

REGULAR MEETING OF THE CITY COUNCIL
OF THE CITY OF SAN ANTONIO HELD IN
THE COUNCIL CHAMBER, CITY HALL, ON
THURSDAY, SEPTEMBER 4, 1975.

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

75-52 The invocation was given by The Reverend Christian H. Kehl, Bexar County Jail and Juvenile Detention Center.

75-52 Members of the City Council and the audience joined in the Pledge of Allegiance to the flag of the United States.

75-52 The minutes of the meeting of August 28, 1975, were approved.

75-52 CITY WATER BOARD REQUEST
FOR RATE INCREASE

The following discussion took place:

MAYOR LILA COCKRELL: Let me bring to the Council's attention an item which we had started discussing in "B" session. That is the fact that we will have item VIII for consideration. On the agenda it would have come up later in the morning. We have a large number of persons present who are interested in this particular item.

The Council has initiated discussion of this item in the "B" room from the point of view of a problem that Council members have. I would like for this discussion to be continued at this time. Would it meet with the Council's approval if we took Item VIII first from the point of view of making the decision as to whether or not the Council is going to make a decision on Item VIII in view of the large attendance for that item whether or not that could be considered out of priority and be heard first.

MR. HENRY CISNEROS: Madam Mayor, I'd like to make a motion that we would consider it today, and that we consider it as the first item on this morning's agenda.

MAYOR COCKRELL: Would you separate that into two motions first?

MR. CISNEROS: Fine. The first motion then would be to consider it today.

MAYOR COCKRELL: All right, there is a motion that it be considered today.

MR. GLEN HARTMAN: I second that motion.

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MAYOR COCKRELL: All right. Now, then, may we have persons on the Council wishing to speak for or against the motion. Mr. Hartman.

MR. HARTMAN: Madam Mayor, just merely to restate what was said in the "B" room just very briefly. I think we have had over the past two or three weeks within the Committee figures supplied to us by the City Water Board worked in conjunction with the City staff that have been considered. The Committee developed the recommendation based upon those figures and that study. There was no indication during any of that study period that these figures were in any way invalid. It was on this basis, therefore, that the Committee's recommendation was made and until yesterday there was no indication that there would be any invalidity ascribed to those figures. To have a new set of figures tossed to us on the day before the vote, to me, seems a bit inordinate, and I would think that we have had quite adequate time to study the facts. I think that the new set of figures - this could continue, I think we have the facts we need to proceed and that is the basis of my second to that motion.

MAYOR COCKRELL: Ladies and gentlemen, may I just share this with you. I know you're all interested and concerned, it's going to really slow it down if we have long applause for each item so if you will keep that in mind. Does anyone wish to speak. Yes, Reverend Black.

REVEREND CLAUDE W. BLACK: I think one of the areas of credibility of any agency of this City is that when a matter is being debated, it has the expertise to present that information to that Committee under study at the time it's under study. Now, whenever an agency begins to make changes in those figures it gives the impression that that agency is without the expertise to deal with the issues at hand. Therefore, based upon the discussions that the Committee has had with the agency, based on the fact that the agency made no such changes at the time that it was being discussed, I think the matter ought to be considered today.

MAYOR COCKRELL: All right. Who else. Mr. Pyndus.

MR. PHIL PYNDUS: As a member of the Committee that has reviewed the figures by day and by night, and we had new figures yesterday and we had new figures this morning, I cannot intelligently make a decision with regard to the amount of the water rate that I supported day before yesterday. I supported 17 percent as you know. This morning I'm unable to accept the 17 percent figure strictly because we have received new figures from the management of the City Water Board. I would say this to you, we have worked with this department, the water policies and the bonding requirements that must be met by the City Water Board are very important to each of you, and to each of all the members of this City not only those in this room, for us to jeopardize without adequate information this water system, my opinions are well known with regard to my support for the 17 percent. I cannot support that position this morning. I'm asking for a week's delay for intelligent.....

MAYOR COCKRELL: All right. Ladies and gentlemen, let's at least hear the person courteously. We would appreciate this. Go ahead, Phil.

MR. PYNDUS: The majority of you have been in the room when we have discussed the water rate and you know the feelings of the committee, and they're trying to do what's best for this City. I would say for us to do what's best for this City we must look at these figures and we must analyze them. We must ask some hard questions. I would speak against the motion this morning to hear the rate request.

MAYOR COCKRELL: All right. Dr. Nielsen.

MR. D. FORD NIELSEN: Madam Mayor, regardless of figures, we still have a serious problem and that is until we have a letter from our bonding attorney or Wall Street bonds or whoever represents us as far as the question of the revenues of the system for a 12 month period, total of 4 months and whether or not you average that or not, I cannot right now vote on this issue regardless of what kind of numbers, regardless of a rate or whatever that has to be resolved. If we can average them, I've got no problem. But if we can't, we have a problem. We all have a problem. We cannot average for two years those figures. If we can resolve that and finally the other question of what it is Tom, the whole question that deals with what it would take to make up if we only pass 17 percent now, what it would take after the first of the year, let's say, to make up additional revenue to in fact pass even a 9 or 15 million dollar bond issue. We just don't have that, in my opinion.

MAYOR COCKRELL: All right. Does anyone else wish to be heard on the motion? The motion, of course, is to go ahead today or

MR. PYNDUS: Do we have his answer?

MAYOR COCKRELL: All right. Will the staff be able to provide facts if the issue is heard today, would the staff be able to provide some sort of reconciliation of the figures and the information responsive to what Dr. Nielsen says?

MR. FARTMAN: Madam Mayor, the question that I have is, how many more sets of figures are we going to accept? Now if it's understood that we have no more input in terms of figures that are pertinent and I'm talking about - these are pivotal figures. I don't want to have the Council in the position of having to postpone week after week because we have yet another set of figures. We could go on until the end of this term and never.....

MAYOR COCKRELL: May I ask for one point of clarification on the motion that was made? If the motion was to proceed with the decision today, that motion did not carry with it the stipulation that there was not to be further evidence or further debate today? All right, fine.

MR. CISNEROS: I would like to be recognized that if that passes with the motion that we proceed at the earliest

MAYOR COCKRELL: All right. Is there any further discussion? We're ready for the vote. The motion is to make the decision today. The clerk will call the roll.

On roll call the motion to make a decision on the water rate increase today carried by the following vote: AYES: Billa, Cisneros, Black, Hartman, Rohde, Teniente, Nielsen, Cockrell; NAYS: Pyndus; ABSENT: None.

MAYOR COCKRELL: All right. The chair recognizes Dr. Cisneros.

MR. CISNEROS: I'd like to make a motion that we take this up as the first item on this morning's agenda.

MAYOR COCKRELL: All right. It's been moved, is there a second?

MR. HARTMAN: I second it.

MAYOR COCKRELL: It's been moved and seconded that we readjust the agenda and take Item VIII as the first item preceding the Manager's considerations.

DR. NIELSEN: I thought we had informally already agreed to that.

MAYOR COCKRELL: No, it was the second part, we separated the motion. Is there any further discussion? Those in favor say aye; opposed, no. The motion is carried. All right. We will now ask the Clerk to read the ordinance, the caption.

75-52 The Clerk read the following Ordinance:

AN ORDINANCE 45672

REPEALING ORDINANCE NO. 41414 ADOPTED AND APPROVED NOVEMBER 2, 1972; APPROVING THE ADOPTION OF A SCHEDULE OF RATES TO BE CHARGED CUSTOMERS OF THE WATER WORKS BOARD OF TRUSTEES OF SAN ANTONIO AND PRESCRIBING REGULATIONS PERTAINING TO PRIVATE FIRE PROTECTION WATER SERVICE; AND PROVIDING A SEVERABILITY CLAUSE.

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MAYOR COCKRELL: All right, in other words the rate amount was - this says 30 percent. All right. So that if the other - if lesser amounts are proposed then that would change the pending ordinance.

MR. CISNEROS: Are you taking a vote on this ordinance?

MAYOR COCKRELL: No. When the motion for adoption of the Ordinance is made at that time it should carry with it the specification of the amount in clarification. All right. Now let me share with the Council the fact that there are some citizens who have been, who are registered, who requested permission to speak to the Council on this issue. Does the Council desire to discuss it first? Does the Council desire to hear first the citizens or what is your desire?

MR. CISNEROS: Would it be in order to make a motion and then have the discussion from citizens and the Water Board and so forth, by way of a normal discussion that would have after a motion is made?

MAYOR COCKRELL: That would be fine.

MR. CISNEROS: In which case then I would like to make a motion that we approve the recommendation of the committee which was appointed by the Mayor to review this issue which recommendation is that the City Council accept a 17 percent.

MR. HARTMAN: I'd like to second that motion.

MAYOR COCKRELL: The motion has been made and seconded that the Council accept the committee's recommendation which calls for a 17 percent rate hike. Discussion is now in order on the motion. Mr. Teniente.

MAYOR PRO-TEM RICHARD TENIENTE: Mayor Cockrell, let's just clear one thing. It seems that the committee itself is not in accord on the recommendation and if we are going to have a motion, why don't we just have him make the motion without involving - unless the committee has formally agreed on this. It seems to me that two have not and two have.

MAYOR COCKRELL: Well, in clarification, Mr. Teniente, I believe that there has been no change in a report to the Council and the committee report stands. Although we did hear this morning that there was some question on the part of at least two members of the committee.....

MAYOR PRO-TEM TENIENTE: The motion still stands. I understand.

MAYOR COCKRELL: Right. Now then, if it's the desire of the Council to proceed first with Council questions, with staff comments, or with the citizen's comments.

DR. NIELSEN: Madam Mayor.

MAYOR COCKRELL: Yes, Dr. Nielsen.

DR. NIELSEN: I, to be very honest with all present here, I don't know whether the Water Board representative is here or not, I am not convinced as one member of the committee that we have, until I hear from our utilities department that we can legitimately decide on this regardless of the figures until we know specifically what the law and common practices are in terms of the twenty-four month backward test and whether or not, if anybody gives us a reasonably accurate figure to what kind of rate increase it might take next year for \$9 or \$12 or \$15 million bond.

MAYOR COCKRELL: All right. Would it be the Council would, we'd like to hear from the staff.

MR. AL ROHDE: I'd like to hear from the staff first, Madam Mayor. I think that would be very proper.

MAYOR COCKRELL: At this time we will call on the City Manager to call on any staff persons he would like to bring us the staff analysis and comment.

CITY MANAGER GRANATA: Yes. I'd like to call on Mr. Ivy. As you know there's only one figure that's been changed that we've had reference to. The first figure that was provided by the City Water Board was \$3,303,000.00. The next one was three million

MAYOR COCKRELL: Excuse me, Mr. Granata, would you talk right into the mike. I think that some persons can't hear.

MR. PYNDUS: Would you mention the page, too, please.

CITY MANAGER GRANATA: It was on page 5 of their report yesterday where their last figure was \$3,699,000.00 plus prior to that the committee studied a figure of \$3,303,000.00. This morning's figure came in at \$3,470,000.00. That's for annual debt requirement.

Now I'll ask Mr. Ivy and Mr. Cross to make a study to try to answer your question as to - as you know yesterday he said that the 17 percent is feasible based on the \$3,303,000.00, if everything went right down the line. That was the first figure that they gave you. If the new figure, \$3,699,000.00 which was provided yesterday on page 5, they have some doubt of the 17 percent being able to carry the \$9 million in bonds.

DR. NIELSEN: I'm sorry, Sam, you're going too fast.

CITY MANAGER GRANATA: Okay. Page 5 of the

MAYOR COCKRELL: All right. Let me ask then, perhaps Mr. Ivy will go into detail on all of these points. Mr. Ivy for the benefit of persons who are here and who are in our audience, would you state your position with the City so they will know this, your department and so forth.

MR. TOM IVY: My name is Tom Ivy, Public Works Department Special Projects Officer.

MAYOR COCKRELL: All right, sir.

MR. IVY: Dr. Nielsen's question regarding the backward test first. Two twelve month periods, not necessarily the months just the periods. So if you're below one month and you bring it up the next month, so you

average out all these twelve months and that's what it says in the bond indenture.

DR. NIELSEN: There's no problem.

MR. IVY: There's no problem.

DR. NIELSEN: What my question was, Tom, is can you average 24 months?

MR. IVY: No, no, no.

DR. NIELSEN: But I understand

MR. IVY: No, sir, it doesn't say that in the indenture.

DR. NIELSEN: Well, I know that's what it doesn't say. What I need to know though is if we go with a 1.84 for 1974 and a 1.24 for 1975, will they out of common practice

MR. IVY: No, sir.

DR. NIELSEN: Well, I've been told by practice ofbut if that's true then we're all right at 17 percent. If that's not true we've got a problem.

MR. IVY: Well, we're not alright in a triple A, in a double A rating. If somebody wants to buy the bonds and they think it's a good deal, maybe a lot of things don't mean anything, but by the letter of the indenture, it requires that. In the first place I don't think we can sell them unless we meet all these requirements. You have people who own bonds that you have to protect, and that's what the indenture is there for; to protect the existing bond holders.

MAYOR PRO-TEM TENIENTE: Do you have anything in writing?

MR. IVY: Just the bond indenture.

MAYOR PRO-TEM TENIENTE: That's all we have, thank you.

MAYOR COCKRELL: All right. Let me ask you that you do this, Mr. Ivy. We have the Council committee's report that was made. The motion is for adoption of the recommendation of that report. Now specifically, I think what we would like to ask you to do is in view of the figures that have come in from the Water Board, do you have any staff recommendations as to the validity of the recommendation of the 17 percent as being able to carry out the intent that the committee had in making that recommendation. The committee in making the recommendation stated that it was desired to be made as an interim rate; that the Council would be committed to restudying many of the key Water Board policies, those policies particularly which have an impact on the rate structure; that by March 1st we would be committed to taking further action on whatever adjustment was indicated in the rate structure; that we also - that they wish by the allocation of the 17 percent rate to provide sufficient backup funding so that a \$9 million bond issue could be issued as of March 1st.

Now then, I think what we'll want from the staff is your professional opinion as to whether or not, in view of all the different sets of figures, whatever you have in your possession, whether the committee had in making the recommendation.

MAYOR PRO-TEM TENIENTE: Could he also include, Mrs. Cockrell, please, the reasons as to why his special projects committee staff recommendation came in with still another figure and as to the reasons for it.

MAYOR COCKRELL: All right. Mr. Hartman, let me just give any other Council questions that they'd like to have reflected. Yes, Mr. Hartman.

MR. HARTMAN: Madam, Mayor, with the stipulation, of course, the fact that when you say the figures the committee have, I would like to

emphasize the fact that those are the figures that the committee dealt with in coming up with this recommendation.

MAYOR COCKRELL: I understand. Right. Certainly. Reverend Black.

REVEREND BLACK: Madam Mayor, in addressing Mr. Schaefer the last time, he indicated that the rate he was projecting was based upon the implementation of the present policies. He has no reason to make any changes so long as those policies were in effect. Now the question that must be, if our professional staff is to answer that question he must answer it in terms either of the implementation of those present policies or a change of those policies. The interim rate was based upon the fact that we would review the policies. So actually we place the staff in a difficult position because he must answer the question in terms of the policies or he must answer the question in terms of change policies.

MAYOR COCKRELL: May I comment on that particular thing. We stated that we were going to review the policies during this interim time, however, I don't think that the rate can be based on an assumption of a change before the conclusion of that time. The rate would have to be sufficient to cover the existing policies until the March 1st date when we have pledged ourselves to have completed our review and so any change of policy would be effective at the conclusion of the interim rate so that when we were going on the final rate that that would then be predicated on whatever changes we had recommended. So, I think that should be stated. I don't think we would know at this point or could pledge that while we may wish to change a policy prior to March 1st we can't predict how much of the change we would make in this interim period. Is there anything else that you would like to comment on before we ask Mr. Ivy.....

MR. PYNDUS: Madam Mayor, I think it should be made clear that if we approve the 17 percent increase this morning, from the letter that was received yesterday, we would not have the bonding capacity for \$9 million bond. Now this is what it says, and I'm very anxious to get your reaction to that, and I want to make sure that your comment contains the point that we can or cannot have the capability if we make 17 percent increase to not jeopardize the bonding capacity of that Water Works.

MR. ANDRES SARABIA: Mrs. Cockrell, may I ask the staff also while it - another consideration to answer

MAYOR COCKRELL: Okay. If we may, Mr. Sarabia, we'd like to get the Council questions cleared. We will give opportunity to our citizens.

MR. SARABIA: I just want to ask him if his answer was considered as part of the Community Development Fund.

MAYOR COCKRELL: I understand. Yes, Mr. Ivy.

MR. IVY: All right. The basic problem, I guess, is the figures, so we better start with that.

MAYOR COCKRELL: Mr. Ivy, would you get up close to the mike. Everyone's interested in what you have to say. Thank you.

MR. IVY: The staff disagreement with the committee in regard to the rate percentage had nothing to do with the figures used by the committee. We felt then that the recommendation by the committee of 17 percent based on the Water Board figures of that time would cover \$9 million in bonds. The information received yesterday shows it would not. As you recall from a meeting last night, you requested that they come back with a schedule today. All right, they've come back with a schedule today which agains shows it will not meet it, however, the schedule is considerably less. It's gone down from the requirement of \$3,698,000.00 down to the requirement of \$3,470,000. They originally projected bonds on a 24 year period. On the schedule they brought this morning, it's on 23 years. We see nothing at all that would not support a \$9 million bond issue with a 17 percent rate increase, if nothing at all happens. That was our position all along. That if anything happens, you've lost your bonding capabilities.

MAYOR COCKRELL: All right, what do you mean, spell out what you're talking about, "if anything happens"?

MR. IVY: A bad month. In any bad month, a major break where they have to go contract work possibly other than use of their people. The now increase to about 7 percent on their utility rates and their pumping charges. All these things are going to affect them. If we have continued rain, in September if it continues to fall as of August and July did, I mean we have those problems as far as revenue is concerned. Now relationship between rain and revenue, I don't understand that. I do know that revenues are down and those are provable figures. We've had them checked out. We know they have a revenue loss.

MR. HARTMAN: Madam Mayor.

MAYOR COCKRELL: Let me just finish this line of questioning. The thing that I want to really understand is assuming that a Council member, I'll just say, I'll speak for myself, assuming that I accept the philosophy in the Council committee's report, which I do, I would want, I am concerned to at least provide the funding that will not be just tottering on the blink of being insufficient. That's the only concern I have. The 17 percent is - the only worry I have is whether or not it shaves so fine that we have no margin for error. That's really what I want to find out.

MR. IVY: Our opinion is you have no margin of error. That if you accept the 17 percent, it's a gamble. You're gambling.

MAYOR COCKRELL: All right, do you have any specific amount that you feel would provide enough cushion that we take out this border line thing that you say we're in? What kind of a cushion for comfort in case the utility rates with CPS, the charges which the Water Board is paying go up even more or whatever else might happen, so that we won't have just a very close situation. What would be an appropriate amount?

MR. IVY: The approach of the committee to begin with was that they establish 17 percent and then go higher if necessary later on.

MAYOR COCKRELL: Yes.

MR. IVY: The reason we said 26 percent is because 26 percent didn't say that you had already made any decisions. As we had understood, no decisions had been made as to policy. You would need a 26 percent rate to have all of your options open. That means the Community Water Development Fund, payment on the charge for surface water, also to take care of a concentrated inside the City limits replacement program. You have all those, we felt you would have all those options. If you want just a safe figure, in other words if we were to say, "What is safe to just go from now....."

DR. NIELSEN: That would depend on how many bonds you're going to.....

MR. IVY: If you just want safe coverage for \$9 million.....

MAYOR COCKRELL: In other words, the objectives that were stated in the committee's report, what in your opinion is a safe figure?

MR. IVY: Twenty-one gives you a little safety pad, 23 gives you a little more.

MAYOR COCKRELL: All right, this is for \$9 million in bonds. All right, now then, going beyond that into the future, what about if the next year then we were to sell or need to sell \$9 million or more in bonds or in the next round of bonds, what does that do going forward in the coverage?

MR. IVY: It makes it rather chancy because you're setting a 75 figure that's quite low. It's the two year backward test that's the big problem in this thing. Also it's the fact that you're getting into minimum coverage, and a 1.5 minimum coverage they've never sold. They have a good bond rating but they've never sold that low. Whether or not they maintain the same bond rating they have now which, of course,

if it drops costs money. It just really isn't known. They've sold at about 2 or 1.89 coverage, like that, that high along the line. We had looked at it as to protect the future bonding capability of the system, take care of the current revenue needs. I'm saying that 26 percent would be far too high in our opinion to grant them for a full 24 month period. If you were to give them 23 percent now, which is a marginal figure but it's probably a safety factor, it would take care of the \$9 million. But again, in our opinion it would be that that 23 percent may be too much to give to the full 24 months. So you may have to come back and redo this somewhere.

MAYOR COCKRELL: Mr. Hartman.

MR. HARTMAN: Madam Mayor, inasmuch as a great deal of it is said within the City Water Board's report with regard to the shortfall, resulting from what is - the term is used "incessant rainfall", I thought it would be appropriate and I think is a pertinent point to bring out what the actual rainfall figures have been. Whatever the relationship to revenue, I cannot answer and the City staff, I think, has looked at the actual revenue. But say that we have a shortfall due to incessant rainfall during the high months or the high selling months, I have difficulty to understand based upon the figures. At this time I would like to present some figures that I think are pertinent with regard to the rainfall, if I may Madam.

MAYOR COCKRELL: Yes, certainly.

MR. HARTMAN: We have a chart here that shows the average, first of all the three high months in the report are June, July and August. The average rainfall for San Antonio for the months of June is 2.79. In 1974 which was - which by the way was a very wet month, I mean wet year, the 1974 June figure was 1.02. In 1975, the figure was 4.60. That's the current year, however, looking at 4.60 figure the bulk of that fell, the majority of that fell on one day, the 10th of June we had 2.16. Two days earlier we had 1.02, and June 27 we had .80, so actually we had 3.98 of that 4.60 falling in three days, two of which were very close together.

Now looking at the other two months of July and August in 1974 we had 1.28 - 1.69 is the average and in 1974 we had 1.28. In 1975 we had 1.06, far below last year, far below average. In August of 1974 we had 11.14, in 1975 we had 1.28. Again this year it's been below average and significantly below last year. The difficulty that I have also is the fact that the year 1973, there were figures that showed that there was a , I think, some order of something like three or four hundred thousand dollars. I can't remember the specific figures but it was in that ball park of revenue loss in 1973 which was one of the wettest years on record, a total of some over 52 inches of rainfall. The point I'm making is that actually 1975 for the summer has been a relatively dry year in terms of the maximum water usage during the three high months. So, I think that the term "incessant rainfall" during the summer months used in the report is somewhat inaccurate and I think that point should be made clear.

MAYOR COCKRELL: All right, may I just ask the staff to comment what is really pertinent is what they predicted in terms of income during those months and whether or not they have met that income. Mr. Ivy.

MR. IVY: No madam, they have not.

MAYOR COCKRELL: By what approximate amount, do you know?

MR. IVY: The estimate was \$1.1 million loss. Our latest check was as of the 23 of August on the billings, the meter readings on the properties, at that time it appeared to be that they would lose that amount of money possibly a little bit more but not enough to make any difference.

MR. BOB BILLA: I'd like to respond to Mr. Hartman's statement. I think what he said is not really relevant to what the Water Board is saying because we have intermittent rain showers. The Weather Bureau records are kept out at International Airport. I may get a lot of rain out in Highland Hills, maybe twice a week and not get any

downtown. So, I think that has a lot to do and that's what their reference is. We've had a lot of shower activity, I believe, and there's no record of it having fallen in the City of San Antonio because the records are kept in the International Airport primarily. So I think it doesn't have the bearing that he's trying to say. I hate to disagree with him but I think you'll find that you have intermittent showers throughout the area and they're not recorded. That would effect the amount of water use. I know in my neighborhood I sprinkle very little because we've had a lot of showers. It was not recorded downtown.

MAYOR COCKRELL: Mr. Hartman.

MR. HARTMAN: I'll make this very short, Madam Mayor. All I'm saying is that these are the official records of the National Weather Service and these figures will not change.

MR. BILLA: I know you're a weatherman and I hate to disagree with you, but you'll have to agree that it may not rain at the International Airport and it could rain over nine-tenths of San Antonio. There would be no record of any rainfall.

MR. HARTMAN: I accept your conjecture.

MAYOR COCKRELL: Reverend Black.

REVEREND BLACK: I think that the real issue confronting us is whether or not we will give the citizens an opportunity to review the policy or give this Council an opportunity to review the counsel without committing the Council financially to policies that are already established. Now, my own experience has been that when you start dealing with basic policy changes in a community and that are designed to somehow give the citizens an opportunity to review those policies, you have to take some risks. That has been the story of citizens involvement in government ever since I could remember. You've got to take some risks. So while I recognize that we are taking some risks and as has been indicated we can't afford to have anything happen. It seems to me that we have a larger responsibility and that larger responsibility is to have these policies reviewed without having to commit to finance these policies.

MAYOR COCKRELL: Dr. Nielsen, I believe was next.

DR. NIELSEN: I'm not all afraid of risks. I only question sometimes whether we undertake foolish or ridiculous risks. Tom, do you have some projection in terms of a \$15 million bond issue for next year? What the rate increase would call for sometime between January and April next year to go from limited coverage in terms of a rate for \$9 million in bonds to an adequate rate for \$15 million worth of bonds?

MR. IVY: You get kind of a yo-yo situation there. You start low, go high, come back like that to get the backward test to provide the funds for it. 1974 was a very good year revenue wise, it will cover almost anything. So you probably have to if you start at 17 and you wanted to go to 15

DR. NIELSEN: \$15 million in bonds

MR. IVY: \$15 million in bonds, you would have to start in January, by adding another 40 something percent you might be able to get to it.

DR. NIELSEN: By what time?

MR. IVY: By March, because if you go beyond March you start losing backward coverage. You start picking up the lean years in '75, you

DR. NIELSEN: You mean months.

MR. IVY: The lean months, excuse me, the lean months of '75 because you already have, you've got some months of '74 you can add to the bad months of '75 but if you go beyond March of '76 you start adding lean

and lean and then you start losing coverage on those.

MAYOR COCKRELL: All right.

DR. NIELSEN: There's one more thing on that same thing. Suppose that there were no bond issue until May of next year and we instituted a rate increase - rate adjustment in February or March of next year, roughly what would it take to authorize \$15 million in bonds.

MR. IVY: Well, once you start extending the time under the rate increase, you start improving the possibility of generating revenue enough to prove a point on that thing. You start picking up some years in '76 that you can add to the bad '75 still keeping some of the good '74. So, you can gamble in there and move forward to say maybe in June or something like that. Of course, you've got to remember you don't have any revenue to spend during that period of time. That's your consequences. Well, capital activity sure. But this is what you do.

MAYOR COCKRELL: All right, Mr. Billa.

MR. BILLA: Mr. Ivy, what happens to our Water Board if we lose our bonding capacity? Well, it belongs to the citizens. Do they come to us for a subsidy then like the Transit Company has and say that we need this money. I think just the fact that this Board belongs to the citizens and that I presume that the Water Board people and the Council people are responsible and we have to act so we can get this thing behind us. But what would happen if they lose their bonding capacity?

MR. IVY: You would have to wait a couple of years to build it back up again and then you have to suspend a large portion of your operation during that period of time.

MR. BILLA: Does that affect jobs?

MR. IVY: Well, it affects everything, of course.

MAYOR COCKRELL: All right, are there any other questions of Mr. Ivy at this time? All right, we do have citizens registered and I would like to call on them in the order in which they are registered. The first person who is registered is Mr. Henry Munoz. Is Mr. Munoz here? Yes, I will remind each of our guests that we do have a five minute time limit. I think you're all familiar with that and so we will have the time to start. All right, Mr. Henry Munoz.

MR. ROHDE: Good morning, Henry.

MR. HENRY MUNOZ: Madam Mayor, gentlemen of the Council, for the record, my name is Henry Munoz, I'm the business manager of Public Employees Local 2399. We represent the majority of public employees from the City, from the City Water Board, the Housing Authority, and etc. For the record, I think that Reverend Black and you Madam Mayor were here on the old Council when I repeatedly came before the old Council and wanted to correct some situations at the City Water Board.

Those who say that I support Mr. Schaefer don't know what they're talking about. Let me refresh your memory. Do you recall when we had a little difference and I don't say what happened except that I had told you that we don't have collective bargaining rights, I call it collective begging. But we are not, as workers, are going to get on our hands and knees, we're going to die on our feet. Do you remember how the general manager told us to go someplace and we were forced into a long meeting that lasted seven days. The old Council didn't have the courtesy to ask us in here and get that management in here. I didn't hear anybody come to our help. Yes, I do remember that Dr. San Martin paid us a visit to encourage us. It isn't easy, you don't win but sometimes you have to fight to win and those that say I sold out, they don't know what they're talking about, they're all wet. Do you remember and I will pass you this letter addressed simply to Mr. Schaefer urging the contract to please not be telling the members and all of the employees that they were going to be fired. That's number one and I came before the Council. You weren't here. Some of you were. February the 12th, again urging them to put the crews back. That it didn't make any sense to us that having the manpower, that having the equipment, that having the supplies they would be giving the jobs to unfair labor contractors and I appeared here and asked you to look into it. Look into it because

the contractor does not protect your employees. They are your employees. Technically, you have given them to a board. Do you remember me appearing here and calling that old board, wink, blink, nod and wake up sleeping beauty. We woke them. I came here and urged new blood; I applauded when Grona went on, we thought there was going to be a change. That place has to be revised. That's not what we're talking about. We're talking about something when the Mayor was here and do you recall me standing here after Mr. Van Dyke talked to you? Didn't I say this would never happen in our place, do you remember that? It was just a week ago. Do you remember last week the Chairman of the Board saying that? Does it make any sense? They said, yes, we're going to let everybody go now and protect unfair labor practice but you yourselves passed a prevailing wage and a contractor, I've said it, I've asked you repeatedly that if anybody is doing contracts with the City, the City ought to create jobs. You just gave an incentive to Baker Tools to bring 100 jobs. Is it so wrong for me to ask? I'm not...inaudible...on 30 per cent. I don't like to use the word of negotiator.

MAYOR COCKRELL: Mr. Munoz, the bell did ring, so would you conclude as quickly as you could.

MR. BILLA: Mayor, I have just one question.

MAYOR COCKRELL: All right, fine. Miss Linda Ramirez was the next person registered and she has allocated her five minutes for Mr. Munoz to continue. Would you start the clock again? Thank you, go ahead, Mr. Munoz.

MR. MUNOZ: Do you remember me coming in here saying to you to pass an ordinance to this effect? I'm not for subsidizing anybody. You know who I'm for subsidizing? The workers. I want jobs. I don't want those people being laid-off. They've got families. This is not a threat. This is a promise. Those children and those workers are not going to starve. I grant you that. We're not begging now, you're playing football with us. We're not used to the 30 per cent. We went with staff recommendation that you appointed and the 26 will do it. Now it comes to 21, we'll accept anything that will not lay out people off and yes they haven't had an adjustment, not a raise, they haven't had an adjustment in so long, it's pitiful. Fifteen per cent would be just catching up. Now if this is wrong, let me give you some more history. You know that we even had to take Mr. Van Dyke into court. He is very arrogant. Nobody knows about that, but did you know that he has a policy on personal leave that an employee whose wife or child is injured goes to the hospital, is treated by a doctor at the hospital, unless that child, that wife or father or mother or sister are confined to the hospital, that is the night, no pay. Have you ever heard anything so ridiculous. This is what I'm fighting for and this is wrong my friends. I've made up my mind a long time ago that I'm married to labor and I've been called a heck of a lot of things and as soon as I can afford it or go to the Legal Aid Society, I am going to change my name legally to S.O.B. Munoz. That doesn't worry me. I've dedicated my life to that because I learned something, Madam Mayor, and while I do this you can study the wages and you can see that the poor little man, the little guy, the Mexican and the Black is always the first one to be hit across the wallet. I don't think you ought to tolerate this. I don't think you should. And let me conclude by saying very simple those critics, I stand with labor, I'll die with labor. I have no other hobbies. Once in a while I might take a highball but as a young man I learned something from a man that fought for labor and winded up with this.

"A union leader stood at the pearly gate. His face was scarred and old. He stood before the man of faith and asked admission to enter forth. What have you done, Saint Peter asked, to gain admission here? Why I've been a labor leader sir, he said for many, many years. The heavenly gates opened wide and Saint Peter rang the bell, come in, he said, choose your hut for you have had your share in hell." Yes, I

served a worker. I decided that Miss Labor is a very jealous mistress. It requires a lot of attention sometimes at the sacrifice of my own personal life. But if that's where we stand, then I ask you quit playing football with the workers. We are not going to stand for it.

MAYOR COCKRELL: Thank you, sir. Yes, does the Council have a question?

MR. BILLA: Yes, I had a question. We were talking about the water rate, what's your position on the water rate hike, Mr. Munoz?

MR. MUNOZ: My position is very simple, I'm not for subsidizing anybody. I don't know enough about it. You know, but we're talking about here. We're no different than Congressman Gonzalez or the Kelly workers when they've said we're going to cut the budget and it will cost you 200 jobs. And boy right now they're busier than a one-armed paper hanger. I'm no different. I have had the general manager and had to fight him in court and we're still fighting him. He stood here and said oh boy, I'm going to do everything you want me to do, like that you know. Those days are gone, baby, no increase and just laughed at me. You're not the chairman of the Board. That's terrific.

MR. PYNDUS: I didn't understand your answer.

MR. MUNOZ: My position is very simple. What will you give us? I went with the recommendation of the 26 per cent of the committee that you appointed.

MAYOR COCKRELL: No sir, that was the staff committee.

MR. MUNOZ: Now they changed it to 21. I'll take 21. I don't want the people laid off.

MAYOR COCKRELL: Thank you sir, Yes Doctor.

MR. MUNOZ: It does not include the funds of any wage increases and I say they have not had a cost of living adjustment since 1974.

MR. CISNEROS: But then you say there are unfair labor practices over there. There are people not abiding by the prevailing wage rate that the Council has set because they send out the work to contractors and it doesn't get done. There are people with fifteen, up to twenty years of service who end up mowing lawns. That's the way it happens over there because of unfair practice that probably needs to be litigated. If it is true that the figures show that there are as many supervisors over there as there are workers and that the whole balance is out of whack with who is doing the work and who is supervising the work, then that's not going to change by giving them 30 per cent, or anything else.

MR. MUNOZ: All right.

MR. CISNEROS: What I'm saying is, there are some management and there are some policy questions that are relevant for the citizens of this City to understand and do something about it in its water system. They have nothing to do with what kind of extension policy and a lot of other things that they work with if they get the 30 per cent. What I'm saying is we need to get some measure of making that Water Board sensitive to the new issues of this town. The only way to do that is to have this time that we have to review some of the policy questions, some of which of those which you've mentioned, but giving them 30 per cent is giving them the full rein that they want to do more the same as far as the City is concerned and as far as your workers are concerned.

MR. MUNOZ: All right. Now let's get back. I have pleaded with you and I'm going to close to see the inequities. I have asked for a city ordinance. Here's the documentation. Don't lose this cause it costs

us \$200 to get it from Mr. Van Dyke. All right, but we're talking about an eminent something that was told to you here by the general manager and by the others. We don't want our people laid off. And at 17 per cent that's exactly what he said. Now, in your judgment, you come up with a figure between 17 per cent and what will it take so they won't lay the people and put them to work. I much prefer that they do all of the work themselves. I don't admire the City Public Service Board. I admire that they never contract out. They buy equipment with the bonds, they do all the work themselves. The City is likewise. I think that the City, the City Water Board has that responsibility. You are asking me do I approve? My friends we've got over seven known cases of discrimination that the United States Civil Service Commission Equal Opportunity has told them this is it. They don't abide by the rules.

MAYOR COCKRELL: You have run over our time limit and I think that we've got a number of other speakers. Thank you very much, Mr. Munoz. The material that you've left for the Council. May we ask the City Clerk to get that for us. Was this to be left with the Council?

MR. MUNOZ: Yes.

MAYOR COCKRELL: Fine, thank you very much. It will be placed on file for the Council to look at. The next speaker registered is Mr. Andres Serabia.

MR. ANDRES SERABIA: My name is Andres Serabia. I'm the president of the COPS Organization. As you all know by now, COPS has been deeply involved in the water rate issue. It started out as just opposition to another, at the time we considered it a ripoff, of another utility increase to heap upon the workers and laborers of the City. But as we dug into it and got into it deeper and deeper, we found that it's not just a rate increase that we're fighting. It's the whole City Water Board, it's a policy making board. The policy that this particular board has and which Mr. Munoz just pointed out some of them are atrocious. They're inhuman. Fiscally, which is your, another one of your responsibilities where you really have the area of responsibility is the fiscal management of the City Water Board. Reverend Black has aptly said you've got to take a risk in doing these things. What do you think we took. What do you think all these people are taking by being here? What do you think we did a year and a half ago when we started to ask, do we need a COP, can COPS work, is it necessary to have COPS. Those of you that we've worked very closely with and is turning out that we've worked very closely with the majority of you now, you know that COPS is necessary, not only in San Antonio but in other cities throughout the nation. We don't have a monopoly on problems. The problems are in all the cities. But what we do have that is unique, everything is coming together at the right time. The right neighborhood leaders are coming up. The right concerned people are coming up. We have the right Council. If it wasn't for the Council that we have now we wouldn't even be discussing what we are discussing today. This decision would have been made months ago. The 30 per cent rate increase would have been two months. It would have been in June. With another 30 per cent coming which nobody even bothers to mention. Everything is right now.

You have a responsibility to the citizens of San Antonio, and that responsibility is to break the stronghold that the utility boards have with this Council. You cannot allow yourself to perpetuate and become a part of these policies. I mean we all have pressures, we all have you know, things that really eat us up. But the basic issue here is, are we going to allow the City Water Board to continue the policies of ripping off the people. Now if the word ripoff needs further definition, we can do that at another public hearing, which I'm sure there's going to be many, many more. But the issue here today is the 17 per cent.

Will it, in effect, take care of the things that you all want? The surface water it will take care of it provided the policies are changed as Mr. Schaefer so aptly put it and Reverend Black reminded you. You can't do it because the policy we already have these commitments. Well, if you're going to allow him to get away with that, what do you have? You have nothing. You have no power. You're not going to be able to fulfill your responsibility as Council people.

It's got to be now. You may not have this chance again. As Mr. Munoz pointed out, one thing COPS certainly does not want because COPS represents workers, you can come to any of our meetings and you can find hardworking people who pay their utilities, who pay their City water bills, who pay their telephone bills, who pay for the police, who pay for the fire, who don't have drainage. That's where COPS started on drainage. But all of these other problems are here.

The issue today is 17 per cent will allow the Water Board to continue its operations. It will allow for the \$9 million worth of bonds, provided the policies are changed, the priorities are changed. You as the Council have the responsibility to set these priorities. Are you going to be responsible if Mr. Munoz's people get laid off? The 30 per cent, as Mr. Cisneros pointed out, 30 per cent is not going to guarantee them anything. Why does Mr. Van Dyke now threaten them with no pay increase and laying off people. It's a scare tactic. Desperation tactics. You can't allow yourselves to fall for that. You've got to think this thing out clearly and rationally and fiscally. You cannot allow the John Schaefer and the Robert Van Dykes of the utility boards to continue to hold this strong arm hold on this Council.

In conclusion, I want to say this is your day. You're either going to make it or break it, and we have enough people here watching you as to how you vote, and how your vote goes and how you think. We will take all this information back to the neighborhood and let the people know how you're going.

MAYOR COCKRELL: Thank you. Father Benavides.

FATHER ALBERT BENAVIDES: Members of the City Council, as all of you know, through our utilities action committee of COPS we have participated very, very fully in these committee deliberations that led to Mr. Hartman's report. It's really incredible to see how little import that report carries and how much import the Water Board studies carried. It called up the questions, how much confidence you put in your committee. There's also the other things. There are already four sets of figures. The CWB has figures to fit any occasion, and everytime they come up they have an effect. You talk about taking risks. I'm sure all of you do, but I'm sure of another thing. You don't take nearly the great amount of risk that the people who come with us do because they have to make sure that they're able to pay that utility bill and that water bill plus all the other bills. Now, you're telling them, well we don't want to take too much of a risk because of the two years backward test. What is two years backward test mean to a family who can't make the ends meet, and what does that mean in terms of your willingness to take risks and bite the bullet on this very critical, critical issue. If you are willing to take risks as you say, take a risk on this one.

You're talking about revenue. The Community Water Development Fund has at this point in a uncommitted balance in \$1.9 million. In 1976, \$6,000 go into that fund. In 1977, \$600,000 go into that fund. That brings it up to almost \$4 million in that fund. If you were willing to take the risk and address yourself to that policy, you would have the revenue necessary to give you whatever margin you want and to issue future bonds. Even under 17 per cent, there is enough there as Mr. Ivy has mentioned to borrow \$9 million in bonds. There is enough there, and that was the rationale that all of you have been asking for, and it's been met. And if a catastrophe happened you have \$1.9 million in the Community Water Development Fund which are uncommitted. If a

catastrophy happened, I'm sure you could dip into that. We all have to dip into whatever savings we have. Why should the water do any differently? The time for you to make this decision is now.

We want 17 per cent. We feel that we have gone far enough in agreeing with 17 per cent. To do any more would be to abdicate the control you have over the Water Board and you will find yourself unable to change the policy. You heard Mr. Schaefer. Mr. Schaefer doesn't come with a cup of coffee in hand. Mr. Schaefer comes and hits you right between the eyes. Now you think that if you give that man more than 17 per cent, that he's going to say, "fine, what policies do you want changed?" I don't think so, and I think you've got to hold on to whatever control you have, and the 17 per cent will give you that control. I urge you to please not look at their figures but take a look at the bank balance and the checkbooks of our own people and that will tell you which risk you want to take.

MAYOR COCKRELL: Thank you Father. Are there any questions?

MR. ROHDE: Yes I have a question Mayor.

MR. BILLA: Father, using your expertise these funds in the Community Water Development Fund, if they were diverted for main replacements, how many mains would you think that they could replace in our City?

FATHER BENAVIDES: You mean if you were talking about \$2 million which you could then put into debt coverage? Oh gee, if you want to divert that, that's a heck of a lot.

MAYOR COCKRELL: May I just say, I feel these are technical questions.

FATHER BENAVIDES: If \$700,000 could get you enough to float the \$9 million for the main replacement, then you can imagine what \$2 million could do in terms of getting you bond money.

MAYOR COCKRELL: Mr. Rohde was next.

MR. ROHDE: Mayor, I do have to address the question because it's a very key one. Father, you said that we could take the money out of Community Water Development Fund but that does not, you have to have income revenue. You see my point. There is a difference. I want to just clarify that. For you bonding indebtedness, it has to be revenue, you can't take it..I've even talked about a City subsidy. It doesn't help it. You've got to have revenue. I want you to realize the difference.

FATHER BENAVIDES: It's revenues that keep replenishing the Water Development Fund. It's revenues that replenish it.

DR. NIELSEN: I just wanted to remind us all, Father Benavides, that there is a bit of risk in getting up in the morning. That's what life really is, but that we are to the tune of over \$2 million in terms of minimum users in this community, those who pay above minimum rates do subsidize to the tune of \$2 million annually those persons who use minimum rates and I think that's very, very important.

MAYOR COCKRELL: Talk into the mike.

DR. NIELSEN: That's \$2 million, is approximately 20 per cent of the revenues that the Water Board operates under. Twenty per cent, if you wish kind of subsidy or redistribution is substantial, to a lot of people.

FATHER BENAVIDES: But when you look at the Community Water Development Fund and the money that has gone out ever since its inception to developers

both inside and outside the City limits, then you will find that figure is far, far greater. And if you're going to address any subsidy figures, that should be the one you address first because it's far greater and it's only going to a very few. It's not going to the amount of people that you have as minimum users.

DR. NIELSEN: The Water Development Fund was only begun in '73. It's only been in operation for two years.

FATHER BENAVIDES: And how many millions have been expended?

DR. NIELSEN: I guess somewhere around \$4 million.

FATHER BENAVIDES: Right.

DR. NIELSEN: But you've got to remember, year after year after year we've been in the business of "subsidizing" to somewhere around \$1.5 to \$2 million a year, long before the Water Development Fund.

FATHER BENAVIDES: Fine, but we're talking about a far greater figure to developers out of the Community Water Development Fund. Why are you so concerned about subsidy to minimum users? You're not concerned about subsidies to developers.

DR. NIELSEN: It suddenly, it appears that in time after time no matter who the developer is, he wears a black hat in this community. That's not true at all.

FATHER BENAVIDES: No, no...We're just saying is that how can you justify these subsidies to developers. If you're going to look at subsidies to minimum users, you'd better look at that first because that's a far greater figure.

MAYOR COCKRELL: Thank you, Father Benavides. Let me just share with the Council the fact that...(ALL APPLAUDING)...there are four additional speakers registered to be heard. So, I wanted to share this with the Council. Mrs. Beatrice Gallegos.

MRS. BEATRICE GALLEGOS: I wish to give my time to Father Benavides.

MAYOR COCKRELL: All right, did you wish to continue sir? All right, then we'll continue with the questioning and Mrs. Gallegos has relinquished her time.

MR. TENIENTE: Father Benavides, and for the benefit of the people and certainly Council, I don't think anyone on the Council is opposed to reviewing policies. I don't think anyone on the Council is opposed to reviewing the rate structure as it affects not only the minimum water user but the maximum, the big water user. I think everyone wants this adjustment because there are inequities especially in the big water users. I don't think anyone on the Council is against this. I don't think anyone on the Council is against reviewing any and all subsidizing programs where developers in certain programs get the money from the Water Board. I think we're addressing ourselves to discuss all of this. I think that in that we have to look at what can be provided in the form of incentives for building within the City so that this could provide more taxes for the City, for the tax base without it getting out of hand, without a controlled incentive plan perhaps that possibly will be reviewed. I think that the statements that have been made here that the committee report of Mr. Hartman and his committee, is just that, a committee, that has presented figures for consideration for the entire Council. I don't argue with the sincerity of the committee report. I don't argue with the staff reports.

I don't think anyone on this Council right now is advocating a 30 per cent rate increase at this point. I haven't polled the Council. The 30 per cent is certainly the recommendation that has come from the City Water Board, but I believe that the feeling that I get from the Council members is that they are not in favor of a 30 per cent increase. It's a matter of looking at perhaps a 17 per cent increase with whatever little flexibility is necessary to insure that the bonding capabilities are not in any way hindered and my position is that in reviewing policies, the rate structure and the subsidization within several months, this thing can be reduced. It can be reduced if we are changing the rate structure to bring in more revenue so that we can have the bonding capability. It's that position that we're at and if the staff is saying that we are not certain that \$17 million unless we have a crisis can do it it's got to be point higher, something in that area. We're not talking about 30 per cent I don't think. So, I don't know if I speak for everyone but this is my feeling on it.

FATHER BENAVIDES: What would be your recommendations?

MR. TENIENTE: I don't know. I'm going to ask for staff to make sure that..he said 20 or 21, I don't know, I don't know if this is too high yet. Shave it just a little bit, just so that we can make sure that we do not lose this bonding capability that would cause a catastrophe. This is the area, right in here somewhere.

FATHER BENAVIDES: Right, and we feel that 17 takes care of that. We feel that 21 per cent would be far too luxurious, but the critical thing here is, as you address yourselves to these policy questions. You will have to have some manner of exercising some control so that the City Water Board will respond to it.

MR. TENIENTE: That's right.

FATHER BENAVIDES: They can only be recommendations. We feel that it's in your interest to pass the 17 per cent because that would give you a lot of control in order to make sure that the policies you revise and want changed are changed. If you give them too high, they don't have to listen to you. And that's the point. This will give you the control you need.

MR. TENIENTE: I don't anticipate a real high...right, on the other hand, somewhere between committee and staff, not the Water Board, but somewhere in between there we ought to have some sort of a compromise that perhaps would bring it at a temporary basis with the understanding that when the committee has reviewed all of the different policies and structures, rates, the whole thing, this can be lowered, rather than increased, if the rate structure is brought to where there is more money coming in. Then it can be reduced.

FATHER BENAVIDES: But 17 was a compromise between these same people.

MR. TENIENTE: Well, that's saying otherwise. That's what I'm talking about.

FATHER BENAVIDES: That's the same thing that you're talking about.

MAYOR COCKRELL: Thank you, our time has been concluded now. The next speaker is Carmen Badillo.

MS. CARMEN BADILLO: Mrs. Cockrell, I had signed up but if Father Benavides needs the time, he can have it.

MAYOR COCKRELL: Do you need any more time, Father? Would you like to be heard?

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FATHER BENAVIDES: If any of the Council want any clarification in our position.

MAYOR COCKRELL: If there's any other Councilmen...all right, Mr. Hartman.

MR. HARTMAN: I would like to, if I may, just restructure what I think we seem to be saying here and I'd like to address this to the fellow members of the committee and all members of the Council. Again, as we said earlier, recommendations of the Committee were based upon figures provided to us by the City Water Board recognized by the staff. It was on this basis that a recommendation was developed for 17 per cent and those figures were recognized as being valid last Thursday and throughout this week until yesterday. We have now a new set of figures. Apparently based on the new set of figures there seems to be some conjecture that there ought to be something higher or a compromise. I question, I ask very simply is why would one be willing to accept new figures presented by the City Water Board but unwilling to accept figures that were developed on the basis of early City Water Board figures? (ALL APPLAUDING)

MAYOR COCKRELL: This was a question of the Council. This was not a question of Father Benavides. At this time, are there any other questions to Father Benavides? I think his time...

FATHER BENAVIDES: I would like to ask that same question.

MAYOR COCKRELL: All right, fine.

MR. TENIENTE: You brought out last week, Glen, and I'm not arguing with you but last week staff was saying 26 per cent. This was without the change of figures. Now all I'm asking is perhaps to consider those figures that you have brought in with the crisis that supposedly these figures have created with the understanding that this will be corrected at the time the policies have changed and the revenue has been brought in to where we can reduce. This is the only thing, Glen. No one is using the figure to...in my presentation, a minute ago, it was not using figures that prompted me to address the comment that I made. It was the fact that the staff had said 26 per cent with the decrease to 20 per cent in a few months. Now, I want him to shave it to the bare minimum with a little bit of cushion that Mrs. Cockrell pointed out so that we could make sure that we do not cause a crisis. Now, that's all. If this is the case, well then I'm asking staff, that's all.

MR. HARTMAN: Well, let me make one last comment.

MAYOR COCKRELL: All right, Mr. Hartman.

MR. HARTMAN: The matter of avoiding a crisis - the City Council has the responsibility and only the responsibility with regard to policy on rate setting. The operation and management of the City Water Board is beyond the purview of this Council but within the purview of the City Water Board. We all know that the flow of revenue is as much a function of management as it is a function of rate structure. And if there is to be, we're talking in terms of being so thin to where we're forcing them into a crisis, it would only be if management would be willing to take on a crisis, and I think that's what we're talking about. Operation and maintenance can be certainly adjusted to avoid a crisis.

MR. TENIENTE: Well, we have to comment on that. Again, there seems to be a disagreement between the staff and you.

MAYOR COCKRELL: All right, let me just comment at this point. I believe we're getting away a little bit from the questioning of the Father. He still has some time left. Are there any other questions of Father Benavides or of the COPS position at this point? Yes, Dr. Nielsen

DR. NIELSEN: Father Benavides, you know, we're not here to negotiate or anything like that but as far as the consideration of one, and I just checked with Tom, there seems to be an insistence on the part of the Water Board that there be money available for the beginning of payments to GBRA which is eighty some thousand dollars a month. The fact that management or policy or whatever it is, the Water Board is now saying with a 17 per cent increase that they cannot or will not or whatever, support any kind of a cost of living adjustment for their employees or whatever. With those two considerations, what is your response to like a 20 per cent increase to offset at least those two factors alone right there?

FATHER BENAVIDES: Well, I think our reaction is too high. We thought 17 was too high and we went along with that. You know, we certainly don't want to be jawboned into this on a scare tactic and I think it's very evident how Mr. Van Dyke and the City Water Board have done with the employees in terms of scaring them to go along. We are certainly not against the pay increases. If any anything, we would support it. But at the same time, we're not going to let them use that as a tactic to get a higher rate increase so that they can do whatever they wanted to do in the first place and still disregard the employees as they have done historically. We don't want that to happen.

MR. CISNEROS: Just by way of response towards Ford's question if I can. Ford, you used some words there, I don't think you meant to do it consciously but you said cannot or will not and there's a great, great big distinction between what they cannot do and what they will not do and that's what this whole issue is about. Whether or not they cannot, I'm convinced that they can. But will they or won't they address the policy is the issue and at this point they have indicated that they will not and what we've got to do and what we're asking for is the time to give the policy direction to the Water Board. In my view, a 17 per cent increase represents time to address the policy questions which are the prerogative of the Council. A 30 per cent increase represents to me the authority for them to take the money and run.

MAYOR COCKRELL: We do have one more speaker here and I think we... no, two more speakers, so we better move on if that concludes the Council questioning of Father Benavides. Thank you very much Father. The next person registered is Mr. Ralph Langley representing the Greater San Antonio Chamber of Commerce. Is Mr. Langley in the room? Yes, the next person registered on this subject is Mr. Ralph Langley. Is Mr. Langley in the room? Fine. May we ask if you all would clear the way and let Mr. Langley come forward. I called Carmen Padilla. Oh, I'm sorry, if you'll wait just a second, Mr. Langley, there was a name, one name crossed out and another name substituted that I didn't see here. Mr. Raymond Castillo was one of the other speakers who was registered. All right, fine. Then you will be next, Mr. Langley. I'm sorry that there were some changes on this. (Mr. Raymond Castillo relinquished his time to Mr. Andres Serabia.)

MR. ANDRES SERABIA: Okay, I'd like to get back to the point of the reviewing of the policy again, and as far as COPS is concerned. Again, I'm here to commit the resources that COPS has which have over the months has become extensive. I want to commit the resources to work with the Council in reviewing these policies and pointing out some of the discrepancies that we know exist and we are going to commit our resources to work with the employees also of the City Water Board and to assure them that one of our objectives is not and will never be to pit workers against workers. To pit citizens against citizens. That is what management wants. This is what the Water Board management wants. They want to have these people on one side, the workers out of the City Water Board, having the City Water Board people fighting each other.

And we're not going to accomplish anything that way. We've got to be able to work together as citizens, as taxpayers, not as Water Board employees and non-Water Board employees.

My commitment here today on behalf of COPS is that we commit our resources but on the other hand you've got to make a commitment as a Council and meet us halfway and that halfway as in the compromise as it came out of the committee is 17 per cent. Twenty per cent is truly, truly too high because you allow the City Water Board to fulfill some of their commitments which may be some of the policies that must be changed. The 17 per cent will allow them to operate, the 17 per cent will allow you to look into the policies. It also will allow COPS to work with the employees of the City Water Board and out of all of this working together and all of this commitment, we're going to come out with something better, much better than we have now. What we have now is nothing, there's only a few people that have and the rest of us have now or have not. So that is the commitment, Mr. Teniente, you asked, you know, about what we felt the 20 per cent is much too high.

DR. NIELSEN: Let me just remind you, Andy, that it's very relative to who has and who has not, all of us relative to 500 and some million people who live in the continent of India have one hell of a lot more than they do.

MR. SERABIA: Mr. Ford, we're talking about the City Water Board and the City of San Antonio.

DR. NIELSEN: It's all relative.

MR. SERABIA: It's relative to us that we're talking...what is your position, Mr. Ford?

MAYOR COCKRELL: All right, let me just ask at this point. The Council members obviously are going to commit themselves one way or another to what their decision is today but let me just respond to you in this way.

MR. SERABIA: He asked us if we would accept 20 per cent, we would like to ask him, "What's his offer?"

MAYOR COCKRELL: All right. He will have the opportunity to say in our final summary here, each member will state their position. Mr. Serabia let me just say this on behalf of the Council, I do want to assure you that we will accept with pleasure your offer of continued working with us on the review of the policy. I think every member of this Council is committed to a serious and thorough review of the policies and we certainly will appreciate the continued interest and involvement of your organization.

MR. SERABIA: But the first step in this working together has got to be the decision today and COPS' position at this moment is 17 per cent. I think Mr. Rohde wanted to say something.

MAYOR COCKRELL: Is there anything else, Mr. Rohde?

MR. ROHDE: No, Mayor, I did want to ask you that Mr. Schaefer and Mr. Van Dyke are present and I would like to hear before the day is over with a reply to Mr. Granata's memo.

MR. SERABIA: If my five minutes are up...

MAYOR COCKRELL: At this point I would like to call on Mr. Langley who I believe was the next registered speaker.

MR. SERABIA: Mr. Billa, I think had a question.

MR. BILLA: No, I don't have one. Thank you.

MR. SERABIA: You changed your mind.

MR. BILLA: I appreciate the work you're doing.

MAYOR COCKRELL: All right, now the next speaker is Mr. Ralph Langley. He is representing the Greater San Antonio Chamber of Commerce.

MR. RALPH LANGLEY: Madam Mayor, members of the Council. I, too, represent a very large number of citizens of this community who are concerned with and involved in every decision that is made by this Council. I represent the Greater San Antonio Chamber of Commerce which is committed, among other things, to a preservation of the enterprise system, to the promotion of jobs, and to improving the welfare of all of the citizens of this community. As such we are concerned very vitally with the bonding capacity of the City Water Board. We are concerned with the increased costs of operation and with the fact that that bonding capacity may be lost.

I call your attention to the fact that it has taken more than 50 years to build this organization into the fine publicly owned utility which it is today. It should not be pushed aside lightly and I do not believe that anyone wants to gamble with the future of that organization. I implore you with whatever persuasiveness I may possess, do not play Russian Roulette with the bonding capacity of this utility.

I say this to you that it has been said today that people are here watching you and I say to you that for every person in this Chamber who is watching you, there are 10,000 others who cannot get in or who do not have the time who also rely upon your every act and deed. I want to say that it could well be that an improvident move in the direction of too low a rate increase at this time could bring about a situation in six months, if I understand bonding procedures properly, where this Council might be faced with the problem of increasing this rate by much more than 30 per cent. And in that event, those who were standing here today applauding a move toward 17 per cent would be those in opposition to the move of providing bonding capacity by having to increase that rate structure even higher. I ask you to follow the recommendations of your own staff to adopt a rate of 26 per cent while it is studied and then if it is possible to reduce that at a later date and let the Water Board understand that it's done with that in mind.

MAYOR COCKRELL: All right. Ladies and Gentlemen, we have listened to all the other speakers with courtesy. Now, whether you agree or disagree with what the person is saying, it is fair and I think it is in the American spirit that we permit each speaker to say what he has on his mind and then the Council will have the opportunity to make the decision. I certainly will appreciate your help and cooperation in this way. Mr. Langley, go ahead.

MR. LANGLEY: Thank you, Mayor. I want to say in closing that this community looks to this Council for the perpetuation of our ownership of public utilities which possess bonding capacity so that the future needs of the community by way of replacements of worn out parts of the system by growth and development and by providing members of this community with much needed jobs and enterprise that you will vote to see to it that this bonding capacity is not impaired in any way. I'll be glad to try to answer any questions.

MAYOR COCKRELL: Thank you. Are there any questions of Mr. Langley? Thank you very much.

REV. CLAUDE BLACK: Mr. Langley, I would like for you to - you are here as a citizen, aren't you? You're not here representing any.....

MR. LANGLEY: I am here as a citizen and representing the Greater San Antonio Chamber of Commerce. Yes, I am, sir.

REV. BLACK: All right. Now, here's what I would like for you to see whether or not we are on the same wave length and that is that as I understand it, we are not simply discussing the final rate. What we're doing is asking for an interim activity for a four month period and not discussing what the final rate would be. Now, you have suggested that we would give the top rate and reduce it, possibly at the end of a certain period. Now, if that strategy works in terms of reduction, why not start with a low rate and increase it after a certain period?

MR. LANGLEY: I don't like the word, backward test, but in reality, it will not meet that test and we have to live with it in terms of bonding capacity and if you do not possess the revenue during the interim period, then you endanger that bonding capacity. Whereas, on the other hand, if you do it the way I'm talking about you can preserve and protect it and say to the City Water Board you impound these funds in the meantime and you may reduce it, we may well do this in the spring.

MAYOR COCKRELL: Thank you, very much. Dr. Nielsen.

DR. D. FORD NIELSEN: Ralph, I don't even know that necessarily Father Benavides or Mr. Sarabia would disagree with you. Claude, I'm afraid it is fact, unless we get a written opinion otherwise, that the backward test does influence a great deal the rate and even the ability to pass bonds and that is the problem. I don't necessarily agree that we should do it 26% and then cut it back. I think that what we have to take a realistic look at it what kind of an interim rate realizing we're going to have to come back in a few months and raise the thing. Now, it is going to cost us a little bit more because in the next four to six months at 17, at 20, or whatever percent there will be from 400,000 to 600,000 less dollars for O & M which influences the rate next year. That's the only disadvantage to doing it with an interim approach like the committee has recommended - lower now, come back for some more later, that's the only disadvantage to it. We don't have to do it the way the staff has recommended either.....

MR. LANGLEY: Dr. Nielsen, we do have to be concerned with the fact that we do come in to low income periods later on, and to advance that to that point in time may jeopardize the bonding capacity.

MR. HENRY CISNEROS: Mr. Langley, I think that we're talking about apples and oranges unless we agree to talk about things that this committee has been talking about in its deliberations which are some of the policy questions that we want to review over the next four months. Now, to do what you suggested would be to give way completely on those policy questions....

MR. LANGLEY: No, sir, I disagree.

MR. CISNEROS: Why do you disagree?

MR. LANGLEY: I disagree because of the fact that you provide for the bonding capacity and you say to the City Water Board "thou shall impound these funds while the study is being made", and if it can be reduced, it will be reduced. You do not give them a permanent increase on that basis. You do it only for an intervening period.

MR. CISNEROS: What can you say about some of the policy issues that this Council has indicated it wants to deal with?

MR. LANGLEY: The policy issues are a different question, sir, and those policy issues may or may not affect that income that much. I happen to feel and believe that the policy issues do not affect it as much as some others feel that it would. I don't know what the study would show.

MR. CISNEROS: I think that's probably the.....

MR. LANGLEY: But while the study is being made, what I'm saying is that we advocate not in any way, by the slightest stretch of the imagination, jeopardizing the ability to keep this system operating by a good bond rating.

MR. CISNEROS: I think our fundamental disagreement, at least my position is, that the rate and the policies are inherently tied together, and your position is that they're separate matters is - we just disagree.

MR. LANGLEY: I think that's correct.

MR. HARTMAN: Mayor Cockrell. Mr. Langley, with regard to the matter of the 17 percent increase being able to meet the backward test, up until yesterday there had been reasonable agreement that the 17 percent would generate enough revenue to pass the two year backward test to the extent that there would be a 1.59 coverage ratio and that was the basis on which the committee concluded and made its recommendation for 17 percent. The only reason there is any question today raised again with regard to whether or not there is sufficient revenue to be generated is because of a new set of figures that have been raised since those initial figures were raised, and I keep getting back to the point that those figures were submitted to us by the City Water Board, and were used to develop the committee recommendation and were presented at that time and up until yesterday that why there's any less validity in those figures than the figures that have been presented since then?

MR. LANGLEY: Mr. Hartman, let me respond to that in this way. I do not agree with the conclusion that the 17 percent would ever fulfill the City's bonding requirements and meet the backward test for what is necessary by way of development of this system. It would not leave all of the options open which is what I'm saying.

MR. HARTMAN: Then your point would be, if I read you correctly, we would need more than \$9 million bonding capacity, is what you're saying.

MR. LANGLEY: Well, my point is that I would go with the 26 percent recommended by the staff as an interim measure and then stand back and take a look at it with the understanding with the City Water Board that they were not to expend the excess until given the green light by the City Council to do so.

MAYOR COCKRELL: Any further question, okay, Mr. Billa.

MR. BILLA: Mr. Langley, does your finding also indicate that possibly the 26 percent would resolve this problem for some time so we could get on with the other business of the City.

MR. LANGLEY: That is quite correct.

MR. BILLA: And without maybe imposing a real severe hardship it would affect me very directly, any rate increase will because I happen to be in a business that pays high water bills but I'm concerned about the jobs, people talking out of both sides of their mouths, wanting more jobs but not be willing to fund it, so that's one of my chief concerns, and as far as management is concerned and efficiency I don't know of a business that can't lay somebody off and become more efficient if I'm going to follow Dr. Cisneros' philosophy.

MAYOR COCKRELL: Now, then there is still another speaker. Any further questions of this speaker? Mr. Pyndus, did you have your hand up?

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MR. PYNDUS: I think Mr. Langley's reasoning is very sound, and as soon as the citizens to be heard are concluded, I would like to offer a substitute motion for the Council to consider. All right.

MAYOR COCKRELL: Dr. Cisneros, any other comments. Thank you very much.

MR. LANGLEY: I want to thank you for hearing us.

MAYOR COCKRELL: The next speaker is Mr. Karl Wurz.

MR. KARL WURZ: Good morning, Council and Mayor Cockrell. My name is Karl Wurz, and I reside at 820 Florida. All those that don't want to hear a lecture may leave at this time. I hope you all took the time last night to watch Sandburg's Lincoln, the Unwilling Warrior. I couldn't help but be reminded of the majority on this Council, sincere and dedicated people, human too, but marching to the beat of a different drummer, a strange drummer. For example, a man impersonating Uncle Sam blasted the GGL for not abiding by their election platform promises.

MAYOR COCKRELL: Mr. Wurz, we would appreciate it if you didn't get involved in any personalities.

MR. WURZ: This is a matter not of personalities but of the utility increase.

MAYOR COCKRELL: We want to talk about the water rate increase but not any personality remarks.

MR. WURZ: Well, I haven't mentioned names yet.

MAYOR COCKRELL: Well, you're identifying persons though on the Council by some allusions.

MR. ROHDE: I get your message, Karl.

MR. WURZ: I don't think Mr. Rohde minds but this is an issue too, and this is an issue which involves what is going on here this morning. He said the 17 percent proposed increase will not provide any funds for any surface water development. Apparently, he approves the 30 percent increase proposed by the Water Board. Now, comes the strange part. This advertisement here says elect the independent team. It says, "for 20 years the GGL has controlled everything in San Antonio, the City Council, the Water Board, the City Public Service Board, our entire economy, while maintaining the monopolistic stranglehold on our City."

MAYOR COCKRELL: Mr. Wurz, I would appreciate it if you would get back... those are the old campaign issues.

MR. WURZ: I'm getting away from it now. Item #7 says there are more utility increases planned, below this it says a vote for the GGL is a vote to continue this fraud. Now, there are Council members representing the independent team on this Council. Now if these Council members vote for the increase is this a vote to continue this fraud. I think this is an issue that should be discussed here. By voting no on the proposed water increase, you can put an end to the fraud mentioned in this advertisement. Listen to this inconsistency, and I'm not going to mention names again, but it says somebody here handed this card out to the people at election time, it says this person will hold down all utility bills, and at the same time they want to insure an adequate future water supply. This, to me, is inconsistent, and I don't see how they can do both things at the same time.

MAYOR COCKRELL: Now, what your position is on the water rates, or if you have any statement, the Council would be glad to....

MR. WURZ: Right, now I'm coming to that. I am against the rate increase. I have been asking for equity. I've been asking for fairness and justice. The present structure in the water rate schedule does not do this. I have demonstrated to you, Mayor, several times that it doesn't and I have demonstrated beyond a shadow of a doubt through comparisons to a low user how

much a higher user saves. It starts at 7 percent and it increases to 28 percent, which is only two points away from being the 30 percent which the City Water Board is asking. Is this fair? I say no, this is not fair. The savings to higher users go far beyond 28 percent. This also is not fair. The demand of the higher user is one reason San Antonio is now looking to other water resources, and this is surface water which will in the future cost us higher costs because this 30 percent that is presented to you at this time doesn't even include the cost of purifying the water. I say there are other methods to do this. I want to ask one member of the Council to give me two more minutes, who will do it. Thank you.

MAYOR COCKRELL: Just a minute, the Chair rules you can have a small extension due to the fact that you have been interrupted by some questions. All right.

MR. WURZ: Thank you very much, Mayor. I appreciate that. It is only fair that the burden of payment be to the user. Discounts should not be given on account of quantity used. Whether one buys a loaf of bread or several loaves, the prices remain the same. What I am asking for is the price of water, gallon per gallon, to be one constant price. That is not unreasonable. For this reason, I ask you not to grant any increase at this time. Thank you very much.

MAYOR COCKRELL: I see that Mrs. Maria Dominguez is here but I do not have the issue on which you were to be heard. Was it on the water rate, Mrs. Dominguez? Or did you wish to speak on something else?

MRS. MARIA DOMINGUEZ: (Inaudible).

MAYOR COCKRELL: All right, Mrs. Dominguez, you wish to relinquish your time to Mr. Sarabia? I see. All right. Mr. Sarabia, you've been given an additional five minutes by Mrs. Dominguez.

MR. SARABIA: All right. All I can do is reiterate what's been said. We have heard a lot of things and the main, the basic, the fundamental issue is who does the Water Board belong to? Does the City Water Board, in fact, belong to the City or does it belong to the Board? Now, as citizens in the society we live in, we must work with the City Council. That's the way to get things done. There are other ways of getting things done, but history has shown that they don't work. History has shown that desperate people would resort to violence but violence is an act of total powerlessness, total desperation. COPS was formed and in the beginning that was some of our questions, and I'm sure the people in control of this City, when COPS was first formed, it had the same question, what do we have here? Do we have a sleeping tiger? Or do we have a violent group of radicals? Or what do we have? Well, I think our victories have shown and our methods and tactics, as some people have called them, has shown that we are a responsible and informed citizenry. The point has come where we no longer can afford these tremendous rate increases we get, utilities and telephones, water, light, gas, the necessities of life. You know, why not tax bread, why not tax milk, why not tax the food, all of the food and then the people can have all our money. We've got to come to a point, we've got to change the world around and San Antonio could be that turning point, and certainly there's a great amount of risks to be taken here. You're taking it, Rev. Black, Mr. Cisneros, Mr. Billa, Mr. Pyndus, Mayor Cockrell, Dr. Nielsen, Mr. Teniente, Rohde and Hartman, you're all taking risks. You took risks when you announced for the position you now have. But the risk is worth it. I know you all know that but in the back of our minds and in the back of your mind, you have the pressures that you have, and we have the pressures that we have. But the main issue here is the future of the City of San Antonio as a whole, for the majority, for the good of the majority. So, we've got to keep that in mind.

COPS' position is for the good of the majority at this point in time today, 17 percent. Tomorrow, we start reviewing the policy or even this evening, even this afternoon, tonight, whenever you want us to be available, whenever you want to start reviewing the policies, we'll be there, you just tell us when. And if you feel that you want to change your mind about changing the policy, we'll remind you. We'll point out where you can start. I guess we have the resources now and we have the focuses now, and we know where the starting points are, but the deal here today has got to be the meeting halfway. COPS has been in all of the negotiating, the working sessions, the committee can tell you that, Mr. Pyndus can tell you that.

Did we not offer concrete information, rational information. Did we not interject at particular points the correct information. So, you know, you're dealing here with a citizens' organization that is very, very concerned about their City and we're here going through all of these long hours with you because it's your responsibility to listen to us. It's your responsibility to make a decision that's going to affect the whole City of San Antonio and that affect had better be good. If not, who knows, we may be another New York, Detroit, Philadelphia, which I'm sure none of us want. Certainly, COPS doesn't want that. So, that's the thing you've got to keep in the back of your mind in the forefront and all of this. 17 percent now and we commit there's a total commitment to commit the City Council to commit the staff resources that are available that are knowledgeable in these things to make this commitment to review these policies and from there as other utilities come about and as other problems come about, we have some experience on how to go about this. All of us, yourselves, COPS, people in the community, the people in the neighborhoods, we've all gained experience from this, that's why our crowds keep growing larger and larger. These are concerned people, concerned citizens, concerned taxpayers, and the decision you make here today, it is that critical and you know it. So, I'd like to leave you with that thought, and hopefully, we'll work much more in the future.

MAYOR COCKRELL: Thank you, Mr. Sarabia. Now, then the Council has heard all of the citizens who are registered to speak. Does the Council wish to see if either Mr. Schaefer or Mr. Van Dyke wishes to make the final statement before Council votes? All right. Are either Mr. John Schaefer, Chairman of the Water Board or Mr. Van Dyke, present and would they care to make any statement before the Council takes its action? All right, we'll wait just a moment and find out if they wish to speak. All right. Here are Mr. Schaefer and Mr. Van Dyke, may we ask if the citizens would clear just a little path there so they can get through.

MR. JOHN SCHAEFER: I'm John Schaefer, Chairman of the City Water Board. I'll take but a brief moment. I know that all of the Council has been briefed on this question previously. I would like to take just a moment to read from a letter sent by Mr. Robert Van Dyke, Manager of the City Water Board, in response to a letter from Mr. Sam Granata, City Manager, as to the interim rate increase of 17 percent and the effect that it would have on the \$9 million bond issue. I would like to read first from part of this letter part of your ordinance No. 24819. This ordinance states in part and all Council members have a copy of this letter, that in order to issue additional bonds, the City of San Antonio must provide and I quote "B". "A certificate or audit report of a certified public accountant to show that the net revenue of the system for each (and each has been underlined) 12 months period of the 24 months next preceding the date of such bonds are equal to at least 1 and 1/2 times the average annual principal and interest requirement for all bonds then outstanding and the bonds then to be issued". This is the backward test which has been referred to several times this morning. It is not only part of the bond indenture, it is part of your existing City ordinance that we must meet this.

I would like at this time to turn to page 3 of this letter, paragraph 2. "The net effect of the calculation indicated above is that a 17 percent rate adjustment would not permit the issuance of any additional bonds and would make the questions posed by you moot and insofar as utilization of the proceeds of a \$9 million bond issue are concerned". I will, as to the five items listed, government relocations, obviously cannot be handled if the bonding cannot be provided. This will require item 2, a wage freeze and/or reduction in work force. Item 3, it will affect the contractual obligations that the Board has in that we will not have the bonding capacity to provide the facilities we contracted to provide. Item 4, can your proposed program be modified to provide any funds for surface water? Obviously, other than the payment to the GBRA for storage, they cannot since bonds could not be issued. Item 5, can any funds be reprogrammed from major capital improvements to needed main replacements inside the older sections of the City? We would be unable to increase this. We do have 1.4 million per year scheduled into our current budget for those items.

Now, in arriving at the fact that this 17 percent rate increase would not permit bond coverage, if you would turn to schedule 3 - the added revenue required from September to December 1975 to reach the 1.5 coverage is \$1.017 million. The revenue from a 17 percent rate adjustment is \$561 thousand. Obviously, it will not meet it. Schedule 4 is the same. Schedule 5 at that point - schedule 5 which would be carried out through the end of February of 1976, the 17 percent rate adjustment would not meet the requirements, however, the staff recommendation of 26 percent would meet a \$9 million bond requirement. It would not meet the \$15 million bond requirement. On schedule 6 the same is true, however, the 30 percent adjustment ver the 26 percent adjustment would meet a \$9 million bond issue, and the 30 percent adjustment would fall about \$66,000 short of a \$15 million bond issue. Those are the figures themselves.

I would say the Council, I know, is well aware of their responsibilities in this matter. The Water Board feels its responsibility is to point out to the citizens of San Antonio and to this Council what is required to maintain a viable system. We have done that. I would like to state that if the Council feels that this request is not reasonable and hinders the bonding capacity of the City that is your responsibility. Our responsibility is to report to you and we've done that. And the responsibility at this time is yours. I'll be happy to answer any questions that may arise.

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MAYOR COCKRELL: Mr. Schaefer, I think the only problem the Council has with the figures that arrived yesterday is that, although I was not a member of the committee, and not personally familiar with what they received, I think the committee members have indicated that they feel that the figures that arrived yesterday were not the same as earlier figures that they had been given. I would like to call on Mr. Hartman for any comment or perhaps the City staff. I think we're having some problem in terms of figures.

MR. SCHAEFER: I understand that.

MAYOR COCKRELL: Mr. Hartman.

MR. HARTMAN: Thank you, Madam Mayor. John, I believe that you will recall from last Thursday's meeting at which at the time the committee's recommendation was read, there was a statement in there the fact that we had dealt with your people - members of the City Water Board staff and the City staff and, based upon the figures that had been provided by the City Water Board, our calculations were pursued which resulted in a consensus that a 17 percent increase would generate sufficient revenue to permit the issuance of \$9 million worth of bonds. And this would satisfy the backward test at the rate of 1.59 to 1. This is the basis on which recommendations proceeded, and I believe staff made a statement at last Thursday's meeting that indeed 17 percent would do this recognizing that it was thin. I think this was the nature in which it was recognized. I think that the concern that Mayor Cockrell has expressed is the fact that what we're dealing with here this morning and, in effect, the statements that you just made deal with a set of figures that were not available until yesterday, and I think that is our concern.

MR. SCHAEFER: Well, I'd like to let Mr. Van Dyke go into some of the ramifications of figures. I would say that from my recollections of committee meetings that we had a 16 percent figure which was - there was a misunderstanding as to whether it did or did not include M & O and at that time it was stated by staff that there was a seven percent M & O on top of the 16 percent. Now, this may have caused confusion. There was also an item that the staff deleted from the Water Board budget and that was the Community Water Development Fund which is \$600,000 estimate that was deleted. We have based our budget and our figures on our current regulations with the understanding that if these regulations or the policy of this Council is changed that we certainly will look at what rate structure at that point will be required and what bonding will be required under a changed set of circumstances. Our concern is in this interim period while we're studying this, we don't lose the bonding capacity because of the backward test and lock ourselves out of looking at what we do want to do.

MAYOR COCKRELL: Dr. Cisneros.

MR. CISNEROS: The staff earlier, Mr. Schaefer, I don't know if you were here, I think Mr. Van Dyke was because I saw him in the hall indicated that in their impression the 17 percent adjustment would grant you the \$9 million coverage - close, but it would be there. To what do you attribute the discrepancy between your assessment that it would not as stated in unequivocal language in this letter - and their assessments that, in fact, it would?

MAYOR COCKRELL: I think possibly that the staff should correspond.....

MR. CISNEROS: Anyway, I just want to know how the discrepancy - I mean it's clear discrepancies can exist. One says yes, it will, and another says, no, it won't.

MAYOR COCKRELL: I'm not sure whether Mr. Van Dyke was here for the earlier statement. I would like to go back to Mr. Ivy's comment. Would you summarize for Mr. Van Dyke your comments particularly in regard to the fact that one figure, in particular, I think had changed several times there. That \$300,000 figure and then also your answer to the question of would a 17 percent rate increase do what the Council Committee had intended for it to do - provide basic underwriting for a \$9 million bond issue next spring. So, will you summarize your answer. Then Mr. Van Dyke can make any comment that he would like to on that.

MR. TOM IVY: In all the meetings the figures used by staff and by the Council Committee when we discussed a basic \$9 million bond issue, came off the City Water Board Table 23A which is the one prepared without Applewhite land acquisition. That shows what the combined coverage would be, the average debt coverage would be. In the Schedule 5, that was submitted all the way through the schedule there. Line Item No. 5 shows that the present debt plus added requirement coverage would be \$3,689,909 which is considerably different than the amount that was shown in the Table 23A. Yesterday afternoon, at the request of Mrs. Cockrell and members of the Council, Mr. Shields of the Water Board went and prepared a debt service requirement scheduled for \$9 million of revenue bonds Series 1976. He has now a new average annual requirement of \$3,470,000. So, all three figures are different, but the figures used by the Committee when they came up with their \$9 million was the figure used in Table 23A and staff position - City staff position on that was that yes, if the figures were correct it would, and we have no reason to doubt these bond projections figures - it would cover \$9 million bond issues. Now, neither one of the two figures - both of them show they wouldn't cover.

MR. CISNEROS: The 17 percent definitely would not.

MR. IVY: Yes, 17 percent adjustment would not cover either of the two new figures that they have.

MR. CISNEROS: Now, okay. We've got that resolved. Now, the question is.....

MAYOR COCKRELL: But now Mr. Van Dyke has not replied as to why the figures were.....

MR. CISNEROS: If he says....(inaudible)....then that answers it because he said that the new information would indicate the second position.

MAYOR COCKRELL: Well, the only other point would be why we've got several different figures.

MR. CISNEROS: I want to ask Mr. Van Dyke to explain some comments which have been attributed to Mr. Shields - that he could produce any figures that were necessary to justify whatever percentage he wanted.

MR. IVY: Let me answer that, Van.

MAYOR COCKRELL: I think that that isn't exactly the case.

MR. IVY: No, that wasn't exactly the case. What John Shields meant, in all fairness to him, he meant if you wanted exactly the way they sold bonds in the past, make it 24 years or if you want to make it 30 years, you can change figures. Now, there's nothing wrong with that. It's a question of how you want the schedule laid out. I think John that later in the day just said well, how do you want them to come out. It didn't mean that he would juggle figures. It just meant that if you were to say present it on a 30 year basis or 25 year basis or something like that. There was nothing improper in what he said except perhaps the time of day.

MAYOR COCKRELL: But I think the specific problem here is that the committee apparently was working in good faith with a figure which was taken from Water Board reports and which they thought was the correct figure but since that time we have had two different figures in that same category.

MR. FYNBUS: That's my question.

MAYOR COCKRELL: Yes, Mr. Van Dyke.

MR. ROBERT VAN DYKE: I'm Robert Van Dyke, the General Manager of the Water Board. I'd like to first of all answer Mr. Cisneros' question about Mr. Shields. He is one of the most competent men in his field and is recognized as such all over the United States. You can build any shape of house if you are given material. Just as Mr. Ivy has pointed out to you, if you wish to have the bonds - 50 year bonds, then the requirement is considerably less. Our normal bonds are approximately 19 years and these particular bonds that we're talking about were extended out to 24 years and as Mr. Ivy has explained to the Committee before, this creates a hole at the end where you dump the big load of the repayment of the principal and interest and, therefore, you lower the requirement in the earlier years.

MR. CISNEROS: What's the point? The point is that you can.....

MR. VAN DYKE: I'm pointing out to you that the character assassination against Mr. John Shields is uncalled for. Secondly, you asked about.....

MAYOR COCKRELL: Mr. Van Dyke, I certainly heard no character assassination.

MR. VAN DYKE: I certainly did, Mayor. But, secondly, on the question of the figures that were presented in the 23-A that Mr. Ivy has just presented to you, this figure was put together as an alternate taking out the Applewhite Acquisition and it was based upon the facts and the figures that were available at that particular time. Now, Mr. Hartman and his committee have asked for additional figures from time to time and as the revenue picture of the Water Board has changed because of the weather and the sales, we have tried to reflect into the figures the best information that was available at the time.

In my letter to you dated 2nd of September, the very first explanation following the text of the letter, contained certain assumptions that were used in schedules 1 through 7 and the very last item says, that the average annual requirement for a \$9 million issue was calculated to be three-fifths of the \$15 million issue or \$475,200 per annum. Strict mathematical computations of the average annual requirement of the \$9 million issue for 24 years at 6 1/2 percent interest is \$750,579.

DR. NIELSEN: What page are you reading from?

MR. VAN DYKE: It says - this is the first page following the text of the letter. The very first page, the last item - there was a meeting at City Hall yesterday of Mayor Cockrell and some of the staff and some of the Council members. The difference between the figure that Tom Ivy has suggested and what is contained in my letter to Sam Granata was brought up. And the Mayor asked John to prepare a detailed bond schedule. It has been pointed out that this was not done, we said it was based on three-fifths of the \$15 million issue and so during the night we worked and produced the schedule that was delivered to Mayor Cockrell at 8:00 this morning which contained a detailed bond schedule and this is as accurate as can be prepared because we didn't believe the Council would only want to have a \$9 million issue, and, therefore, we had not made that detailed calculation before. But even with the new figures that change only slightly based differently from that three-fifths we show now that you could get coverage of the \$9 million issue only out at the end of May - I'm sorry the first of May - and there would be approximately \$400 of safety factors. If you miss the calculation just that much difference you couldn't issue the bonds even on the first of May.

Now, ladies and gentlemen, I think we have to recognize that your Board and your Committee and your staff and you are only human beings that are trying to use the best information that is available to you and to develop the figures. We aren't seers. We can't look into the crystal ball and know that everything is going to come out exactly as we projected and and neither can anyone else. And so when we project the figures to provide for such a thin coverage we could certainly miss the target a great deal if we had the escalation of prices, weather, any interest rate changes and many other factors that would affect this very, very narrow margin. I would point out also to the Council that the City Water Board has enjoyed a double A bond rating and this rating has given a great deal of money back into the pockets of the citizens of San Antonio because we never have been right down at the border line of 1.5 and on previous bond issues, in each case, we were always above 2.

Now, all of the calculations, both by the Committee and by the staff and by the Water Board were based upon an interest rate of 6 1/2 percent. This was calculated at the time we wrote up the original rate study report in the early part of the year and on September 1st, the bond index stood at 7.16 and normally, double A bonds that we have been able to sell have sold at close to this bond index. So, if we make the calculation based on the current bond index of 7.16, it is obvious that the 17 percent will not provide sufficient funding for the issuance of the bonds. Now, also the 17 percent does not take care of the forward test, but it's my understanding that the Committee told Mr. Shields that that was not a matter of problem because there would be a subsequent rate increase to take care of the forward coverage.

I think that the question of subsidy has been brought up here this morning. I was not privileged to hear all of it, but I want you to know that the City Water Board's rates are basically based upon an allocation of costs to the customers that receive the service. We believe that this is the fairest and the best way to have a rate. But if we do that, it means that the minimum rate which is presently well below the cost of service, would be raised substantially. And this is a policy matter that the City Council in the past and our Boards in the past have felt was not a good thing and they have set that policy that we do not follow that cost of service rate exactly. Back in 1972, we did present figures to

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the Council at that time that would eventually bring the minimum bill up to the cost of service in about four to six years. But at that time the Council decided not to follow that recommendation, and, as a consequence, the minimum user still is subsidized by the rest of the rate payers and approximately 20 percent of the bills that are rendered by the City Water Board are minimum bills and they are subsidized at the present time approximately \$1.09 per bill.

Now, the surface water program that we are talking about for San Antonio is going to cost between \$130 and, perhaps, \$200 million down the line. In this particular presentation that was passed by our Water Works Board of Trustees and sent to you, was money for the development of a surface water program. As we have told you on numerous occasions, it takes years to develop these things and to get them going. Our rate base is so low at the present time that if in the future we are going to have to finance a \$130 to \$200 million surface water program, we are going to have to have a substantially larger rate base. We have indicated to you by the figures that were sent to you, that the program we have presented to you is a minimum program for the intervening two years.

Just to do those very essential things that we feel have to be done to keep your system viable. In '78, '79 and '80, it's going to require a very great expenditure of funds, and we have already indicated in our report to you that the 30 percent increase is needed now to start that rate base up and an additional 30 percent will be required in the fall of 1977 if you are going to be in any position to try to carry out the works that need to be done. Chairman Schaefer has told you the Water Board will carry out any program that you wish. We will do with what you give us in available funds. The system belongs to the citizens of San Antonio. It doesn't belong to us. It doesn't belong to you. But you have charged the City Water Board to look after your system to see to it that it is a good system and I have been employed by that Board to carry out the policies that are set out by the Council and by the Board and we are doing the very best we can to do that. And as you know, great honors have been heaped upon the City Water Board from around the country. Not once or twice but many, many times. We do have a fine system and we hope that we may continue to have that system so that we can meet the needs of future industry and the future growth of San Antonio when the time comes.

MAYOR COCKRELL: Thank you very much. Are there any questions?
Mr. Pyndus.

MR. PYNDUS: During the early part of our conversation with regard to coverage percentage wise for the ongoing bond requirements, the figure of seven percent was given by Mr. Schaefer. The statement was made that seven percent would be adequate to cover our bond requirements. Has that position been changed?

MR. SCHAEFER: I don't recall ever having said that 7 percent would cover the bond requirements. I believe the 7 percent figure was M & O, and I believe that was your staff recommendation and I believe that excluded - if I'm not mistaken - Community Water Development Fund revenue. If I might add, Mr. Cisneros, your inquiry as to Mr. Shields' remark when taken out of context I feel is certainly proper. I hope that it has been explained by your staff and by mine that this was taken out of context and the reason therefore

MR. CISNEROS: I have a question for Mr. Van Dyke. On a relevant issue, not exactly the matter that was taken up by the Committee, but one that has been raised here this morning, and which you gentlemen yourself, both of you, in conversation last Thursday raised and that's the whole question of employee policies and

particularly layoffs and that sort of thing which makes very good copy and tactic, but I'm wondering about what your official position on that is.

MR. VAN DYKE: Mr. Cisneros, I think that the comments that I heard in this Council Chamber this morning were absolutely false. As contined in this letter and let me just read you exactly what those words say. There was a question raised by the City Manager that says, "will this require a wage freeze and/or a reduction in work force?"

MR. CISNEROS: What specifically was this for?

MR. SCHAEFER: This was the City Manager's question. We answered, we said the City Water Board wage freeze that has been in effect since June 2, 1975, will be continued. A reduction in work force is not anticipated at this moment, but losses through attrition will not be replaced. We are not laying any one off at all.

MR. CISNEROS: Irrespective of 17 or 26 or 30 or any other figure, is that correct?

MR. SCHAEFER: I didn't hear you, sir.

MR. CISNEROS: Irrespective of 17 or 26 or 30 or any other percentage, that is your official position?

MR. SCHAEFER: We are saying there is no - not going to be a layoff if we can avoid it in any way.

CITY MANAGER GRANATA: No, that answer, no, no, the answer.....

MR. SCHAEFER: Mr. Cisneros, your question is does that apply regardless to the rate increase. No, this is in response to the letter by Mr. Granata concerning a 17 percent increase.

CITY MANAGER GRANATA: Strictly the 17 percent.

MR. CISNEROS: That's the bottom level that everybody is talking about.

MR. SCHAEFER: Now as to our 30 percent request it does have in there a cost of living index raise anticipated for the work force so it would not apply - now as to the 26 percent recommended by your staff, I'm not certain. It does include a wage increase. So, the 17 percent does not, but the 26 by your staff and the 30 percent by ours does.

MR. CISNEROS: Now, that's not all that was discussed this morning. That addresses the layoff point. My question involved more than that. It involved some of the other charges that were made here this morning and I'm talking about some unfair labor practices and those sort of things contracting out when you don't need to which is expensive, ration of supervision and all of that sort of thing which I think as much as that is your prerogative, nevertheless, does have some policy implications in the sense that it does relate to the rate increase. I wonder what you could say about those charges that were made in here earlier.

MR. SCHAEFER: I didn't hear them, but I will take them as you have related them to me and since they are policy issues, I will address myself to them rather than to have Mr. Van Dyke as the Manager. These policies have been discussed by the Water Works

Board which the ones you're referring to No. 1: the contracting out. Prevailing wage rate - didn't know that you had included that. The contracting out is done in certain areas where it will affect a total cost savings. For instance there is some equipment that we don't have one, for instance, I think the latest one was some meter repair that actually can be done by a manufacturer cheaper than we can do it. Where it's possible, all of our main repairs and so forth are done by Water Board personnel. Of course, the large mains which require special equipment are done by contracting out but this has been looked at and reviewed, and I feel.....

MR. CISNEROS: How about prevailing wage rates as it applies to contractors?

MR. SCHAEFER: We follow, to my knowledge, the City of San Antonio's procedures. Is that right, Sam?

MR. CISNEROS: Yes, because we've got some direct - that answers directly in conflict with the things that were said earlier this morning and we need to clear that up somehow.

MR. SCHAEFER: Well, I think it's been cleared up by your staff and mine, and I'll just say that these are responsible people and if someone has information to the contrary I would certainly like to see it, but I think that clears it up.

MAYOR COCKRELL: Dr. Nielsen.

DR. NIELSEN: Thank you, Mayor, As another policy setting individual regarding the Water Board, how do you feel about this particular policy setting board - not really your boss but your partner, okay, saying to you or suggesting or intimating that we want consideration in 17 percent or 18 whatever it is for some cost of living adjustment that we do share the concern over the funding of the surface water GBRA contract that I do now have clarified by the horse's mouth the question of the backward test. Father Benavides and I just spoke on the phone to Mr. Pierce, I think I've got that personally resolved in my own mind. The fact that we're not talking about no increase at all, we're talking a minimum of 17 which there may be some opinion, difference of opinion, at least our staff is saying will barely cover \$9 million in bonds. All those things being considered, what will be your response at 17 percent, let's say, first of all, to the whole question of the cost of living adjustment to the employees, let's say just for the next six months?

MR. SCHAEFER: That is.....

DR. NIELSEN: Do you find it within your policy as one member of the Board to recommend it or what?

MR. SCHAEFER: That policy or that would have to come before the Board, however, the letter I think that you have received clearly indicates that the numbers are not there. For instance, number one, the September 2 letter indicates, and even with few revisions, and if you further revise it to the reflect the increase in interest rate which has happened since June when the first report came out that the 17 percent will not cover your bonding. There is no way that it will do this. The letter also states that there is no provision in the budget at a 17 percent figure for a wage increase or even a cost of living. Regardless of what you classify it there's not.

DR. NIELSEN: Let's assume that it was more than 17 percent, just X percent. Would you then be in position, at least, to discuss with this Council your own Board, the need for some cost of living adjustment?

MR. SCHAEFER: We have, Ford, included a cost of living increase in the 30.

DR. NIELSEN: Yeah, 26.

MR. SCHAEFER: The staff has included it in 26. Other than that I will have to say we'll have to look at the package.

DR. NIELSEN: But you're willing to look at it.

MR. SCHAEFER: I would be willing to look at any package.

MAYOR COCKRELL: Let me ask the Council a procedural question just at this moment. It is now 12:15 P. M. We have one item that we're going to have to hear before we leave this Chamber even for lunch. We are almost two hours late on our 10:30 public hearing which is scheduled and which we're going to have to hear because there are people here from out of town. Now I don't know how far along the Council is - how close it feels it is to making its decision. Do you want to continue this at this time or do you want to hold the balance of the discussion until after lunch.

MR. ROHDE: I'd like to hear Mr. Pyndus on that Mayor.

(ALL TALKING AT ONCE)

MAYOR COCKRELL: All right. Let me just suggest this - the Council members have been sitting since 8:30, and some of you have been standing for that length of time. We're simply going to have to have a recess for just a few minutes. We're going to have to have a ten minute recess, and we'll be back and continue at that time.

REV. BLACK: Let me ask just one question.

MR. ROHDE: Yeah, Mayor.

REV. BLACK: Because I think it's vital to what we're discussing. Last time you were here, Mr. Schaefer, one of the questions I raised was the fact that 30% that you were asking for was related to the policies already established by the Water Board.

MR. SCHAEFER: Yes, sir.

REV. BLACK: Now the thing that disturbs me, you see, is that when you continue to relate that 30 percent to the bonding program, and that's another step, you see, what I'm concerned about is the right of this Council along with its citizenry to review the policy practices of the Water Board. Now if we went for 30 percent, then the Council loses all of its leverage for reviewing those policies. I mean that's just a matter of historic experience. I know you are a very fine man but the experience with - my experience teaches me that if you don't get any real review on those things unless there is a common benefit involved on both sides of it. Now that's just been my experience.

MR. SCHAEFER: Reverend, in answer to your inquiry, Rev. Black, it has been the position of the Board in committee meetings with your committee and has been stated by me to this Council - No. 1: that this rate increase does not allow us to sell the bonds, it only allows the rate base which makes that a viable possibility with the approval of this Council. And secondly, that we have agreed with committee to keep this option open by a rate increase which would leave the option of bonding we will have between now and I believe the date of May has been spoken to, review with Council any policies that they wish reviewed and prior to issuing any of the bonds, would review those policies as well as the rate that would be required for whatever bonding decisions were made jointly between the Council and the Board. I think that the point that was made earlier by the representative of the Chamber is really what I am trying to impress on this Council and that is that we - if we lose the coverage, the revenue coverage, that's required on the bonding then we do not have these viable options to us, and you are not locking yourself in to saying, we will float

these bonds. You are saying, we will look at these - we will look at the policies and decide together where we want to go.

MAYOR COCKRELL: All right. We are going to take a ten minute recess. We'll be back in session at 12:30.

The Council will come back to order. At this point are there any further questions of either Mr. Van Dyke or Mr. Schaefer?

MR. ROHDE: I have one question.

MAYOR COCKRELL: Yes, Mr. Rohde. This is very important and I address it to probably Mr. Van Dyke. Van, you had a copy of the Hartman report, have you not?

MR. VAN DYKE: Yes, sir.

MR. ROHDE: And you had a copy of the City report, have you not?

MR. VAN DYKE: Yes, sir.

MR. ROHDE: And you had it for over a week and yet it is very clear to everyone who read it and including yourself saying that 17 percent would provide a \$9 million bond issue. Why did you stay silent on that until the City Manager wrote for the positive answer, what would 17 percent do?

MR. VAN DYKE: We have never agreed 17 percent would do what Mr. Hartman said and we do not.....

MR. ROHDE: But why didn't you challenge that much quicker because this Council was under that assumption from that and we looked to you as a professional in the business?

MR. VAN DYKE: We told the Council when we were here last week that it would not do it either.

MR. ROHDE: Yeah, but Council was guided by those two reports and you never challenged those reports.

MR. VAN DYKE: I said I believe we did challenge it last week. They've always challenged it because they're not correct.

MAYOR COCKRELL: All right. Fine. Now, then at this point there is a motion before the Council and the motion is for the adoption of a 17 percent increase in the water rates - prevailing water rates. Are you ready for....

MR. ROHDE: I'd like to hear the motion again from the man who made the motion.

MAYOR COCKRELL: All right.

MR. CISNEROS: The motion is simply that the original committee recommendation be accepted and that recommendation is for a 17 percent rate increase for the City Water Board.

MAYOR COCKRELL: All right. Are you ready for.....

MR. CISNEROS: There was a second..

MAYOR COCKRELL: Yes, there was a second.

DR. NIELSEN: Madam Mayor, I'd like to amend that motion to 19 percent for two reasons. First of all to address the problem that regardless of figures, we're cutting it very, very thin in terms of adequate bond coverage for even \$9 million worth of bonds and, secondly, that there be an understanding in terms of policy. Mr. Schaefer, that a cost of living adjustment be looked at very seriously by the Water Board with that additional let's see, for six months at two percent more would be - what's a half of

\$260,000. \$130,000 - okay. And that also a serious look be made at the main replacements to be dealt with the 19 percent.

MAYOR COCKRELL: All right. Let me see if there is a second to the motion to amend from 17 percent to 19 percent. Is there a second to that motion?

MR. CISNEROS: I have a question, if I may. I wonder if.....

MAYOR COCKRELL: Just a moment. Oh yes, all right, we'll yield for a question.

MR. CISNEROS: I just wondered whether Dr. Nielsen wouldn't withdraw the amendment to let us vote on one and if that doesn't work, we'll vote on the other level.

MAYOR COCKRELL: All right. Is there a second to the motion to amend to 19 percent? Hearing none.

MR. TENIENTE: I second it.

MAYOR COCKRELL: All right. There is a second to the motion for 19 percent. Mr. Pyndus.

MR. PYNDUS: Am I in order, Madam Mayor, to make a substitute motion?

MAYOR COCKRELL: All right. A substitute motion would be in order following the action on the amendment. We would then be back to the original motion. Actually, the substitute would not be to substitute another amendment. You are in fact substituting a whole motion.

MR. PYNDUS: Yes, madam.

MAYOR COCKRELL: And so it would not be in order as an amendment to the amendment. All right. So we have pending a motion to amend to raise from 17 percent to 19 percent. Are there any questions?

MR. TENIENTE: I have a statement that I want to make but I don't know if in your motion it specifically tied in the five percent cost of living increase because that's the only way - he said to take a close look at it but he didn't.....

DR. NIELSEN: I didn't specify a percentage I just said a cost of living adjustment.

MR. TENIENTE: I understand. But if that was part of your motion, then that is the reason for my seconding it.

DR. NIELSEN: No, it isn't - I didn't specify what percentage.....

MAYOR COCKRELL: Yes, the discussion is in order on the motion to amend. All right. Rev. Black.

REV. BLACK: Madam Mayor, because I feel that the committee has given a lot of attention to this matter and I feel that the 17 ought to have an opportunity before this Council to either be voted up or down, I will vote against the amendment. This does not say that I will not vote for what this Council will be willing to pass but I will vote against the amendment because I think that the report of the committee ought to get a fair shake in this Council.

DR. NIELSEN: I will withdraw my amendment, your Honor.

MR. CISNEROS: I call for the question on the original motion.

MAYOR COCKRELL: Is that agreeable with the seconded. All right. The motion and the second have both been withdrawn and there is a call for the question on the original motion. The Clerk will call the roll on the original motion which is to accept the recommendation of the committee on the 17 percent.

On roll call the motion was defeated by the following vote:

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

MAYOR COCKRELL: All right, by a 6 to 3 vote the motion has failed. I would like to make a statement that in voting against the motion I am not voting against the substance of what is proposed in terms of policy in the committee's report. I accept it and agree with it totally. I am totally in favor of the review of the policies of the Water Board. I'm in view of the two step increase. I am just concerned because I do feel that in view of all the staff's comments not just by the Water Board staff but by the City staff we are perhaps shaving it a little bit too thin in sticking to our 17 percent. But I do want it known that I endorse the concept and the philosophy of the committee's report and I do accept that. Yes, all right, Mr. Teniente.

MAYOR PRO-TEM TENIENTE: Okay, Mrs. Cockrell, this is basically my same reason except that I do want to say that my vote against the 17 in no way is to be implied as being a vote for 30 percent which is what has been cast all morning long. You're either for 17 or for 30 but I too feel that we ought to have just a little bit more as I have indicated in previous discussion but in no way does this mean that I am against reviewing the policies and the recommendations that the committee has made and the review of the rate structure, the review of any and all subsidization by the City Water Board and the entire gamut of working and policy. This is my reason for not supporting 17 but certainly supporting a little more that would provide not only that which is needed but then some sort of amount to provide our employees with a much needed cost of living program and for that reason I would submit for a motion the 19 percent to be considered with the added proviso that we include and direct the City Water Board to certainly look real strongly at a cost of living increase for our employees.

MAYOR COCKRELL: Is there a second to the motion?

DR. NIELSEN: Second.

MAYOR COCKRELL: All right. It's been moved and seconded that we approve a 19 percent rate increase. At this time I would just like to ask, I don't know if the City staff has any figures before them on a 19 percent increase and what this would do - does the Council desire to have any comment on the effect of the 19 percent increase.

MR. BILLA: Even though I didn't expect that this would be another public hearing, we're talking about spending money. All these citizens here are spending money because this Council will not face the issue of a realistic rate increase so we can resolve it and be on with other business. I think that the vote is somewhat political in a way that we won't face up to the realities. The Council has the right to review the policies of the Water Board all the time and I think that all we're doing is having another public hearing - voting on another public hearing on the very same thing in about three or four months, and I would

MAYOR COCKRELL: Mr. Pyndus.

MR. PYNDUS: I, in substance, agree with some of the remarks that Mr. Billa has just made. As you know, I worked on the committee with Mr. Hartman, Dr. Nielsen and Dr. Cisneros. Now the difference between 17 and 19 is very minimal. I can't accept the 19 percent. The 17 would be just as good in my estimation because of the information that we have received. I think that there is a method of protecting the integrity of the water system. I think there is a method of giving the committee some substance with this 17 percent. I think there's a method in which we can protect the bonding requirements capabilities of this system until we finish our review. I'm still for this four to six months review and I would like to propose a substitute motion. I think that this Council should approve a 26 percent increase. I think that with this 26 percent increase, 10 percent of this increase should be put in a special escrow account that is controlled by the Council and this way we protect the integrity and bonding capability of this water works that we own and is our responsibility.

We also give substance to the committee's 17 percent which we worked on for several weeks which we know is solid except with this additional

information that came in, and I think that the committee should have the opportunity to go back in four to six months and look at this policy over, but I do think we should not jeopardize the system entirely. I would make the substitute motion with the special proviso that a special escrow account be set up in which 10 percent of the 26 be placed in escrow to be controlled by the City for the 4 to 6 months interim period until we can review the policy. Now, right now.....

MAYOR COCKRELL: May I see if there is a second to the motion to substitute.

MR. BILLA: I second it.

MAYOR COCKRELL: All right, there has been a second to the motion to substitute.

MR. PYNDUS: Let me speak in favor of the motion. Thank you. I don't think there's anyone in this room that knows whether we need a \$9 million bond issue, a \$10, a 15 or 18. It depends on the policies that we must review and set forth for this Water Works to follow. We're trying to have time to do this. I think this motion gives us the time to review, keeps our head above water, protects the bonding capacity of this Water Works. No one is hurt, and this will allow us to move forward and not to come back in four to six months if this increase is good and if it's not good, we can reduce it.

MR. ROHDE: I call the question.

MAYOR COCKRELL: Is there any further discussion on this motion to substitute.....

CITY MANAGER GRANATA: May I comment, if you will, please before you vote on the motion. I suggest that it's with the understanding that whatever the motion is if it passes that it be incorporated in the ordinance that exactly as you stated it so that we could not deviate from it.

MR. BILLA: There's no legal problems?

CITY MANAGER GRANATA: No legal.....

ASST. CITY ATTORNEY TOM FINLAY: As long as the requirement that that percentage be put aside by the City Water Board and not be spent until final review.

MAYOR COCKRELL: Is there any further discussion on this motion?

MR. TENIENTE: Will the Clerk re-read the motion?

CITY CLERK: As I understand it, the substitute motion is to grant a 26 percent increase with 10 percent of the revenue produced by that 26 percent be placed in escrow.....

MR. PYNDUS: In a special escrow account.

CITY CLERK: In a special escrow account.

MR. PYNDUS: Controlled entirely by the City Council.

CITY MANAGER GRANATA: I thought it was for 4 to 6 months so that you could review policy?

MAYOR COCKRELL: May I ask, specifically, of the City Attorney about this particular phase, controlled by the City Council, in view of the.....

ASST. CITY ATTORNEY FINLAY: Okay. Of course, policy in management of the Water Board is placed in the City Water Board. As long as its placed in an escrow account not to be expended pending final review by the City Council, then the City Council after it finishes its review can take up the question as to what happens to the money at that time.

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MAYOR COCKRELL: Mr. Pyndus.

MR. PYNDUS: May I ask you, can this money in this escrow account be utilized to protect our bonding capacity?

ASST. CITY ATTORNEY FINLAY: Yes, sir.

MR. PYNDUS: Very fine, thank you.

MAYOR COCKRELL: Is there any further discussion?

MR. ROHDE: I call for the question, Mayor.

MAYOR COCKRELL: All right. Clerk will call the roll.

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

MAYOR COCKRELL: The motion to amend by substitution has failed. We now come back to the original motion. The original motion is to approve a 19 percent rate hike. Is there any further discussion on the question?

MR. SARABIA: I would like to speak on the motion.

MAYOR COCKRELL: The Council is in the final deliberation. We've heard from all the citizens. We're not going to hear any more discussion. All right. If there's any Council member who has any further.....

MR. BILLA: I just want to say we'll have another public hearing for a rate increase in a very few months.

MAYOR COCKRELL: All right. Dr. Nielsen.

DR. NIELSEN: We will have to have another public hearing when it comes to issuing bonds.

MR. HARTMAN: Madam Mayor, it is with the understanding, of course, that this is effective for a six month period. Are we saying four or are we saying six, because I think... We said six months in the committee, inasmuch as this was the time period picked before 1 March which will be the earliest time in which the bonds could be sold. I think six months or review would be appropriate, so I would like to stipulate six percent. This is an interim rate increase only for a period of six months during which the policies are to be reviewed with the stipulation, at 19 percent, with the stipulation that the cost of living increase is tied to this motion.

MAYOR COCKRELL: To speak to the point that you have raised, number one, it was my understanding in the original report that you were suggesting an outside time limitation of six months. If the policy review were completed sooner, if it were completed in four months, we're not, that's all right.

MR. HARTMAN: Yes, by all means.

MAYOR COCKRELL: All right, and then second, in terms of the salary schedule the motion that I had heard now, I'm not sure that it was the same motion but the motion that I heard earlier that we recommend to the Water Board the consideration of the salaries. It does not seem to me that the City Council has the authority to specify that directly.

MR. HARTMAN: I recognize that the City Council is limited with regards to policy and as related to rate setting, however, I think the rate setting inasmuch as this is a 19 percent rate increase that is being recommended, the fact that it is two percent over the committee's recommendation, it would seem to me that that should be tied to a cost of living relationship.

MAYOR COCKRELL: Is there any further comment by a Council member. All right, I would just like to make a final summary or statement of my own position. I am going to vote for this motion. I would have preferred very honestly a little bit more leeway. I would have been prepared to go a little bit higher than this but I feel that this is in the spirit of the committee's report and I feel that the Council should move as expeditiously as possible on the review of the policies, and that we should if we can get the review completed by January 1st and if we find that this interim rate is in any way making problems for the Water Board, then we should be prepared to act as quickly as we can on any adjustment further that we feel is necessary, and on that basis, I will concur.

MR. BILLA: I vote for the motion only because it's - you can get a majority of the votes, I still think that the 26 percent would have been better but I'd like to know what the projection is, with this two percent difference gives on the projected revenues how it would affect this, how much cost of living increase could be given? You've got to have a dollar amount there.

DR. NIELSEN: Okay, roughly there, Bob.....

(ALL TALKING AT ONCE)

MR. IVY: It will be about \$102,000.

DR. NIELSEN: And if the monthly salary schedule for the Water Board is somewhere between \$90,000 and \$100,000 a month, right. Five percent of that would be \$5,000 for six months, that's \$30,000 roughly for five or.... you can adjust it to there. Does that answer your question, Bob?

MR. BILLA: It doesn't seem right....with the projection.....(inaudible).

MR. PYNDUS: I will abstain with regards to the motion, but I would like to make the comment with regards to a cost of living increase. I think inasmuch as we have given our City employees five percent effective November 1, to allow in this ordinance a cost of living and assume it will be the same amount, more or less, assume that the effective date will be the same as the one we allowed the City employees, I think should not be included in this ordinance. I think that that portion with regards to the cost of living increase should be omitted, because that infringes on a management making matter. It has nothing to do with policy.

MAYOR COCKRELL: All right. At this point we are ready for the vote. The motion is to allow or to recommend and approve a 19 percent rate increase for the City Water Board and with a recommendation from the Council that employees' salary adjustments be addressed with the rate increase. Is there any further discussion? The Clerk will call the roll.

On roll call, the motion, carrying with it adoption of the ordinances, was passed and approved by the following vote: AYES: Billa, Cisneros, Black, Hartman, Rohde, Teniente, Nielsen, Cockrell; NAYS: None; ABSENT: None; ABSTAIN: Pyndus.

MR. HARTMAN: I would like to state that while I can still consider the 17 percent recommendation to be valid based upon what we accepted as valid figures from City Water Board, and I think this would have been adequate, I reluctantly voted yes and as much as I feel like this is at least reasonably within the spirit of the intent of the committee.

MR. ROHDE: I vote yes to keep our water works number one in the United States, yes.

MAYOR COCKRELL: Mr. Pyndus would like to make one final comment, I think.

MR. PYNDUS: I think that my absentee vote or my vote of abstinence was based on the fact that we do not have adequate information today to pass this motion. I think we have information that should be studied and considered prior to setting the rate as we have done and that's the reason I voted....failed to vote.

MAYOR COCKRELL: Mr. Sarabia, would you.....

MR. SARABIA: Mayor Cockrell and members of the Council. COPS position was 17 percent but with the strong recommendation that the Council will give to the City Water Board in regard to the wage increase for the employees of the Water Board. We have a victory with our 17 percent plus the two percent for the workers of the City Water Board. The commitment I made to commit our resources to the review of the policies of the Water Board stands and we will continue work with you as close as we have in the past. Thank you.

MAYOR COCKRELL: Thank you. All right. We do now have the matter of the 10:30 A. M. Public Hearing. We apologize to all those who were here for that hearing. We'll wait just a moment to give the audience who are leaving now with the Water Board. We'll just stay here but we'll give them permission to withdraw now.

75-52

PUBLIC HEARING AND CONSIDERATION OF ORDINANCES AMENDING CHAPTER 42 (ZONING) OF THE CITY CODE BY CREATING A NEW ZONING CLASSIFICATION DESIGNATED AS THE R-2A DISTRICT AND SPECIFYING LAND USES ALLOWED THEREIN; ADDING A DEFINITION OF "PRIVATE CLUB" AND DESIGNATING THE ZONING DISTRICTS IN WHICH SUCH USE SHALL BE ALLOWED; CHANGING THE OFF STREET PARKING REQUIREMENTS FOR DAY CARE CENTERS AND SHOPPING MALLS; REVISING THE TABLE OF PERMITTED USES TO ALLOW TAVERNS IN THE B-3 ZONING CLASSIFICATION ONLY WITH SPECIAL CITY COUNCIL APPROVAL; AND REGULATING BARBER AND BEAUTY SHOPS IN RESIDENTIAL DISTRICTS.

Mayor Cockrell announced the opening of a public hearing to consider certain changes in Chapter 42 of the City Code.

Mr. Gene Camargo, Planning Administrator, said that the ordinances to be presented had been considered by the Planning Commission in public hearing. Some of them were recommended for approval by the City Council and others were not.

The Clerk read a proposed ordinance amending Section 42-80 of the City Code so as to permit the Tavern use in the B-3 zoning classification only with the special approval of the City Council.

Mrs. Irene Arispe, Chairman of the C.O.P.S. Zoning Committee, spoke in opposition to the ordinance. She said that some of the older sections of the City are zoned J and taverns are permitted in these areas and would not be affected. She asked that the Council assume more control over taverns and asked the Council to direct the Planning Commission to do something to protect the older areas.

Mr. Camargo said that this ordinance had been requested by a previous City Council so that the use of taverns in the B-3 districts could be limited. He said that the Planning Commission felt that the other uses in B-3 classification were compatible and that this additional burden should not be imposed on the Planning Commission or the Council.

Mr. R. H. Cory, Counsel for the Texas Brewers Institute, spoke in opposition to the ordinance. He said that an analysis of the matter would show that there would have to be at least 60 public hearings per month by the Planning Commission and the Council to take care of the work load. He said no benefit would accrue to the public and asked that the ordinance not be adopted.

Mr. John Monfrey also spoke in opposition. He outlined the procedures required under the law in order to obtain approval for a tavern license and said that there is ample protection.

Members of the Council discussed the matter at length considering various methods of protecting areas.

After discussion, Mr. Rohde moved that the recommendation of the Planning Commission be approved and the ordinance be denied. The motion was seconded by Dr. Nielsen and on the following roll call vote, the motion was defeated: AYES: Rohde, Teniente, Nielsen, Cockrell; NAYS: Pyndus, Cisneros, Black, Hartman; ABSENT: None; ABSTAIN: Billa.

After further consideration, Mr. Pyndus moved that the item be withdrawn from consideration and referred back to the Planning Commission to get its further comments on the ordinance and brought back to the Council in about 60 days. The motion was seconded by Mr. Cisneros and was passed and approved on the following roll call vote: AYES: Pyndus, Billa, Cisneros, Black, Hartman, Teniente, Nielsen, Cockrell; NAYS: Rohde; ABSENT: None.

Item VII (2) - The Clerk read the following Ordinance which the Planning Commission had recommended for approval by the City Council. Mr. Gene Camargo, Planning Administrator, explained the Ordinance, and after consideration, on motion of Dr. Nielsen, seconded by Mr. Rohde, was passed and approved by the following vote: AYES: Pyndus, Billa, Cisneros, Black, Hartman, Rohde, Teniente, Nielsen, Cockrell; NAYS: None; ABSENT: None.

AN ORDINANCE 45,673

AMENDING SECTION 42-80 (TABLE OF PERMITTED USES) BY ADDING A NEW LISTING ENTITLED "TROPHY SALES".

* * * *

Item VII (3) - The Clerk read the following Ordinance which the Planning Commission had recommended for approval by the City Council. Mr. Gene Camargo, Planning Administrator, explained the Ordinance.

AN ORDINANCE 45,674

AMENDING THE ZONING ORDINANCE SO AS TO ADD A DEFINITION OF "PRIVATE CLUB" AND DESIGNATING THE ZONING DISTRICTS IN WHICH SUCH USE SHALL BE ALLOWED.

* * * *

Mr. Jack Fisher, an attorney representing several large apartment complexes including the Oakmont Apartments, spoke in favor of the Ordinance. He said that it would correct an inequity which now exists in the City Code in that the majority of private clubs in San Antonio function in residential districts. The concept of a private operated exclusively for the enjoyment of its members is not new. The City Code is so worded that a group of apartment dwellers is precluded from joining together and operating a private club for the exclusive use of the tenants of that apartment. Passage of this Ordinance would correct this problem and allow private clubs on apartment premises.

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

Item VII (4) - The Clerk read a proposed ordinance regulating barber and beauty shops in residential areas.

Mr. Gene Camargo, Planning Administrator, explained that the Planning Commission had recommended that this change be denied.

Dr. Nielsen said that he could see no objection to a beauty shop although he would object to a barber shop in a residential area and said he would like to have a clarification of the Planning Commission's position on this matter.

After discussion, it was decided to withdraw this ordinance from consideration pending further study.

The ordinance was pulled.

Item VII (5), (6), (7), (8), and (9) - The Clerk read the following Ordinances which the Planning Commission had recommended for approval by the City Council. Mr. Gene Camargo, Planning Administrator, explained the Ordinances, and after consideration, on motion made and duly seconded, were each passed and approved by the following vote: AYES: Pyndus, Billa, Black, Teniente, Nielsen, Cockrell; NAYS: None; ABSENT: Cisneros, Hartman, Rohde.

AN ORDINANCE 45,675

AMENDING THE ZONING ORDINANCE SO AS TO REQUIRE OFF-STREET PARKING SPACES FOR DAY CARE (KINDERGARTEN) AND SHOPPING MALL USES AND SPECIFYING THE NUMBER OF SPACES REQUIRED.

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AN ORDINANCE 45,676

AMENDING THE ZONING CODE BY ADDING SECTION 42-69.1, R-2A DISTRICTS, FOR THREE AND FOUR FAMILY RESIDENCE DISTRICTS.

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AN ORDINANCE 45,677

AMENDING SECTION 42-80 (TABLE OF PERMITTED USES) BY ADDING AN R-2A DESIGNATED COLUMN AND PERMITTED USES THEREUNDER.

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AN ORDINANCE 45,678

AMENDING SECTION 42-80.1 (MILITARY AIRPORT OVERLAY DISTRICTS TABLE OF PERMITTED USES) BY ADDING NEW LISTINGS.

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AN ORDINANCE 45,679

AMENDING SECTION 42-81 TABLE OF HEIGHT, YARD AND AREA REQUIREMENTS BY THE ADDITION OF AN R-2A DISTRICT.

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Mayor Cockrell declared the hearing closed.

75-52 The meeting recessed for lunch at 1:50 P. M. and reconvened at 2:45 P. M.

CITIZENS TO BE HEARDMRS. ELOISE WILLIAMS

Mrs. Eloise Williams asked that "no smoking" signs be posted in the Council Chamber and asked that the Council take positive action at once.

Mrs. Williams then spoke of the dangers of nuclear power. She said that there still is no place to store plutonium waste and asked the Council to direct the City Public Service Board to withdraw from participation in the South Texas Project.

ANITA LEVINE

Ms. Anita Levine said that several weeks ago she had submitted a questionnaire to Council members but had not received any replies. She asked what had happened to them.

Mayor Cockrell said that she had sent the questions to City Public Service to answer and had been told that it would cost several dollars in research effort to get the answers to the questions.

Ms. Levine requested that the CPS partnership in the South Texas Nuclear Power Plant be dissolved as she had previously requested. She also asked that the City Council make solar energy a mandatory requirement for new construction.

Mayor Cockrell advised Ms. Levine that no action toward dissolving the partnership has been taken. She also said that technology on solar energy has not reached the stage where the City could make it a requirement for new construction.

(A copy of Ms. Levine's prepared statement is included with the papers of this meeting.)

HENRY MUNOZ

Mr. Henry Munoz asked that the Council pass a resolution giving City Manager Sam Granata a vote of confidence. He had recently been publicly accused of dishonesty but he said that Mr. Granata's integrity is beyond reproach.

Mrs. Cockrell told Mr. Munoz that the Council had passed a resolution expressing confidence in the City Manager several months ago and it still stands.

Mr. Munoz complimented the Mayor and Council for appointing a staff committee to study tax valuation problems. The team comprised of Mr. Tom Ivy and Charles Cross did an excellent job.

LAND EROSION ON PICKWELL DRIVE

A delegation of persons living in the Pecan Valley area on Pickwell Drive appeared before the Council to discuss the matter of serious erosion which is threatening their homes.

Persons who spoke to the Council were:

Mrs. Jeannette Ploch, 743 Pickwell
Mrs. Olga Trevino, 739 Pickwell
Mr. Frank Partridge, 731 Pickwell

They said that in 1959 permission was given a developer in this area to cut Bob Billa Drive in. This land had a natural slope which was disturbed when the street was put in and has caused very bad erosion each time it rains. Photographs of the area were passed around to the Council members.

There was a meeting of the neighbors along with Councilman Pyndus and Cisneros and Director of Public Works Mel Sueltenfuss this week to discuss the matter but no solution to the problem was arrived at.

Assistant City Attorney Jim Parker said that a claim had been filed against the City but liability has been denied. He said that since there has been a threat of a lawsuit against the City that discussion of the matter should be held in private to avoid prejudicing the City's position.

Mr. Pyndus asked for a written opinion from the City Attorney as to whether City property has been damaged in this area.

Mayor Cockrell said that this matter would be discussed later in the day in executive session and that there would be a meeting on September 8 at 10:30 A. M. in the City Attorney's office at which time the matter will be discussed further with the residents.

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RAUL RODRIGUEZ

Mr. Raul Rodriguez, 719 Delgado, commented on a case of police brutality. He called attention to a story in Chicano Times in which it reported that the City Manager and the Chief of Police in Corpus Christi were sentenced to jail for three days for refusing to carry out a request of the Chairman of the Fire and Police Civil Service Commission to make police reports on the incident available. He said he brought this matter up to show that the law does have teeth and gives the Commission the power it needs.

Mr. Rodriguez complained about the San Antonio Commission and said that the Chairman should be replaced.

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TILLIE STREET DRAINAGE

Mr. Clyde Barton, 2800 Tillie Street, appeared before the Council again to discuss the problems of drainage in the vicinity of Tillie Street. He asked what has been done about it.

Mr. Mel Sueltenfuss, Director of Public Works, said that a preliminary cost estimate has been made for a temporary solution. The estimate is for \$344,261 or \$417,000. If a permanent solution is done, the cost would be about \$10 million and the temporary work would have to be taken out.

After discussion, Mayor Cockrell advised Mr. Barton that the Council will have an answer for him in about 30 days.

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JUAN M. BALDITT

Mr. Juan M. Balditt, 118 Broadway, said that he spoke as a representative of LULAC District 15. In cooperation with the American Issues Forum Committee of San Antonio, LULAC is hosting a series of lectures, debates, panels, exhibits to commemorate the contribution of the Indo-Hispanic-Americans to the development of the Southwestern United States. (A copy of his prepared statement is included with the papers of this meeting.) He asked that the Council proclaim the

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week of September 12 to 16 as American Issues Forum Fiestas Patrias Week.

Mayor Cocrekll asked that a proper proclamation be prepared for next week.

SHIELDS OF BEXAR COUNTY

Mr. Glen Horton, Secretary of Shields of Bexar County, asked about the crime commission which is to be appointed and asked what part citizens will play in the commission.

Mayor Cockrell said that the entire Council has expressed a strong interest in anything that can be done to support law enforcement. There will be a Council committee of three members which will have close liason with the Police Department. The committee will be looking at the areas of manpower requirements, processing of cases against alleged criminals in the courts, whether we need additional courts in Bexar County, personal bail bonds, and various programs in crime preventions.

Mr. Rohde invited assistance from the Shields as well as other citizen organizations to help the committee in its efforts.

Mr. Horton said that his organization would be pleased to work with the Council committee on these police matters.

MR. R. E. STOVER

Mr. R. E. Stover complained to the Council that he had been discriminated against in the election of officers at the Chatham Apartments, 6405 South Flores Street.

Mayor Cockrell advised Mr. Stover that the Council had no jurisdiction in this matter and he should properly complain to the San Antonio Housing Authority. He was referred to the City Manager's staff for advice as to who he should contact.

ROWENA RODGERS

Mrs. Rowena Rodgers, President of the League of Women's Voters, said that in the ordinance prepared by staff in regard to the overlay for the Aquifer uses the term "major" source of water where the Council's resolution used the term "sole" source of water when referring to the Edwards Aquifer. She asked why the term was changed.

Mayor Cockrell said that subsequent to passage of the Council resolution, the City Water Board did negotiate for water in Canyon Lake with GBRA. That is why the term must have been changed.

75-52 The following Ordinance was read by the Clerk and explained by Mr. Eddie Garcia, Veterans Coordinator, and after consideration, on motion of Mr. Teniente, seconded by Mr. Billa, was passed and approved by the following vote: AYES: Pyndus, Billa, Cisneros, Black, Rohde, Teniente, Cockrell; NAYS: None; ABSENT: Hartman, Nielsen.

AN ORDINANCE 45,680

ACCEPTING AN ADDITIONAL AWARD OF \$5,087,893.00 FROM THE U. S. DEPARTMENT OF LABOR - MANPOWER ADMINISTRATION UNDER TITLE VI OF THE COMPREHENSIVE EMPLOYMENT AND TRAINING ACT OF 1973 FOR FUNDING THE ALAMO MANPOWER CONSORTIUM EMERGENCY JOBS PROGRAM FOR TWELVE MONTHS BEGINNING JULY 1, 1975; ESTABLISHING A FUND FOR THE PROJECT; APPROVING A BUDGET AND PERSONNEL POSITIONS IN CITY DEPARTMENTS AND AUTHORIZING MODIFICATIONS TO CONTRACTS WITH DELEGATE AGENCIES.

* * * *

75-52 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, Billa, Cisneros, Black, Rohde, Teniente, Nielsen, Cockrell; NAYS: None; ABSENT: Hartman.

AN ORDINANCE 45,681

AUTHORIZING THE CITY MANAGER TO SUBMIT MODIFICATION NO. 24 TO THE U. S. DEPARTMENT OF LABOR REVISING THE BASE AGREEMENT WITH THE AGENCY ON THE GRANT FOR OPERATION OF THE CITY'S EMPLOYMENT PROGRAM UNDER SECTION 5 OF THE EMERGENCY EMPLOYMENT ACT OF 1971 CONSISTING OF CERTAIN REPROGRAMMING OF EXPENDITURE OF REMAINING FUNDS FROM THE GRANT; EXTENDING ITS TERMINATION DATE FROM SEPTEMBER 30, 1975 TO NOVEMBER 30, 1975, AND AUTHORIZING REVISION OF THE PROGRAM BUDGET.

* * * *

AN ORDINANCE 45,682

AUTHORIZING THE CITY MANAGER TO EXECUTE A LEASE WITH LARRY DAY D/B/A AUDIO VISUAL, INC., FOR BUILDINGS 318 AND 319 AT HEMISFAIR PLAZA FOR A TERM OF ONE YEAR.

* * * *

AN ORDINANCE 45,683

AMENDING CHAPTER 38 (TRAFFIC REGULATIONS) OF THE CITY CODE: SETTING FORTH LOCATIONS AT WHICH ELECTRIC TRAFFIC CONTROL SIGNALS ARE IN FULL SIGNAL OPERATION: DESIGNATING STOP SIGN LOCATIONS: DESIGNATING YIELD RIGHT-OF-WAY SIGN LOCATIONS: SETTING MAXIMUM SPEED LIMITS ON CERTAIN STREETS:

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PROHIBITING PARKING AT ALL TIMES ON
CERTAIN STREETS: PROHIBITING RIGHT
TURN ON RED LIGHT AT CERTAIN INTER-
SECTIONS: AND PROVIDING THAT VIOLATIONS
HEREOF BE PUNISHABLE BY A FINE OF NOT
LESS THAN \$1.00 NOR MORE THAN \$200.00.

* * * *

75-52

RIGHT TURN ON RED

Mayor Pro-Tem Teniente stated that in the downtown area the new right turn on red has been causing problems to pedestrians. He asked if Mr. Stewart Fischer, Director of Traffic and Transportation, would have the problem looked at and see what can be done.

Mr. Fischer stated he would make a report soon.

75-52

The Clerk read the following Ordinance:

AN ORDINANCE 45,684

APPROVING OPERATION OF A JUNK AND
SALVAGE YARD AT 2047 WEST MALONE.

* * * *

Mr. George Vann, Director of Building and Planning Administration, said that Andy International, Inc., is a new business in San Antonio. They have purchased this property in an industrial zone to run a salvage operation. The Code requires that the City Council give a special permit for this use. He reviewed the zoning and commercial uses in the area and said that he recommended approval.

Mr. Frank Basquez, the applicant, said that his company has a plant in Brownsville, Houston and Abilene. About 20 people will be employed. He described the site and how it is screened by trees and had snapshots to pass around.

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

75-52 The following Ordinances were read by the Clerk and explained by Mr. John Rinehart, Operations Manager for Monitoring and Evaluation, and after consideration, on motion made and duly seconded, were each passed and approved by the following vote: AYES: Pyndus, Billa, Cisneros, Black, Hartman, Rohde, Teniente, Nielsen, Cockrell; NAYS: None; ABSENT: None.

AN ORDINANCE 45,685

AUTHORIZING SUBMISSION OF AN APPLICATION TO THE CRIMINAL JUSTICE DIVISION OF THE OFFICE OF THE GOVERNOR FOR FUNDING OF THE OPERATIONAL COSTS OF A JUVENILE RESIDENT SHELTER TO BE KNOWN AS "DROP INN".

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AN ORDINANCE 45,686

AUTHORIZING SUBMISSION OF AN APPLICATION TO THE CRIMINAL JUSTICE DIVISION OF THE GOVERNOR'S OFFICE FOR FUNDING RENOVATIONS TO THE FANNIN ELEMENTARY SCHOOL.

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75-52

The Clerk read the following Ordinance:

AN ORDINANCE 45,687

AMENDING ORDINANCE 43862 PASSED AND APPROVED JUNE 6, 1974, AS AMENDED BY ORDINANCE DATED JULY 3, 1975, TO PROVIDE FOR ELECTRIC RATE APPLICATIONS TO CERTAIN STREET LIGHTING IN UNINCORPORATED SUBURBAN AREAS.

* * * *

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

The Clerk read the following Ordinance:

AN ORDINANCE 45,688

DECLARING A PUBLIC NECESSITY FOR THE ACQUISITION OF THE FEE SIMPLE TITLE TO CERTAIN PRIVATELY OWNED REAL PROPERTY IN SAN ANTONIO, BEXAR COUNTY, TEXAS, FOR PUBLIC PURPOSES, IN CONNECTION WITH THE LOCATION, CONSTRUCTION, OPERATION, RECONSTRUCTION, IMPROVEMENT, REPAIR AND MAINTENANCE OF MAYBERRY DRAINAGE PROJECT NO. 58-D; AND DIRECTING THE CITY ATTORNEY TO INSTITUTE AND PROSECUTE TO CONCLUSION CONDEMNATION PROCEEDINGS TO ACQUIRE SO MUCH THEREOF AS CANNOT BE ACQUIRED THROUGH NEGOTIATION.

* * * *

The Ordinance was explained by Mr. Jim Parker, Assistant City Attorney, who said that it authorizes condemnation of those tracts in the Mayberry Drainage Project which cannot be purchased through negotiation. Three parcels have already been referred to the City Attorney's office.

Mr. Hartman urged that this project be speeded up all possible so that construction can get started.

Mr. Parker reviewed the procedures the Legal Department has to follow in prosecuting a condemnation suit and the factors that cause time delays.

Rev. Black suggested that staff contact the persons who pressed to get the Mayberry Project started and request their assistance in the land acquisition process.

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

75-52 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 vote: AYES: Pyndus, Billa, Cisneros, Black, Hartman, Rohde, Teniente, Nielsen, Cockrell; NAYS: None; ABSENT: None.

AN ORDINANCE 45,689

ACCEPTING THE LOW BID OF THE PLANK COMPANY TO FURNISH THE CITY OF SAN ANTONIO WITH HYDRAULIC SHORING FOR A TOTAL OF \$4,386.90.

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AN ORDINANCE 45,690

ACCEPTING THE LOW BIDS OF ALAMO MACHINERY COMPANY, TRANS-TEX SUPPLY COMPANY, AND WEATHERMATIC, DIVISION OF TELSCO INDUSTRIES, TO FURNISH THE CITY OF SAN ANTONIO WITH IRRIGATION MATERIALS FOR A TOTAL OF \$21,185.19; SETTING UP A CONTINGENCY FUND; APPROPRIATING FUNDS, AND AUTHORIZING PAYMENT FOR THE MATERIALS.

* * * *

The Clerk read the following Resolution:

A RESOLUTION
NO. 75-52-77

ESTABLISHING PROCEDURES TO BE FOLLOWED BY THE TAX ASSESSOR AND THE BOARD OF EQUALIZATION OF THE CITY OF SAN ANTONIO RELATIVE TO THE CITY-COUNTY-SCHOOL REAPPRAISAL PROGRAM.

* * * *

- WHEREAS, by law, the City of San Antonio Board of Equalization is the only body which can certify the City of San Antonio tax roll, and
- WHEREAS, it is generally recognized that there has been considerable growth and change in property values in the community, and
- WHEREAS, the last reappraisal of real property in the City of San Antonio was made in 1953, and
- WHEREAS, a uniform valuation of all real property located in the City of San Antonio has been needed for some years, and
- WHEREAS, the City-County-School Reappraisal Program as of December 31, 1974, established a fair market value for all property in the City of San Antonio, and
- WHEREAS, recent developments have created in the public mind confusion as to the procedures used and doubt as to the validity of the results, and
- WHEREAS, the City Council deems it necessary in the public interest to dispel confusion and restore confidence in the reappraisal program; NOW, THEREFORE;
- BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:
- SECTION 1. The Tax Assessor for the City of San Antonio will review all changes which have been made since December 31, 1974 in the property values established by the City-County-School Reappraisal Program.
- SECTION 2. The Tax Assessor will bring to the City Board of Equalization recommendations on changes in property values due to obvious errors or other changes including those based upon findings of the Bexar County Board of Equalization.
- SECTION 3. The City Board of Equalization will review and pass on any and all changes in property values which were established by the CCS Reappraisal Program as of December 31, 1974.
- SECTION 4. All notices of assessed value sent to property owners will show either the CCS appraisal as of December 31, 1974, or the changed value as recommended by the City Tax Assessor.
- SECTION 5. All property owners notified of assessed value prior to this date on which the property valuation had been changed since December 31, 1974, will be properly notified that the Board of Equalization will review that valuation and shall be given proper notice of his right to appeal said value to the City of San Antonio Board of Equalization.
- SECTION 6. If the above procedure indicates a need for future evaluation of the CCS Program, the City Council may direct the City Manager to employ qualified independent professional appraisers to recheck at random properties in each quadrant of the City.

SECTION 7. The City Council hereby affirms its intent to make available all resources necessary to carry out the procedures contained herein.

SECTION 8. The City Council hereby declares its intent to disseminate, through all available public media, complete and current information concerning the status of the CCS Program and the procedures to be followed by citizens seeking information, appealing decisions or otherwise participating in the CCS Program.

* * * *

Councilman Hartman said that this resolution was fashioned by the Council's Planning and Policy Objectives Committee in response to Council's directive to the committee last week. He said there was a need to act positively in relation to the public confusion and credibility problem which had developed around the City-County-School Reappraisal Program. He reviewed the committee's considerations in preparing the resolution. He then explained the procedures that are set out in the resolution. He recommended approval of the resolution.

Mr. Pyndus agreed with the resolution in general but suggested that Section 6 be revised to read "the City Council may direct the City Manager to employ qualified....".

After discussion, Mr. Pyndus' suggested amendment to Section 6 was concurred in by the other Council members.

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

75-52

DELINQUENT TAX ACCOUNTS

Councilman Cisneros discussed the handling of delinquent tax accounts. He said that there are over one million dollars outstanding in delinquent taxes. Some of these accounts are businesses which are in financial trouble and can't pay the taxes. Others are businesses that are, in effect, using their tax dollars to make money. They delay paying the taxes and pay a 1% penalty but invest the money at a higher interest rate.

Mr. Cisneros said that some reasonable way should be devised to end this practice and suggested a penalty that would eliminate the profit.

Mayor Cockrell asked the City Manager to review the extent of the delinquencies and make his recommendations to the Council.

Mr. Cisneros suggested that one effective measure would be to publicize the names of delinquents after a certain length of time.

Rev. Black expressed his concern that widowed homeowners might find their homes being sold for taxes because of a severe penalty.

75-52

COUNCIL'S COMMITTEE ON CRIME

Mayor Cockrell brought up the matter of the Council's concern over the rising incidence of crime. She said that the Council has authorized the appointment of a Council committee which will report to the Council and advise the Council on measures that the Council can take in assisting in meeting the crime rate problem in San Antonio. It is being asked to look at the areas of:

1. Reviewing current procedures on personal recognizance bonds.
2. Review the problem of the workload in the criminal district courts. This would require state legislative action to increase the number of courts.
3. To work with the City Manager to review any recommendations from management regarding increased needs for manpower in the Police Department.
4. To review crime prevention activities involving citizens in the community and recommend any ways that Council can assist or give leadership in these areas.
5. To encourage media cooperation in alerting citizenry as to measures on crime prevention.

Mayor Cockrell emphasized that this committee is not to be construed in any way as a civilian review board.

Mayor Cockrell said she was appointing Rev. Black to serve as Chairman of the committee. As Vice-Chairman, she appointed Mr. Rohde and Mr. Pyndus as a committee member.

75-52

DOWNTOWN DRAINAGE

Dr. Nielsen asked for a report on the current status of the downtown drainage program.

City Manager Granata said that he would have a report next week.

75-52

GEORGE CARMACK

Mr. George Carmack, Associate Editor of the San Antonio Express-News, addressed the Council. In connection with the Bicentennial celebration, his company is distributing lapel pins with an American Flag and a Texas Flag. Assisted by Miss Mary Jo Martinez and Miss Susie Cummings, each Council member was given one of the pins.

75-52

Mayor Cockrell closed the meeting by expressing her appreciation to the Council for its concern, interest and leadership.

75-52

The Clerk read the following letter:

August 29, 1975

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

Madam and Gentlemen:

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

August 26, 1975

Petition of Mr. Bartolo Galvan, Jr.,
426 Drury Lane, requesting that the
dedicated alley between Vestal and
Drury Lane be opened so that he can
have access to his property at the
rear.

September 4, 1975
el

August 29, 1975

Petition of Ms. Mary Helen Alonzo, 922 Crestfield, and signed by 232 other citizens, requesting the City of San Antonio to ask the Southwest Utility Company to send out reminders before water is turned off or state on their bills when water charges are past due.

/s/ J. H. INSELMANN
City Clerk

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There being no further business to come before the Council, the meeting adjourned at 5:40 P. M.

A P P R O V E D

Lila Cockrell
M A Y O R

ATTEST:

A. V. Jackson, Jr.
C i t y C l e r k