to say that he thinks it probably ought to be extended for two years. Is that the correct reading, Phil, I mean, Sam, of your report that it probably ought to be extended for two years, and Phil's amendment then would limit it within the City limits and with no time question involved.

MR. PYNDUS: No, I don't feel we've had enough time, Madam Mayor.

CITY MANAGER GRANATA: Excuse me, within the service areas as prescribed by the Public Utilities Commission for the City Water Board.

MAYOR COCKRELL: The City Manager's recommendation was that it be within the service areas that have been described in the Water Board's service area as designed by the Public Utilities Commission. Mr. Pyndus' amendment would restrict it within the City limits only.

DR. CISNEROS: Then the third policy element that Sam addresses is the whole question of the oversized portion of the main and the portion of the border main not serving the subdivision. And, Sam, as I understand it, you say that you think that's a good policy and makes good business sense but we need to deal with the question of assessing pro-rata charges or dealing with the amount of the charge and whether that's realistic or not.

CITY MANAGER GRANATA: That's correct.

DR. CISNEROS: And Tom said something about that, but you don't incorporate anything about that in your motion?

MR. PYNDUS: Well now, is Mr. Shields.....

MAYOR COCKRELL: I think Mr. Pyndus pointed out that he didn't get this until, you know, this morning.

DR. CISNEROS: Yes, but I mean we're making a motion that's going to last a long time. So, irrespective of what (inaudible) we need to get the substance correct.

MR. PYNDUS: As I understand, and Mr. Shields came to the mike, this review of updating the costs and pro-rata share will be made and now is that understood - that you do this on a periodical basis as you have shown in your report.

MR. SHIELDS: Yes, sir, and I think there is one other thing as Dr. Cisneros has mentioned and that's border mains. I understood the reading correctly and I have not yet gotten a copy of the staff report.

CITY MANAGER GRANATA: I gave one to your Board Chairman and to your General Manager. I'm sorry.

MR. SHIELDS: There was a statement in there to the effect that the Board had to pay for the border mains. The Board never pays one cent for a border main. If the developer puts it in, he pays the entire costs. If he puts it in a long railroad track where there's not going to be customers on the other side of the railroad track, he never gets a refund for that border main..the Board makes no refunds for border mains. Consequently, if the customers are not connecting on the other side of the street, then that's the developer's hard luck. That's his hard luck, not ours. We don't pay anything.

DR. CISNEROS: Okay, I would like to be able to know precisely what Mr. Pyndus has recommended and how it relates to what the staff recommends.

MR. ROHDE: Mayor, I have a question of Mr. Pyndus.

MAYOR COCKRELL: Yes, Mr. Rohde.

MR. ROHDE: I make this request of the motioner as a seconder to clarify the motion a little bit clearer. What happens to 2B on page 1.

MR. PYNDUS: That's a very good question. Would you read it please?

MR. ROHDE: It says "serves growth in areas within the City's extra-territorial jurisdiction which is contiguous with the City limits or with the present water system". Does that come out?

MAYOR COCKRELL: That is the entire capital improvements program. I think you will find that's identical in resolutions option 1 and option 2. I think that that is irrespective of the Community Development Fund.

CITY MANAGER GRANATA: It has to be within their service area too.

MR. PYNDUS: It's been applied to the state.

MR. ROHDE: What about paragraph 3, Mr. Pyndus?

MR. PYNDUS: I guess I better get a clarification of that.

MR. ROHDE: Yes, I want you to clarify that.

MR. HARTMAN: With priorities - see that is the last priority.

MAYOR COCKRELL: The Water Board is limited to its service area so whatever the policies, they relate to the service area. We have some of the service area, well, the main part of it is within the City limits but now we also have some service area outside, and I think these represent in either and they are identical in both resolutions, simply the establishment of the priorities of recommending to the Board that they have these priorities in serving their service area.

MR. ROHDE: Thank you, Mayor.

MAYOR COCKRELL: Fine. All right. Now then we have two citizens registered, and I'm recognizing Father Benavides.

FATHER ALBERT BENAVIDES: Members of the City Council, it was June of last year, June of 1975, that we from C.O.P.S. went to the City Water Board to protest their 60 percent rate increase, 30 percent that year, 30 percent the following year. It was also at that time that we began to question certain policies which we felt made such significant rate increases necessary and one of the primary items that we zeroed in on was the extension policy. The on-site main policy giving the on-site mains free within the City limits and also the main extension policy from the Community Water Development Fund that provided for on-site mains subsidies both within the City limits and outside the City limits, and we maintain very strongly that those were not in our benefit and that was the reason why they needed such significant rate increases.

We're very happy to see that it seems as though we're going to take action to eliminate the on-site main policy which has not increased development within the City limits. All you have to do is look at the City to know that and which is costing us money. We urge you to continue with that and to eliminate it as not being in the public interest. The other item that we feel is not in the public interest is the Community Water Development Fund. We don't feel it's in the public interest to subsidize for water mains outside of the City limits and half of the present fund is going outside of the City limits as is reflected in the City Water Board provided documents, \$1.6 million to developers outside the City limits, \$227,000 to single customers outside the City limits. If anything is suicidal, it's that. We cut our own throats and we pay for it. We buy the knife and then we cut our own throats.

The other thing is the developers are greatly enriched and this is the item that really disturbs us and I really would like to know how this Council can justify giving \$3.4 million of bond monies to the developers of this community. I wish we could have put a tag on it, maybe see whose campaign treasuries they end up in. But, we know that certainly, we certainly feel that giving \$3.4 million to anybody is not in the public interest especially when 1.6 million of that total is spent outside of the City limits.

We talk about planning, the great focus on planning. If you allow the Community Water Development Fund to go on as it is, then the prerogative of planning is taken away from you completely, it's taken away from you completely because it will be determined by the City Water Board. You might as well take Bob Hunter and give him an office at the City Water Board, because those are the ones that are going to be doing the developing. Again, this reflects it, if you continue to subsidize off-site mains, and if the developers continue to build wherever they want to, knowing they're going to get that subsidy, then planning will be a moot question, planning will be a moot question as it almost is, as it almost is when you look at the map that the City Water Board provides.

We feel that because of the expense to the citizens of San Antonio and each year in order to make this fund revolve there are \$600,000, \$700,000 injected into the fund. That's from revenues, that's from rate payer money that's injected into the fund to make it revolve. If it can't revolve on its own then the very justification for its existence is denied and then it should be eliminated. If we look back to when it first started, it was when the City was the sole purveyor of water that they instituted this fund in order to accommodate areas within the service area of the City Water Board. When the City ceased to be the sole purveyor of water then at the same time they should have eliminated the Community Water Development Fund which was created in tandem with the sole purveyor policy. There doesn't seem to be any reason for its continuance. If the developers of this City rely upon tax money to continue their business, then how do we - how is this concurrent with the capitalistic system of free enterprise. What is free enterprise, not the money and we ought to keep that in mind.

I urge and C.O.P.S. urges this Council to please eliminate the Community Water Development Fund as not being in our interest, as a completely unfair and unjust usage of our rate payers money both outside of the City limits and to the developers. Let them do it on their own. If they can make it, fine, if they can't, well, that's free enterprise.

Also we definitely would like to see and this is our last recommendation, that an ordinance be passed that would prohibit general revenue funds from being injected in the Community Water Development Fund. We should take a stand and say no general revenue funds should be injected into the Community Water Development Fund at any time and let the bond money take care of it. If it makes it, if it revolves on its own fine, and if it can't revolve on its own, then it shouldn't be allowed to exist, and it shouldn't be allowed to exist with general revenue funds. We urge that recommendation, and we urge elimination of the Community Water Development Fund that is not in our interest but is in the interest of only a select few who have long benefitted while the rest of us have paid.

MAYOR COCKRELL: At this time, we will hear from the second speaker. I now find there were three speakers registered. The second speaker was Mr. Clifford Morton.

MR. CLIFFORD MORTON: Good morning, Madam Mayor, members of the Council, I'm not for sure whether I can cut through all the rhetoric on this question to get out to really what we're talking about, but I still earnestly believe that we are talking about a question of growth when we talk about Community Water Development Fund as well as when we talk about partial reimbursement for the on-site mains in reimbursement for materials.

I would like to go back, if I could, to some of the statements that were made in "B" session this morning. Some questions were posed to Mr. Langley representing the Greater San Antonio Chamber of Commerce that I would like to answer specifically. When we talk about cities that are really having growth, we look at the great City of Houston. Houston today is building more houses than all of the states in the Union, with the exception of Texas, California and Florida. They have the most laissez faire approach to utilities of any major city in the United States. They have one series of municipal utility districts after another over there. Whatever a developer can set up in the way of a municipal utility district, he can go that way. It works very well. I would ask you to also look at Austin between 1970 and 1975, Austin had a greater percentage growth rate than any other major city in Texas. Next to Houston, they had the most aggressive water policy of any other major city in Texas. They have since repealed that policy, and as I told this Council before, you can already see what it's doing to suburban cities around Austin. They are starting to grow and inside they're not.

I'd like for you to consider this question that's before you today on the Community Water Development and the reimbursement for materials not as an either/or situation as far as whether you do this and you don't replace the substandard mains. I don't understand why we have to have a City where we can take any issue, and we can divide the City on it. I very frankly - I may surprise Father Benavides and some of his supporters, but I'm very strongly in favor of an orderly program for the

replacement of the substandard mains. I would submit to you that the best way to do that is to broaden the financial base of the City Water Board. To do that you must have an aggressive growth policy, and I would suggest that you look at this whole question, not only of growth but replacement of substandard mains in that context. I would like to see, if I could, because I do not think that either the staff report that comes - came from the City staff or the committee report really addressed economics as far as the on-site materials are concerned.

If I may, I have a poster over here that I'd like to show you. I'm not talking about Community Water Development Fund, I'm talking about over-all economics of what the cost is to the City Water Board for one connection in a typical subdivision and these are current prices. Over here is what the City Water Board's costs to furnish material in this subdivision was. Over here is what the developer has to pay, and ultimately what the homeowner has to pay and so we're talking about 64 percent of the cost of this connection is paid by the home buyer as far as the on-site main and 36 percent is paid by the City Water Board for \$135 investment the City Water Board makes. They actually receive a \$500.00 capital improvement. To me, as a businessmen, I would think that's a very good investment. I'm not here to tell you that this alone will be the difference between whether it is or isn't growth inside the City. I'm just saying it's one of the elements, the statement is made \$50 a house. What is \$50 a house? It's not a lot of money. I'll be real frank with you, it isn't, but it's 50 here, 100 here, 25 here, it doesn't make a difference. So I would ask, in closing, that you look at both of these issues in the context of what your position as a Council is going to be on long range growth, and I think that you should refer it to the Planning Commission. Thank you.

MAYOR COCKRELL: Thank you, Cliff. All right, Mr. Cody.

MR. ED CODY: My name is Ed Cody, Superintendent of the Schools of the North Side School District. Mrs. Cockrell, members of the Council, I'm here to only make two points with you, you've heard a lot of discussion about the maintenance of this fund. I am certainly here to support it, support the recommendations that have been made to you this morning in reference to it. I think basically Mr. Morton put it in its proper focus it is the question of growth versus no growth, that could be argued, but I really have seen a phenomenal growth in that particular area. Dr. Cisneros pointed out this morning the rapid manner in which the northern area of our community has grown, and I feel like we've been a part of it, been close to it we'd like to see it continue.

Secondly, I would bring to the Council's attention the necessity to consider the need for continued economic growth in that area. Other governmental institutions are concerned with a broader tax base, continued increase in our tax base in order to properly perform the concerns and responsibilities that are ours in the area of public education.

Now, we feel that this is a major concern to us and it should be brought to your attention. The growth at this point in time, it's been proper, it's been well guided, it's been well developed and well managed. We'd like to see this continue rather than take the posture and the position that we would discourage growth in that particular part of our community. So I would urge you today to consider carefully the maintenance of this fund in order that we can conceive this growth continue in our part of the community. Thank you very much.

MAYOR COCKRELL: Thank you, sir. All right. We have heard all of the persons who are registered to speak, and now I'll hear from any Council members. Mr. Hartman.

MR. HARTMAN: Madam Mayor, I have a question with regard to the motions and the seconds that have been made up to now. I gather from the motions, the intent was that the exclusion to the City limits which was Mr. Pyndus' motion, in a termination of the on-site materials, there was also tied within that the fact that this continuation within the City limits would be solely dependent upon bond funds, is that correct? In other words, there would be no general revenue funds infused into this system.

MR. PYNDUS: As the fund now stands there is around \$3 million in it.

MR. HARTMAN: Which is bond money.

MR. PYNDUS: There was some discussion whether we should put a limit with reference to when this fund should be eliminated or continued or the amount of dollars that would change it. My - the ordinance here leaves the length of time the fund is in existence alone. It does not address itself to any monies added to it. But, it just gives direction as far as the limits and the sharing and the elimination of the on-site mains.

MR. HARTMAN: Okay, but it's your confinement of it to the City limits though, that is with the if I understand you correctly, that is to operate only on the bond money that there is to be general revenue money to be pumped in the fund.

MAYOR COCKRELL: Let's get a clarification of this point just a moment. May we ask Mr. Van Dyke to clarify the whole issue of the bond money versus the additional of any other monies into the fund.

MR. ROBERT VAN DYKE: Well, the only monies that will be enforced into the fund are the ones that are set up in the present regulations for repayment to the fund for pro-rata collections or on-site connections.

MAYOR COCKRELL: All right. So if this resolution eliminates.....

MR. BILLA: You couldn't do that, Mayor, it would not be a revolving fund then. It would be ridiculous to say that you couldn't put any general revenue funds into it.

MR. VAN DYKE: That's what makes it revolve and, of course, that's the whole concept of the fund.

MR. BILLA: Certainly.

MAYOR COCKRELL: All right. Mr. Hartman.

MR. HARTMAN: I have difficulty understanding that it has to have infusion of general revenue funds in order to make it revolve. A normal context revolving fund is the fact that you have reimbursements coming from the developer that makes it revolve. I think if you say that it revolves because you have this drive from within the governmental system, I have great difficulty understanding that kind of revolving fund.

MR. VAN DYKE: Mr. Hartman, it's obvious that you don't seem to understand that the approach mains are paid 100 percent by the Water Board. They're not paid by the developer. They're not paid by a single customer. They are paid by the City Water Board. You own a utility as a Council and as a citizen and in order for us to have business - let's just have an analogy to a popcorn business. If we want to have a business and we're going to sell popcorn we have to have a popcorn cart to take it around. Popcorn is the product of the water that we're selling and the developer has no requirements to pay for the approach mains, he doesn't have any requirement to pay for the pumping stations or for the tanks nor does any other customer, that's the function of our business that we are operating.

Now, it would seem to me that you are making a political football out of the City Water Board instead of letting it operate like a utility as it was set up to do. This utility is set up to plan for the needs of the citizens of the City of San Antonio. It was established as a utility.

MAYOR COCKRELL: Just a moment. We're going to ask that all the citizens remain quiet. I think in fairness to all points of view in our democratic form of government each person has the right to speak and express their point of view. Everyone has listened attentively and courteously to the speakers so far, regardless of what their positions were. I want to ask that all of us cooperate to that extent. Go right ahead, Mr. Van Dyke.

MR. BILLA: Thank you, Mayor.

DR. CISNEROS: I'd like to get a clarification on a point.

MAYOR COCKRELL: Let him finish his statement, and then we'll have questions.

MR. VAN DYKE: If the utility is in business to provide water to our citizens, we aren't in business to provide development, we aren't in business to provide jobs for unemployment areas. We aren't in business to provide welfare, we aren't in business to provide anything but to provide water for our citizens. That is the charge that has been imposed upon this utility and me as the Manager and to see to it that that water is available.

Now today, we've been talking about the Public Utility Commission and the areas in which we have to operate. It's been pointed out that a short time ago that we could operate anywhere, wherever we could extend our mains. The sole purveyor policy and the formation of the Community Water Development Fund was done not for any developer or not for anyone else, it was done for the City Water Board and which is your business to see to it that we could have the mains that would go out and provide the water service.

Now the alternative to that is private water system or districts as you see in Houston where you have a great multitude. There isn't a person on this Council that hasn't been plagued from time to time with calls about the different rates that are charged by the various utilities in the San Antonio area. That move was so that the Water Board at some time at a long way down the line would be the sole purveyor. I've heard it said in this meeting today that the sole purveyor policy is dead. It's not dead at all. It's been upheld by the courts and to date the City Water Board has the first option to act on the economic feasibility of any systems that are extended. Now with the imposing of the Public Utility Commission areas in which we are going to operate, this is the question then that is clouded because the decisions that were given by the courts now are somewhat in conflict with the new law. We're going to have to resolve this at some time in the future. But, nevertheless, if we have this area that we must serve under a certificate of convenience and necessity and there is even a question about that still, that hasn't been resolved under the new law, then we have the obligation to provide service to those people who live in that area which we have been designated as the purveyor. To try to set up a false limit, the City limits or not has nothing to do with the utility. We have the obligation under the law if we are given that certificate to provide that service, and we have to provide the water mains, the pumps and the pumping stations in order to get out and take care of those customers.

There has been a statement that perhaps we should not extend the water to certain areas because we want to control growth. Now, I'm not a great economist, but I believe very strongly that under the democratic American free enterprise system that we are going to see people invest their money in areas where they can get a return and where they can see that they can make some money on their investment and we can't dictate and say, you're going to do all your development out on the west side, south side, the east side or the north side. This is dependent upon individuals who are willing to risk their capital. There has been statements that there was no development on the west side, you can't develop in an area that's already developed. These people that are developing are going into the virgin areas around our City. How else can they do anything else but that.

The expenditures of City Water Board funds again as a utility have to be for everyone. As a utility we don't have any favorites, we don't provide any special water, any special deals for the poor people or the rich people or the developers or the in-between people. We have rules and regulations that apply equally and indiscriminately to all who we serve, and we've said what about replacements. We've been spending in excess of a million dollars a year under replacement. We recognize that the replacements are very important and we're trying to do this as fast as

funds are made available. We recognize that this City must grow, you cannot just stifle the City and say we cannot have any more growth because babies are born everyday. We're trying to get industry to come to San Antonio, and we're trying to have new customers that we can add on to our system.

One of the things that we have under consideration at the present time is surface water, in fact, we're going to discuss it more with you today and that cost is great, and it's obvious that if we are going to one day have the ability to finance the projects that are necessary for surface water that we need the broadest customer base possible in order to get those funds. Again, your utility is not trying to work in one direction or another to try to get anyone a special deal. We are trying to do our job to provide water to citizens, and we think that we have done it pretty well based on what people outside of San Antonio say about your City Water Board, and you're well aware of that.

One last point that I would bring up, that I think is very germane to this discussion is master planning. Your City Water Board started with a master plan to bring its water system out of the decadence of era gone by, starting in the middle 50's and that master plan has been updated approximately every five years. It has provided the water service to this City so that we have not had to have rationing. Our citizens have had the water that they needed when they needed it, and we have not had to go through the problems that many of the other cities around the nation have gone through. The master plan has been considered by the Planning Commission as well as the Board and, ultimately, has been adopted by the City Councils that have preceded you as your very own. The Water Board has done its master plan. It has built a system that is taking care of the needs of the citizens and we are attempting to do that now although politically it seems that we are attacked from every angle, every faction in the City seems to try and stymie that growth and that planning to see to it that we're going to take care of the citizens of tomorrow and that in my opinion is indeed unfortunate but, nevertheless, it's a fact.

Now, we have heard great discussions about master plans for the City of San Antonio and we agree that you need a master plan, but you already have a master water plan that is being followed and has worked very well, and I would say to you that if you would allow your utility to continue with its master planning it will take the needs of the future for all of the citizens, and we won't have an energy crisis, and we won't have a gas shortage type situation and our citizens will have the water that they need. Mr. Schaefer will summarize the position of the City Water Board as soon as I finish. Yes, Mr. Pyndus.

MR. PYNDUS: There's one question I would like to ask when you do finish, Mr. Van Dyke. If you're finish now I'd like to ask you a question.

MAYOR COCKRELL: Mr. Hartman also has a question.

MR. PYNDUS: At the bottom part of this resolution, I don't know if you are familiar with it, but I'd like to ask you if you could live with this provision that, "further the City Water Board capital improvement program shall conform to the following order of priorities. Replacements of sub-standard facilities within the existing system in making every effort to complete replacements in five years or less." Number two, "installation of new general benefit facility to and then the growth inside the City limits." Now, in my mind I visualize these two priorities as synonymous. I would hate to concentrate all our efforts on just replacement of old water mains. I would like to see a parallel priority, and I'm wondering if you can live with these priorities as listed here on this ordinance?

MR. VAN DYKE: Number one, as listed number one, on your resolution says, the replacement within five years or less. Your utility can do anything if it's given the money, but we have to have the funds available in order to have an accelerated program to do what you are requesting it. Now, you've given us rate increases, we had our 19 percent and our last 10 and that's inclined to enable us to do alot of work on the replacements,

but I can't promise you that it's going to be done in five years because of the inflation. We see the cost of water mains going up very quickly and a very short time ago it probably cost about 10 dollars a foot to put in a six-inch main, and now it looks like these figures are going up by 15. So, inflation is stealing our money and our progress just like it is in every other business. So, I think the time you have on this is fine, if the Council wants to vote sufficient funds to do that we'd be delighted because that lessens our maintenance and operation costs if that can be done.

MR. PYNDUS: My question is in further the answer, would you recommend that knock off the limitation of five years or less, do you think it's unrealistic to put five years in that particular priority?

MR. VAN DYKE: I think, Mr. Pyndus, that there is no certainty that it can be accomplished within the five years, it's a very good goal, there's nothing wrong with that at all, but within the financial limitations that the Board has will depend on whether it can be accomplished or whether it cannot.

MR. PYNDUS: I'm not getting my answer. If we leave that in will that completely eliminate another priority to serve growth inside the City limits. In other words, we have two priorities, one is to within a five year period to replace as many of the old mains as possible, the second priority is to serve growth within the City limit. Now, I want to be sure that I serve both these priorities with this ordinance. Can I do it the way it's written? I don't want just merely in the next five years to concentrate on the replacement of the old mains, period. I'd like to take care of our old mains and also provide for new growth within the City.

MAYOR COCKRELL: In other words, I think what Mr. Pyndus wants to be sure is that all the resources would not be placed on just the first priority, but that there would be a balance.

MR. VAN DYKE: Yes, there always will be a balance because that is done in our budgeting but just in the five years I think is unrealistic.

MR. PYNDUS: Okay, thank you.

MR. VAN DYKE: Now the second thing that you asked about was to serve the growth areas within the ETJ in a contiguous and then inside the City limits. In light of the formation of these areas in which we can serve I think that it's more realistic to change that to the area which we are required to serve by the Public Utility Commission rather than putting this false boundary of a city limit because a utility doesn't recognize a city limit as far as the water drop is concerned.

MR. PYNDUS: Mayor, I think that's well taken, and I think we left out the fact that the limits or the areas that our City Water Board is responsible for has been set by the State.....

MR. VAN DYKE: Not yet.....

MAYOR COCKRELL: Mr. Pyndus has the floor and Mr. Hartman was next.

MR. PYNDUS: I think that area should be defined because.....

MR. VAN DYKE: It is, and we brought it over here, and we showed the Council, and you've all seen this.

MR. PYNDUS: It is defined. You think it should be included in this ordinance rather than to confirm it to the extra territorial jurisdiction as well as.....

MR. VAN DYKE: Yes, the ETJ as we understand the law doesn't mean anything anymore because if we have this area defined by the Public Utility Commission that's the area for which we are responsible.

MR. HARTMAN: First of all I would just like to get to that point with regards to City limits versus the service area. Phil, the concern of the City Council is with regard to the subsidization or non-subsidization as it relates to the City limits. The service area, the fact that that would leave out part of the service area is not of concern to this Council. Our concern is with regard to the City of San Antonio and that is our only concern. I mean do you follow that, in other words, I think we have to look at it in the terms as to what is the incentive to the City of San Antonio regardless of where we go we're not the City Water Board, we're the City Council.

MR. PYNDUS: I don't understand you. The point that you're trying to make is - you mentioned the word, subsidy, and this has nothing to do with the Community Water Development Fund.

MR. HARTMAN: It certainly does.

MR. PYNDUS: No, sir.

MAYOR COCKRELL: He's talking about the portion about the capital improvements program overall.

MR. HARTMAN: Okay, but I would like to get back to, if I may, to a rather basic thing a question that I raised about 13 minutes ago and which has not been answered and that's the matter of the infusion of general revenue money into the revolving fund. I would like to read first of all from and then follow this with an amendment to the motion. On page 2 of your memorandum, it states from the proceeds of the initial six million dollar bond issue, there was deducted 335,000, etc. dollars to defray the additional requirements of the Board's bond reserve fund required by operating ordinance no. so and so. And an additional \$945,000 to pay the interest charges on the issue during the first three full years of the issue. This left 4.7 million for utilization by the Board to participate in financing water main extensions with single customers and developer customers only to the extent that these funds are available, that's bond funds. On the next page, there is a statement that the fund is intended to be a self-perpetuating through the collection of pro-rata charges in connection fees to reimburse the fund per extensions made. The purpose of the fund was the desire on the part of the City, etc to encourage development. Now, it doesn't say anywhere in there we're talking here in terms of the initial bond money. So, I would like to amend the motion to the extent that there will be no infusion of any general revenue money into the Community Water Development Fund.

DR. CISNEROS: I second the motion. I second the amendment.

MAYOR COCKRELL: All right. That has been moved and seconded. Now, then in order to clarify this issue, I may be mistaken in my conception but my understanding of it is that in the Community Water Development Fund, there are expenditures that are attributable to the development costs that are to be the reimbursement costs as they occur. There were also costs though that were attributable strictly to the Water Board and those are the costs that the Water Board is replenishing out of its revenues. Now, would you clarify that particular situation?

MR. VAN DYKE: Now, again, Mayor, I think it's a misconception by what I'm hearing from the Council that anyone pays for those approach mains except the Water Board. We pay 100 percent for all of the approach mains. Nobody pays any more for them. The developer doesn't pay a penny nor anyone else. Now this Community Water Development Fund was merely a tool that was established by the City Council to promote growth and to provide the front money to both single customers and developers and to provide this money so that the Board could have the mains in the areas to serve and that we would have the customers. Now, if you adopt the motion that Mr. Hartman has recommended and Mr. Cisneros has seconded, all it means is that the Community Water Development Fund vanishes and that we pay those same monies right out of the general fund. We have refunds to the developers and to the single customers, it doesn't make any difference, that money still is paid 100 percent by the Water Board

whether you have a fund or whether you don't have it. And that's the mystery that I guess we just haven't got across to the Council. That you don't understand that we have to pay 100 percent.

MR. TENIENTE: To some of the Council.

MR. BILLA: Mr. Van Dyke has made some very good points, and there's no way that I can understand or agree with Mr. Hartman's motion except that if he wants to demise the Community Water Development Fund. Now, if you make a loan to someone they have to repay it back and that's all the Community Water Development Fund is doing. And when you hook on to that service, why the revenues that the Water Board receives goes back to that fund and it's very simple to see and without additional extensions they wouldn't have those additional revenues. So that's what's paying for it. Everybody's paying their own way contrary to what these pressure groups come in here and try to tell you.

MR. VAN DYKE: Absolutely correct.

MAYOR COCKRELL: All right, is there other further questions of Mr. Van Dyke? Mr. Pyndus.

MR. PYNDUS: Mr. Van Dyke, we have about three point something million in the Water Development Fund. We're trying to determine whether or not this fund.....

MAYOR COCKRELL: I am going to ask the Council and everyone to remain at order. Go right ahead.

MR. PYNDUS: We are trying to determine the effectiveness of a fund that once upon a time we didn't have and rather than place a limit on this fund this morning, we feel that we're going to give it some time to see whether it is effective for the purpose it created. Now how long without infusion of additional funds would this three point something million last you if you ran it inside the City limits only and you eliminated the on-site connection financing or funding.

MR. VAN DYKE: May I ask for a further clarification of your question, are you assuming that the normal payments from the general fund for the repayment would continue, just as they are designed.

MR. PYNDUS: Is that \$600,000 a year.

MR. VAN DYKE: It would be slightly less if it was just inside the City limits.

MR. PYNDUS: I would assume that, yes, sir.

MR. VAN DYKE: Okay. I don't mean to be facetious, Mr. Pyndus, but I believe that the answer to that question is totally dependent upon the economic recovery of the building industry in San Antonio. And if the recession is turned around, which we believe it is now, and that we are seeing economic recovery then it would hasten the use of those funds. If something were to happen that puts us back into a recession, then those funds would last a lot longer. I guess what...I can't answer your question reasonably.

MR. PYNDUS: Let me give you the other side of the coin. We do not have general funding from this point forward and we have the three million available to see if it works or not. Would your answer be the same....you could not tell us how long that remaining balance in a time-frame would last.

MR. VAN DYKE: I would say it would be considerably less if there's no repayment.

MR. PYNDUS: One year, two years, three years.

MR. VAN DYKE: Let me just pick a figure out of the air and say three years, but I don't have any confidence in that answer because I can't predict the economic growth or recession.

MR. PYNDUS: Thank you.

MR. BILLA: I think that when we're talking about confining just inside the City limits. The City of San Antonio has a responsibility to provide services in and to watch those developments that occur within the ETJ. I don't believe that Water Board goes that much outside the ETJ, but these people are trying to cause a demise that causes the very thing that they're complaining about. We have Villa Coronado that occurred south of San Antonio, it was outside the City limits when it was developed and that thing. Okay, the reimbursement program permits the very thing that they say they don't want to happen, it really permits builders and developers to collect twice if you have the reimbursement program. They can include the cost of all of it and the cost of their house the citizen pays and then they get the reimbursement and the citizens are still paying for the water.

Those are two points that I want to make. They're actually trying to cause the very thing that they say they want to prevent. And I just believe that there is equity in the program we talked out of both sides of our mouth, we want to have economic development and yet we want to discourage it and try to accuse builders of being a bunch of crooks or something which they have made a big contribution to this City in providing homes and the types of homes that people can live in, and I'm just sick and tired of hearing this going on and on and causing people, accusing people of being crooks.

MAYOR COCKRELL: Dr. Cisneros.

DR. CISNEROS: Mr. Van Dyke, in the discussion whether the fund revolves or not and how the money gets into it and so forth. I'd like to relate that, if possible, to the City Manager staff paper because I thought that outlined some of the policy choices before us very clearly. He outlined three different policy elements one of the first one is the whole notion is the cost of the oversize portion of the mains and portion of the border mains, which I assume is the same thing you're calling the approach mains, okay, right.

MR. VAN DYKE: I didn't have a chance to study this either I just got it too.

DR. CISNEROS: We need to get on the same terms otherwise we're going to be facing each other in the night. The second thing is the extension policies, the practice of giving materials for on-site mains. It seems to be a consensus I'm not sure but it seems to be a consensus that that would be eliminated, at least at the City Manager's recommendation that it be eliminated.

MR. VAN DYKE: The Water Board doesn't give anyone any materials. The mains belong to us, the materials belong to us and the developers are putting them in at no cost to us. The materials that we provide so there is never a transfer of ownership away from the Water Board.

DR. CISNEROS: Extension of the 50 foot per lot extension and a 100 foot per acre extension etc. Now with respect to the whole question of rather the fund revolves or not. Your point was that as far as the first element, the approach mains, the oversized mains, etc., that the fund could not be expected to revolve because that is being paid 100 percent by the Water Board, that is what the City Manager recommends continuing and that is what Mr. Pyndus' motion embodies as well.

MR. VAN DYKE: The fund revolves by these payments from the general fund as the money is infused back into it. Now, prior to the time we had that fund, those payments went to developers directly.

DR. CISNEROS: What's the difference?

MR. VAN DYKE: There isn't any difference.

DR. CISNEROS: Then why do we have the (inaudible).

MR. VAN DYKE: There's no difference to the Water Board one way or the other. The Water Board's finances aren't going to be affected one iota, and with one exception and that is the interest that must be paid on the bonds that the Council authorized. The Water Board didn't ask for the Community Water Development fund, we were asked to do this by the Council. They voted the extra six million dollars and gave us the money and told us to use it for this purpose.

DR. CISNEROS: But the on-site main policy and the extension policy are a different matter. Those are new, those are relatively new--those are three years old.

MR. VAN DYKE: The on-site main policy was changed.

DR. CISNEROS: Right, after those task forces of '73, etc. Let me ask you this. The whole question of revolving whether or not it revolves and where the money comes from and so forth could be made a true revolving fund with respect to those two portions of the policy, the on site mains and the extensions because it is in those instances that you do, in fact, expect reimbursements and general fund monies should not be spent to augment those kind of expenses from the fund, is that not correct?

MR. VAN DYKE: Well, let's take them one at a time. Let's take the on site first.

DR. CISNEROS: And that's supposed to be a true revolving operation?

MR. VAN DYKE: Yes, at the present time if a new customer ties on inside a subdivision that customer has an economic value to the Water Board, any new customer. It's just like if we buy that popcorn, if we sell a bag of popcorn we're getting some money back. Now, that customer has a value which we feel is somewhere between \$500 and \$800 in value if we take that money out and invest it. So, when we pay \$300 to obtain that customer, and he ties on to his system and he also starts paying a water rate and then he starts retiring all the bonds that are used for replacements, he retires all the bonds that are used for the pump stations and everything else, and he also pays a share of the money that ultimately would be used for service water. So, he's paying his own way right from the start. Probably because of the new area he has a new yard and uses a little bit more water to get his yard started and so perhaps from an economic standpoint he's worth a little bit more than the existing....

DR. CISNEROS: You haven't answered the question and that is with the spirit of Mr. Hartman's motion was to try and make to take the misnomer of the revolving fund concept and make it in fact a revolving fund where bond monies were put into it and where once they are spent on something they come back in because at a time that there's recompensation of the funds.

MR. VAN DYKE: But you don't need additional bond funds under normal conditions because it just revolves.....

DR. CISNEROS: Right, right. What I'm trying to say is given that if I were to agree with you that the revolving fund concept would never work for the approach mains because those are 100 percent never to be refunded by the developer, however, would it not be true that the revolving fund concept could be made to work for the on-sites and the extensions without having to require the general fund to do it. Otherwise what's the sense of calling it a revolving fund.

MR. VAN DYKE: Let's go back to the approach main and the replacements of that comes from other people that tie on to that main as well as those on-site connections. Now, when we put a main out to a subdivision that main, as Mr. Shields pointed out to you previously, isn't put in for one developer it's going into an area and we put the mains in them in accordance to our master plan that takes care of the future growth that's going to take place in a general area and certainly we wouldn't expect one developer or one customer to pay the total cost of the main that we want to use for somebody else's benefit and he only needs to pay for that portion that serves him. Now, one exception to those approach mains is in the wholesale customers where the developer or the wholesale water company does pay 100 percent of the approach main and the Water Board never pays for that.

DR. CISNEROS: Let me ask you the question slightly differently. In the fund itself do you have separate accounts such that one deals with the approach mains and another deals with the on-site and another deals with the extensions, separated in any way, or are they even separated?

MR. VAN DYKE: Yes, from an accounting standpoint they are separated as far as an approach main is concerned the on-site portion and the material.

DR. CISNEROS: The spirit of Mr. Hartman's motion, as I understand it, is to ask that no general revenues be spent in the on-site category or on the extensions category though we all recognize that general revenues would have to be spent in the approach.

MR. PYNDUS: That's not accurate.

MR. HARTMAN: That is....(inaudible).....

DR. CISNEROS: What I'm saying is that's not what his motion stated, but subsequent information has indicated that it is not possible to do it in quite the way he has stated, and what I'm asking is whether or not that would be technically and accounting feasible to do.

MR. PYNDUS: Clarification, Henry?

MR. VAN DYKE: From an accounting standpoint you can separate the funds in any way you want to.

MR. HARTMAN: We're talking basically about the depreciation of the funds.

DR. CISNEROS: I'm talking about making it a revolving fund.

MAYOR COCKRELL: I think with the basis of the comment that I was trying to make that part of it was coming from the reimbursement as people tied on as the development was occurring.

DR. CISNEROS: And I would ask Mr. Hartman since I was the seconder of the motion to please stipulate what you were specifically getting at because the whole fund cannot revolve as long as the approach mains are not being.....

MR. HARTMAN: My stipulation was strictly with regard to the fact that there would be no appreciation of the fund as a result of money being provided for either.....

DR. CISNEROS: Extensions of the on-sites.

MR. HARTMAN: For the on-sites.

DR. CISNEROS: For the extensions, fifty-fifty.

MR. HARTMAN: That's correct.

DR. CISNEROS: Well, my second holds to that.

MR. ROHDE: Mayor, where do we stand on the voting procedure because I want to make a substitute motion but I don't want to get lost.

MAYOR COCKRELL: All right, what is pending is the amendment which Mr. Hartman has offered to the motion which Mr. Pyndus has before us. Mr. Pyndus' motion offered resolution called Option Number 2 with the additions of the words, "within the City limits only" following the word approach main extensions. Mr. Hartman's motion to amend I'll ask him to restate in just a moment. What is pending at this moment is the motion to amend.

MR. ROHDE: Okay, would you accept another substitute motion?

MAYOR COCKRELL: Not unless it's pertinent to the pending amendment.

MR. ROHDE: It is pertinent because it moves the motion towards the Planning Commission. It's a very pertinent substitute motion.

MAYOR COCKRELL: That relates to the entire Resolution and not just to the amendment so I don't think that it would be appropriate until we get back to the main motion, it would then be appropriate. Mr. Schaefer.

MR. ROHDE: Will you see to it that I won't get lost.

MAYOR COCKRELL: Surely.

MR. ROHDE: Thank you.

MR. JOHN SCHAEFER: I'm John Schaefer, Chairman of the City Water Board. I have several items I'd like to clear up from the discussions this morning. However, I would like to try to clarify at this point the idea of these funds moving from the general fund into the Community Water Development Fund. As they related to what you might call block grants or block movement of funds there are none, and if that is what Mr. Hartman's motion is about then certainly that's acceptable. However, the funds are transferred when a new customer ties on to our main. If we have expended funds either in extending mains to that customer either through a developer or through a single customer at the time that customer ties on we transfer \$300 per customer at that time into the Community Water Development Fund to reimburse that fund for those main extensions. Now, if you're going to eliminate on-site mains, then it becomes a moot question as to whether it applies to one or the other but it now applies to both but it doesn't apply twice it applies only one time when they hook up. If you understand that that is still going to be transferred as a per customer charge or transfer then the fund will revolve. If you're to say that there will be no funds, period, even on a per customer basis transfer then it will not revolve because if it has to be, like Mr. Van Dyke explained, the value, the bonding value of that customer for instance is somewhere between \$500 and \$800. We transferred only \$300 because that is in general about what they approximate, some are less some are more depending on - but the \$300 would revolve it based on 50 foot per lot.

MR. HARTMAN: Again, if we put it another way we're talking about net appreciation on the fund, net appreciation or net increase with regard to the - we're talking about extension. This is a payment that will, as you say, be permitted to revolve but it is not in that appreciational terms.

MR. SCHAEFER: Right, in other words, what you're saying is should the fund not revolve you want to limit us then, limit the Board to not transferring in block additional general revenue funds or general funds into the Community Water Development part, that I can fully understand and would certainly accept that. I think there's a limitation, but if you do understand that the fund will revolve and that we will transfer funds on a per connection basis so that the fund does revolve itself.

MR. BILLA: All I need is a clarification of when we're talking about general revenues.

MAYOR COCKRELL: Mr. Hartman, in view of this clarification, will you address yourself to your motion to amend.

MR. HARTMAN: Well, the motion to amend was with regard to not having, in other words, that the general fund would apply only to the on-site or to the extensions.

MR. SCHAEFER: On a per customer basis, is that...

MR. HARTMAN: Madam Mayor, I would like to ask, if I may, Mr. Cross I believe is here, a member of the staff that we dealt with, and I would just like to briefly question him on this point. It's one that's been discussed a number of times in the committee. But is that, is that the understanding that we have reached in the committee with regard to the matter of appreciation of funds? Would you address yourself to this particular amendment, with regard to the application of a \$300 transfer? What is the net impact on the Community Water Development fund by virtue of that action?

MR. CROSS: Well, that's aside from the pro-rata.

MR. HARTMAN: Yes, the pro-rata is...

MR. CROSS: The payments that are made by new customers coming onto the extension itself right on to the on-site main within the subdivisions. Aside from those pro-rata payment the \$300 credits allocated to the Community Water Development fund for each customers within a subdivision and that's substantially the only payments into the Community Water Development fund at this time. That and the payments for oversized fire hydrants and other pertinent to the main. In other words a pro-rata payment do not even begin to pay the cost of the extension. In order for the fund to function, we must have a \$300 payment for the connection. That is substantially, most of the payments in to the Community Water Development fund at this time as I understand it are made from the general revenues of the system as a whole.

MAYOR COCKRELL: All right, and so the evaluation of that \$300 is based on the fact that that is the benefit that will come to the system, in fact, it's based in excess of that, but just as to pick a figure that is what they anticipate transferring.

MR. CROSS: That is the City Water Board's position. That is their aspect of the value of a new connection.

MR. HARTMAN: What is your position as a member of the staff compared to that figure?

MR. CROSS: Well, frankly, if you ask me for my personal opinion I cannot see any justification in the \$300 payment. I don't say that it's good business. We're going to get the connection anyway. Why pay \$300 for it.

MR. BILLA: Would you go over that one more time?

MAYOR COCKRELL: I don't quite understand your position on that. This means, you're saying that it wouldn't revolve unless they made the \$300 payment?

MR. CROSS: That's correct, yes Madam, it would not.

MAYOR COCKRELL: So, are you saying that it shouldn't revolve?

MR. CROSS: Yes Madam, I mean this is my personal opinion, your Honor. I cannot see any justification for the Community Water Development fund.

MAYOR COCKRELL: I see, so you are personally against the Community Water Development fund.

MR. CROSS: Well, that's my evaluation of it, yes Madam.

MR. TENIENTE: I'd like to ask Mr. Ivy the same question.

MAYOR COCKRELL: Fine, okay fine. So, you're registering a minority report at this time at this point.

MR. CROSS: No, frankly, the Community Water Development fund is in being in the City Water Board as their personnel have pointed out is a management tool. I think that if it were properly administered it could be a valuable tool. My greatest objection to the Community Water Development fund is that the payments go on a pro-rata. I don't think that that distributes the cost of the extension equitably among those who benefit from it because it's charged strictly on a front foot basis. A man can have a tract of land, say, he may have 100 acres, but only 200 feet of it would be abutting on the main. He would obviously benefit and another man may have a small tract with a single house on it and he'd have 200 feet of it abutting on the main and theoretically the cost would be the same but the benefit between the two would be entirely different.

MR. BILLA: How would it be different? Because he has more land?

MR. CROSS: Entirely different, yes.

MR. HARTMAN: So, you're saying in effect, from a standpoint of equity, the adjustment should be made to the pro-rata.

MR. CROSS: I think the pro-rata is the place where the adjustment should be made. I think the pro-rata payments should be in proportion to the benefits that are received by those who pay the pro-rata and they are not now so allocated.

MAYOR COCKRELL: I see. Any further questions? Mr. Pyndus.

MR. PYNDUS: Mr. Cross, you managed to confuse me entirely.

MR. CROSS: I was very much afraid of that. I should have kept my mouth shut.

MR. PYNDUS: About two hours ago, I asked Mr. Ivy this exact question. In your report which we just received that you had made a recommendation that it wasn't feasible or realistic for the pro-rata and I said how can this be changed so that I can accept this ordinance as written? I received an answer at that time that it was a very minor adjustment and now all of a sudden it becomes a major adjustment. I wish you two guys would get together and give us some facts so we can make a decision on this thing and move on. Now, I would like to call the question, Mayor, just as it stands.

MAYOR COCKRELL: The question on the amendment and as I understood the amendment, it simply restated what Mr. Schaefer said was the policy, is that correct?

MR. ROHDE: You said I wouldn't get drowned Mayor, so I want to make sure that I am....

MAYOR COCKRELL: I beg your pardon, Mr. Rohde.

MR. ROHDE: I want to make a substitute motion.

MAYOR COCKRELL: Yes, a substitute motion for the main motion cannot be offered at a time when simply the amendment is pending. It will be offered as a substitute to the main motion and as soon as we dispose of the amendment one way or the other, we'll come to the main motion and then you can offer your substitute. So what is pending now is the amendment.

DR. CISNEROS: Can you advise me on the appropriate time for an additional amendment?

MAYOR COCKRELL: If it is an amendment to this amendment, it can be offered now. If not, it can be offered as soon as this amendment is either passed or disapproved.

MR. HARTMAN: If the pending amendment were withdrawn, then okay, I'll leave it as it is.

MAYOR COCKRELL: The amendment, as I understand it as Mr. Schaefer has stated, apparently as you concur, is simply a statement of what is the policy.

MR. HARTMAN: I'd like to withdraw the amendment.

MAYOR COCKRELL: Is that agreeable with the Council? All right.

DR. CISNEROS: No, it isn't. Well, I think the spirit of the amendment was one which has been discussed throughout our deliberation and that is that we want to make it perfectly clear and understood in policy terms that the intention is to have a revolving fund and that no additional revenue from any other source other than that \$300 payment should be used to replenish or supplement the fund. There's a great fear on a lot of people's part that they are paying in some other form interest payments or something else for the replenishment of the fund and we want to make it a revolving fund. I think we ought to say so in policy.

MAYOR COCKRELL: All right, we now have pending the motion to amend and, Mr. Hartman, that is as stated by Dr. Cisneros.

MR. HARTMAN: Yes, my only concern is the fact that with this amendment I'm not sure we're getting the spirit and intent across.

FATHER BENAVIDES: Could I ask a question, Mrs. Mayor?

MAYOR COCKRELL: I am sorry. We are not going to permit any further discussion. If I permit one, I would have a whole room full of people that would want to speak.

FATHER BENAVIDES: Does this mean that the \$600,000 per year will not be put from the City Water Board into the Community Water Development?

(ALL TALKING AT ONCE)

MAYOR COCKRELL: May we ask for the room to return to order.

FATHER BENAVIDES: May I again ask my question.

MAYOR COCKRELL: No sir, no sir you may not.

FATHER BENAVIDES: Well, if it's passed...inaudible.

MAYOR COCKRELL: Father Benavides, I'm sorry, if you will step aside.

FATHER BENAVIDES: We can determine. We've been with this issue a long time.

MAYOR COCKRELL: I will have to call a recess if the room does not return to order. All right, I will restate and clarify all issues as I am able to do. The motion, Mr. Hartman, was that there be no additional subsidy other than the fact that as the customers come on the line, the set up of \$300 per customer is paid and that is out of the funds of the general fund, is that correct?

MR. HARTMAN: That is correct.

MAYOR COCKRELL: All right, in terms of the amount that is set aside in the general budget for that, Mr. Van Dyke, will you clarify again the amount that is set up in the budget, or Mr. Schaefer?

MR. SCHAEFER: This really varies, it's really a guess. We estimate how many connections we feel we'll have for the previous year and this can change. In fact, it's not a lump sum transferred. It is transferred on a per connection basis.

DR. CISNEROS: Well, that's the point. That's what is different.

MAYOR COCKRELL: It's a chance for our...

MR. SCHAEFER: It will vary.

MAYOR COCKRELL: All right, we then, this will be the last question. Mr. Pyndus.

MR. PYNDUS: Mr. Schaefer, as I understand it, out of the general fund comes \$600,000 and it was in your budget, okay, and that went into the Community Water Development fund, and it's budgeted that amount. As we understand, we are eliminating about 50 per cent of the activity of that fund for going outside the City limits. So it is assumed, more or less, that that budget amount will drop about 50 per cent and we're looking about \$300,000 on an annual basis. Is that accurate or not?

MR. SCHAEFER: Yes, that is accurate in that it is a budget item. Now, it has not been transferred to the Community Water Development fund. It's a budget item to be done so assuming that you get that number of connections. Now this particular year the item being transferred is \$250,000 higher than what it normally would be because we borrowed \$250,000 out of the Community Water Development fund for some main replacements or main relocations that were required. You're right in the essence that is the way it's done.

MAYOR COCKRELL: All right, the Clerk will call the roll on the amendment.

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

CITY CLERK: The motion carried.

MAYOR COCKRELL: All right, the motion carried. We are now at the point of the pending resolution with the amendment. Mr. Rohde had requested he be recognized.

July 8, 1976
img

MR. ROHDE: Mayor, I've been very silent this morning to people hearing this issue and two months ago and I agreed to a postponement to Councilman Pyndus, I had a motion at that time and I wish to restate it. That this matter be referred to the Planning Commission for this reason. This Council after much study and debate initiated the Planning Commission and the Zoning Commission by splitting it up. We gave them a key role to go ahead and make a master plan for this City, the first one that we've had in a long time. Water and utilities and gas are very material items in the Master Plan of this City, so we have balance and orderly growth. By denying the Planning Commission the opportunity to make a recommendation and include this in their study, this Council in effect holds them hostage, that taking away a key function from the master planning growth of this City. I think you're taking a short cut here because the evidence has not been clear today or the proof has been clear here today really in what direction to go into. It's been debated, but it's not clear. There's still probably unanswered questions. There's been charges here of that we have lines that are not being used. It's not clear really of the cost and things of this sort.

We've heard from both sides. It's been a very debated issue that has not come clear as to which way to go. I do feel that we need more proof and evidence before this Council can act on this matter because it will set the growth policy of this City of the next ten years. I think we've got to keep balance of the inner City together with the outer City, and certainly water is the key issue of this City on top and underneath and the drainage and everything else that goes with it.

I would like to move at this time that this matter be referred to the Planning Commission, not the Zoning Commission, with an idea that it be put on the agenda for Public Hearings, with the agenda and they have now, and that they report back as part of the Master Plan and also take in the electrical utilities that are a very vital part of our City because I don't think you can divide this issue in half, of the growth of this City. What difference does it make whether you're talking about electrical lines or gas lines or water lines. I think it ought to be addressed in every way.

I think when you talk about the outer City limits or in the City limits that this is all part of San Antonio because we own these utilities. But I make this substitute motion that this matter be referred for full debate and with the positive recommendation of the nine member Planning Commission to come back to this Council attached to the Master Plan of this City.

REVEREND BLACK: I second the motion.

MAYOR COCKRELL: There is a second to the motion. Is there discussion?
Mr. Teniente.

MR. TENIENTE: This is the motion that I will support at this time. The whole discussion this morning has created more questions and not enough answers and I think that this is one way to look at the problem, and certainly go into the entire deliberations of this Community Water Development fund, once again with the direction from the Planning Commission so that we can have some expert advice from staff in plenty of time so that we will not be getting a paper from within from one hour to another.

MR. PYNDUS: I'd like to speak in support of my original motion. I well realize that the amendment has crippled the Community Water Development fund. It no longer becomes a revolving fund.

July 8, 1976
img

MR. BILLA: Yes, it does.....inaudible.

MAYOR COCKRELL: Let him continue.

MR. PYNDUS: I think that we have turned the fund to the inside of the City limits. I think this is where it belongs. I think we've eliminated the on-site connection subsidy which I think we have a concensus of the Council behind, and I would move for adoption according to the change.

MAYOR COCKRELL: There is a substitute motion which is the only motion pending, if that motion is defeated then we will have the motion which you have made before us. If the motion passes, the entire matter will be referred to the Planning Commission.

MR. PYNDUS: I would like to register my opposition to returning it to the Planning Commission. I think this delays something that we should get on with. I think a Council before us has made a similar decision and I think we're capable of doing the same thing this morning.

DR. CISNEROS: Madam Mayor, I'd like to call the question.

MAYOR COCKRELL: All right, the question has been called on the motion to postpone. Clerk will call the roll on the postponement and referral to the Planning Commission.

ROLL CALL VOTE: AYES: Rohde, Teniente, Billa; NAYS: Cockrell, Pyndus, Cisneros, Black; ABSTAIN: Hartman; ABSENT: Nielsen.

CITY CLERK: The motion failed.

MAYOR COCKRELL: The motion has failed. We now have pending the resolution as proposed by Mr. Pyndus. It has in it the provisions for the deletion of the provisions that the on-site materials inside the City limits be paid for by the Board. It adds the words "within the City limits only" following the approach main extensions and it does carry with it the amendment of Mr. Hartman.

DR. CISNEROS: If I may Mayor, I'd like to move that, given that throughout this whole deliberation and throughout this whole discussion, a major point has been made the economy has been bad and it's not been an adequate opportunity to judge the program fairly, that the amendment be made that at the conclusion of 12 months, that we would review the program in general on the decisions we've made today, and that at the conclusion at which time hopefully with the economy now beginning to turn around there will be a better basis to judging the program overall.

MAYOR COCKRELL: There is a motion that this resolution carry with it a provision that the entire policy be reviewed at the conclusion of one year's time and that at that time the Community Water Development fund would be reviewed. Is there a second to that motion?

REVEREND BLACK: I'll second that motion.

MAYOR COCKRELL: It's been moved and seconded and this comes in a form of an amendment. Is there further discussion?

MR. BILLA: Mayor, I think that we're causing the very problem that we're trying to eliminate. In other words, the City Water Board has the responsibility to serve its service area. What you are going to do is to permit these things that Mr. Van Dyke has already said they have an obligation, a legal obligation to serve these areas. When you limit it

to just inside the City, while I'm for inner City growth, I think we have a responsibility to see that these people have good water systems because if they're in the ETJ we're probably going to annex them anyway and we ought to not be creating these problems by some simple little amendment here and there and trying to deny people a right to good water service. I think we're asking for depletion of the Community Water Development fund and it will deplete itself probably.

DR. CISNEROS: Mayor, I'd like to call the question, those comments are not germane to the amendment.

MAYOR COCKRELL: Is there any other discussion on the amendment? The amendment specifically adds the conditions that in a year's time the entire policy be reviewed. Any discussion on the amendment? Those in favor say aye, any opposed no. The amendment has passed, we now have pending the main motion, yes Dr. Nielsen.

DR. NIELSEN: I believe I can offer a substitute, is that correct? In light of the willingness of the Council to review policy in one year, I would move that the present regulations regarding extension policies and Community Water Development fund be continued for one year, within the one year, with the exception that the outside City limits main extensions policy as it relates to the Community Water Development funds be limited to no more than 25 per cent of any available funds and if there is a request beyond that that it be brought to City Council for consideration or justification.

MAYOR COCKRELL: Is there a second to the substitute?

MR. BILLA: I second the motion.

MAYOR COCKRELL: All right, it's been, the substitute has been moved and seconded. Is there any further discussion? Clerk will call the roll on the substitute motion.

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

CITY CLERK: The motion failed.

MAYOR COCKRELL: All right, we now have pending the main motion with the various amendments which have been added. Clerk will call the roll on the motion.

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

CITY CLERK: The motion carried.

MAYOR COCKRELL: The motion carried. We are now recessed.

76-32 The meeting recessed for lunch at 12:15 P. M. and reconvened at 1:45 P.M.

CITIZENS TO BE HEARDROSARIO MALDONADO

Miss Rosario Maldonado, 407 North Calaveras, again addressed the Council regarding the need for a traffic light at the intersection of West Commerce and Calaveras Streets.

Mr. Stewart Fischer responded saying that the traffic signal now located at Navidad and West Commerce will be removed and installed at the Calaveras intersection. The move should be done in about one month.

Mr. Charlie Mata urged haste in making the transfer. He also questioned the need for a light at the intersection of Buena Vista and Navidad.

WEST MULBERRY WIDENING

Ms. Estelle Espino thanked the Council for delaying opening of the North Expressway. She said that the entire area is opposed to the widening of Mulberry Avenue to the west of the freeway.

Mr. Stewart Fischer, Director of Traffic and Transportation, said that there are currently no plans to widen Mulberry.

PLUMBING APPEALS BOARD

Mr. Gary Griffin, representing the Contractor's Association, asked when members would be appointed to the Plumbing Appeals Board.

Mayor Cockrell said that due to the Council's heavy workload the matter had not been discussed but an effort would be made to have this item on the agenda in about two weeks.

FIREFIGHTERS LABOR NEGOTIATIONS

Mr. Curtis Franz, President of Local 624 International Association of Firefighters, read a prepared statement outlining what were in his opinion major obstacles which would prevent his union and the City from reaching an agreement. (A copy of his prepared statement is included with the papers of this meeting.) Mr. Franz asked that the Council reconsider its position at the bargaining table.

Mayor Cockrell, on advice of the City Attorney, said that the Council could not respond to Mr. Franz.

HENRY MUNOZ

Mr. Henry Munoz spoke to the Council asking for a pay increase for garbage workers of 10 per cent plus an additional 7 per cent for insurance premiums.

Also speaking for a pay increase were City employees, Eddie Leija and Ray Gomez.

TRANSIT SYSTEM EMPLOYEES

Mr. Robert Thompson, Business Agent representing the hourly paid employees of the Transit System, spoke about the City negotiator attempting to take benefits away from firefighters in exchange for a pay increase. He said also that police are being offered a 9 per cent increase and firemen a 7.5 per cent increase while Transit workers are only being offered a 5.5 per cent. All City employees should receive the same consideration.

Mayor Cockrell said that under the rules set out in the acts of the Legislature it may be difficult in the future to keep everyone even.

In reply to Mr. Rohde's question, Mr. Granata said that patrolmen will get a 6 per cent increase while senior patrolmen and above will get an additional 3 per cent. He said that he is recommending a 5.5 per cent increase for all City employees. This increase will cost the taxpayers about \$4 million.

RAUL RODRIGUEZ

Mr. Raul Rodriguez said that in May the Police Department advertised 118 vehicles to be sold but only 86 were reported as sold. He claimed that 18 had been stolen. He gave specific examples which were turned over to the City Manager's staff for investigation and report.

GLASS RECYCLING PLANT

Mr. Tom Wood said that he has the only glass recycling plant in the world and would like to work out an agreement with the City Council. He wants a commitment for all of the solid waste in Bexar County and needs to raise \$25 or \$30 million.

City Manager Granata instructed Mr. Wood to discuss the matter fully with Mr. Mel Sueltenfuss who would contact the Council about it.

ED WILK SURPLUS SUPPLY CO.

Mr. Ed Wilk said that he had had an application for a junk yard permit withdrawn from the Council's agenda on June 10 while certain regulations were being prepared. Now that the regulations are complete he asked that his request be considered for approval.

Mr. George Vann, Director of Building and Zoning, said that his instructions had been to not process any applications until the matter of a possible moratorium or area rezoning was settled.

After discussion, Council agreed to hear the application on July 22, 1976.

KARL WURZ

Mr. Karl Wurz spoke again in opposition to a percentage pay increase for City employees. He claimed it is an unfair practice. All employees should receive the same dollar amount.

Mr. Pyndus expressed his agreement with Mr. Wurz's comments.

SAN ANTONIO BALLET

Miss Velma Garcia spoke of ballet in San Antonio and what it means to her. She spoke also of the need for funds to maintain the San Antonio Ballet Company.

Mrs. Nancy Smith, Assistant Director of the Ballet Company, also spoke again requesting that the Council budget funds for the ballet.

Mayor Cockrell said that the Council has a work session set up with groups requesting City funding. These matters will be addressed at that time.

IRIS DOUNSON

Ms. Iris Dounson, a representative of Solar Energy Coalition of Texas, offered a proposed ordinance to the Council for consideration. The ordinance would prohibit utilities from using income to pay for certain kinds of advertising. (A copy of the proposed ordinance is included with the papers of this meeting.)

After discussion, Mayor Cockrell asked that a copy of the proposed ordinance be sent to each of the City owned utilities for their comment.

OLEN WALKER

Mr. Olen Walker, 17811 San Pedro, said that he owns property across San Pedro from the mall site. He said that the water can be protected and still allow commercial buildings to be built. He discussed unfair tax assessments and urged the Council to let the City grow.

HELEN R. WALTER

Mrs. Helen R. Walter said that she has just seen a developer's master plan of her area in Camelot and did not like it. She invited the Council to attend a meeting at 10:00 A. M. on July 12 to view a drainage ditch behind Windsor Park Mall.

CONCEPCION ELIZONDO

Mr. Concepcion Elizondo said that he spoke as a representative of letter carriers in San Antonio. He said that the postmaster has issued orders for carriers to walk across lawns as a quicker means of delivering mail but he objects. He asked the Council to pass an ordinance requiring letter carriers to stay on sidewalks.

After discussion, City Manager Granata advised Mr. Elizondo to put his requests in writing and submit them to the Legal Department for review.

E. L. RICHEY

Mr. E. L. Richey spoke of a tax burden that should be shared equally by all.

MARIA DOMINGUEZ

Mrs. Maria Dominguez said that she has been unable to see the District Attorney because his secretary sidetracks her. She asked the Council to do something about it.

City Manager Granata asked Mrs. Dominguez to see him in his office to discuss this and other problems.

PATRICK SEMELBERGER

Mr. Patrick Semelberger said that he still has not resolved his water problems in Hillside Acres. He said that the present water supplier is not suitable and the City Water Board requirements are too stringent. He claimed that his area has been treated unfairly and demanded that his area be taken care of.

After a full discussion of the problems involved, Mayor Cockrell referred the matter to the City Manager to investigate it along with other staff members to come up with a recommendation.

CITY PUBLIC SERVICE BOARD
SOUTH TEXAS PROJECT TRANSMISSION LINE

The Clerk read a proposed ordinance which would authorize acquisition of right-of-way for a transmission line from San Antonio to the South Texas Project for the City Public Service Board.

Mr. Wally Payette, Manager of Distribution and Design for City Public Service, explained the ordinance. He displayed a map showing the route selected and distributed small samples of the transmission line wire. Mr. Jesse Poston, Assistant General Manager, also joined the discussion.

Mr. Poston pointed out that there are two existing power plants just southeast of the City with a large line coming in from Corpus Christi to the South. The most efficient way to bring in additional energy would be in the northwest sector of Bexar County to reduce line loss. He also mentioned that this is the direction of probable future growth. He emphasized that the planning for this line has been done over several years by highly competent engineers.

Mr. Teniente asked that San Antonio engineers be used on this project.

Mr. Pyndus moved that the ordinance be approved. Mr. Billa seconded the motion.

Mr. Payette said that a local aerial photography firm has done the survey. All of the engineering will be done in house. All surveying and soil analysis will be done locally.

Councilman Cisneros expressed concern about major decisions affecting growth to the North being made without due consideration.

Reverend Black also felt that he needed a briefing covering the overall distribution system before he could vote on the matter.

Mr. Poston reiterated that the location of the transmission line would leave no effect on the growth potential of any area in the City.

After discussion, Reverend Black made a substitute motion that a briefing be made to the City Council by City Public Service before any action is taken by the Council. The motion was seconded by Councilman Cisneros and was passed and approved by the following roll call vote: AYES: Cisneros, Black, Hartman, Rohde, Nielsen; NAYS: Pyndus, Billa, Cockrell; ABSENT: Teniente.

Item 2 of the agenda was withdrawn from consideration.

76-32 The following Ordinances were read by the Clerk and explained by Members of the Administrative Staff, and after consideration, on motion made and duly seconded, were each passed and approved by the following vote: AYES: Pyndus, Cisneros, Black, Hartman, Rohde, Nielsen, Cockrell; NAYS: None; ABSENT: Billa, Teniente.

AN ORDINANCE 46,855

ACCEPTING A GRANT OF \$12,404.00 FROM THE CRIMINAL JUSTICE DIVISION OF THE OFFICE OF THE GOVERNOR FOR ACQUISITION OF MICROFILM EQUIPMENT FOR THE RECORDS BUREAU OF THE POLICE DEPARTMENT, ADOPTING A BUDGET AND APPROPRIATING FUNDS.

* * * *

AN ORDINANCE 46,856

ACCEPTING A GRANT IN THE AMOUNT OF \$88,369.00 FROM THE CRIMINAL JUSTICE DIVISION OF THE GOVERNOR'S OFFICE FOR POLICE DEPARTMENT RAPID RETRIEVAL PROJECT; AUTHORIZING EXECUTION OF THE ACCEPTANCE AGREEMENT; ESTABLISHING A FUND AND ACCOUNTS; ADOPTING A PROJECT BUDGET; AND MAKING APPROPRIATIONS.

* * * *

AN ORDINANCE 46,857

ACCEPTING A GRANT IN THE AMOUNT OF \$108,000.00 FROM THE CRIMINAL JUSTICE DIVISION OF THE GOVERNOR'S OFFICE FOR POLICE DEPARTMENT CLOSED CIRCUIT TELEVISION MAP VIEWER SYSTEM - FINAL PHASE; AUTHORIZING EXECUTION OF THE ACCEPTANCE AGREEMENT; PROVIDING A CONTRIBUTION OF \$14,240.00 FROM THE GENERAL FUND; DESIGNATING A FUND AND ACCOUNTS; ADOPTING A BUDGET FOR THE PROJECT; AND MAKING APPROPRIATIONS.

* * * *

AN ORDINANCE 46,858

ACCEPTING A GRANT OF \$6,872.00 FROM THE CRIMINAL JUSTICE DIVISION OF THE GOVERNOR'S OFFICE FOR ACQUISITION OF SPECIAL SURVEILLANCE EQUIPMENT FOR THE CRIME BUREAU OF THE POLICE DEPARTMENT; ADOPTING A BUDGET AND APPROPRIATING FUNDS.

* * * *

The Clerk read the following Ordinance:

AN ORDINANCE 46,859

ACCEPTING AN AWARD OF \$47,051.00 FROM THE TEXAS CRIMINAL JUSTICE DIVISION FOR SECOND YEAR FUNDING AND CONTINUATION OF THE OPERATION OF THE SAN ANTONIO RAPE CRISIS CENTER - SEXUAL ASSAULT SERVICES, APPROVING A BUDGET AND PERSONNEL COMPLIMENT, AUTHORIZING THE EXECUTION OF CONTRACTS, AND APPROPRIATING FUNDS FOR THE PROJECT.

* * * *

The ordinance was explained by Dr. Jill Root, Director of the San Antonio Rape Crisis Center, who said that this grant is for the second year operation of the Rape Crisis Center Sexual Assault Services. It also authorizes the City Manager to execute documents needed to implement supportive services to the victims and to the family of the victim. It has been the intention from the beginning to move all functions of the Center into other institutions which could carry out the needed services as a part of their on-going program. It is felt that this transition can be completed this second year and no general funds will be needed for continuation of the Center.

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

The Clerk read the following Ordinance:

AN ORDINANCE 46,860

AUTHORIZING THE ACCEPTANCE OF A GRANT IN THE SUM OF \$166,000.00 FROM THE CRIMINAL JUSTICE DIVISION OF THE GOVERNOR'S OFFICE FOR SECOND YEAR FUNDING OF THE HEALY MURPHY LEARNING CENTER'S TEENAGE EDUCATION AND REHABILITATION PROGRAM; AUTHORIZING EXECUTION OF THE ACCEPTANCE AGREEMENT; AUTHORIZING EXECUTION OF A CONTRACT BETWEEN THE CITY AND THE HEALY MURPHY LEARNING CENTER; ESTABLISHING A FUND AND ACCOUNTS; MAKING APPROPRIATIONS; AND AUTHORIZING PAYMENTS NOT TO EXCEED \$166,000.00 TO HEALY MURPHY LEARNING CENTER.

* * * *

The Ordinance was explained by Mr. John Rinehart, Operations Manager of Monitoring and Evaluation, who recommended that the ordinance be approved. In answer to Mr. Pyndus' question, Mr. Rinehart said that the effectiveness of the program is very good.

Mr. Pyndus asked that in the future when a similar ordinance is presented for consideration that Mr. Rinehart's report on the program be included so the Council will have a better feel for the program.

Mr. Rinehart said that quarterly reports on each project are given to the Council.

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

76-32 The following Ordinance was read by the Clerk and explained by Mr. George D. Vann, Jr., Director of Building and Zoning, and after consideration, on motion of Mr. Pyndus, seconded by Mr. Hartman, was passed and approved by the following roll call vote: AYES: Pyndus, Cisneros, Black, Hartman, Nielsen, Cockrell; NAYS: None; ABSENT: Billa, Rohde, Teniente.

AN ORDINANCE 46,861

CHANGING THE NAME OF OAKTON DRIVE TO
ORLAND PARK DRIVE AS RECOMMENDED BY
THE CITY PLANNING COMMISSION.

* * * *

76-32 The following Ordinances were read by the Clerk and explained by Members of the Administrative Staff, and after consideration, on motion made and duly seconded, were each passed and approved by the following roll call vote: AYES: Pyndus, Cisneros, Black, Nielsen, Cockrell; NAYS: None; ABSENT: Billa, Hartman, Rohde, Teniente.

AN ORDINANCE 46,862

GRANTING PERMISSION FOR THE ERECTION OF
A 10' CHAIN LINK FENCE AROUND A TENNIS
COURT AT 9126 AUTUMN LEAF.

* * * *

AN ORDINANCE 46,863

ACCEPTING THE HIGH BID FOR LEASE OF CERTAIN
CITY-OWNED PROPERTY FOR FARMING AND GRAZING
PURPOSES AND AUTHORIZING A THREE-YEAR LEASE
OF SAID PROPERTY TO VAN DE WALLE & SONS FOR
A CONSIDERATION OF \$496.00 PER YEAR.

* * * *

AN ORDINANCE 46,864

AUTHORIZING THE CITY MANAGER TO SUBMIT A
CONTRACT CHANGE TO THE GOVERNOR'S OFFICE
OF TRAFFIC SAFETY FOR AWARD OF AN ADDITIONAL
AMOUNT OF \$1,212.00 IN THE GRANT FROM THE
AGENCY TO THE CITY FOR THE FOURTH PERIOD
OF THE SELECTIVE TRAFFIC ENFORCEMENT PROGRAM
TO COMPLETE FUNDING OF THE PROJECT WHICH
EXTENDED FROM JULY 1, 1975 TO JANUARY 31,
1976, PROVIDING FOR A LIKE CONTRIBUTION TO
THE PROJECT FROM THE GENERAL FUND AND
AUTHORIZING REVISION IN THE PROJECT BUDGET.

* * * *

76-32 The following Ordinance was read by the Clerk and explained by Mr. Stewart Fischer, Director of Traffic and Transportation, and after consideration, on motion of Mr. Pyndus, seconded by Dr. Nielsen, was passed and approved by the following roll call vote: AYES: Pyndus, Cisneros, Black, Rohde, Nielsen, Cockrell; NAYS: None; ABSENT: Billa, Hartman, Teniente.

AN ORDINANCE 46,865

AUTHORIZING THE CITY MANAGER TO SUBMIT A CONTRACT CHANGE TO THE GOVERNOR'S OFFICE OF TRAFFIC SAFETY FOR AWARD OF THE ADDITIONAL SUM OF \$11,197.50 IN THE GRANT FROM THIS AGENCY TO THE CITY FOR EXTENDING THE FIFTH PERIOD OF THE SELECTIVE TRAFFIC ENFORCEMENT PROGRAM FROM SIX MONTHS TO EIGHT MONTHS ENDING SEPT. 30, 1976, PROVIDING FOR A LIKE CONTRIBUTION FROM THE GENERAL FUND, REVISING THE PROJECT BUDGET AND APPROPRIATING THE ADDITIONAL SUM OF \$22,395.01 IN THE PROJECT FUND INCREASING THE AUTHORIZED PROJECT COST TO \$89,580.04 AND FURTHER AUTHORIZING A REVISION IN THE BUDGET OF THE PHOTOLOG VIEWER ACQUISITION GRANT PROJECT.

* * * *

76-32

CAR POOLING

Dr. Nielsen asked Mr. Fischer for a report on the effectiveness of the car pooling advertising which has been done.

76-32 The following Ordinance was read by the Clerk and explained by Mr. Mel Sueltenfuss, Director of Public Works, and after consideration, on motion of Dr. Nielsen, seconded by Dr. Cisneros, was passed and approved by the following roll call vote: AYES: Cisneros, Black, Rohde, Nielsen, Cockrell; NAYS: None; ABSENT: Pyndus, Billa, Hartman, Teniente.

AN ORDINANCE 46,866

APPROPRIATING FUNDS AND AUTHORIZING PAYMENT TO ARMANDO FLORES, IN FULL REPAYMENT OF THE SEWER PLATTING FEE WHICH HAS BEEN PAID, THE PLAT HAVING BEEN WITHDRAWN.

* * * *

76-32

EXPANSION OF ARENA

The Clerk read a proposed ordinance authorizing employment of an architect to prepare plans for expansion of the Convention Center Arena.

Mr. John Rinehart explained that estimated cost for the architect fee is \$165,000. It is proposed that funds be reprogrammed from first and second entitlement periods of Revenue Sharing. A project for an ice skating rink was proposed but never completed. These funds are to be used as well as funds from a micro-wave system which was cut off because of lack of funds.

Mr. Rohde moved that this ordinance be tabled for one week. The motion was seconded by Rev. Black who said there was some question now whether the merger of the ABA and NBA would be completed.

Mayor Cockrell said that she had been assured by SPUR management that problems had been resolved.

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

Item 15 of the agenda was tabled.

76-32

REVENUE SHARING ITEMS

Dr. Nielsen mentioned that there were 5 items discussed at the time the Revenue Sharing Budget was approved.

Mr. Rinehart listed them as:

Inner City Development Corporation	\$14,535
Arthritis Foundation	11,000
Retired Senior Volunteer Program	10,468
Cerebral Palsy Association	7,000
San Antonio Ballet Company	20,000

City Manager Granata said that these small projects can be funded by reprogramming funds.

After discussion, it was agreed to discuss this matter at "B" Session on July 22nd and then have it on the regular agenda that day.

76-32

ARCHITECTS FEES

Mayor Cockrell asked if the City could review with architects and engineer organizations the possibility of a different approach to the fee structure - possibly a fixed fee so there would be no incentive in terms of extra percentage for the addition of items.

Mr. Sueltenfuss said that he would look into this matter and report back to the Council.

76-32 The following Ordinance was read by the Clerk and explained by Mr. Mel Sueltenfuss, Director of Public Works, and after consideration, on motion of Dr. Nielsen, seconded by Mr. Hartman, was passed and approved by the following vote: AYES: Pyndus, Billa, Cisneros, Black, Hartman, Rohde, Nielsen, Cockrell; NAYS: None; ABSENT: Teniente.

AN ORDINANCE 46,867

PERMITTING THE WATERMAN BROADCASTING
COMPANY (RADIO STATION KTSA) TO ATTEMPT
TO ESTABLISH A WORLD'S RECORD BY DROPPING
AN EGG FROM THE TOWER OF THE AMERICAS.

* * * *

Mr. Mel Sueltenfuss advised the Council of the subdivision of a proposed plat for Helotes Park Commercial Subdivision. The Council acknowledged receipt of the plat and referred it to the Planning Commission for consideration.

76-32 The following Ordinance was read by the Clerk and explained by Mr. Mel Sueltenfuss, Director of Public Works, and after consideration, on motion of Dr. Nielsen, seconded by Mr. Hartman, was passed and approved by the following vote: AYES: Pyndus, Billa, Cisneros, Black, Hartman, Rohde, Nielsen, Cockrell; NAYS: None; ABSENT: Teniente.

AN ORDINANCE 46,868

ACCEPTING THE LOW QUALIFIED BID OF \$801,158.00 FROM KUNZ CONSTRUCTION CO., INC. TO CONSTRUCT PARK IMPROVEMENTS AT NORMOYLE PARK AND AUTHORIZING EXECUTION OF A CONSTRUCTION CONTRACT WITH THE CONTRACTOR, AUTHORIZING PAYMENT OF THE CONTRACT, ADDITIONAL ARCHITECT FEES AND CONTINGENT EXPENSES, DESIGNATING A FUND AND ACCOUNTS AND ADOPTING A BUDGET FOR THE PROJECT, AND AUTHORIZING CERTAIN BUDGETARY REVISIONS AND INTERFUND TRANSFERS IN COMMUNITY DEVELOPMENT PROGRAM FUNDS.

* * * *

76-32 The following Ordinances were read by the Clerk and explained by Mr. John Brooks, Director of Purchasing, and after consideration, on motion made and duly seconded, were each passed and approved by the following roll call vote: AYES: Pyndus, Billa, Cisneros, Black, Hartman, Rohde, Nielsen, Cockrell; NAYS: None; ABSENT: Teniente.

AN ORDINANCE 46,869

ACCEPTING THE LOW QUALIFIED BID OF VULCAN SIGNS AND STAMPINGS, INC., TO FURNISH THE CITY WITH ALUMINUM SIGN BLANKS FOR A NET TOTAL OF \$8,414.50.

* * * *

AN ORDINANCE 46,870

APPROVING THE ASSIGNMENT OF THE CURRENT CONTRACT FOR ASPHALTIC MATERIALS FROM SAN ANTONIO TRUCKING COMPANY, INC., TO DELTA TRANSPORT, INC.

* * * *

AN ORDINANCE 46,871

ACCEPTING THE LOW QUALIFIED BID OF MECHANICAL MAINTENANCE OF TEXAS ON THE ANNUAL CONTRACT TO FURNISH THE CITY THE MATERIALS AND LABOR TO MAINTAIN HEATING AND AIR CONDITIONING SYSTEM AT THE MAIN LIBRARY.

* * * *

AN ORDINANCE 46,872

ACCEPTING THE LOW QUALIFIED BIDS OF CROUSE-HINDS COMPANY, TRAFFIC SIGNAL EQUIPMENT, INC., AND TRANS-TRONICS, INC. TO FURNISH THE CITY WITH TRAFFIC SIGNAL CONTROLLERS FOR A NET TOTAL OF \$94,526.95.

* * * *

76-32 The following Ordinance was read by the Clerk and after consideration, on motion of Mr. Pyndus, seconded by Mr. Hartman, was passed and approved by the following vote: AYES: Pyndus, Billa, Cisneros, Black, Hartman, Rohde, Nielsen, Cockrell; NAYS: None; ABSENT: Teniente.

AN ORDINANCE 46,873

REAPPOINTING MRS. WILLIAM G. LECZNAR, MR. CHARLES WILLIAMS, SR., MR. JOE DE LOS SANTOS, AND MR. WILLIAM J. DODDS TO ADDITIONAL TWO YEAR TERMS ON THE PLANNING COMMISSION.

* * * *

76-32 The following Resolution was read by the Clerk and after consideration, on motion of Dr. Cisneros, seconded by Mr. Billa, was passed and approved by the following vote: AYES: Pyndus, Billa, Cisneros, Black, Hartman, Rohde, Nielsen, Cockrell; NAYS: None; ABSENT: Teniente.

A RESOLUTION
No. 76-32-51

GIVING NOTICE OF A PUBLIC HEARING ON THE BUDGET OF THE CITY OF SAN ANTONIO FOR THE FISCAL YEAR 1976-77, TO BE HELD IN THE CITY COUNCIL CHAMBER, CITY HALL, AT 10:00 A. M., JULY 22, 1976.

* * * *

76-32 The Clerk read the following letter:

July 2, 1976

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

Madam and Gentlemen:

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

July 2, 1976

Petition submitted by Mr. George J. Carson, Attorney, in behalf of St. Sophia's Greek Orthodox Church, 2504 North St. Mary's Street, requesting a hearing before the City Council regarding a Certificate of Occupancy

July 8, 1976
img

issued to The Bandera Oil Company
for the premises located at 2420
North St. Mary's Street.

G. V. JACKSON, JR.
City Clerk

* * * *

76-32 There being no further business to come before the Council,
the meeting adjourned at 5:00 P. M.

A P P R O V E D

Rein Cockull

M A Y O R

ATTEST:

G. V. Jackson, Jr.
City Clerk

July 8, 1976
img

-50-