

SPECIAL MEETING OF THE CITY COUNCIL
OF THE CITY OF SAN ANTONIO HELD IN
THE COUNCIL CHAMBER, CITY HALL, ON
MONDAY, JUNE 17, 1974.

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The meeting was called to order at 9:00 A. M., by the presiding officer, Mayor Charles L. Becker, with the following members present: COCKRELL, SAN MARTIN, BECKER, BLACK, MORTON, PADILLA, MENDOZA; Absent: LACY.

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ENERGY CRISIS

MAYOR CHARLES L. BECKER: The first announcement I would like to make this morning is - as you probably know by now there will be a - I don't know what to call it. What would you call it, a hearing, briefing, town meeting, at the Convention Center in the Banquet Hall at one o'clock tomorrow.

MRS. LILA COCKRELL: Mr. Mayor, I would like to state that I do not plan to attend, and I would like to state my reasons why. The City Council and the City Public Service Board have instructed their attorneys to proceed post haste with litigation against Lo-Vaca and Coastal States. I feel from the point that this decision was made it would be appropriate for the Council to have communication with Mr. Wyatt or any other officer only through our attorney. I feel that Mr. Wyatt will have an opportunity to give any testimony he desires in a court of law. I do not feel it is appropriate for a Council member or Council members to sponsor a public meeting at which Mr. Wyatt will be present, and I do not wish to be in the position of sponsoring such a meeting or of, perhaps, be assumed to concur with any statements that might be made at such a meeting. I prefer that any contact that the Council would have would be through our attorney.

MAYOR BECKER: That's any Council members' prerogative and for those who care to be there it will be at one o'clock tomorrow. For those who don't care to be there you don't have to be. It's not mandatory. Let me say that you will have an opportunity to ask Mr. Wyatt any questions that you have first hand which I'm sure you will want answered. You will also have an opportunity first hand to hear his version of what exactly happened in this whole mess since 1961. I think it's high time that the public had a chance to hear it. So, I'll be there if no one else is there.

DR. JOSE SAN MARTIN: I'd like to say that this is an excellent type of leadership on your part to bring Mr. Wyatt here because there are some questions that will never be answered in a court of law. Somehow or other the lawyers for Mr. Wyatt will see to it that they are not answered at all. I think the people of San Antonio are entitled to this type of briefing or town meeting or whatever we want to call it, and I personally intend to ask Mr. Wyatt a few questions which I think the people of San Antonio are entitled to know. I appreciate the opportunity of being there.

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MR. LEO MENDOZA: I also would like to compliment you for taking the initiative in providing the leadership in trying to bring some type of relief to the citizens. I think that you are to be commended for that type of leadership. I think the citizens will appreciate very much the fact that you are at least trying to communicate and coordinate the activities especially in a serious problem such as this.

At this time, I would just like to mention one thing that transpired over the weekend. I don't know that I need to explain the fact that I had a press conference. I am sure most of you are aware of this. One of the reasons that I did it was because I think I was one of the ones that was getting all of the phone calls and, in checking trying to find out why I was getting most of the phone calls, I found out that the only section of the City that the utility rates went up was in the southwest quadrant which I couldn't understand. I felt that, if nothing else, I should meet with these people and discuss it and then try to find the answer to it. I understand that their utility bills went up and my next door neighbor who had paid his the day before - his won't go up until next month. That may even be unconstitutional for mine to go up and not my next door neighbor. It's a situation I think needs to be explained. I still don't have the answer, but I would like to get that answer as soon as possible.

MAYOR BECKER: The thing that disturbs me as much as anything is the inference that this Council, this present board of directors or trustees of the City Public Service are the ones that are responsible for all this terrible trouble and inconvenience and economic strife that the City has been placed in. I immediately refused to accept that responsibility. It is not the fault of this Council, and it is not the fault of the present Board of Trustees of the City Public Service. Any attempt to shift the blame to us is going to be met headlong with resistance.

Now, the people that have called the City Public Service office from what I am told are greeted with the statement that there is nothing to be done about it over there but they can call over here at City Hall. I will not accept this on behalf of this Council. This trouble emanates in the year 1961, and it is going to be shown conclusively that that is when it began. It didn't begin here two months ago or three months ago or six months ago. They might try to saddle somebody up with it, but they're not going to put that saddle on me. Now, if any Council members care to enjoy the privilege of being ridden around like a goat that's up to them. I don't approve of that sort of thing, and I will not accept it.

DR. SAN MARTIN: May I make just a couple of comments along that line. As you know, I was appointed by Mr. Tom Berg to serve on that special committee checking the contract that was made initially in 1962. This is precisely the area that we intend to cover very thoroughly.

Another item I'd like to recall is for Mr. Sam Granata to ask our consultants, I understand that one of them from O'Brien and Gere will be here tomorrow, to check those figures very thoroughly to make sure that the rate structure follows exactly the dictates of this Council as to the 19 percent increase and not giving up the 14 percent of the fuel adjustment. Make sure that the rate structure reflects exactly the thinking of this Council and that there are no computer errors the way there was a few months back.

MAYOR BECKER: That's one of the most incredible situations about this whole thing is how we can grant a 19 percent rate increase and the bills go up 200, 300, 400 percent.

MRS. COCKRELL: I want to comment on that particular point. This Council, of course, the majority did vote a 19 percent rate increase. Last Friday, I received calls all day from persons who were receiving in their bills a 300 percent or greater rate increase. I just simply could not believe that this could be possible. If it is correct and if, through a complicated series of situations are actually correct, and are not computer errors, then I would say that I feel that the leadership of the City Public Service Board, who appeared before this Council, certainly failed to portray accurately the impact of this situation on the bills. The sample bills that were given to us and upon which this Council based decisions were nothing like this. I think that the information that was given to this Council was certainly different from what has apparently occurred in the actual bills.

Another factor that I think needs to be explained by the CPS is that I feel that the contradictions that have been made in the statements about the use of this money again needs to be clarified. We don't need to have contradictions from the Board that further cloud the issue. I feel that this whole matter is of the utmost seriousness. I feel that any actions that are taken need to be taken as a result of a Council discussion and decision and at which place each of us have the opportunity to state our views. But I just really feel that it is a grave issue and one that the whole Council must address.

MAYOR BECKER: Well, I've been getting a series of contradictions, a series of answers that are half answers, an attitude of almost complete indifference about the future of things since I started dealing with the Public Service over three years ago. The City's been getting somewhat the same treatment since 1961, and I think it's time we should get it out on top of the table. We've covered up. We've hidden. We've concealed; we've caused to make people look good who don't enjoy or deserve that benefit. I'm hopeful that tomorrow, with all of the trouble and pandemonium that's attached to it, and the dangers that are involved that we might at last start ferreting out what has actually brought this situation to the condition that it's in. I don't think that the City of San Antonio has ever been in a graver crisis than it is today even during the depression of the 30's. I happen to know, and I can state without equivocation that it could have been avoided.

MR. MENDOZA: Mr. Mayor.....

MAYOR BECKER: It could have been avoided. Yes, sir.....

MR. MENDOZA: I'd like to say that I agree with what Mrs. Cockrell has said, and I'd like to ask the Council to rescind the action that we took on this matter until we get a complete clarification on it, especially on the fact that some people on the southwest part of the City were - their utility rates went up and the rest of the City's did not. If it's going to be a month later then, in my opinion, it's just unfair and it might even be unconstitutional.

MAYOR BECKER: Well, you know, I don't know what part of the City went up, Leo, but as you say you had knowledge of that. I doubt if there was any intent on the part of anyone to discriminate against one section of town.....

MR. MENDOZA: Well, I don't mean to say that, sir. I don't mean to say that. It's just that.....

MAYOR BECKER: We don't mean to cause one section any undue hardship before any other section.

MR. MENDOZA: Well, I think it should be a standard policy. It should apply to everyone at the same time and if doesn't then we need to find out just exactly what type of system they have in that regard.

REV. BLACK: Mr. Mayor.....

MAYOR BECKER: I think Mr. Padilla was next.

MR. ALVIN G. PADILLA, JR.: Thank you, Mr. Mayor. I think that you will agree that I have been very critical of Public Service people many times in the past. Several times in executive session, I have continually stressed to them the necessity for good communications, the necessity for community responsiveness. I have made the point to them that the confidence of the community is very, very crucial to anyone or to any group involved in government, and I have made the accusation, I guess, many times to them, to their face, that they are not responsive. I think Mrs. Cockrell's statements and the result that we've had in the recent billings that some people have received increases of some 300 percent. Once again, because they failed to point out what the impact was truly going to be, I think that they failed in at least what is part of their responsibility to their community and that is to stress and to inform as to the impact that this whole situation was going to have on the community. I, too, received many calls during the week, and I repeat my charge that as long as they don't do the proper line of communications, Mr. Mayor, last week or two weeks ago now, when you were out of town I attended the City Public Board meeting. One of the things that I stressed once again was that every attempt should be made to communicate with people and to let the people know what is happening. There was a presentation made there with a little plastic prop, so to speak. It was quite interesting. The only bad thing about it was that it was made for maybe 15 people. It was the kind of demonstration that would probably be very effective on television but by the same token it was extremely difficult for a reporter to try to describe what this presentation was. I urged them that they should try and go on television and to have this man present it. It was brief, and it took about ten minutes and yet very informative. It outlined what a lot of the problems were.

I urged them once again. I think I've been very consistent in urging these people to communicate and to let the people know what is happening and to try to make the people understand. I think if our community understands a problem it won't lessen the economic impact, but somehow people can resolve to somehow meet the crisis that they know and they understand what is going on. I think we have to make this effort. I think in this area and this is why I have accused the Public Service of not being responsive. I have to admit that they're better now than they used to be. But, they still treat the public with very little respect as far as I'm concerned in making every effort that they can to let the people know what is going to happen. Now, the only thing I have about tomorrow, Mr. Mayor, is what all I know until you said something this morning is what I read in yesterday's paper. I'm curious to know what kind of format we're going to have since the paper did say that Mr. Wyatt would be under oath. Is he here to make a deposition, or is he here under oath to who? And what effect will that have?

MAYOR BECKER: All right. Anyone who cares to make any testimony tomorrow - to make any statement can do so under oath if they so choose. Mr. Wyatt's statement will be under oath. It's not the same type of oath that's administered in a court of law, for example. But, I would only assume and I know that I'm using it for this purpose myself, that in case you are ever brought into court for any subsequent action, for any reason, that what is said tomorrow would be and could be used in the context that if you deviated from the story you would be perjuring yourself.

MR. PADILLA: One time or the other.....

MAYOR BECKER: That's right. Now, that's the connotation that I place on it. I intend to make a statement tomorrow, and it will be under oath and that statement to me whether it be under oath in the federal district court or at the banquet hall at the Convention Center carries the same amount of importance in my own opinion.

REV. CLAUDE W. BLACK: Mr. Mayor, I think one of the reasons for my position with reference to the rate change was a sensitivity to the impact of any increased cost at the living level on this community. But I think it was beyond my fondest dreams that the kind of impact this has made and is making could even be anticipated. I don't think that even those persons who voted on it, voted for it, anticipated this kind of impact on the economics of this community. Now, it seems to me that by virtue of this we've created a situation that's going to impose great hardships on a number of persons. I think we've got to make a decision not only with the facts, the reasons for this being increased, we've got to respond to the impact that this is going to make on our community. We've indicated that it cannot be changed. It cannot be altered. I don't know whether that's true, but we need to find that out, but if it cannot be altered what is going to be our position regarding the shutoffs of people who just cannot pay because of hardships? What's going to be our position as a City Council upon any increase? Now, it may not have, we may not have any increase, but it seems to me that we need to monitor the number of cutoffs, the number of people who are losing service, because of their inability to pay.

Now, to give the people the facts is one thing, and I think many will want a better answer than that. They will want to be able to maintain, because we're not talking about something that they can find another company to sell to them, we are talking about something that they have no options on, and, therefore, I would certainly suggest that we work out a procedure for monitoring the City Public Service Board's cutoffs, and to see whether or not there is any increase in the number of people who had to have their gas and electricity cut off, on the basis of any findings begin to work out some policy jointly with CPS to give some relief in those areas where we feel that relief is necessary. This is a very critical issue. When you begin to move from \$30 a month to \$115, and one person that I talked to who has to have that facility, this is a very critical issue as far as his income is concerned, because he just cannot absorb immediately a bill that he expects to be around \$30 and now it's \$115.

MAYOR BECKER: Reverend, I'm going to have to confess because I guess I'm terribly naive at the tender age of 54 going on 55 but for some reason or other I did believe that when we granted a 19 percent increase that that was what the increase would be. There isn't anybody in the City that's more horrified and shocked than I am to see these bills go as you say from \$30 to \$115 in some instances, three, four times as much, twice as much and all that sort of thing. I feel like I've been put upon. I feel like I've been had. I don't mind telling you that. My experience, and I'll say it now and I'll say it tomorrow and any other time, it doesn't make any difference to me, my experience with what told me that the City Public Service Company and what actually happened are usually two different things. I'm just saying it here and now. You can write it up any way you like. I'm disgusted with it. I'm sick to death of it, and when this condition commenced, and it seems like it commenced almost immediately after our voting the increase, it was as if they had been damming up a tremendous backlog of costs and expense that was thrown in on top of this 19 percent. The fact that May was supposed to have been a hot month doesn't justify it in my own opinion. May wasn't that hot. In fact, we haven't had heat in San Antonio that would cause that type of a situation, in my humble opinion. And tomorrow, I'm going to make an appeal to Mr. Wyatt, to the head of Lo-Vaca and whoever else is there that's capable of perhaps alleviating this situation, returning it to some semblance of order, some semblance of respect and concern for poor people, impoverished people, people who are unable to pay whatever category they might fit, to try to do something about this thing that will be beneficial and in the interest of the public, the citizenry of the City of San Antonio and the County of Bexar.

We've been depending on the Railroad Commission. We've been depending on attorneys; we've been depending on the courts; we've been depending on all kinds of things and we have gotten absolutely nowhere at this point. I'm going to see if there's some modicum of decency, and again I'm probably very naive, left in the minds and the hearts of certain people who can control this thing and bring about a return to, I'd say, sanity as far as these charges that our citizens are being forced to absorb. I got my bill from my place up in the country for two months or three months ago, and it's not, of course, City Public Service. It's a division of some little utility served by the LCRA. The bills went up five times or something like that. Well, it was a shock to me. I guarantee you. I can understand how it would be to someone who - the very fact that \$80 or \$90 has been added to their bill would be a rather impossible hill to climb and still have the conveniences and the necessities of life. This thing cannot go on any farther than it's already gone. It's been intolerable for years. It has just recently come into focus though. I'm thoroughly disappointed and thoroughly disgusted and thoroughly vexed and tried and have absolutely lost my patience with all of this foot dragging and monkeying around that's been going on by all of these so-called legal entities that are supposed to be looking out after the interests of the public. If that condemns anybody in particular or in general, then I say if the shoe fits, wear it.

We've got 900,000 people in this City that have been treated in a fashion that in my own opinion is second, and perhaps even not second to the treatment they received in the depth of the Depression. We've got a City that's being imperiled. The very future of San Antonio is being jeopardized in the financial and business in the industrial world. We've got a reputation already built up nationwide of the City that at best is on a very tenuous balance. Anyone who deals with

financial institutions can attest to this, and I'm not thinking, and excuse me just a second, Cliff, and I'll - I'm not thinking as to how it affects my fortune or anyone else's fortune in similar circumstances, but I do know what it's going to do to the futures of people who are looking for jobs and looking for opportunity and attempting to get an education that they can put to work in some endeavor in San Antonio, Texas. And it's cutting them right off at their legs, around their ankles. We're not going to have any kind of industrial or commercial activity here if this thing persists. We're going to be avoided like the plague. Yes, sir, Mr. Morton.

MR. CLIFFORD MORTON: I don't know just exactly what we're trying to achieve here this morning. I think I agree and disagree with almost everybody who's talked so far on various points. First of all, I know that if it were my business I headed - I feel like we head the government for this City, including the City Public Service, the City Water Board, City Transit Authority regardless of what the Charter may say as far as appointments and so forth. I think we've got enough control over them that we can at least keep them out of the bar ditch heading down the road. If it were my company, I know the first thing I would do if I had granted someone certain authority and all of a sudden I found that this authority was being usurped rather than talking about it with other folks on the same level in my office, I would get the person who is the offender into the office and immediately and regardless of what the open meetings law or anything else has to say and plus on the agenda today, I think the most important thing on the agenda the City of San Antonio is to try and establish what the facts are. We're talking about somewhere in the neighborhood of 200,000 customers, I would imagine the City Public Service has here in San Antonio. I don't know the exact figures. I don't know whether we're talking about one percent, ten percent, 25 percent as Leo has alleged in that quadrant, 50 percent or 100 percent of those that were affected by a 19 percent increase that was ten times that. So, I would like to urge this Council to try to take as calm an approach to this as we can, certainly considering the passions that are involved and ask the Board Chairman of the City Public Service, General Manager and any member of his staff to come over here as fast as their legs can carry them and let's charge them with a series of questions that we want answered. I think that they fall into the category how does 19 percent equal 300 percent? Is this an isolated situation and if so, how isolated? What is the reason behind it? I don't want it blamed on the computer. I don't know what folks did before the computer came out. It's the greatest alibi I've ever seen.

MAYOR BECKER: They have to face up to their own mistakes.

MR. PADILLA: The computer is people.

MR. MORTON: As far as I'm concerned, that management is responsible for whatever that computer does. You know, we certainly - someone has to review the reports that that thing cranks out. Let's get them over here as soon as they can. That's one of the questions we want to know. Number two, I think we also want an answer which I have been unsuccessful - I share your view on this, Mr. Mayor, as far as what is the plan? I am not so much concerned about what happened in 1962, as I am about what is going to happen in 1974, '75, '76, '77 and the year 2000. You

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and I had the opportunity last week to see and hear someone who had a plan. He had it on one sheet of paper. I would like to have them present to this Council no later than 24 hours from now what their plan is from now until the year 2000 and specifically what I want to know is I want to know by year on one sheet of paper what their capital expenditures are forecast to be, what the capital expenditures are going to be used for, and if it's going to be used for nuclear power generation, design or whatever it is, let's get it out on the table and tell folks that's what it is. And, number three, I also want to know by year what percentage of our energy is going to be generated from coal, garbage, oil, gas, nuclear, hydro, mirrors, or whatever they're going to use. By year, and what kind of an increase this is going to mean in terms of the cost to buy a kilowatt hour of electricity. Now, this seems to me to be a pretty simple charge and it could all be put on one piece of paper cause I've seen one that had it all on one piece of paper, but I have not seen one from this utility. I would like to have that over here so that the average - and it should be put on a level that the average individual can understand. And all this hocus pocus about all of the geometric formulas and all that sort of thing that they have to go into, you can get it down to where an average layman can understand it, and I think they're entitled to it. What I am saying in summary is this, I think we want the facts on bills why 19 percent equals 300 percent in certain cases and we want to know what the plan is. This is the thing that I think is more important to us than 1962. Maybe to find out where we go we have to know where we've been.

MAYOR BECKER: I'm afraid that's the case.

MR. MORTON: It may be, but I would like to ask this Council if it's in order at this time that we instruct the City Manager immediately to ask the Board Chairman and the General Manager and whoever he wants to on the staff to come over here today and we want to tell him face to face exactly what we've been talking about here, but get it down to some specific questions and as is generally the case they cannot answer directly that day, fine, let's give 24 hours, but they ought to have it over in the file someplace and we say bring them out here and let's let the folks see it. This is what I'd like to see done, and let's cut the rhetoric down to the minimum.

DR. SAN MARTIN: I second that motion or proposition or resolution or whatever it is.

MAYOR BECKER: All right.

MRS. COCKRELL: Should we set up a suggested time?

DR. SAN MARTIN: One hour.

MR. MORTON: Any time, as soon as their little legs can carry them. You can put it that way if you want to.

MAYOR BECKER: It is now ten after ten.

DR. SAN MARTIN: Eleven o'clock.

MAYOR BECKER: They should be here by eleven o'clock if they are available. Leo, does he want to vote on this?

MR. PADILLA: I don't know he just stepped out.

MAYOR BECKER: Ask Leo if he cares to vote on this please.

MR. PADILLA: While he's getting back, Mr. Mayor, I would like to join you and Mr. Morton and practically everyone else that has spoken in the statement that you made, Mr. Mayor. I think it was very appropriate, and I support it all the way. I think if you recall on the day of the final rate decision, I made some statements. One of them was to the effect that the system stunk. I think it was time - I was really searching for a way to make these people - and I use the word responsive. I think you said the same thing in general. I think beyond what Cliff is saying, and I have to agree with everything he's said, but I think we have to go beyond that. We have to go beyond the point of just constantly talking about it and find some way to accomplish what you've described, Mr. Mayor, and what I choose to call responsiveness to the community. We have to do whatever is necessary. Perhaps erroneously I have insisted that this is to find a way to make the Board again responsive to the people through direct Council appointment. Maybe that isn't the way but what I'm trying to find is the way. It doesn't have to be the way I suggest. I think that's imply what I want. I think the idea that political pressure is illegitimate is a mistake. I think one of the reasons why you see a lot of the attitude over there, and, again, the response to the public is because there is no political pressure on this type of Board. I think we see the political pressure. We can respond to the public inadequately sometimes, but we, at least, attempt to and as you said a 19 percent increase comes 300 percent, why? Why wasn't the Council apprised of it? The only point I'm trying to make to all of you, particularly, to the Mayor, is that my statements at the day of the rate increase were an attempt to find something that will affect a better situation at Public Service and it doesn't have to be direct Council appointment. It doesn't have to be refinancing. If any of you have a better idea you'll find me responsive. I'm willing to join you. I think our goal is a common one.

MAYOR BECKER: I tell you what you can start with. You can start with management. That's usually where anything begins or ends.

MR. PADILLA: I think I've been indicating.....

MAYOR BECKER: That's where it starts. That's where.....

MR. PADILLA: I think I've been indicating quite consistently, Mr. Mayor, that I'm not satisfied with what we get out of that management.

MAYOR BECKER: I would like to say this in Mr. Berg's behalf. He's only had the job now, what? Two months or something.....

MR. PADILLA: Six months.

MR. MORTON: Seems like two years.....

MAYOR BECKER: Well, it'll seem like, you know, a millenuim before he's finished with it. He has attempted to set that whole situation over there on the proper course. But, you can't turn the Queen Mary around in a bath tub and that's just about what is being asked of him.

MR. PADILLA: But, you know.....

MAYOR BECKER: And the new Board is being charged with the same responsibility.

MR. PADILLA: But, you know, you would think that Mr. Berg would know whether any part of the 85 million is going to be spent on nuclear plants or not. That's quite a basic question, and yet we can't seem to get the same answer any two consecutive days on that very question.

MAYOR BECKER: Well, it's unreal. I know that. I don't know, you know, I've seen a lot of things in my time, and I really think this one takes the cake for being a real price-snafu. So, let's vote on Mr. Morton's motion. All in favor? All opposed? Okay.

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

MAYOR BECKER: Will you ask them to get themselves over here as rapidly as possible.

CITY MANAGER SAM GRANATA: Today, or at 1:30 today?

MR. PADILLA: At eleven o'clock.....

CITY MANAGER GRANATA: Eleven o'clock? Well, I've been attempting to get some answers while you all have been talking and that's been very difficult. Don Thomas is on vacation or somebody's elsewhere, but I will have Joe call again. Let me say what I have been able to find out at this time, that the 19 percent which you voted on June 6, went into effect June the 7th, they immediately applied that to all the bills for May that were ready to go out which I didn't know. I thought they were going to start on June 7th. Secondly, the fuel pass through which is the biggest culprit and they haven't been to report to you to tell you what but then that was going to be over last month and as you know, their curtailment by Lo-Vaca has been tremendous so they've had to burn a lot of oil. I've been able to find out that they tell us - they tell me that one cent per kilowatt which means nothing to me and I know not to private citizens but we think that that's 50 percent, in other words, 50 percent of that - the bills were going to be 50 percent higher in May than they were in April because only of the fuel pass through but even that doesn't account for the 200 and 300 percent and that's what we want to know and I want to know as well as you do, but I'll call Joe and ask him to come over at eleven o'clock.

MAYOR BECKER: Mighty good.

MRS. COCKRELL: Mr. Mayor, I don't understand. It seems to me that they're billing now on the new rate. That's making it retro-active.

CITY MANAGER GRANATA: That's what it - we'll have to ask that question, Mrs. Cockrell. That's what we were just told that they applied it to the entire May bill.

MRS. COCKRELL: Well, I think that from there on they should compute it on the new rate not on what was already spent.

CITY ATTORNEY CRAWFORD REEDER: You can, if you remember when we had five to four and the Mayor pointed out how tragic it was going to be that we didn't have six to four because they couldn't go into effect immediately and they sat there.... I thought they were operated prospectively and not retroactively and.....

MRS. COCKRELL: I thought beginning then that from there on that they would be computed.....

MR. PADILLA: Crawford, the point is this that the ordinance with the six vote did go into effect that day but the thing is that power used on the 7th, the 8th and the 9th and then on, power used was to be billed at the new rate not the bill that came out after June the 7th.

CITY ATTORNEY REEDER: That's what I thought when I read the ordinance.

MR. PADILLA: They bill after June the 7th for May usage. That was at the old rate as far as I'm concerned.

CITY MANAGER GRANATA: But they didn't do that apparently. Apparently they applied the 19 percent to all bills that went out is what we were told just before.....

MRS. COCKRELL: Because people, you know, once they know rates have been changed it gives them an opportunity after they've been notified to conserve even more on their energy consumption and, you know, it's just not fair retroactively bill them.

MAYOR BECKER: Well, any deal where the Trustees are expected to vote on \$104,000,000 worth of equipment in five minutes time that was the railroad cars and everything we ordered. We didn't have a coal contract at the time. The way these things are always put to you, though, is that if you don't vote for it, you're going to bring the house down and the whole future of the City is in jeopardy as a result of not acquiescing immediately. It's brinkmanship of the worst order. It's always something that's done at the last minute that should have been done before. The coal contract is a case in point. I received the coal contract on a Thursday or Friday or something on that order, and it was going to be signed and implemented the following Monday or something about like that. And I sat down and dictated some suggested things that might be included in it. I never got a chance really to discuss the thing. It's everything, it's everything. Everything is handled on the same basis. It's no wonder..... I beg your pardon?

MR. PADILLA: They signed that contract and announced it before the Board approved it.

MAYOR BECKER: That's right.

MR. PADILLA: It was only the day I went to the meeting in your place that I insisted that that contract be formally approved and then Mr. Berg called for a motion to the effect that the contract be approved. This was probably a full week after it has been announced to the newspapers.

MAYOR BECKER: It's a funny way to do that. It's a very private, sort of a manner in handling the public institution.

MR. PADILLA: A billion dollar contract.

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MAYOR BECKER: Oh sure, a billion dollars. Well, all right. They're being notified now.

CITY MANAGER GRANATA: Yes, sir. They're being called now.

MAYOR BECKER: Okay. Well, I'm going to have to reiterate why I did what I did in calling Mr. Wyatt over here or climbing a pole or taking in laundry or whatever it would take to do it, to bring about some desire effect, I'll try anyhow. I'll try anyhow. We're fishing now. I'll try anything and everything.

MR. PADILLA: Mr. Mayor, are we here this morning to discuss the Charter?

MAYOR BECKER: Yes, sir, that's.....

MR. PADILLA: I tell you why I asked you that question because I've been approached this morning by several people I see in the audience who are interested in revenue sharing. Now, I just want to make the point they're perfectly welcome to stay, but if they're here for revenue sharing that's not to be discussed today.

CITY MANAGER GRANATA: Yes, sir. That's on the docket.

* * * *

(At this point in the meeting, the discussion turned to the matter of Charter revision, while awaiting the appearance of officials from the City Public Service Board. At 11:00 A. M., the conversation resumed.)

DR. SAN MARTIN: Mr. Mayor, I think we asked officials of CPS to come here at 11:00 o'clock. At this time I suggest that we stop this discussion of Charter Revision and start with the problem we wanted to discuss.

CITY ATTORNEY CRAWFORD REEDER: Mr. Mayor, could I say something before Mr. Deely comes up. There was some discussion prior to the time these gentlemen came over about whether the rate increase that you voted related back to the preceding time. There is this provision in the rate ordinance and I had read this before. "Said rates shall become effective for electric and gas services on all meter registrations determined by the monthly meter readings made on or after the effective date of this ordinance." Now, where you can get tripped there and where I got tripped when I read this was that meter reading that is on the meter has accrued over a period of the preceding month since the last time they checked it. So when you raise the rates 19 percent, in effect, really did raise them retroactively about almost a fifth. On a \$20 bill, that would be \$4. Now that doesn't account for the bulk of all of this trouble we're having but I wanted to put that point straight. It was my fault, it wasn't anybody else's.

MR. PADILLA: Is that what the Council intended to do?

MAYOR BECKER: It's just a fact of life.

MR. MORTON: Mr. Mayor, I'd like to make this point on that question and I'm not trying to practice law here because I'm not a lawyer, but as a very basic tenant of contract law, you can't go back and adjust a contract for something that you've already bought. This is essentially what we've done. These people were buying electricity on a daily basis at the rate that was in effect that particular day. Then up to 30 days later, we come back to them and say, no, that wasn't the rate you were using then, it's 19 percent more. I don't think you can do that. I don't think people buy - you haven't sent out any grocery bills just because the stuff went up. You don't do it that way.

CITY ATTORNEY REEDER: I'd be inclined to agree with that, Councilman Morton, but unless there's something in the contract that each person who has hooked up with the gas and electric system whereby the rates can be varied this way. I will have to plead ignorance on that. Normally, I would say you are absolutely right. You can't do that. I noticed they are here. Maybe they can explain it.

MR. WILBUR MATTHEWS: (Talking from the audience - inaudible).

MR. PADILLA: Mr. Matthews, the point has been made here that seems to suggest that the intent of Council when we passed the ordinance was that all power bought as of 7 June, the date of the rate increase, and forward the 8th and 9th and 10th and on, be under the new rate and not previous to June 7th. Power bought on or after June 7, be at the new rate, that seems to be what the intent of the Council was although that it also seems to be that that isn't what we actually voted on.

MR. MATTHEWS: (Inaudible).

MR. PADILLA: But he was dealing with the day, Mr. Berg was dealing with the day the ordinance took effect. We're talking about power purchased previous to the day the ordinance took effect.

MAYOR BECKER: Let's get on to what we're dealing here with this morning, if you don't mind please. This is all part of it, there's no question about it but I think we should start at the beginning. I don't

know how this happened, I was just handed this telegram and it's signed by Mr. and Mrs. John Sadosky, 5119 Roundtable, San Antonio, Texas, addressed to me and the City Council and so forth. "The people of San Antonio are up in arms. We refused - and you have to understand how telegrams get confused in the translation - we refused the 300 percent rate hike in utilities. You with your money, I guess money is what they're trying to say, can afford it. We cannot. We have been misled to believe there would be a 19 percent increase. We demand something be done." signed Mr. and Mrs. John Sadosky. Now, this was just handed to me. It wasn't staged that way or anything. Ironical or coincidental it would happen though, right at this time.

Now, Mr. Deely, what we're talking about here this morning is that in all good faith, this Council was under the impression that in the granting of the 19 percent rate increase that we were in fact dealing with a situation that would bring about a 19 percent increase in the utility rates to the public. All of the various charts and diagrams and the information that was attendant to this rate increase was predicated, at least in my recollection, and to the best of my understanding on that basic point, 19 percent. We even had a chart for the low income user and it showed that he was being penalized less than people who use more power, which, in theory at least, would indicate partially that they are, let's say, more affluent. Mr. Thomas' exercise in that sort of thing was well put. Now, I don't mind telling you that all of us, including the citizenry of San Antonio are in a dilemma, a state of shock, as a result of this 200, 300 percent, whatever it happens to be - in some cases, it's even more than that, increase on these bills that were sent out just the other day. This all started when, Friday I believe it was, something on that order. Now, we would appreciate, if it's possible at all, to give an explanation as to what's happened, what's causing this. We didn't think it was going to be this way. I know I didn't think it was going to be this way. The rest of them have reflected the same statement, they didn't think it was going to be this way. Where did we go wrong? What happened? Would you answer that please.

MR. TOM DEELY: Mr. Mayor and members of the Council, we'll start at the beginning, in the beginning when we talked about the rate change. We tried to make it plain throughout our discussions, as I believe did your consultants, O'Brien and Gere, that we were talking about the base rate. Now, there are obviously other things that affect this rate. I can mention two or three of them, one, of course, is the fuel adjustment. The fuel adjustment in the instance of your bills at Handy Andy - excuse the commercial - went up about 100 percent in this month. They went up because the fuel adjustment is approximately one cent a kilowatt hour. You were earning a rate at your stores of about one cent a kilowatt hour. So it's obvious.....

MAYOR BECKER: You might state also that somewhere in the realm of perhaps \$600,000 a year or something like that is the utility bill that my company pays the Public Service.

MR. DEELY: I know that is considerable, yes.

MAYOR BECKER: It's a substantial sized bill.

MR. DEELY: So your bill, as did most industries, in effect, you could say that their bill more than doubled because they had the 19 percent, approximately 19 percent, on their base rate. They also had the fuel adjustment which was one cent which was approximately the rate that they were earning prior to the fuel adjustment. So, we have that situation which reflects the increased cost to industrial customers. In other words,

one cent to two cents a kilowatt hour. From a one cent rate to a two cent rate. Now, the weather also plays an important part in these bills. We have a measure for this and I believe that most, well, a lot of our customers as I understand, are talking about last month's bill as compared to the bill they're now paying. And, incidentally, Mr. Padilla, no bills went out until Monday with the increased rate on them, so if someone got a rate on the bill on Friday, they did not have the increase on that bill.

MAYOR BECKER: Now you're talking about Monday of last week?

MR. DEELY: Monday of last week, that's correct.

MR. PADILLA: Mr. Deely, Mr. Deely, if you'll allow me to interrupt you because I think you've touched on an important point and one that has to be clarified. I did receive quite a few phone calls from people that did not tell me what day they received their bill. But the phone calls did not start until Friday and I got them Saturday and I got them Sunday. Now I can only assume and it's an assumption, that they received their bills Friday. These people in detail in several cases told me what their bill was and what their new bill is and there was an increase of about 300 percent. Now, are you telling me, Mr. Deely, that if someone received their bill last Friday it did not incorporate the 19 percent rate increase?

MR. DEELY: Let me check that. Is that correct? Just last month.

MR. PADILLA: Yes, sir. I'm speaking of three days ago. No, I'm speaking of three days ago were the first phone calls I got. All right. Does that mean that if someone did receive a bill Friday or Saturday that it did, that bill did incorporate the 19 percent?

MR. DEELY: Yes, it did.

MR. PADILLA: All right.

CITY MANAGER GRANATA: Let me clear a point. That was 19 percent for the entire month though not from that day forward, right? As the ordinance - as we set up by the ordinance.

MR. PADILLA: Well, the Mayor indicated that we would get to that point after a while. That's why I didn't question Mr. Deely.

CITY MANAGER GRANATA: So the first bill went out on Monday, June 11th, is that correct?

MR. DEELY: I think that's correct, yes.

CITY MANAGER GRANATA: Tenth, June the 10th, Monday, June the 10th is when the first bills they say went out.

MR. PADILLA: So the bills that were complained about starting Friday did include the 19 percent?

CITY MANAGER GRANATA: That was the mailing date from their office, yes, sir.

MR. PADILLA: I was hoping that they did include it, in a manner of speaking.

MR. DEELY: They did. Now we've covered the first point about the fuel adjustment in these rates. If you had a bill of, say, 700 kilowatt hours for the month, then the cost of that by the fuel adjustment alone would be \$7 approximately. This is in round figures. No part of this incidentally goes to the City Public Service. It's a pass through charge and none of this money accrues to the City Public Service as such. Another thing that caused the increase in the bills was the fact that the City, as I understand it, was advised by their attorney that they could not waive the charge on the fuel adjustment which was made as a result of the action in January - setting the January fuel adjustment as the top adjustment that could be made insofar as calculations of 14 percent to the City were concerned. That January fuel charge was 31.42, let's say 31.4 cents per million BTU. The charge in June approximately \$1.02 for a million BTU. In other words, up about three times on fuel adjustments.

MR. PADILLA: You described the \$7 fuel bill. What affect would this 14 percent have on the \$7 fuel bill?

MR. DEELY: \$.84 would be the total 14 percent on the \$7, if my multiplication is correct, is that right?

MR. PADILLA: Thank you.

MAYOR BECKER: All right. Let's start with the \$7.

MR. DEELY: It's 98¢, Mr. Padilla, yes.

MAYOR BECKER: All right. Now you have a 98 cent cost additional to the \$7 fuel bill due to the 14 percent that the City is to receive. Is that correct?

MR. DEELY: That's approximately correct.

MR. PADILLA: You have a \$7 base, \$7 for fuel adjustment and 98 cents on the City's 14 percent.

MR. DEELY: The bill is not \$7, the fuel adjustment is \$7.

MR. PADILLA: What is the base bill that you're using as the hypothetical bill?

MR. DEELY: Well, I can give you specifics on an average bill for June, if you'd like to go through that.

MAYOR BECKER: Well, let's just track it down all the way - what the bill used to be and what it is now.

MR. DEELY: All right. If I could Mayor, let me make one more point, and then we'll talk about the particulars of a bill. It's always better to talk about the specifics. Even with customers when they complain about the bill, we find it's the most satisfactory way of settling that is to talk with them to refer to the specifics of their bill and generally you can explain to their satisfaction what the problem is or why the increase. The other factor is the cooling degree days. Now as it gets hotter, your refrigeration and air conditioning run longer. Now this is an item that's hard to attribute to, again, generalities to a customer because it depends really on how much they use the air conditioning. I mean by that, one customer will use their air conditioning 24 hours a day, another will turn it on in the evening when they come home and so forth and so on. But, in general, if you know how much usage is occasioned by

the air conditioning, then you can use these cooling degree days and relate directly to the amount of increase in the bill. The cooling degree days on the bills that are going out now amounted to 181 cooling degree days. Now that is the number of degrees - I'll have to recall exactly what this is - it's been a long time since I've used it - it's the number of degrees, is it 74 degrees on that? 72? It's the average daily mean temperature below 72 subtracted from 72. I mean above 72. If you had 74, an average daily mean temperature above 72 or 2 degrees or 74 degrees, you would have two cooling degree days. So 181 cooling degree days then measures the amount of cooling that's required in that particular month.

MR. PADILLA: Is 181 the cumulative factor? Two degrees a day, so to speak.

MR. DEELY: (Inaudible).

MR. PADILLA: Cumulative to 100, so it averages about three degrees a day, no, six degrees a day, I'm sorry, right.

MR. DEELY: Six degrees a day that would in average would be 78 degrees, would be approximate temperature.

MAYOR BECKER: But your base point is 72 degrees.

MR. DEELY: 72 degrees. Now, as I've said, a lot of people are comparing their previous month's bill which was 47 cooling degree days.

MR. PADILLA: That was April.

MR. DEELY: Well, that was the May bill, yes, it was April for the May bill. So you have there about four times approximately four times, the amount of cooling required. Now, interestingly enough, in 1973 just as a matter of comparison, some customers go back to the previous year, in May of 1973 we had 130 cooling degree days. So that also is a contributory factor, considerable factor, toward the increased billing and especially so if customers are comparing their May bill with their June bill. Now this figure will get up there in July and August to 450 or 500, so we're on the climb now and bills each month, because of this factor alone, will continue to increase. This applies not only necessarily to air conditioning but also refrigeration. Refrigerators run more in the hot water.

MAYOR BECKER: Now, let me ask you something, Tom, while we're on the subject. How did we arrive at using the 72 degrees as the base point, you might say. How - from what stems those calculations?

MR. DEELY: Well, it was done empirically by all the utilities of the United States and finally set as the level which would be used for that. It's at that point presumably that no one will turn on their air conditioning. Now there's some that like it 68 degrees and some like to turn it on at 74 degrees but this figure was found empirically by an examination of large numbers of customers that it was the best figure to use to determine the cooling degree days. We find it works very well in trying to analyze the customer's bill.

MAYOR BECKER: Does that figure generally take into account the part of the country that we live in as hot as it is down here for as long a periods of time as we are subjected to this heat?

MR. DEELY: I would say it's a fair figures, yes, Mayor. It - of course, we have more cooling degree days here, comparatively...compared to New York.

MAYOR BECKER: That's right.

MR. DEELY: Of course, compared to New York, we wouldn't have this kind of a bill either. It would be about three or four times as large.

MAYOR BECKER: Okay. Excuse me for interrupting.

MR. DEELY: Now as to the average residential bills, I hate to bring up the case of the man that drowned in a stream an average of two feet deep, but anyway, this does give you some kind of a handle on what the big overall broad average is. I'll give you May first. The average electrical usage in May is 747 kilowatt hours.

MAYOR BECKER: That's 747?

MR. DEELY: Yes.

MAYOR BECKER: 747 kilowatt hours.

MR. DEELY: And the gas usage is 3600 cubic feet. Now I have this broken down in a total we can give you, we have the figures here if you want to talk about the specific figures. We have both gas and electric but in total, the base rate on that is \$16.47.

MAYOR BECKER: All right. Now, you're speaking of dollars?

MR. DEELY: Yes, sir. \$16.47.

MAYOR BECKER: Would be the average?

MR. DEELY: Yes, sir, of all the residential customers.

MAYOR BECKER: Right. And those average people would be using 747 kilowatt hours and 3600 cubic feet of gas.

MR. DEELY: was \$5.86. Now that deserves a little word of explanation because the adjustment with the City's cutoff of 31 4/10 cents on the fuel adjustment above which they did not take the fourteen percent, that adjustment would have meant only four and ninety-five hundredths mills per kilowatt hours. This computation here is with the 14 per cent which is an adjustment of 5.55 mills per kilowatt hours. So there's very little difference in those two but 6 tenths let's see, 6/10 of a mill times 747 and that's too hard for me to multiply - 45 cents.

MAYOR BECKER: And that is what the City's fourteen per cent equates to.

MR. DEELY: Yes sir.

MR. PADILLA: Forty-Five cents.

MR. DEELY: The difference between the old cut-off of January fuel adjustment and the cut-off taking the entire 14 per cent, that's 45 cents.

MR. PADILLA: That was effective in the May bill as well?

MR. DEELY: The last ofthe day after you passed the..on all bills after the passage - the bills that were billed the night of Thursday, what day was it? All bills from the night of May 23rd on were billed with the new fuel adjustment on it. Or the 5.55 mills. So that was effective after on all meter readings after May 23rd.

MR. PADILLA: So how much was that 14 per cent, in this bill of \$16.47?

MR. DEELY: They multiply it out and.....

MR. PADILLA: Sixty five cents. All right.

MAYOR BECKER: Total of 65 cents.

MR. DEELY: A total of

MR. MORTON: Why don't you draw your two columns up there and put one before and one after using the same consumption and put the components on there where everybody can see it. We're sitting here writing down and all you have to do is put it right over there Don.

MAYOR BECKER: Well, the problem is can you speak from over there.

MR. PADILLA: Can Don Thomas...

MR. MORTON: You let Don put it on the board.

MAYOR BECKER: Don you put it on if you will.

MR. DON THOMAS: All right, fine.

MR. MORTON: I think this is one of the reasons we have these great problems in communication and let's quit talking about the mills and let's start talking about tenths of a cent. Let's get all of this engineering....

MAYOR BECKER: Is that a black board, Don?

MR. DEELY: This is financially....

MR. MORTON: Well I realize this sir. I just feel that communication doesn't take place until everybody understands and

MR. THOMAS: How about if we put it over here.....

MR. MORTON: That's fine, I don't care where you put it.

MAYOR BECKER: Mr. Freeman, can you track that out just like Don is doing on this blackboard over here or would this gentleman rather do it from the audience?

MR. PADILLA: Excuse me, do you have an eraser for this board?

MAYOR BECKER: I'd call you by name but.....

MR. MORTON: I think ~~that~~'d make it pretty simple.

MR. PADILLA: Are they using the same format out there?

MAYOR BECKER: Well, we're going to attempt to, yes. Alright you're starting again with \$16.47, the average customer's bill. Is that correct Tom?

MR. DEELY: For 747 kilowatt hours, that's correct. This is for May.

MAYOR BECKER: And the next deal was \$5.86 for the fuel adjustment, right?

MR. PADILLA: Now where's your City's 14 per cent, Tom?

MR. THOMAS: Now this was the last part of May. If you want the numbers for the first part of May, would be....

MR. PADILLA: Have you already included the 14 per cent in the base rate?

MR. THOMAS: Yes.

MR. PADILLA: All right. Well then I'll take it off of mine here.

MAYOR BECKER: Well that...total of that was 65 cents as I understood it.

MR. DEELY: That was the multiplication he made. In cents it's .555 times 747. We brought a calculator. We were afraid we'd get into this and we didn't have all these figures computed. We can set up and calculate if you'd like.

MAYOR BECKER: Well, we're just trying to see how this thing became what it did.

MR. PADILLA: Now, when was this basic bill sent out Tom? I'm trying to resolve the complaints that I received of as much as 300 per cent increase. Now you don't indicate that on this so far. So where is the 300 per cent increase.

MR. DEELY: Well we don't have the next month's yet. They're comparing May and June as I understand the problem.

MR. PADILLA: Okay, you're going to show us 300 per cent.

MR. DEELY: We're going to show you June. Well we're not going to show you 300. We're going to show you what it is.

MR. PADILLA: Well, people got 300 per cent bills.

MR. DEELY: That's the reason I say that the specifics of discussing a particular bill often changes the picture when you look at a particular bill.

MR. MENDOZA: While they're drawing this on the board, Mr. Mayor, I would like to ask a question that I initially asked when we got started on this. A lot of the people that are complaining their rates were increased. Now there's a lot of them that were not. Now I'm just wondering what kind of system, in other words, we're using where...if a person got a bill last week, their bill was not increased. Am I correct?

MR. DEELY: I'm sure. Yes.

MR. MENDOZA: Okay, but as of this Friday, they were, or last Friday.

MAYOR BECKER: Leo, do you mind if...let's come to that a little later. I'm afraid and I know you want your question answered and I don't blame you but let's try to stick with this thing and then settle that and then we'll go into the other things because I'm afraid we'll complicate the issue here, you see. I'm still trying to find 300 per cent such as that. I'm still looking for it.

MR. THOMAS: Well, you won't find it in this (inaudible) but I think it will lead us into that.

MAYOR BECKER: Well all right, okay.

MR. THOMAS: Well last month when I was over here making my report for the bills, I gave you \$21.68. This again was for 747 kilowatt hours and the 3600 cubic feet of gas. That applied up until May 23rd at which point the Council rescinded their previous ordinance. We changed the fuel adjustment on the 23rd of May so for bills rendered after May 23rd and the rest of May, this is what the average bill would have been for the same - \$22.33. The only thing that changed was the fuel adjustment which went up 65 cents. That was the effect of the ordinance modification.

MAYOR BECKER: That 14 per cent added 65 cents.

MR. THOMAS: To the May bill.

MAYOR BECKER: Right. \$21.68 increased then to \$22.33, correct? Okay.

MR. MORTON: Okay, now, Don why do you have the basic the same?

MR. THOMAS: Well, there's no change in the basic rate on May 23rd.

MR. MORTON: There was not.

MR. THOMAS: All you did was you wanted us to pay 14 per cent on the whole fuel adjustment which you have previously declined to take in January.

MR. MORTON: Okay, then the exact date of the change in the basic rate was May 23rd.

MR. THOMAS: No. June....

MR. MORTON: June the something...

MR. THOMAS: June the 6th...

MR. MORTON: So what we have here is have one date for an adjustment to take care of the 14 per cent. You got another date for instituting the 19 per cent rate increase. Now why do we have that?

MR. THOMAS: It was the action by the Council.

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MR. MORTON: Okay.

MR. THOMAS: And we put this into effect the very night that you passed this. We put this into effect the very night you passed it. The reason the bills didn't go until the 10th is we held them three or four days checking them to make sure on Monday that...

MR. DEELY: I could say we didn't want to get into the same situation the City of Houston did on their water bills, where 80 per cent went out wrong.

MR. THOMAS: All right so effectively this is what I gave you last month when I was making my report. Now, the June consumption that we worked out is 1,030 kilowatt hours and 3100 cubic feet of gas.

MAYOR BECKER: All right now that's brought out by that mean temperature deal.

MR. THOMAS: That's correct.

MAYOR BECKER: All right, that's 1030...

MR. THOMAS: Instead of 747, I believe we've worked that out and that's approximately 40 per cent.

MAYOR BECKER: 747 and then the gas deal is still...

MR. THOMAS: All right, so one of the first comparisons that you can make is to this would have been what I normally would have given in at my June report had there been no rate increase approved. This would be the June bill, June average bill under the old rate. The one comparison that you can make is that the average residential bill would have gone up from \$22.33 to \$29.25 without any rate increase just because of usage and change in the fuel adjustment factor. Computing on the same consumption under the new rate is the last column of figures.

MR. DEELY: I'd like to say it's nice to have Mr. Thomas back from his two weeks vacation after one day, so he came back today to appear before you.

MAYOR BECKER: We appreciate that very much, Don.

MR. PADILLA: We now have a \$37.00 bill as opposed to a \$22.00. That's not 300 per cent Don.

MR. THOMAS: Remember now what we're talking about. This is average.

MR. DEELY: Your basis average. It should on an average basis if everything else is average.

MR. THOMAS: If we take and add up at the end of the month both these columns this is what will come out despite, because many people are experiencing much less increase, but I think I can illustrate that. There were two things that happened right here that I think is important to know. Number one is we applied the new rate that was approved by the council on June the 6th. That raised the basic bill, that's what we were talking about. The nineteen percent increase only applies to this change. It has nothing to do with the fuel adjustment. What we're saying is, on annual basis computing this bill to this bill on an annual basis produces nineteen percent over the whole year, twelve months.

MR. DEELY: For all the customers (inaudible). Let's say that again.

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MR. THOMAS: For all the customers, all two hundred thousand. Now the fuel adjustment went up between the old and the new rate primarily due to one factor. The fuel adjustment in the old rate computed the fuel cost for the second preceding month. So on June bills under the old rate we would have been using April fuel costs, two months prior, whatever we used in April was billed in June. Under the new rate we moved the fuel cost up to where it would apply in June to the May fuel cost. This was to shorten the lag from two months to one month. So on the new bills in June on the new rate we changed the fuel adjustment to cover May fuel costs.

MR. PADILLA: Would you mind covering that again, cause I lost you. When you shorten the rate adjustment costs from two months to one month.

MR. THOMAS: The old rate said that we billed the fuel cost for the billing month on the cost for the second preceding month. In other words there was a two month lag. June would have been April, then July would have been May, we were always two months behind recovering on fuel cost. In the new rate we changed the fuel adjustment cost to go to the first preceding month. In other words, just one month behind.

MR. PADILLA: Which means that bills that went out last Friday, incorporated the fuel adjustment cost for what month?

MR. THOMAS: For May.

MR. PADILLA: For May, and the ones that arrived previous to last Friday incorporated March?

MR. THOMAS: Now if you were in the first part of June, first week in June, they would have been April's costs.

CITY MANAGER GRANATA: Well if some of them get April and May didn't you have to catch up?

MR. PADILLA: You skipped a month there, Don. Did you skip April?

MR. THOMAS: Well, the bills for the first up until June, we started our June billings on the first of June. From June 1st to June the 6th, we billed the old way for all meter registrations.

MR. PADILLA: Which was April.

MR. THOMAS: That was April fuel cost. For those bills that went out June 6th and later, they were on the May fuel cost.

MR. MORTON: I'd like to ask you, do you have any month in there in which you are collecting a fuel adjustment for more than one month?

MR. THOMAS: For more than one?

REVEREND BLACK: Yes. In other words there's no doubling up here when you shifted from a two month lag to a one month lag?

MR. THOMAS: No, when we compute the fuel adjustment we take the fuel cost for the month and divide it by the consumption for that month, to get a unit cost. The unit cost is billed against the consumption. We never over recover.

REVEREND BLACK: Let me put the explanations in a very practical context. Can we say to those citizens that have already gotten their bill if their consumption remains for this month as it was last month that they can expect the same bill, same kind of bill? I want to, in other words, I'm trying to put it, what I'm saying is, take into consideration all the variables you're talking about. But what is going

REVEREND BLACK: to change? If it's not going to be the same, what is going to really change? All right, what I'm saying, all right, let's say that we have the same kind of fuel, you know, just as hot we're not getting the prices, the price of fuel cost and all of that is the same, then they can expect the same kind of bill that they got this month?

MR. DEELY: That's correct.

REVEREND BLACK: May I ask this, does it appear that in terms of the way we're using fuel now that they can expect that same kind of cost, under the present operation? Because I think it's important that we say to citizens now, if they're already enraged about what their bill is now, if there is any way that they can adjust that bill, then they want to know that. If there is a way in which they can adjust that bill, I think we need to say to them that their bill is going to be the same or there is a great possibility of it being the same in terms of way in which we are operating now.

MR. DEELY: Reverend Black, I would say this that I can see and I think the industry generally can see only one direction for cost of fuel, and that's up. Now one other thing that I might call your attention, we're down in the use of our fuel oil we're now using fuel oil that we had the foresight to put it in storage tanks at a low price and we use for billing a rolled in price of fuel. X gallons at \$7.50, x barrels at \$8.00, x barrels at \$10.00, x barrels at \$12.00. And, of course, that price is increasing all the time. So, I believe before I came over they gave me a figure that we're going to have to buy \$2 million worth of fuel oil in the next two months in order to get back where we want to be. We are buying this fuel oil at a higher price and as we use it, of course, it will be billed to the customer and the adjustment will increase on fuel cost, and gas is increasing also. The Railroad Commission ordered the field price of gas under the existing order the field price of gas plus five cents. That price is increasing as they make new contracts or as they renegotiate their existing contracts. The cost before further additional deliveries from the field, that price is increasing.

MAYOR BECKER: Tom, how much are we paying for this fuel oil now that you're speaking of is \$2 million worth?

MR. DEELY: The last we bought was \$11.00. Of course it makes a difference in what grade you buy, and so forth so on. Number two oil cost much more than your number five, or number four.

MAYOR BECKER: Eleven dollars a barrel.

MR. DEELY: Eleven dollars a barrel.

MAYOR BECKER: And we were paying \$7.50?

MR. DEELY: That's about the price as I recall when we filled the tanks.

MR. PADILLA: Are we still burning \$7.50 oil?

MR DEELY: It's a rolled in price, now the total oil that we have in the tanks is - there is still some of that oil in there yet.

MR. PADILLA: When are we going to start burning \$11.00 oil?

MR DEELY: Well, as soon as we use up the existing oil.

MR. PADILLA: When is that?

MR DEELY: Well, we project it'll be soon if the curtailment we have had continues. We projected with the curtailment we had by the middle

MR. DEELY: of July, would be down to what we considered a bare minimum and I believe mid August we'd be out of oil.

MR. PADILLA: I think this council feels that the people have to have the information. Now you remarked awhile ago that in July and August when you were discussing the degree days is that the proper term?

MR. DEELY: Right, cooling degree days.

MR. PADILLA: Cooling degree days, all right, you remarked that there 181 cooling degree days in May, and in your remarks you indicated that in July and August it may go and probably will go to 450. Now that is a factor of two and a half times, so I think if we can tell the people how much their bills will be approximately in July and August, when the seven dollar oil is burned up, when the cooling degree days go up 250 percent or two and a half times the one hundred eight-one cooling degree days, what kind of bill are people going to look at then?

MR. DEELY: Well, of course it would be much increased. We'd have to compute it.

MR. PADILLA: When would that be?

MR. DEELY: I might add - well, we can compute it.

MR. PADILLA: I think we can lessen the impact to a great extent if we can just communicate ahead of time to the people what's coming, you know.

MR. DEELY: Do you have those figures.....

MR. THOMAS: I don't have those with me but (inaudible)

MR. PADILLA: How many dollars? If you can't figure the dollars, we can't.

MR. DEELY: Well, unfortunately, we didn't come with everything to this meeting. We came over hurriedly and we brought what we thought would be essential. We'll be glad to answer the questions.

REV. BLACK: Mr. Deely, what you're saying then the facts seem to point that whereas the bills have been increased now that the facts that you have available to you at this time seem to indicate that the citizens of San Antonio can expect an even greater increase in their bill?

MR. DEELY: Yes, sir.

MR. PADILLA: My concern is also, Mr. Deely, I really feel that the question that I've asked you this morning should have been a question you asked yourself three months ago. Perhaps you asked it and perhaps you have the answer and you just didn't bring it with you. I hope that's the case.

MR. DEELY: I'm sure we have the figures over there.

MR. PADILLA: If it wasn't thought of three months ago on the part of professionals, I don't think it speaks well for the situation at all.

MR. DEELY: It is computed for the bills individually by the curves that determine what the usage is so we know what the revenues are going to be by classes certainly under the new rates. No insofar as cash flow is concerned, and this is the thing that's giving us our problem over there, insofar as cash flow is concerned, we're out of funds and the reason is that we've had to make these terrific purchases of fuel oil and the fact that we did not get the rate increase. So we're living from hand to mouth on our bills like the average citizen does and like I do and I'm sure you do ... well, I won't include you.

MR. MENDOZA: Mr. Deely, there's some people that are just not going to be able to pay these bills. That's the dilemma that we're finding ourselves in. What are we going to do about that situation?

MR. DEELY: Well, of course, the one way to reduce bills is to cut down on usage which I have done at my house. My bills are about half of what they used to run. We did not turn the air conditioning on until the 5th of June and I would say this is the best method of keeping a bill low.

MR. MENDOZA: I guarantee some of these people are ... I think they are on some type of relief.

DR. SAN MARTIN: I think a lot of the people that have complained don't even have air conditioning in their home. They only have perhaps one window unit at the most in the bedroom but they're really not the most of the bills, the sections where they came from - the complaints come from are in an area where you wouldn't expect central heating or central air conditioning. At the most they have one window unit. Now

one thing they've been asking and I don't think it has been answered yet, was the 19 percent increase only from June the 7th on or just any bill that came after June the 7th?

MR. DEELY: Bills rendered after June 7.

DR. SAN MARTIN: But that included several days behind June the 7th, is that correct?

MR. DEELY: Yes, there's no way really that you can divide your this is customary throughout

DR. SAN MARTIN: Yes, I know, Tom, but we are charging 19 percent before June the 7th and you had no ordinance whatsoever saying you could charge 19 percent until June the 7th, and that is not legal according to what Mr. Reeder was telling us, Tom.

MR. DEELY: I believe that, Dr. San Martin, that Mr. Reeder stated differently about the ordinance. We didn't try to - let me say this, we did not try to cover up on this ordinance. This is customary throughout the United States. I know of no instance in rate increases where the increases were given after the date of the commission ruling.

MR. MORTON: How about us having the first one?

MR DEELY: I beg your pardon.

MR. MORTON: How about let's making this one the first one.

MR. DEELY: Well, that's up to the Council.

MRS. COCKRELL: Mr. Mayor, I wanted to ask Mr. Deely. I beg your pardon.

MR. PADILLA: Go ahead, Doctor. All right, Mrs. Cockrell.

MRS. COCKRELL: I wanted to ask overall how does the total consumption of fuel contrast with a year ago. What I'm getting at is are we making any headway? For a while we kept posting how well we were doing, where we were reducing 15%, 17%, 20% whatever it was and I want to point out, I think that we have really abandoned apparently this big push that we had for reduced consumption. I think it's going to have a direct bearing on the amount of high priced fuel oil that we have to get into. I think we need another massive campaign on reducing our consumption and I want to know how it compares with, say, a year ago.

MR. DEELY: Well, I would say we're still running under on all the figures we can get. The amount that would have been used. I hate to speak of that because in the normal increase and normal usage, we would be using much more than we are now. That does not mean to say that we're not going into this thing as fully as we can in order to reduce and promote - to reduce usage and promote conservation. We had a meeting set up for 4:00 tomorrow afternoon with the energy committee, which is a joint committee established in the Chamber of Commerce with a number of participants but we had to cancel that out because we had some other business. As I understand, there will be a meeting at the convention center tomorrow afternoon.

MRS. COCKRELL: Well, I feel like this Council certainly wants to do everything it knows how to help on this energy conservation and I think that's one of the most important aspects because we want to keep the usage of this high priced fuel oil to a minimum.

MR. DEELY: We have two ads that are going out not running concurrently but consecutively on this particular phase of it that we are presenting to the group on the energy conservation as a committee.

MR. PADILLA: Dr. San Martin, we'll come back to you now. Mr. Mendoza.

MR. MENDOZA: Well, I'm still going to ask the same question. I don't know that I'm clear on the fact that some people are having to pay this increase now and others are going to have - it will be a month before their increase will be I can appreciate the fact that the meters cannot be read at the same time but on the other hand it's - well, let me just give you a better example if I'm paying it today, my next door neighbor is going to have to wait a month. I'm just wondering if that's not unfair or unconstitutional or whatever.

MR. DEELY: Well, my only answer to that would be that it's impossible to read all these meters in one day. To say that it's about the only way you can do it doesn't answer your question but it really is. We have 22 meter reading groups and we must read those at a particular time in the month and have about 30 days in the billing and that, of course, evens your workload throughout your billing process so it's handled that way and that's about - I don't know if that answers your question but that's the reason for it.

MR. PADILLA: Mr. Deely. - go ahead, Doctor.

DR. SAN MARTIN: Have you actually checked any of the bills that have been coming in? I understand that your public relations have not been the very best in the last couple of days, Tom. What I hear is that very little information is given to the citizen when he wants to inquire about his bill and they say, well, we don't know all that system. There's very little information. I know that the PR could be improved a little bit. Have you actually tested some of these bills that have been coming in to run them through and see if there was any mistake made and a possibility of errors made because I don't care how hot the summer is and how much air conditioning energy you've been using, Tom, there's no reason why some of these bills come in three times what they were a year ago . . . no reason at all. I don't - I can see all this what's Don has been talking about but I don't see an increase from \$30.00 to \$90.00.

MR. DEELY: Well, Doctor, I'd say this - we can much better talk about the picture, we generally can explain as I said the reason for the changes in bills. Now as to our public relations, I'd say that that was the understatement of the year that the last two or three days we've had a lot of trouble. We've had our lines loaded with calls. Customers had to wait to get the explanation of the reasons for the increase. We have been utilizing other personnel all we could put on and use all the other lines we have to try to explain these changes and the reasons for it to the customer.

DR. SAN MARTIN: But have you done any spot checking in some areas. I mean, have you actually done some spot checking to see...

MR. DEELY: Oh, yes, as a matter of fact that took up about from Thursday through Sunday - that was actually what was done all that time. Now I don't know how many people they had. I went down two or three times to see how many were there and I'd say there were 20 to 30 people that were involved actually with computers in checking these bills to see that the computations were correct. As I say, this is an added thing that was done particularly in view - you're probably familiar with Houston's problem and what happened there, in view of the fact that some mistakes were made in their system design - program design.

DR. SAN MARTIN: What I'm referring to actually we had the same trouble with some of our sewer service bills for instance. There was something wrong somewhere and they had to come back and recheck some of those figures. Is it possible that you also make some mistakes?

MR. DEELY: There is a continuous check made on this. Once, of course, they are sure that the program is correct and that it covers all the situations they have, theoretically, it is impossible to make a mistake. Actually, you can make mistakes in meter readings, you can have problems within your computer, but let me say this, they are very continuous checks and we know of no errors that run through the program or have been made generally.

DR. SAN MARTIN: Let me ask you just one more thing. Who in your office or in any office authorized anyone in your organization to tell citizens that while you're on the telephone with me, he can go and read your meter and let me check it for you with your record here. Now, how can you expect the citizens to go outside and read a meter. I couldn't do it if my life depended upon it.

MR. DEELY: As I understand the question that they asked is, can you read your meter? If the customer can, that's one way for him to satisfy himself day by day and he can see exactly what's happening to him. It is one of the most effective means you can have for a customer to reduce his usage. We use that quite often. In the days when I used to be back in the rate division in 1936. It's one means of letting the customer become aware really of what he is using, how much he is using and where his consumption is going. The problem is that by the time they get the bill, it's been several days since he started the usage and we all have a tendency to forget. I have here a bill that Sam Granata gave me from a gentleman who is in the audience. You might like me to try and analyze that for you.

MR. PADILLA: Before you do that, Mr. Deely, I want to call Mr. Morton.

MR. MORTON: I would like to pursue a line of questioning. First of all, making this observation as I look up here on the blackboard, I think the two key numbers is the old rate for June where you show the basic rate only because there we are looking at what people used to pay in June before the fuel adjustment clause was something that was a household word. Is that right?

MR. DEELY: I don't know that it is. It is possible.

MR. MORTON: What is?

MR. DEELY: I don't know that it is a household word.

MR. MORTON: Well, Tom, I'll tell you. If it isn't, within the next 30 days I think it will be.

MR. DEELY: We are trying to educate the people on it.

MR. MORTON: I think you are doing a terrific job in educating them. The point I'm making is this that \$20.38 was what they used to pay for 1,030 kilowatt hours and 3100 cubic feet of gas under the old rate. That would have been all they would have paid. Now if you look in the next column to the right under new and totals you get \$37.75. According to my calculations, that's roughly a 90 percent increase.

MR. DEELY: That's not correct, what they would have paid is \$29.25.

MR. MORTON: They would have paid what?

MR. DEELY: \$29.25.

MR. MORTON: No, I'm looking at it from the standpoint of the consumer. His bill before the fuel adjustment, say two years ago, there was no fuel adjustment at that time. June 1972. Okay, insignificant. He was paying \$20.38 for what today would cost him \$37.75.

MR. DEELY: Well, of course, if that's the way you want to read it.

MR. MORTON: How in the hell do you read it, Tom?

MR. DEELY: Well, I read it differently. On the basic rate, if he was paying \$20.38, he would now pay \$25.90.

MR. MORTON: No, sir, he isn't figuring it that way. He's looking at his utility bill and saying for 1030 kilowatt hours and 3100 cubic feet of gas, two years ago, it cost me \$20.38 and today it cost me \$37.75, which is a 90 percent increase. Now, is that right? Is that a 90 percent increase?

MR. PADILLA: Over a period of time, that's pretty correct.

MR. MORTON: Well, \$20.38 and \$37.75, if it isn't a 90 percent increase, it's awful close to it. Okay. Now, you're telling us that really this is not the last line. I want you to take this consumption of 1030 kilowatt hours and 3100 cubic feet of gas and empty your tanks and give me, based on today's market, what this bill would be.

MR. DEELY: Of course, I would have to know the mix of oil and mix of gas.

MR. MORTON: Well, what was the mix this last month?

MR. DEELY: About 50 percent was oil.

MR. MORTON: 50 percent of your total consumption for the generation of electricity was oil?

MR. DEELY: That's the figure you're interested in.

MR. MORTON: You used the term rolled out or something like that. Okay. At some time you're going to have to replace this. Let's assume that you use today's market value. What are we looking at there as a rate?

MR. DEELY: I'll have to give them some figures and let them do the computation on this.

MR. PADILLA: I think that's very close to the question I asked, Cliff.

MR. MORTON: I want to get it down.

MR. DEELY: Let's use \$13.00.

MR. PADILLA: What would happen when you use all your \$7 oil and now you're burning \$11 oil?

MR. MORTON: No, I want to get it down. Tom, I want to assure you, if there is ever a time in the history of the City Public Service Board and its management that you need some credibility, I want to assure you it's now. Because there is going to be another level of response to this kind of economic calamity that really your company has perpetrated on this community.

MR. DEELY: I don't admit to the fact that this company, City Public Service has perpetrated any calamity on this community.

MR. MORTON: I want to assure you that as far as I'm concerned you have, and if we had been looking ahead over the past, let's say, since 1960, I don't think we would have anything like this happening. If you don't mind, let me make my statement, then you can respond. What you're talking about is this. You're talking about an increase here on the average, you have what, 200,000 customers?

MR. DEELY: 260,000.

MR. MORTON: 260,000 customers and what you're doing, you're taking out of this community \$20 bucks a month more than you were taking two years ago or roughly 100 percent increase. None of it is staying here when you really get right down to it, it's all leaving this community. It's leaving this community at the new rate to buy plant components. The only thing that will stay here, assuming we use local contractors, is some labor. The rest of it is going south for fuel. I can go back to management decisions that have nothing to do with Coastal States. You cannot justify to me why we were planning oil and gas fixed generating plants as little as 24 months ago. Not a reason in the world why you can do it when you look at the world energy supply and you know it and I do too.

MR. DEELY: Well, do you think other utilities can justify it?

MR. MORTON: Well, let's just say the better run ones weren't pursuing this course. I want to pursue this. You have 260,000 customers. What we're doing, we are taking an average of \$20.00 per month out. That comes to \$520,000 a month. No, it isn't, it's \$5,200,000 a month. Now I would just like to know how that relates to the total disposable income in Bexar County. It's one level of response when you have all of these people out here and I'm not trying to minimize that kind of response at all because it is very, very significant and this is what you've experienced in the past, but you're going to experience another level of response when you start taking this kind of money out of this economy in terms of what it is going to do to businesses and the jobs that they are going to have to reduce and everything else. I'm talking business. You said these are financial terms but when you start sucking this kind of money out of the community, it's going to have a wave after wave of effect and you're just seeing the first ripple of it right now. I am going to urge you that if you were ever credible in your life, I think you ought to level with these people today and from now on in - exactly what they are going to expect. I know I would have appreciated this in having this kind of information at the time that these deliberations were being made. I will say this, it would not change my vote but I'll guarantee you one thing. It certainly would, in my opinion, give you the kind of support you have got to have in this community if you don't want an uprising. I mean it.

MAYOR BECKER: I'm going to substantiate what Mr. Martin has just said, Tom. Tomorrow is going to be, I think, perhaps the moment of truth in this whole thing in the city of San Antonio. Now, I'm not holding you directly accountable for anything that's happened in this city, Tom, I want you to know that. I'm holding a body though, a group, accountable for what's happened. I think there has been in the past opportunities and you always seem to get caught at the podium when I start these pontificating, sermonizing lectures, and I'm not directing this personally towards you, and I want that clearly understood.

MR. DEELY: I'd rather be here , Mayor.

MAYOR BECKER: I think there's been opportunity on both sides in the past to have affected a reasonable solution for this dilemma that this city is in today. On both sides, I mean the City Public Service, the Board of Trustees, it's management, Coastal States and Lo-Vaca, and it's management. More recently we've had others injected into the equation, The Railroad Commission and the Lord knows who else. Courts, that's another entity. Now tomorrow, I said here earlier, and I'll repeat my statement, I'm going to ask Mr. Wyatt, the representatives of the Lo-Vaca Gas Gathering Corporation, and at the same time I'm going to include the City Public Service Board, it's management, Board of Trustees, of which I happen to be one. The Railroad Commission, and everybody else to come down off of whatever postures, and stances and positions, and attitudes that they may have been able to develop rightfully or wrongly over these last I'd say twelve or whatever period of years it's been that all this is finally come to this point, is finally culminated, at this time, and work toward a solution that encompasses the best interest of the citizens and the public in the City of San Antonio, and the County of Bexar and lay aside all of our feelings and lay aside whatever greed that may have been injected into this catastrophe and whatever other human elements might be present or ruffled feathers or hurt feelings or whatever it could be that has produced this impass. I might say on the part of certain people almost an abdication, complete abdication of their responsibilities toward others. I'm going to ask that this all be layed aside tomorrow and we somehow sit down as intelligent, mature, adult people and bring this thing into resolution and a point of determination whereby God the people of this city will be able to survive the actions of those in the past who have really been responsible for all this. Now I'm not naming one group anymore than I am the other, but it stands to reason that something can't come to this point just by happenstance, you know.

MR. PADILLA: Mr. Mayor.

MAYOR BECKER: Now I'm leaving that thought with all those that are present here so that they might be able to come to that meeting tomorrow with some sort of a preconditioned reflex toward cooperation and I'm going to ask Mr. Wyatt most specifically and the people whoever are there that represent Lo-Vaca, to for once in their lives place something ahead of business or whatever it might be called and let's put the public interest first for a change. I think it's the only decent thing any of us can do, me included, the only decent thing any of us can do, the only responsible thing any of us can do. This situation can't go on. These people, people in this city can't afford it. There are people in this town that can't afford this sort of thing. Sad but true you know and I know it. You're not denying it either. You're willing to admit it, and again, I'm not holding you personally accountable for it. It's a series of transgressions that date way back, and I think maybe we're all guilty of a certain part of it. Way back.

DR. SAN MARTIN: Mr. Mayor, I just have a couple of questions to ask Tom.

MR. DEELY: Doctor, could I make a response to Mr. Morten's statement about credibility? We have certainly presented information in great detail to this council and to the people, spelling out what we thought was going to happen. You have in the rate presentation information about fuel cost. It's all in there as to what the cost of fuel we thought was going to be. I'd say up til now we've been extremely accurate in what we did, and what we forcast. We projected, for example, we were

going to be out of money in June, we're out of money. We projected what the cost of fuel was going to be, we feel we're close on that. We did not foresee the amount of curtailment that we have had in gas, in natural gas. As a result we've had to burn a lot more fuel oil in the past two months than we had anticipated and if this continues, I'm here to tell you we can't get enough fuel oil to meet our requirements. Now, when you come up against things like that I don't know what previous planning could have alleviated it. Houston Lighting Power didn't foresee it, they're a well run company. You indict the City Public Service and the people there. Many utilities didn't see it, Austin didn't see it, we're in better shape than they are. We're in better shape than Houston Lighting Power.

MR. MORTON: You know I keep hearing that but I don't hear it from anybody else but those people that are involved in City Public Service. How many suppliers do they have over there for their gas and oil? Well let's say gas alone. Three.

MR. DEELY: They have, I believe, two. Maybe they have three.

MR. MORTON: Well they have three. Why do we only have one?

MR. DEELY: Well, first of all we couldn't get out the gas lines in here. No one else wanted to bring it in. If we had gone with United we'd be in worse shape than we are now. Those who went with United are out of gas entirely. They sold all their lines to Coastal.

MR. MORTON: Let me ask you. Do you think it's impossible to structure this contract to where it was non assignable or, in this case, the company that had the contract could not be purchased to another without voiding this contract that we entered into back in 1962?

MR. DEELY: I'd have to refer that to the attorneys.

MAYOR BECKER: Tom, I'm going to tell you one thing that I, and I'm so sick of this thing that really I wish I could run off and hide somewhere. I've talked about it until I'm blue in the face, harped on it until it's unreal. I can go back to October of 1971 when gas was available in quantity. Now I mean in quantity, hundreds of millions of cubic feet a day at 25 to 30 cents a cubic foot. Now I'm not holding you accountable for this. I don't think you made this decision. But I was told at that time that, one, it would abrogate or cause to prejudice a contractual arrangement that we had and by raising the price from 22.5 or whatever it was cents to 25 or 26 cents was an unheard of situation. It was absolutely beyond the pale.

MR. DEELY: Is that to Lo-Vaca you're speaking ...

MAYOR BECKER: I advocated at that meeting to buy the gas from anybody but Coastal or Lo-Vaca from Exxon, El Paso Natural, Lone Star, it didn't make any difference and Morris Jaffe was there in the same identical meeting and we were written up post haste as being lobbyists, bagmen and whatnot for Oscar Wyatt.

MR. DEELY: Well, I wasn't there.

MAYOR BECKER: I know you weren't Tom, but I can remember it as if it was yesterday. Gas was available in those days and that isn't three years ago. That's when I started raising hell about this devotion, this fixation and obsession with this contract. We could have gotten the gas and still upheld the contracts thru the courts of law. I've got a gas pipeline that comes from Permian Basin and cuts the corner of my property in Comfort, Texas.

MAYOR BECKER: They went out there and brought a whole gas field, and other cities did the same thing. Other cities avail themselves of pro-rating out and portioning out a dial to help get gas. The City Public Service Company was put on notice in 1966 that this condition with respect to the trillion, two hundred billion cubic feet that was represented to be there by the Spice Report that dealt with the Alamo Gas Contract was deficient by some 50 to 60 percent. John Newman, one of our most recent Trustees, said that he knew that and deplored it. Now, this thing has been a product of every type of mismanagement and has been a product of every type of errors in judgment. I don't think you made those decisions. I'll tell you that right here and now. I don't think you are accountable for it. But, I do hold accountable is the system by which the City Public Service Board has been operating for years. It hasn't been a system of management by trustees, nor system of management by management. It's been anything but that. I don't think that I have to explain what I'm talking about.

MR. MORTON: Mr. Mayor, I wonder if they finished their calculations to where we can see after a while.....

MR. DEELY: Yes, I have the figures here.

MR. MORTON: Okay, what are we looking at.....

MR. DEELY: Would you like for me to put them up on the board?

MR. MORTON: Sure.

MAYOR BECKER: Let's put them up on the board.

MR. MORTON: Okay, so now instead of \$37.75, we're looking at \$44.45.

MR. DEELY: Let me - let me - may I qualify these prices we've put in there?

MR. MORTON: Certainly.

MR. DEELY: If we bought oil by tanker, which in the quantities that we're projecting it would be possible, \$13.00 is more or less a middle price on there. As you know, I've heard everybody blamed about this today but the Arabs. Their price now is about \$14.00, or a little higher and potentially will go higher, so, I'd like to again point up that we're talking about \$13.00 a barrel as some kind of a middle ground we feel in the thing and also \$1.00 per thousand cubic feet is a guess as to what the price would be then. It's running about 69 cents now.

MR. MORTON: Are you talking about your mix between contract of existing versus what you had to go out and buy. This is the adjusting.....

MR. DEELY: Or changes in existing contracts.....

MR. MORTON: Well, what we are talking about is.....

MR. THOMAS: Fifty percent on fuel oil.

MR. DEELY: Yes, fifty-fifty.

MR. MORTON: Yes, I understand - fifty-fifty.

MR. DEELY: Now, they're talking about giving us only ten percent and zero actually which, of course, would be fatal - then we're without electricity. We feel that any price that you pay is cheap if you measure it against not having electricity.

MR. MORTON: I think that's an enlightened view to take, has that always been the view of the City Public Service Board?

MR. DEELY: Well, I would say this, and I certainly don't want to argue with the Mayor, but as I recall on April the 1st, April 6, I believe it was of 1972, Mr. Wyatt stated that he had sufficient gas to last us till the end of the contract and also wrote Mayor McAllister to that effect. So, we're talking about hindsight of what we should have foreseen, or what the Trustees should have foreseen, or somebody should have foreseen, or what maybe I should have foreseen. But, we took him at his word.

MR. MORTON: Well, I want to say this, Tom, on the question of credibility. I think one of the items that I'm talking about is the inability perhaps to have facts. I think the best answer other than a response to the facts is I don't know but I'll get it for you.

MR. DEELY: Right.

MR. MORTON: Example....

MR. DEELY: I fully agree.

MR. MORTON: Example - last week or week before last, the question was raised on an \$85 million bond issue one that you all have been working on for more than six months. Someone asked a question which I didn't consider an isolated detail, the one that was very germane. The question, are any of these funds going to be used for development or construction of nuclear power plants? And, you were not able to respond. You referred the question, I believe, to your controller. He held up five for five million, and you said yes. And within two hours, we get a letter saying this is not true.

MR. DEELY: Yes, that is correct.

MR. MORTON: Now, since then there's been an indication in the media that the letter wasn't correct either, well, when you get this kind of flipping and flopping around on basic things like how is the money going to be used, I feel like it destroys your credibility, unless you can say, here it is. Here's a list of how it's going to be spent. I'm going to ask you by tomorrow morning, that you furnish each member of this Council and press, a breakdown of what you are going to spend the money for. Because I keep getting different impressions. The other thing I'd like to have is by year, I'd like to have a breakdown on a sheet of paper you can bring a chart and show it and say here's what we anticipate as far as how we are going to buy fuel to fire our generators and what we're going to use for burner tips on the combination between the various fuels that are available, by year. Then down at the bottom based on today's market what this would be as far as price is concerned. Using this average consumer over here.

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MR. DEELY: We have that in our projection that was furnished you, and we'll extract that. Of course, you realize that these figures change all the time, and it'd take more than the time left between now and in the morning to update these figures to the present day situation. We'll give you what we have on that, and update them and as soon as we get those updated, we'll give them to you.

MR. MORTON: I think you can make a very simple one. I believe Don Thomas could do the work, figure out most of it in a few hours.

MR. DEELY: Well, they must agree, of course, with our projections for our requirements, capital expenditures and so forth.

MR. MORTON: Well, let me ask you on this question of your saying one thing and your controller saying one thing the day that we had the rate hearing and gave you the rate increase, and then you come back and say something else later on. Now, five million dollars may not be a lot of money to you, but it would seem like to me like something of that significance and something this sensitive as far as this community is concerned, would be something that everyone on your staff would have at their fingertips. Why the discrepancy?

MR. DEELY: We talked about this after we left the Council Chamber.....

MR. MORTON: We, being who?

MR. DEELY: The controller and I, and these monies, of course, come out of several different funds, the bond construction fund once it is set up is just that a bond construction fund. When I answered that there was five million dollars in this for nuclear, I was talking about in the projected spending that we had five million dollars in the next, I believe, it was two years that we were talking about. We had in our capital requirements about five million dollars that would be required. That five million dollars will come from the improvements and contingencies and from revenues.

MR. MORTON: Well, I don't see why this was something that couldn't have been brought out.

MR. DEELY: Well, it was purely - it was purely an error on my part to not spell out exactly what it was. It's a little - you realize it's a little hazardous to come here and stand before the Council and try to answer all your questions, and I'm sorry that I'm not the world's best at it. I try to do as well as I can and be as honest as I can.

MR. MORTON: Well, I want to tell you this, Tom, I think it would have been very worth while if you would have taken the time to have said here's what you're looking at and broken it down just like we've done it here on the board as part of your presentation.

MR. DEELY: Thank you very much.

MR. MORTON: And, I want to serve notice of you in the future that until we break it down in this manner, don't come to me asking for postage stamps because you're not going to get it.

DR. SAN MARTIN: I'd like to ask two simple questions, which I don't feel have been answered yet, Tom, the figures on the board reflect that under the new rates the average consumer would be paying \$37.75, and yet from the complaints we get the average price is pretty close to \$80 or \$90 and that's one thing, that has not been explained. Now, the other thing is how are we going to accommodate those people who are just not able to pay \$80 or \$90 at one time. What sort of arrangements can you figure out for the next 90 days to make it possible for people to catch up with themselves while they turn off everything around the house that they can do without, until their budget is adjusted to the point where they can adjust it. We haven't been told anything as to what arrangements you intend to make.

MR. DEELY: Well, Doctor, we have in our credit area, people who work continuously with those who are unable to pay. This is one of the policies of the City Public Service to try to measure and see who is in real distress and if so try to work out arrangements with them where they can pay.

DR. SAN MARTIN: I would like to have you, when you come tomorrow and bring Mr. Morton's information, I would like to have in writing the specifics of a plan whereby these people can continue to have the service and at the same time have some kind of an agreement with where they can.

MR. DEELY: I'll be glad to bring our policy to you.

DR. SAN MARTIN: Let's make it public and there's no way that we can answer, we as Councilmen, we cannot answer 200 calls a day, it's impossible. We just don't have that kind of time, but if it's made public and a simple explanation I think that we will all be in a better shape. Don't forget that I'm still not satisfied with the way Don put it over there that \$37.75 as the average consumer bill for June. It just doesn't add up to the hundreds of examples that, and I mean examples, figures quoted verbatim, that their bills are not anywhere close to \$37.75, but they are closer to \$90 and \$100 and it just doesn't add up.

MR. DEELY: Well, actually, Doctor, we can show you how the average is computed and that is the average bill. I have here one that totals \$60.60 and last month totaled \$29.51 the current bill. Of course, it just so happens that this gentleman used 798 kilowatt hours last month and 1,538 during this June period. This goes a great distance to explain these differences in cost, of course.

MAYOR BECKER: Tom, let me ask you a question. Let's get off this subject onto another one. Were you aware of the fact or have you been aware of the fact that the City Public Service had an opportunity to buy 50 million barrels of oil from John Mecom, Sr., in the Lake Washington field out in Louisiana, Southern Louisiana, at \$5.50 per barrel about a year, a year and a quarter ago, whatever it was.

MR. DEELY: I understand second hand, Mr. Mayor, that there was a meeting at which he offered this field which had about \$100 million against it. He wanted the City to put up \$100 million as I understand it and that there was a considerable meeting. I was not in that meeting either but there was a discussion of their buying this particular oil field. I thought it was gas, hopefully.

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MAYOR BECKER: No, sir, it was oil.

MR. DEELY: But that's about all I know about it.

MAYOR BECKER: Well, the fact remains that it wasn't. I don't know the full details of the situation. I intend to try and find them out. But, things like that, you know, may have helped relieve this predicament. I'm just saying maybe it would have helped. I don't know. I question whether or not we were aggressive enough in our search for either gas or oil. I question that.

MR. PADILLA: Mr. Mayor, this question is, of course, addressed to the entire CPS system trustees, attorneys and full time management. Perhaps Mr. Matthews will answer, I don't know. One of the things that has been repeatedly brought out this morning, Mr. Deely, is that the breakdown in the type of fuel that we are forced to use is a big factor in the total billing that results at the end of the month. You agree?

MAYOR BECKER: Yes.

MR. PADILLA: Now, having established that and last week this Council talked about a war, a long war, taking the initiative, attacking, et cetera. Now, I read in the paper last week where Mr. Fawcett or either Coastal or Lo-Vaca or both admitted, and these are newspaper reports, they admitted that they had not been allocating gas to San Antonio in accordance with the priorities set up - the current priorities set up by the Railroad Commission. Now, it seems to me that if true, and this is what the paper says, then this was a damning admission. Now, I want to know what, if anything, and also I want to determine whether we intend to press forth with every method at our command, every way we possibly can to force these people immediately to meet the allocations made by the Railroad Commission because this, in effect, means that we're getting less gas than the Railroad Commission has allocated to us with their priority system and in turn that means that we are burning more oil. Now, what is being done about this and how are we going to react, how are we going to respond and can we take immediate action to force these people to follow the priorities set forth by the Railroad Commission?

MR. DEELY: I understand, Mr. Padilla, that this is being done with vigor in Austin. We've had attorneys there, I understand for over a week now. They are still there, and I believe that if, Mr. Mayor, you don't have any more questions from me, I'll ask Mr. Matthews to bring you up to date on that.

MAYOR BECKER: Anyone have any further questions of Mr. Deely? Thank you, Tom.

MR. WILBUR MATTHEWS: We're doing everything humanly possible as attorneys in this proceedings over there, and I believe that if you will ask anyone connected with those proceedings as to whether or not the attorneys for this City and this City Public Service Board are doing their duty over there, you will get a very affirmative yes. We've been taking a leading part in it. The details in that matter are being handled by Jon Wood of our firm. One thing I want you to meet him and see him, and I want him to tell you specifically about those proceedings over there and then when he finishes, I'd like an opportunity to make some other remarks.

MR. PADILLA: Mr. Matthews, will you also incorporate in your answer the answer to the specific question I asked. I don't want to know about the proceedings in general, that's all right if you want to tell us, but.....

MR. MATTHEWS: I want Jon Wood.....

MR. PADILLA: I want a response to my specific question.

MR. MATTHEWS: Well, that's right and Jon Wood, I want my young partner to tell you about it.

MAYOR BECKER: While Mr. Wood is coming up, it was reported in the paper Sunday that I went to the Railroad Commission hearing whenever it was called last Monday and said that I was there representing, it was time or something that the City of San Antonio was represented. As I recall it, that's the way I phrased it, the City of San Antonio. I feel that I represent the City of San Antonio in the capacity I serve in as Mayor. Mr. Wood was there, has been there representing the City Public Service Board. I think the two are different to a certain extent, anyway. So, it wasn't that I was trying to deprecate your efforts, Jon, it was merely that it wasn't quoted, I don't think as it actually came out.

MR. JON WOOD: I understand that, Mayor, and we were very appreciative that you and the others came over Monday and gave the Commission your personal views on this matter. I think it's important that the Commission have as much input from as many different people and representatives of the City of San Antonio as possible, because we are trying to represent the people of San Antonio there, too. That's our primary interest.

MAYOR BECKER: I realize that.

MR. WOOD: In regard to the specific question which you asked, Mr. Padilla, the testimony of Mr. Fawcett was that in the order of priority there was some what is been classified as a B-1 priority gas which is commercial and some what is called plant protection gas. That is natural gas which is needed for things in commercial and industrial establishments that cannot be turned off, like pilot lights, a certain amount of gas which is needed to prevent damage to work in progress at various industrial outlets. It came out through his testimony that he had, Lo-Vaca had delivered some quantities, I believe it was 150 mcf a day on an average of this B-1 plant protection gas. He also testified that he had done this after checking with the Railroad Commission and having been given approval by the Railroad Commission that this be done. As far as San Antonio being delivered less gas as a result of this, for San Antonio serves not only electric customers through the use of fuel such as gas, oil, but it also serves distribution customers as a supplier of distribution gas we also have B-1 customers. Customers in the B-1 priority that use this type of gas who presumably were also beneficiaries of the deviation from the overall curtailment plan about which Mr. Fawcett testified. Now, we just returned from Austin late last week on Friday. We have not had an opportunity to sit down yet and compute exactly how much gas we got for our customers under the B-1 category as opposed to how much gas was not delivered to us in the A-2 category for generation of electricity. I'm not sure that we were on the total a loser because of the deviation which Mr. Fawcett made from the Railroad Commission plan. I also want to point out that his deviation according to his testimony was with Commission approval. Of course, his testimony was given before the Railroad Commission. They are fully aware of it. They have the primary responsibility as the author of this plan to insure that the plan is carried out in the best interest of the public which is dependent upon this pipeline system, and I'm sure they and their staff are investigating this right now. It was pressed quite strongly during the hearing last week.

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MR. PADILLA: Mr. Wood, a couple of questions that deal with the same issue. According to the newspaper reports, which is all I know about it, Mr. Fawcett indicated that he did this with the approval of the Railroad Commission staff.

MR. WOOD: That's correct.

MR. PADILLA: Which says, in effect, that the Railroad Commission has not changed their priorities as they set them up with their official act. Now, since I hope that you can appreciate the fact that we're at best concerned amateurs in this whole thing, rather than B-1 gas, etc, I wish that you would deal with the gas that comes to San Antonio in terms of did we get less gas because it was deviated contrary to the order of the Railroad Commission to some other place because if we did, in effect, get less gas contrary to the list of priorities, delineated by the Railroad Commission, then it follows that we had to burn more oil. This is a major factor in the bills received by the consumers in San Antonio and if that be the case, then I think we ought to take the initiative in a very strong way and find out why the priorities of the Railroad Commission have been violated and what is going to be done about it. Either that or determine that the Railroad Commission has in effect changed their list of priorities.

MR. WOOD: Well, that's what I tried to incorporate in my answer. Number one, we have not completed our analysis of whether or not the deviation from the priorities set forth in the original order resulted in our getting less gas and burning more oil or not. We have customers in both the priority which got the gas and the priority which would have lost gas, you follow me.

MR. PADILLA: Yes, but we're not sending B-1 gas into the home and we're not using B-1 gas to generate electricity. So if we got more B-1 gas than we usually get, it went to industrial plants, which follows then or would seem to me that we got less gas for electrical generation, which means we use more oil for electrical generation which means that it affected the bill in a major way of the consumer - of the home-type consumer.

MR. WOOD: Well, that was another point that I was trying to make. I don't know exactly what affect it would have. The amount of B-1 gas which was involved was a relatively small percentage of the total deliverability of Lo Vaca. It would be a relatively small percentage of the total natural gas delivered to the City of San Antonio. Now I'm just not sure what the total effect was. We are pursuing that to the full extent possible in these hearings. As you know, the hearings are still going on. They were recessed last Thursday evening. We will go back into hearings on the 24th of this month to complete the presentation of cases in favor of Lo Vaca's proposed plan, which is a drastic deviation from the Railroad Commissions' current priorities, and finish cross-examination of Lo Vaca and other witnesses and then we'll proceed back the first week in August to present our case. These things are being pursued in these proceedings. We're right in the middle of them right now.

MR. PADILLA: The only regrettable thing about it is that as Rome burns, we talk, just on and on and on.

MAYOR BECKER: Yeah, we're talking about July, we're talking about August, we're talking about the rest of June. I know that you're not accountable for that but this - how long will - I wonder just how long this is all going to you know, go on how much time it's going to consume.

MR. WOOD: Well, there's a complicated proceeding Mayor. There's not enough gas on the Lo Vaca system to fully serve all of their customers. As you can imagine the decisional process of saying who

gets the gas and who doesn't, who gets how much gas is a very complicated, complex question. It involves the interest of the public all over South Texas. It involves the economy of the major part of the state and while it is difficult to sit by and see the time go by, I would be fully in favor of the Railroad Commission taking as much time as it needs to fully deliberate, fully appreciate all of the various interests, both the basic human needs interests of the residential consumer of gas and electricity on this system as well as the economic impact that their final order on this case is going to have. I hope they do take the time which is necessary to reach a full, complete decision in this matter.

MAYOR BECKER: There's one thing that seems to stand out uppermost almost above all other facts and that is that the United States government is going to have to bring about an establishment of a system of priorities - who must burn coal, who must burn other substitutes for gas, let's say, and eventually the gas is going to have to be reserved for the burner tips in the homes. There's been dereliction of duty in that respect, and a lot of water treading, you know. It's a funny thing how we deal so energetically with certain problems in Washington that seem to have almost little or no bearing on what if any occurs in the world and yet something like this because of the various forces that are brought to bear such as the lobbyist and what not for the various self-interested groups seem to bring about the situation that almost precludes a solution that's so badly needed.

MR WOOD: That's correct. We spent time here this morning talking about the cost of fuel to generate electricity but I think that the City Public Service Board recognizes exactly what you've been saying that in the long run natural gas is going to have to be conserved for the direct burner tip users of natural gas. Electricity is going to have to be generated with fuel other than natural gas. That's why the

MAYOR BECKER: Accordingly so.

MR WOOD: Yes, Sir. Right. All users of natural gas who can convert to alternate fuels for whatever they use natural gas for are going to have to convert and conserve that natural gas in the long term for those who cannot convert, people who use it in their homes. That's what the City Public Service Board has tried to do in spending the money to convert to use fuel oil. The actual use of fuel oil is required by the curtailments from Lo-Vaca, so you're going for future plants to coal and nuclear. This is going to have to be done in the long run in order that the natural gas consumer will adequately be served. The cost of fuel to generate electricity are going to increase over the long term, over what they are now. We hope though that what we're trying to strive for is eventually when you get to these other fuels, you'll be generating electricity on a fuel base which is not only adequate and steady but which also will not reflect the large variations from month to month which get people very upset when reflected in their utility bills. Is there's any other questions about the pending proceedings in Austin for the Railroad Commission?

MAYOR BECKER: Thank you very much, thank you Jon. All right, Mr Matthews, you requested an opportunity to say something.

MR. MATTHEWS: Mr. Mayor, I'd like to make a comment about the back-casting on what could have been done in 1971 about buying gas. You see at that time we were receiving 100% of the gas we required at 22.3/4 cents per mcf. We were assured by the management at Coastal not only to us personally but they assured everybody in the United States that he had an ample supply of gas to fulfill all of the contracts on this system not only ours but Austin, LCRA City of Brownsville, and all of them, Corpus Christi and everybody. Now, as you point out, we felt that we needed some verification of that thing and we started attempting to get a determination of the reserves and demanding some kind of an audit of the reserves. That went on - we always thought that just ahead of us there's going to be an agreement on it. First, Oscar Wyatt said he couldn't do it because the reserve geologist didn't want to have their work checked. He had to get their consent and the thing went on and on with our interests saying we will agree to an increase in the price of gas. We wrote a memo on it, a 7 page memo with 11 points in which we specifically said that if we were assured of getting the gas - he said we had plenty until the end of the contract which would have been 1972 - 1982, I mean. I'm skipping a decimal here and he assured us in writing that as your honor will recall he wrote a letter to Mayor McAllister appending a memo of what he had said at the meeting you refer to and he said we have already bought in West Texas at 16 to 18 cents all of the gas required to supply you to the end of your contract. He stuck with that story and we didn't discover that that was true until after the defaults in November 1972. We made a spot check. We finally got a spot check examination into those reserves thru Rider, Scott and Company, a reputable reserve geologist in Houston. In that check they gave us gas reserves that totaled some 10 or 11 trillion cubic feet. They were asked specifically are any of these reserves, do you owe anybody any reserves? They said no.

Now then subsequent examinations have turned out that a big percentage of that gas they transported for others that they had no call on and couldn't use for the customers at all. That was undisclosed, and wasn't disclosed until after May 1, 1973 when these proceedings started digging into the books and the records as you know we did. In the face of that what could we do. You say go out and buy gas, we couldn't have taken delivery of a cubic foot of it from 1971 until November 1972 and you can't buy gas for future delivery. The purchasers want you to take a minimum quantity or they won't even sign a contract to sell it to you. Now in the face of that it takes a real strong case of backward looking to say that what was done here was just completely wrong and I think that, I wish Mr. Morton was here, and the idea that this is all just happened in San Antonio has happened to everybody on this system and we have not been treated unfairly except maybe in the minor particulars which we have mentioned here and the allocations of this gas. We have studied it assiduously. Certainly the attorneys have pressed as hard as we knew how and are still pressing on every front here. We have challenged the diversion that took place of some 150 million cubic feet a day of deliveries to TUFECO and others. We got cases pending on up that we are working day and night on. Right at the time when we were being told we had nothing to worry about, the Oscar Wyatt management was making those deals in 1971 and 1972 selling off gas which if we had here today we would have virtually no curtailment except on real peak days when we could knock them off with oil which would not be too bad a thing. We wouldn't have these all summer curtailments. These all summer so called peaks. It's very easy to say well we've gotten bad results here. Things are bad and its very easy to try to blame it on someone and is a natural human inclination to do that but I feel, you see, I've been here all thru the years and I've a kind of attorney observer of what goes on and I'm telling you the reaction, and John Newman was in on every conference that was ever had, as I understand it, with Mr. Wyatt and I think that he will back the story as I am telling it to you because I was present at many of the conferences myself.

MAYOR BECKER: I have been hopeful that all this business would come to court, every bit of this could be hashed out. Now, parenthetically, I'm not setting myself up as a court tomorrow. The City Public Service Board, the management, trustees, you, whoever would like to attend are welcome tomorrow. Mr. Wyatt will have an opportunity to present his side of the story, then you will have an opportunity and your group, Public Service Board, to present your side of the story. I don't know that a great deal will be determined tomorrow out of this hearing, but as far as I'm concerned if it goes on all afternoon and into the night it's alright with me because what I hope will come out of this is a willingness on the part of all concerned, those that have the gas, those that are controlling it and everybody else to bring about some type of resolution to the problem that will help this city. Now, you will have an opportunity tomorrow, if you care to, to ask Mr. Wyatt any questions you care to ask him.

MR. MATTHEWS: Well, I'll ask some questions.

MAYOR BECKER: Fine, and I presume that he will do likewise. Its going to be a meeting that's going to be conducted to the best of my ability in an orderly fashion. We are not going to have a lot of emotional outbursts, ranting and raving and demonstrations, I hope. Because if it results in that then we are first of all not going to accomplish anything and, secondarily, those people will have to be asked to cease and desist from such activities. What we are going to devote our time to tomorrow is to try to come to some agreement that all of us can hopefully look forward to that will result in a more salutary experience for the citizens of this city.

MR. MATTHEWS: I think that is correct as far as there being any personalities, any emotion or anything like that it shouldn't be in this. We should look at it purely and simply and wholly from what is to the best interest of this community. This whole area that we are a part of that is served by this pipeline system.

MAYOR BECKER: I understand that we

MR. MATTHEWS: I certainly would not be a part to looking at it any other way. I want to make this point that I feel that on the facts that if misstatements of facts are made that isn't going to lead to a sound conclusion about this and if we go back and attempt to rehash this on a misconception of what the truth is, I don't think we will get anywhere. We've got to look forward to what we do with the situation as we find it. I feel that in representing the Board that it would be appropriate for me to correct things that are said that I consider to be and know to be incorrect on a factual basis that might be said by Mr. Wyatt or anyone else. I hope no one will resent my doing so.

MAYOR BECKER: No, of course not. You will have an opportunity tomorrow I will assure you that.

DR. SAN MARTIN: Mr. Mayor, before we break up or recess I would like to ask our City Manager, Mr Sam Granata. I'd like to ask Mr. Granata, in view of the situation of the last few days you have reviewed what steps need to be taken immediately to reduce consumption of energy at the municipal level?

CITY MANAGER GRANATA: Yes sir, we certainly have.

DR. SAN MARTIN: I know we have a plan which this council approved. I'd like for you to come back on Thursday and say we are going into this immediately. I know we are going to have to cut down again and I think we are going to have to tell the business community that they cannot have the huge signs going the way they have been going for so long. Now you won't believe this but I was in Las Vegas last week and

some of the biggest signs you have ever seen in the world are cut down to half or even less. Some of the bulbs have been completely turned off and half of the sign is lighted and the other half is dark. I think that this is the steps that we have to take. If our citizens have to do without lighted ball parks in the summer, it's fine but I dont think its fair to ask them to do this and let others burn all the energy they want.

MAYOR BECKER: Well, I'm going to make a suggestion relative to that request, Doctor, and I think that this can emanate largely from the Public Service Board. We get news releases from time to time that are given to the newspapers out of the Public Service Board. One day we have got a calamity and the next day we don't and it's back and forth and one minute we have the solution and the next minute we don't and suddenly we are out of the woods and then we are back down into the valley and it either is or isn't, you know. Now, I think all of us have been brought up to this point that we are in trouble. No question about it. So let's from now on out, please temper whatever news releases we have with the fact that you can't have a catastrophe one minute and a perfect ideal solution the next and if someone would happen to come along and turn all the gas on again and we wouldn't suffer curtailments and all that, it still shouldn't be a justification for any type of waste of energy or waste of electricity or whatever it might be. A lot of these signs, and I wish the citizenry would even become involved in this. I don't know how much electricity a light bulb takes. They tell me it doesn't take very much that - that isn't the sort of thing that causes tremendous loads but if you put enough lightbulbs together and as the doctor points out all these illuminated signs throughout the City advertising various businesses and all that sort of thing, it's bound to have an effect on the amount that is used. Collectively, it must account for some amount of electricity to say the least. I think the heavy users are the three phase stuff and all that kind of business, two twenty and whatever other kinds of electricity there are. But some of these businesses in this City have chosen to practically ignore this crisis when it was on or when it wasn't on, almost to the exclusion of being indifferent, you know, to any appeals. These people should be brought up to the realization that if they can help they should turn those illuminated signs down at least, or turn them partially off or mainly off. Motels and all that sort of thing. First place, they're not going to be able to afford the luxury of burning all those signs and maintain the same profit margin. So if the news media want to do something they can help in that connection. City Public Service Board, Public Information Office or whatever it's called, can temper this, you know, enthusiasm that occurs, seems to ebb and flow, you know, one minute we're out of the woods, I realize it'd be a happy thing if we could all look forward to a permanent lifting of this oppressive condition. I don't look forward to happen with any great degree of, you know, where we could back to business as usual. I don't know that we'll ever be in that situation. I wish we would. I'd like to think we would but I couldn't guarantee it. I don't think anybody could guarantee it.

MRS. COCKRELL: Mr. Mayor, I think that we're going to have to just really change our way of doing things. I think in the summer, the men are going to have to I guess we're all going to have to agree it's acceptable for men to wear just shirt sleeves in a City Council meeting or in business or wherever and (inaudible) but I think this idea of business as usual is going to have to quit.

MAYOR BECKER: Well, unless there are any further questions, I want to thank you for taking your time, Mr. Deely, and your staff and Mr. Matthews and everyone concerned for being here this morning and answering our call to come over and explain these utility bills. I don't think that we're operating out of haste or hysteria or anything like that, but the citizens are concerned rightfully so. We appreciate your being here with us today and hopefully, we'll see tomorrow afternoon, if not before then.

MR. PADILLA: Attorney, just one suggestion because I really feel that it's important. If you'll recall, Mr. Deely and Mr. Matthews, you were there as well, at the meeting I attended in place of the Mayor about

two weeks ago, I emphasize once again the importance of trying to communicate many of the problems that affect CPS to the citizens of the community. I've also pointed out consistently I think over the last year, that the public's confidence is crucial to everyone of us. I appreciate some of the efforts you've made in making press releases and so forth, I'm just wondering if you could not, perhaps as a public service, maybe you won't have to pay for it, could you not structure a group of people who could take the problems on television to the community and let people know what is going on. A great deal of what bothers people is the fact that they have questions in their mind and for some reason at these hearings, we have 50 people present, the newspapers make an effort and yet we don't seem to be getting the message across. Just one example, last week, when we approved the rate ordinance, I think it was June 7th, perhaps the 6th, this Council was under the impression I think we can surmise this from the comments that have been made, that the rate increase would apply to all service bought that day and succeeding days from there. Apparently, the reverse situation is true. The rate adjustment clause applied from that day's billings or bills that went out from that day on. It may perhaps be a minor point to some of us but I think it's a major point to the citizenry at large and I think that we all have a responsibility in areas like this to be absolutely clear. I don't think there's any obvious attempt to mislead. I wouldn't venture to say that. Perhaps the Council is responsible along with you in this area. But I think in every instance we have got to be sure that we are giving just as clear and concise and complete an answer by way of information that's disseminated to the general public. I think it's crucial that people are not going to stick with us any other way and we all share a problem here. The only way we're going to work our way out of it is with the people of the community completely informed. I really believe that.

MR. DEELY: Thank you, Mr. Padilla. I think we try harder. We do try to give out the information. We're derelict I am certain at times. We can't tell, of course, the media. I certainly don't want to argue with the media, we can't tell the media how to write their stories. They have to put their own interpretation on it and sometimes it doesn't come out exactly as it's presented or exactly like we mean it and that's unfortunate.

MR. PADILLA: Why don't you go on television and say what you like, let the people hear you directly.

MR. DEELY: Yes, sir, I was going to say that we have 50 people in a speakers group and we appear continuously on television and on radio and we visit the newspapers. So it's not a field that we're not trying.

MR. PADILLA: I've never seen you on television.

MR. DEELY: I've been on, I don't ask for it but I do, I put on a considerable amount of time. Mr. Spruce has been on. He was on I think Friday, several times. I was out of town, unfortunately and I didn't get to see him, but we do appear and do try to work with the media and try to get this information out, so we'll try harder.

MAYOR BECKER: Tom, I can make one suggestion to you, if it need made. I get calls at my house all the time, you get some and we all get them, and you always don't get told what the actual facts were that I'm aware of. But everybody that's been calling over here, I say everybody, that's a misstatement of fact, a lot of people have been calling over here complaining to Mr. Skipper and the various people in the office here and what not. They say that when they call the Public

Service that whoever it is, I don't know who, the Complaint Department or whatever it might be over there as much as tells them, well, look, there's nothing we can do about it, call the City Hall, so forth and so on, you see. Now this is what they tell us. This is what they tell us, I don't know what the facts are, this is what they relay to us though over here. Now, it doesn't do any good to handle them in that manner, you know, and I know that you can't mollify or alienate their feelings when their bill has gone up 300 percent or something like that, all the talk on earth doesn't seem to cool them down but to sick 'em on this place doesn't help matters either, you know, because I don't like to think that we were entirely responsible for what's happened here.

MR. DEELY: Mr. Mayor, I'll only say this, we monitor the calls that come in over there. There's plenty of them coming in nowadays.

MAYOR BECKER: I'll bet there are.

MR. DEELY: I'm sure that when we get if we find anyone that's telling them that we either fire them, if their record's bad enough, or see that they correct what they're doing. I can assure you that the supervisors are watching that specific thing. I find it hard to believe that any of them are, but if they are, we're trying to take corrective action on it, and watching what they're saying, so I'm sure that we will improve that picture.

MAYOR BECKER: We're not trying to duck our responsibilities, you know that. We would like to be able to work with you, if possible, toward some remedial type of action that would help solve this problem. We're not on different planets, you know.

MR. DEELY: We don't want those calls referred to anybody else. We'd rather discuss ourselves and try to satisfy them.

MAYOR BECKER: Mighty good. Thank you very much. Shall we recess now for lunch and we'll be back at approximately an hour, about 2:15.

MR. DEELY: Are you through with us, Mr. Mayor?

MAYOR BECKER: Yes, sir. Yes, sir. Thank you, Tom.

74-27

GENERAL REVENUE SHARING BUDGET

City Manager Sam Granata read the following statement to the Council:

"The purpose of today's meeting is to finalize the 1974-75 Revenue Sharing Budget so that it may be officially adopted this next Thursday.

You will recall that the total revenue sharing budget is in the amount of \$10,416,639.00.

Of this amount, the following has been made available for additional projects:

DELETED BY THE CITY COUNCIL

San Pedro - Rector Overpass	\$ 81,800.00
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FUNDED BY COUNTY

EMS	125,000.00
Library Materials	4,005.00
Personal Bail Bond	73,327.00
Total	<u>\$284,132.00</u>

In addition, the following monies from previous entitlement periods are also available for your consideration for re-allocation:

Public Health Planning (Funded in General Fund)	30,655.00
Pablo's Grove Facility (Not Needed)	409,928.00
Southside Multi-Service Center (\$650,000 still available in other entitlement periods-- \$50,000 must be committed by January 1, 1975)	50,000.00
Rosedale Area Development (Project Abandoned)	342,078.50
Harry Wurzbach Culvert (Project Surplus)	19,929.00
Perimeter Road, UTSA (Project Surplus)	444.32
Wurzbach Road (Now funded under Urban road systems)	295,525.00
Carver Library Auditorium Renovation (Project Surplus)	375.00
	<u>\$1,148,934.82</u>

Staff Recommended Projects for Use of these Funds:

Transit System Subsidy (Needed by 7-31-74)	450,000.00
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Public Health Neighborhood Clinic (S. Zarzamora - needed to complete project)	80,454.00
Rio Record Shop (Additional Needed-- SADA has billed City for \$16,600)	600.00
Starcrest Drive	250,000.00
Northwest Service Center (Needed to complete 1970 Bond Issue Project)	<u>350,000.00</u>
	\$1,131,054.00

* * * *

If you concur with my recommendations, there are \$302,012.82 unallocated funds consisting of the \$284,132 previously discussed from the 1974-75 entitlement period and \$17,880.82 from previous entitlement periods for which I have no specific recommendation.

We have just learned that there is a real possibility that the funds for the summer recreation support program and the transportation money available to the City may be cut from an anticipated \$338,500 to \$127,803 necessitating the possible need for an additional \$210,697. If this occurs, and the Mayor has sent a telegram trying to pick up the additional funds, it is my recommendation that we use the \$170,000 allocated in the revenue sharing budget for next year's summer recreation program and \$40,697 from the Pablo's Grove entrance road with the hope of finding enough money to reinstate these programs during the next year.

If you concur with my recommendations for reprogramming, I suggest that we proceed with the allocation of the remaining \$302,012.82. To assist us, we have a blackboard available so that we may keep a running balance as projects are agreed upon."

* * * *

Mayor Becker and others questioned the allocation to the Transit System. Finance Director Carl White and City Manager Granata explained that the System will require an additional sum of \$450,000 by July 31, 1974, out of current reprogrammed funds. In the 1974-75 entitlement period, the tentative allocation is \$1.2 million.

Mr. Morton said that he felt that it is unfair for citizens of San Antonio to bear the deficit of the Transit System alone. Since outlying towns and cities are also served by the System, they should be required to contribute to the deficit also. In view of this, he recommended that \$200,000 be taken from the \$1.2 million allocation and made available for other projects. Other Council members agreed with this suggestion and it was so ordered.

Councilman Mendoza said that he felt that the Southside Multi-Service Center could give up \$350,000 out of this period so this money could be made available for other projects.

Mayor Becker called on each Councilman in turn to make their recommendations for revenue sharing allocations.

Mr. Padilla, as well as Dr. San Martin and Mr. Mendoza, expressed a desire to fund the Contractor's Consortium Project but in view of certain technicalities, the project does not qualify for revenue

sharing funds. After discussion of this project, the Council instructed the City Manager to investigate ways and means of qualifying this project or some way to fund it through the City's general fund.

After discussing the projects and making various adjustments in the amounts requested, the Council agreed on the following allocations:

Funds Available:

Unallocated	\$302,012.82
From Southside Multi-Service Center	350,000.00
From Transit System	<u>200,000.00</u>
	\$852,012.82

Allocations:

Alcoholic Rehabilitation	10,000.00
Healy-Murphy Corp.	120,000.00
Centro Del Barrio	79,630.82
Barrio Betterment & Development Corp.	155,000.00
Drug Abuse Central	66,283.00
Hemphill Pedestrian Bridge	40,000.00
Westside Y.M.C.A.	50,000.00
UCPPOC - Carver Library	89,099.00
IMAGE	80,000.00
Santa Rosa Medical Center	50,000.00
Mission Road Foundation	50,000.00
Ella Austin Community Center (Youth)	50,000.00
Community Housing Development Corp.	<u>12,000.00</u>
	\$852,012.82

* * * *

City Manager Granata said that an ordinance adopting this budget would be on the agenda for the meeting of June 20th.

At this point in the meeting, Mayor Becker received a telegram from Senator Lloyd Bentsen which he read. The telegram read as follows:

Honorable Charles L. Becker, Mayor
City of San Antonio
P. O. Box 9066
San Antonio, Texas

"Have received your telegram on disastrous consequences to San Antonio's Summer Recreation Program resulting from Labor Department's decision to spread the \$17 million recently appropriated among several hundred additional cities. Congress' intent was to provide funding at last year's levels for those cities previously participating. Chairman Magnuson has notified the administration of this. Share your concern and will follow developments.

Lloyd Bentsen, U. S. Senate."

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MAYOR BECKER: Okay, now. What do we start with Sam, on the Charter Revision?

CITY MANAGER GRANATA: Well, at Mr. Padilla's request, he said that he wanted to start on Charter Revision first and that's on the agenda - Consideration of Charter Revision Committee Report and Minority Reports. Jake has furnished you with those items and it's time that we decide if we're going to have a Charter election, what you want to include in it, if anything at all and give us guidance as to when you want to have it. It's up to you to decide whether or not you want to go ahead with it.

DR. SAN MARTIN: Mr. Mayor, I don't see that we have any format to follow in the discussion and I think maybe this is good that we'll be flexible in our discussions of the Charter Revision. It seems to me that we can eliminate the minor points which were studied by the Charter Revision Committee which, by the way, did a beautiful job of analyzing what they felt was the consensus of the community. I feel that we should address ourselves first to some of the major items that have been proposed and are in the minds of most of the people. One of the items, of course, is the question of districts in the community to elect City Councilmen. I think this is a basic item that we need to discuss thoroughly. The other item is the question of direct election of the Mayor and the third item that I see as important of course is the question of pay of members of the City Council. I think that if we agree that these three items must be brought to the attention of the voters for a decision, then it's worthwhile going into the other items, otherwise it's not worthwhile having an election at all because if we're just going to change the fiscal year and some minor items of legal requirements, I don't think we need a Charter election or go through the expense of one but if we have items of substance, items of importance such as districts, direct election of the Mayor, pay of Councilmen and so forth, then it would be worth our efforts and the expense to go through the motions of an election. So at this time, Mr. Mayor, I'd like to propose that we take these items one by one and then the minor items later.

MAYOR BECKER: Right. I agree with that. Which one would you like to start with?

DR. SAN MARTIN: The districts.

MAYOR BECKER: Districts. Okay. All right. Let's commence with the discussion on the districting proposal and whoever would like to lead that discussion off, Doctor.

DR. SAN MARTIN: If I may, Mr. Mayor, I'd like to propose to the Council that we submit to the voters a proposition electing our members of the City Council from five districts and four at large. I will leave the four a little open later because I'd like to have the Mayor elected at large, three members elected at large and five by districts. This is my proposition at this time.

MRS. COCKRELL: Mr. Mayor. I go along a little bit more nearly with the recommendation of the Charter Revision Committee. I would like to see the Council size increased to eleven and the figures that I have come up with are six districts and five at large, including the Mayor, if he is elected by direct election.

MAYOR BECKER: All right now. I'm going to try to start keeping a running total of this thing here if I can. Let's see, you're recommending eleven

MRS. COCKRELL: Eleven persons and there would be six districts and five at large, including the Mayor. The reason I recommend the increase, I think we shouldn't go to the size of a Council that would be unweildy. I know Dallas has gone to eleven persons now and in relating to the increased size, but also to the complexity of our City, the various points of view which would like to be represented, I think that the possibility of having two additional persons might be able to enable us to address some of these different constituencies perhaps more adequately.

MAYOR BECKER: Dr. San Martin, would you mind repeating yours please.

DR. SAN MARTIN: Yes, my proposition is a nine-member Council such as we have now, with five districts and four at large including the Mayor, which would be three at large plus the Mayor at large.

MAYOR BECKER: Okay. All right. Leo, we're going around in that direction. Do you want to be next?

MR. MENDOZA: I'd like to go ahead and pass at this time, Mayor, to see if there are any other denominations....

MAYOR BECKER: Combination. Okay. What about you, Al Padilla?

MR. PADILLA: Mr. Mayor, my personal preference would be that we elect all members of the Council from districts; however, I must face the reality of the ballot box and for that reason I'm going to support this time the plurality of the Charter Revision Commission. They were all over the place in trying to find a method of election of Council. If you'll notice on your first page, the one that accrued 14 ayes as opposed to 12 nays and yet had more ayes than any other single plan proposed was the seven by district and four at large and I believe and I might ask some of the members of the Charter Revision Commission who are present, I believe that four at large did include the Mayor - the Mayor's election. I think we have to own up to the fact that the people probably will not support an all district method. I would like to see it, I've said that many times but I don't think they would support it. In fact, my prediction would be that they won't support seven by district and four at large though I hope they do. So I would recommend that we follow the plurality, the greater vote, of the Charter Revision Commission and go with seven by district and four at large, the four to include the Mayor.

MAYOR BECKER: All right. Let me have that again, Al. I'm having a hard time trying to....

MR. PADILLA: Mr. Mayor, that would be the recommendation of the Charter Revision Commission that accrued the most votes. Seven by district and four at large including the Mayor or the Mayor and three members of the Council elected at large.

MAYOR BECKER: You have eleven members then?

MR. PADILLA: Yes, Sir. Just as Mrs. Cockrell's plan in terms of membership.

MAYOR BECKER: All right. Okay. All right. Cliff, we're going to come around to your side?

MR. MORTON: I think before I would support districting, I'd have to know how we're going to do the districts. I only have to look at congressional districts where we have a man from Laredo that represents the people at Randolph Air Force Base. He doesn't represent the people in downtown San Antonio or west of San Antonio or halfway between here and Laredo to realize districting is no answer by itself until you establish how those districts are going to be defined. I certainly think that geographically the entire City should be represented but to say that I can support it without having the answer to that question first, I wouldn't be in favor of districts.

DR. SAN MARTIN: Mr. Mayor, may I ask Mr. Reeder if it's not within the jurisdiction of this Council to district the City proportionately?

CITY ATTORNEY REEDER: Yes, it is within the jurisdiction of the Council to district the City proportionately provided your Charter is amended to where you have districts, presuming that you do but you can't very well put in your Charter how the districts are going to be because your population is going to vary and one thing and another and you're going to have to have it like your state constitution that provides for reapportionment periodically by the legislature and so on. It's going to be - your real battles are going to be on drawing those district lines and that isn't done in the Charter. That's going to be done by the Council, you know. So you can't really know the answer to your question until after you amend the Charter, Cliff. That's the difficulty. I agree that that is the biggest difficulty in it right there.

DR. SAN MARTIN: That's the reason I asked the question, Cliff, because I thought there was no way until..... (inaudible).

CITY ATTORNEY REEDER: I might tell you one other thing for whatever it's worth, I don't know whether it's worth anything or not but just to keep you advised, the MALDEF people tell me that they not only want all nine people elected from districts but they want a hand in drawing the district lines. I didn't tell them to go to hell, I figured that was up to you to tell them that but I just wanted you to know.

REV. CLAUDE BLACK: Mr. Mayor, I'm particularly interested in this district format. I recognize what has been indicated by Councilman Morton that you cannot know the effectiveness of a district until you've drawn it. But there is a principle with which I work and that is that we must have a large enough number of districts to effectively carry out representation. Now when I say representation, I really mean responsiveness, the ability for responsiveness. I think that responsiveness ought to be put in the framework of accountability and for that reason I think that while you may have responsiveness to a particular area, unless you are depending upon that area for election, you really aren't held as accountable as you would be if you're in a district and are held accountable for it in the election. Now I'm particularly - the only recommendation that offers the highest number of districts is seven. I would join with Al in saying that I would think it would be best if we had more districts than that in order to effect the kind of representation. Therefore, I'm called upon to make a compromise with my own concern and that is simply to say that I'm going with the highest number of districts that we can possibly get out of this Council, because I think it represents a principle. It's not just simply going with the highest number of districts, it represents a principle that I think districts relate to and that is responsiveness to the area. The major presentation on this from the committee is seven and four, seven districts and four at-large so at this moment, it seems to me that that seems to have the only political possibility with this Council so I would go with the seven and four.

MR. PADILLA: And the rest of you remember, Claude and I have already compromised.

REV. BLACK: I think what we have observed in this Council really is a background for our acceptance of this concept. I think the dual nature of this Council or the diversity of this Council is responsible for some of its responsiveness. I think you would have the same thing if you got into districts. You'd have a diversity that would be responsive. When you look at the kind of situation that we are facing with utilities and this kind of thing, you've got to have, if we're going to have effective government, the kind of Council that can show the ability to respond. I can remember in days gone past when we would

have had this kind of public uproar and the Council just simply would have moved to the next thing on the agenda. I can remember when we first instituted sewer charges, there was a fervent kind of uproar in this community, but the Council moved on with it. But I think this Council is showing a desire. I'm not saying how much we're going to be able to do but I'm simply saying there is a responsiveness that I think it's important to government and for that reason, I would certainly like to persuade the members of this Council to look seriously upon the possibility of seven districts and four at-large persons with responsiveness and accountability as two of the major factors in that concept.

MRS. COCKRELL: Mr. Mayor, may I make one further comment in support of the six-five and my reason for advancing those particular numbers. I feel that each individual citizen would like to feel that he has had the privilege of voting for a majority of persons on the council. Now, if we go to some set of numbers bearing out the idea of some at-large and some by districts, this way, he would vote for the five at-large plus the one from his district and so each individual voter would therefore be voting on six out of the eleven. I, just as one voter, would tend to react negatively if I could vote for fewer than a majority of the Council it seems to me.

DR. SAN MARTIN: Mr. Mayor, I think I would like to express the same feelings but this is also possible under my suggestion of five and four. You vote for four at-large plus one in your own district, you still vote for the majority. So neither Mrs. Cockrell's or mine, you're still voting for a majority of the people on the Council for the same reason that she commented I agree that we should vote for the majority but it is possible under either

MR. MORTON: Well, it's just a matter of whether you want nine or eleven.

MAYOR BECKER: In connection with what Rev. Black said about the sewer things, I'd just like to say and I don't have to remind you about any of these things, any of you, there are times when you're going to have to vote for things when you're on the Council whether you're doing it by district or doing it the way we're doing it today, there's going to be unpopular but some of these decisions must be made. The means to finance the government of the City of San Antonio. Unfortunately, it takes money to make all this happen and I don't know that the sewer thing would have had any different vote under any conditions because it was something that was required, something that was necessary, something that was mandatory. Now as far as I'm personally concerned about this thing, there are several things that occur to me on it. One, I share Cliff's concern with respect to how are we going to carve these districts. It's a good question. I don't know how it's going to be done. I do recognize the need for having districts. In my opinion I think it is something that the public feels that they need. I, personally, don't feel that we need it at all in order to have good effective government. I don't know if the Council has ever tried to address itself any more strenuously or any more conscientiously or any more diligently than the problem with the overall city that this one has. Now, I know what I think you are going to say how do you know that you are going to have a Council everytime that is willing to do it? That's a good question.

REV. BLACK: This is a unusual Council, you've got to face that.

MAYOR BECKER: I'm afraid it is. How are you going to make it possible for people to be able to afford to serve on the Council if it, indeed they do run from districts. I read a thing in the paper yesterday about the time the Council is taking and it quoted several people as saying, you know that it was 25 hours, 30 hours you were having a time with your patience and most of us are up on the roof all night you know with telephones and messages and all that. It's unreal but some of us and most of us have been able to endure it financially and

otherwise. If you start running from districts then how are some of us folks going to be able to devote as much time as this job does require and still eat. That is one of the things that concerns me because on this job they have to keep on it and you can't do it on \$20.00 per week. I don't care if you don't get paid anything and that's the way most of us feel because it is almost a laughable matter really to work your tail off like this and to take all this abuse and everything for \$20 bucks a week. It's an insult actually. I don't care if we were not paid anything but when you stop to think about running an enterprise that is going to have a budget of \$101 million or something like that and a city of 900,000 people, I can't think anywhere on earth where this sort of thing happens in the corporate world or anyplace else foundation, tax free institution, or nowhere except right here in this city government and it is not realistic actually. It's totally unrealistic to expect people to be this altruistic and this self-sacrificing and everything to continue to do this over the next 5, 10, 15 or 20 years. I think this is just dreaming. It started off as a grand scheme and a grand exercise in human emotions and all that sort of thing. This job has grown into full time occupation. If anybody doesn't believe it, just do it. The districting thing, how are people going to be able to afford to do it, this is all part and parcel of whether or not we can afford to go to districts. I think if we are going to try to provide them with the district, I think we are also going to have to provide them with a means to afford to run for the job.

MR. PADILLA: Just to discuss my suggestion and why I made it. First of all, I have indicated because in the Charter Revision Committee it got the most support in terms of "aye" votes. The other is the point you made, Mr. Mayor, that somehow we have to find a way to make this job affordable to many people. We all recognize that many people who would otherwise be extremely well qualified to serve the city of San Antonio in this capacity simply can not do it because of the economic barrier. Hopefully, we will recommend to the people some relief be provided in this area. Another concern that I have is one that's on the front pages everyday and that is that winning an election is getting to be more and more expensive everytime out. I am concerned about this. I think that there must be ... at least we must try to find a way to provide for success on election day to come through other means than just the spending of vast amounts of money. This is why I think the district method might be successful. It affords the candidate the opportunity to deal with a much smaller geographic area and affords him the opportunity. I think we have seen it. A case in point is Don Cartwright's successful campaign for the legislature in probably one of the biggest geographical areas in the county, or geographical districts. However, he went out in a van and successfully conducted an election without spending vast amounts of money. So it is possible to work a smaller area on a more personal basis rather than buying expensive TV time and ads in the newspapers and that kind of thing. I am very concerned about this. I think we have to find a way to lower the cost of elections. The other result is that in San Antonio we have had with the exception of the last election, success at the ballot box with a couple of exceptions only for those who have had a very strong political organization, that can raise a great deal of money supporting them. Now, this puts entirely, in my opinion, too much emphasis on the strength of the dollar when it comes to the conduct or the result of an election.

In my own opinion, the reason for this Council in the first place is that the only time that the money aligned on either side was more or less equal. I don't know who had the most but it was a more equitable situation in terms of balance, in terms of the dollars that could be spent on the election. You saw this kind of situation. Before that it was strictly where the money went behind the candidates that the money was put behind those were the successful ones. I think we have to recognize that because of the money situation we saw the results that we had in large measure at the ballot box for 20 years. A lot of people have said that the last election proved that a political

group doesn't have to win all the time. It doesn't, but if the people who finance the elections get together as they have been together before the last election for 20 years, anyone else is practically going to draw a zero and I am concerned about this because that leaves a lot of otherwise well qualified people completely out in the dark.

The other reason I suggest the 7 and 4 and I must be very honest with you is because this is really another way of putting it and Claude Black has put it just this way, the word really is political control. Many people, though no one will admit it, like the purely at large system. They like it because it insures political control. Now if we are to accept this thesis then a 5 and 4 or a 6 and 5 situation will not materially change the opportunities or balance the opportunities, for the money as opposed to those who do not have the money in the community because all in the world that has to happen is if the money gets behind the 5 at-large and behind one member from a district your political control, so to speak, is still in the hands of the large money group of the political organization. I think with 7 and 4 it makes it a slightly tougher situation for money to be as meaningful as it has been in the past. That's why I think 7 and 4 is a better method than 6 and 5 or 5 and 4.

MAYOR BECKER: Anyone else care to say anything?

REVEREND BLACK: I certainly would like to emphasize that because I could visualize where you could get a group behind 4 at-large and take on district and with a small number of districts it means it's very easy to carve out a district that has common ways of looking at things and bring about a majority. But I think with the 7-4 you are less likely. It requires more coordination, more cooperation, more effort to do that very same thing. I think that what we would like to have in government is as much expression of what the community is really like at the council level in a responsible way that simply expresses specific controls by any one group. I think we have to work toward this and the only way to work toward it is to - I'm not saying that once we get 7 and 4 that you are going to have perfect government. I am sure that there will be a certain number of things lacking in it, but it's a movement toward the kind of responsiveness that has been reflected, I think, in our present council and the kind of needed responsiveness that we see the complex issues that the city faces will be required of a council in years to come.

San Antonio is one of the unique cities of this nation, primarily because of its diversity. It has a cultural diversity that must be addressed politically. Whenever you put restrictions on that responsiveness, you're building a time for social disorders that we have already gone through in some of our major cities. This is not my idea. These are ideas that have already been published in major periodicals and persons who give a great deal of attention to the study of human response at a political level. The greater opportunities that you have for responsiveness, the less likely you are to have the kind of social disruptions that have marked many of our cities throughout this nation. And because it has passed, it seems to me that every generation has its responsibility to be sensitive to the possibility of new kinds of social expression. We don't have to have the same kind and I'm sure the kind that we have had has possibly passed but that does not mean that that's all that can be done. There are a lot of things that can be done that show the fact that people don't feel that that government reflects their interests and their concerns and this is to me is the noble objective of any Charter revision that it tries to build itself in such a way as to reflect a meaningful concern for all of its citizens.

SAN MARTIN: Mr. Mayor.

MAYOR BECKER: Who was first?

DR. SAN MARTIN: I would just like to say that when we refer to the dominant group or the political group, I am pretty sure we are all thinking of the Good Government League and there is no sense keeping the name out because that's what we are talking about anyway. I would like to say that I have been a member of the Good Government League since it started in 1953. I worked in the citizens committee in 1951, I worked in the Charter Revision group in 1950 and 1951, and I am proud to have been associated with a group that tries to bring prosperity, industry and stability and high credit ratings to the city of San Antonio. I would like to tell you that I like to see today what any group or any individual can tell me what to do when I am serving on the City Council or on any city board. I don't care what you have, districts at-large, combinations, it's still up to the individual sitting behind this table that is going to make his decision according to his conscience. I can tell you without qualification and everyone in this room, that no one in the last 25 years has ever succeeded or tried to tell me what to do and I have done in any other way except what my conscience told me to do. I just can't think of a Good Government League telling Cliff Morton what to do because he is not about to, and I'm gonna speak for you, Cliff. I have known you and I can't conceive anybody telling you what to do and you are immediately doing exactly

as you are told. I can say the same thing for Lila Cockrell who has been identified with the Good Government League for a long time. You Mayor, were a member of the Good Government League and I don't remember that you ever did what you were told to do. I'm just telling you plain here and now that I don't care what group I belong to, nobody is gonna tell me what to do. I am going to do exactly the way I feel like I have to do. I stand for my own actions on my own two feet and I don't care whether they spend a million dollars or 5 cents on my election, nobody's gonna tell me what to do. So I don't buy this proposition that a dominant group is gonna tell you what to do because I can tell you in the last 25 years when they have tried, I told them where to go.

MAYOR BECKER: I would only like to think that some of them did what I told them to do because it would make a very interesting sight to see.

MR. PADILLA: The doctor didn't include all of us. I think it is generally known that when I was a member of Good Government League, they didn't tell me what to do either, nor does anyone on this council tell me what to do. But I didn't make that point in case the doctor misunderstood me, perhaps, perhaps he is referring to what someone else said. I did not say that the Good Government League, and I did not use the name, but I have no objection to using it...Told people what to do. My own experience was that at times there was a great deal of pressure. A couple of times people did try to tell me what to do. I did not accept it, I thoroughly reject that. My problems with the Good Government League were perhaps based, at least to some extent, on this attitude of mine. The only reason why I did not mention the Good Government League is because my concern is with writing a City Charter or asking the voters to amend it. I do not care if it's a Good Government League, nothing is eternal. It may last another twenty years, it may have been in its last election, I don't know. But I was talking about a a well financed, dominant, political group, be it whatever name. Whether I'm with them or not, it doesn't matter, we're talking about a principle, and this is why I did not mention that particular organization. Cause I'm thinking of the future now, rather than the past, in large measure, in terms of the Charter.

MR. MENDOZA: Mr. Mayor.

MAYOR BECKER: Yes Leo.

MR. MENDOZA: I'd like to give you my opinion. Of course maybe I should answer some of the things that have been said because I feel like I was part of the package deal. I only wish that they wouldn't have tried to tell me what to do, you know. But anyway, I don't know that we need to get into that any more. I really feel that we're all trying to come up with something here that's a workable plan, something that is equitable for the citizens of San Antonio. I'd like to say that I think that the Charter Revision Committee representing these different views certainly did a real good job and I'm going to support their recommendation. Which 7 and 4. Yes sir.

MAYOR BECKER: In connection with what has been said about who told who what to do and all this, in all fairness, I think it should be said that there weren't any attempts to tell anybody what to do. At one time there was on several occasions in my recollection, in my experience anyway. It was a very small group of people who, I think, were assuming that they were representing the whole entire membership of the GGL. I'd like to think of it in those terms because I don't think that the entire membership of that group was that unfair or short sighted or whatever you'd like to call it.

MR. PADILLA: I agree with you.

MAYOR BECKER: They made, I would think in my own situation anyway, an error when they tried to enforce any edicts upon me because I certainly won't subscribe to that sort of thing from anybody. But it was a very small group of people.

Well, alright, let's see what we have. We have Leo supported the 11 member, the 7 and 4 recommendation of the Charter combination. Mr. Padilla recommended that. I don't know, 7 and 4, Reverend Black.

REVEREND BLACK: I just figure that's the best we can get out of this deal.

MAYOR BECKER: Dr. San Martin, I don't know how he feels. He's talking about 9 and 4 and 5 and 4. Mrs. Cockrell had 11 but 6 and 5, so I don't know how many different combinations we have here. We have two members absent. I think we ought to vote on whether or not we want 11. We have two members absent.

REVEREND BLACK: Maybe we ought to vote on whether or not we want an 11 member council or a 9 member council.

MAYOR BECKER: I still say, though, somewhere along the line either after the fact or before it, we are going to have to address ourselves as to how these people are going to be compensated. That's the next item here. (All talking at once)

MR. MORTON: One thing I would want to point out for those who seem to have some sort of infatuation with districts. I know that all of us have friends that are on the County Commissioners Court. I would like to think that all are my friends who I deal with quite frequently. As you know, they kinda divide things up. With four precincts, we divide the bond funds up four different ways and spend them that way. We are here to address revenue sharing this morning, and yet I would say that the budget that is going to be spent this morning or arrived at this morning for revenue sharing will probably at least half of it be spent in less than 10% of the geographical area in the City of San Antonio. Now, if I am a councilman from say the Northeast quarter of the City of San Antonio that's bounded say by IH 35 and San Pedro, I am going to assure you that if it's a nine member deal, I'm going to want one-ninth of that budget. For those people that I think we are trying to represent here I think they will find that they are going to be getting less rather than more. Just a very pragmatic matter because I'm going to have to face those folks out there and I'm going to have to say I gave 4/5th of your 1/9th to another district. They are going to say I'll tell you what, if that's the case, we think we are going to give 5/5th of our vote to someone who will represent us more fairly the next time. Let's face it, there are needs in any of these areas that you could certainly justify capital expenditures or any of the other budgets that we expect revenue sharing on. I want to bring that point out. I'm not strong against and I am not strong for it. I think there are advantages and disadvantages, but I do want to point out this particular situation, I don't believe anybody would challenge me that better than half of the capital expenditures, better than half of the revenue sharing budget that are not capital expenditures go in less than 10% of the geographical area of this city. Very frankly, I am in favor of that, because I represent that group of people that fall in that area just as much as I do someone out here on Perrin Beitel Road and you are going to lose me unless I move down here, but you are going to lose me as far as that support is concerned if we split it up into districts to where districts are the thing and you are looking strictly at your particular area of geographical concern.

MAYOR BECKER: It's actually possible to get less.....

MR. MORTON: Less, rather than more.

REV. BLACK: But I think we have another thing to look at though, Councilman Morton, and that is this that if you begin to look at the total budget of the City of San Antonio, don't just take revenue sharing now and start dealing with the capital expenditure involving the total City of this community, it might be an interesting study. You might find that the areas that we are talking about that get that majority part of the revenue sharing don't get the same percentage that the allocation of the public dollar in other areas of concern. You see, I mean so I think what you will come up with is a kind of balance the total spending, not just simply the revenue sharing spending but also, and it might be very interesting to really go through the budget, and I am sorry I don't have anyone who could help me with it actually because I think the budget is the most politically instrumented in the City. It's not just we were talking about a real political instrument because it represents where the power is. The budget always represents where the power is.

MRS. COCKRELL: Mr. Mayor.

MAYOR BECKER: Yes, madam.

MRS. COCKRELL: I wanted to say to Cliff this. Everything you say is absolutely true and in the past I have completely opposed any move from our present system and so the position I'm taking today represents quite a concession really on my part to come this far, but I do feel that there is a strong desire on the part of many citizens for some movement in the direction of the districting and really that is prompting my responsiveness at this point. Again, I am trying to hold onto the majority concept for each voter to vote on, but what you say is certainly true and I know back there in the last bond consideration leading up to the 1970 bond election I realized that I was sitting there working for the Walters Moore Street, and the projects that were needed that I could see were needed on the East side and the West side, and if you are elected just from your district you've got to fight for everything you can get just for your district and that's just the way it is.

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(At this point officials of the City Public Service Board arrived to discuss the energy crisis with the Council. The discussion is elsewhere in these minutes. Following this discussion, the Council resumed its consideration of Charter revision.)

CITY MANAGER GRANATA: Now you can go back to the Charter if you want to. It's up to the Council.

MRS. COCKRELL: I think we could at least come to two or three decisions on Charter Revision, and you call the three main items and I think maybe we might be close enough on two of them to agree on them. In other words, I think we can see whether or not we should place on the ballot the issue of the direct election of the Mayor and second to adopt the Charter Commission recommendations on salary, and I would be in favor of placing both of those issues on the ballot. Well, I was - if it meets with the consensus of the Council, I suggest that we do place in the tentative list of the ballot, the opportunity to the voters to either concur or oppose the direct election of the Mayor and second the recommendations regarding salaries made by the Charter Revision Commission, the proposal.

DR. SAN MARTIN: I second both of those.

MAYOR BECKER: Okay now. Does that eliminate the districting?

MRS. COCKRELL: No, that we just had.....

MAYOR BECKER: Just that - we're just not going to vote on it today.

MRS. COCKRELL: Or we can, I'll be glad to stay but....

MR. MENDOZA: Mr. Mayor, if I'm in order, I'd like to make a motion that we include the election by district, the plan that the Charter Revision Committee recommended.

DR. SAN MARTIN: Mr. Mayor, point of order, please. I'd like to ask Mrs. Cockrell to reconsider submitting each motion individually, each item individually so that we don't vote for all three at one time in case somebody wants to....

MRS. COCKRELL: Yes, all right, and one issue for the ballot, and this is not excluding others. This is just one issue for the ballot. The issue of the direct election of the Mayor should be worded by the City Attorney.

DR. SAN MARTIN: I'll second that.

MAYOR BECKER: Okay, any discussion? All right. Ready for the question. All in favor? All opposed?

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

MAYOR BECKER: Okay. Two. You want to take the salaries up?

MRS. COCKRELL: The second issue was to recommend that the salary recommendation of the Charter Revision Committee be placed as a ballot item.

DR. SAN MARTIN: I second that too.

MAYOR BECKER: What were those levels, do you recall?

MR. MORTON: \$6,400 a year to take everything all together.

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MAYOR BECKER: What do you mean if you take everything all together?

MR. PADILLA:for Councilmen. It was recommended different for the Mayor and the Mayor Pro-Tem.

MRS. COCKRELL: This is item one. It be raised \$6,400 for your maximum.

MR. PADILLA: Not Pro-Tem, but the Mayor was different, wasn't it? Okay. And the Pro-Tem runs on Mayor's salary when he's absent and so forth.

MAYOR BECKER: Okay, you deal with then the 64 dollar figure for the maximum.

MR. PADILLA: How about for the Mayor? What was the level recommended?

DR. SAN MARTIN: The same as it is now.

MRS. COCKRELL: The same additional amount.

MR. PADILLA: In other words, \$6,400 and an additional \$3,000 per annum.

MRS. COCKRELL: Yes.

MR. PADILLA: Is that a motion, Lila?

MRS. COCKRELL: Yes, sir.

DR. SAN MARTIN: I already seconded that motion.

MR. PADILLA: Thank you.

MAYOR BECKER: All right. Any discussion?

DR. SAN MARTIN: Question.

MR. MORTON: I'd just like to ask this question. If our submitting this issue to the voters does this mean that we as a Council are taking a position on the question.

MR. PADILLA: No.

MRS. COCKRELL: No.

MR. MORTON: Because very frankly, I can't think of any time in the period that I've been here that the question of raising the Council remuneration, and I really think that we're not talking about raising... I think we're talking about creating some remuneration. It would be probably less acceptable than it would right now in all of the other things that they had to be looking at.

DR. SAN MARTIN: I agree, Mr. Morton, except for one thing. We may not have another Charter Revision Commission election for a long, long time to come, and this is the only crack we're going to get at it. If the citizens want to vote for this, fine, if they don't, fine.

MR. MORTON: I will vote for the motion with the understanding that I am not taking a position and I'm recommending this.

DR. SAN MARTIN: I'm going to vote against it at election because I tire myself out for \$20 a week and when I don't feel it's enough, I'll just walk out of here. But, I think that people should be given

a chance so that those who are qualified to serve but haven't got the ability to serve because of their financial conditions cannot be deprived, I think it's undemocratic to the (inaudible) of an opportunity to serve, I personally would vote against it.

MR. MORTON: I can see that's a very good argument.

MR. PADILLA: Mr. Mayor, I'd like to ask a question of the City Attorney and then state my views on this particular problem. Crawford, in the event that this Council were to recommend and put on the ballot the issue of salary for the Council, and in the event that it were approved by the voters, would it be effective immediately or would it be effective at the election of the succeeding Council.

CITY ATTORNEY REEDER: It would be effective when the new amendment becomes effective, and I would have to check the statute to see when that is, Mr. Padilla. I don't know, I'll have to check and see.

MR. PADILLA: I think it's important that I know the answer to this because it ties in there with what Mr. Morton said. I feel that I was elected and made a deal, so to speak, with the citizens at \$20 a week, and I would be willing to serve out my term at \$20 a week because that's the way I came in. Now, if it were effective or could be made effective when the new Council takes office, I would support it. I'm concerned about one other thing, and that is that I do not believe that the citizens will approve an adjustment from \$20 a week to \$6,400. I would like for us to consider some lesser amount in the hope that, in time, I know one figure that's thrown around a great deal by the last Charter Revision Commission, it was \$5,000, assuming the Councilmen attended every meeting during the year. I am concerned that the citizens will turn down - will reject a major adjustment of that type.

MAYOR BECKER: For \$1400, of course, more than the \$5,000 isn't that much. Let me ask you something, Crawford, if a man doesn't want to accept the money, can he refuse to accept it?

CITY ATTORNEY REEDER: Sure he can, Mayor. Here's what the statute says, and if you all can understand this as well as I can, it says: "Each such proposed amendment if approved by the majority of the qualified voters voting at such election shall become a part of the Charter of the City. No amendment should be considered adopted until an official order has been entered upon the records of the City by the governing body there of declaring the same adopted." Well, after you've had your election and see who wins, I mean, see how the majority voted, but you could probably pitch your amendment to become effective when the next Council takes office. See, that's what was done when we adopted this other Charter. So you could proclaim it that way.

MR. MORTON: Again, all of these recommendations with the condition that they not be effective until the election to be held regularly in 1975.

MR. MENDOZA: I second that.

MRS. COCKRELL: Wait just a minute, I just want to be sure I understand this. In other words, I think that's fine for the salary to take effect with the new Council, on the - on any of these, now for example, under the election of the Mayor, that has to be effective though with the next election.

MR. PADILLA: Yes, that's true.

MR. MENDOZA: Of course your motion....Cliff, I think we're talking about really the second motion, the one on the salaries is not so much on the Mayor cause I don't know that the Mayor wants to vote for another election right now.

MR. MORTON: Well, that's - this is what I'm saying, I don't want us to be accused of directly or indirectly voting ourselves of a raise. That has to be understood basically, and I think if we could say that this is, all of these changes that we are effecting are changes that will take place with the election of the next City Council that would pretty well do it, including the election of the Mayor in the next Council.

MR. PADILLA: I think you've got a fine line there though, Cliff. Under the Charter, the Council can decide what to put on the ballot, and there's a very fine line there in terms of whether if you make the decision to put, say the salary issue on the ballot for the election, are you, in fact, just deciding to have that issue on the ballot or do you recommend it? You see.

MRS. COCKRELL: No, you're just giving voters the opportunity to vote on it.

DR. SAN MARTIN: You're not recommending any changes.

MR. MORTON: You're submitting a series of issues. It's really for the electorate as I see it, and you're not taking any positions.

MAYOR BECKER: I don't see any hang-up on it myself unless somebody's worrying that they're not earning their \$20 right now.

MR. PADILLA: Well, we're not asking for the money for this Council anyway.

MAYOR BECKER: Are you ready to vote on it? We voted on the Mayor's running at-large. Now we're talking about the \$6400. Okay, all in favor approve? Opposed?

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

MAYOR BECKER: Okay. Now, there was one other item and that was the districts.

MR. MENDOZA: I'd like to make a motion.

CITY CLERK: Sir, we had Mr. Morton's motion that all these would be effective....

MR. PADILLA: In the case of the Mayor at the next election, in the case of the monies, 1 May 1974.

MR. MENDOZA: Well, I'd like to make that motion and say that I'd like to propose that the number of Councilmen be increased from 9 to 11 and that 7 be elected from single member districts, three at-large, and, of course, I think we've already voted on the Mayor but I'd like to include that also the Mayor be at-large in this motion.

MAYOR BECKER: I'm going to have to ask Sam something before we get into that. How can you accommodate two more Councilmen in this room?

CITY MANAGER GRANATA: Crawford, the City Attorney and the City Manager will have to move somewhere else.

MAYOR BECKER: Well, what about knocking this back wall out here... go into this corridor back here.

CITY MANAGER GRANATA: It's very small. In fact, it's just another way out for a fire exit, but it would be difficult to do, to be honest with you.

MR. PADILLA: For openness, we can get smaller chairs, all except one... (inaudible).

MRS. COCKRELL: All we have to do is move a little closer together.

MAYOR BECKER: We've had nine kids up here on occasion and nine Council members.

MR. ? : (Inaudible).

MAYOR BECKER: Yes, I know but we didn't spend all day like that, you know.

DR. SAN MARTIN: Mr. Mayor, it'd be wise to wait until we actually vote 11 people into office before we.....

MAYOR BECKER: But I'm just asking a question, you know. How can you accommodate.....

CITY MANAGER GRANATA: A new civic center and a new City Hall.

MR. MENDOZA: Mr. Mayor, I couldn't even get a second right now for my motion.

MR. PADILLA: I seconded it.

MR. MENDOZA: Oh, you did?

MAYOR BECKER: Okay. Now you said 11 - increasing it from 9 to 11 and 7 plus the Mayor, which has already been voted on, would be running at-large. I mean, three plus the Mayor.

MR. MENDOZA: Three plus the Mayor.

DR. SAN MARTIN: Mayor, I have a substitute motion. I move that we leave the number of Council members at 9 and that we elect 5 by district and 4 at-large, one of which would be the Mayor.

MRS. COCKRELL: (Inaudible).

DR. SAN MARTIN: Unless you want to postpone this issue until we have nine people here.

MR. PADILLA: Let's all vote for what gets the plurality.

DR. SAN MARTIN: No, it has to be a majority, right?

MR. MORTON: We might do some more trading.

DR. SAN MARTIN: Well, if my motion doesn't get a second, Mr. Mayor....

MAYOR BECKER: That's right. I'm just waiting for someone to see if....

DR. SAN MARTIN: Nine members. Five by district, four at-large.

MAYOR BECKER: Still no second? All right. So we vote 7 plus 4 Okay. Any discussion? Okay.

DR. SAN MARTIN: Question.

MR. MENDOZA: Second it.

MAYOR BECKER: All in favor? Opposed?

ROLL CALL VOTE: AYES: Becker, Black, Padilla, Mendoza; NAYS: Cockrell, San Martin, Morton; ABSENT: Lacy.

MAYOR BECKER: All right. It's 4 to 3.

DR. SAN MARTIN: I move we postpone this item until Mr. Lacy or somebody else is here.

MR. MORTON: Let me interject something here if I can. I think.... I don't know how many of you are familiar with the situation in Austin where they submitted this and the Mayor in this case went right along with the districting idea and then turned around and pointed out all the disadvantages and they had to leave because they voted it down up there. And I would think that here, if those of you who are adamantly in favor of districts want to be assured that we do have some districts, I think you have to eliminate the argument that if you don't have a group that's against it, that argument is very, very strong when you say that you can't vote for a majority of your Councilmen. When you start talking about four votes or three votes that you won't be able to vote for, man, I'll tell you, you don't have much support when you go down there, especially if a guy that's in your district doesn't like you and you explain that pretty well to everybody. It would seem to me that if you worked almost on some kind of a quadrangular system of maybe four by district with the direction that this gerrymandering is not going to be where Claude goes out here and gets a little bit over here on the East Side and goes out here on the West Side on Culebra and gets a little bit more out there but just roughly try and quarter the City to go on four and five - four by district, five at-large. I think you get over the biggest single argument that those who are against districts have to offer.

MRS. COCKRELL: You prefer nine.

MR. MORTON: I'm not hung up on nine versus eleven, Lila. I think the first argument that you have to get across if you want districts - is the argument that you're not voting for the majority of the Council.

MRS. COCKRELL: I agree with that.

MR. MORTON: If you want it that's the best way to assure they get it.

MRS. COCKRELL: All right.

DR. SAN MARTIN: I vote for them.

MRS. COCKRELL: Either that or go back to the six-five deal.

DR. SAN MARTIN: We'll be here until midnight everyday and if tomorrow we can't get out of there by six, we'll have to bring our bed pads with us.

MRS. COCKRELL: I'll say we.....for it.

DR. SAN MARTIN: Unless it'd do any good, Mayor, without reintroducing it again at least to have it second. I am for it, Mr. Mayor.

MRS. COCKRELL: You had it together, here.....

MR. MORTON: Yes, the other way around. I'm talking about four by districts and five at-large. Yes, that's the difference to try and.....

REV. BLACK: Mr. Mayor, that is not a convincing argument to me primarily because the purpose for which a district is created is denied in that structure from my point of view. I think districts are created in order to bring about just what you're saying is the argument against it, and that is so that you cannot have the domination of the Council in any way that you really have to vote on the merit of persons and they have to be developed in that way and they have to relate to each other, based upon the merit of the issues and will not have to look to any particular group because that group has been able to put together a solid majority. Now, this doesn't mean you necessarily have to have a - this could be a sectional thing, it doesn't have to be a party thing. It doesn't have to be a political organizational thing, it can be a sectional thing. So, for that reason, I find it denies the basic reasons.

I would just, you know, unless districts have that kind of meaning, it seems to me that we really don't have the real purpose of districting. I think this is what we're talking about when we talk about representation even at the national level - state government. We're talking about giving the ability of individuals to act in a way that they are not compelled by virtue of any organization being able to put together their own strength in the election of that group. And I think the at-large procedure forbids this, and I think this kind of districting will prevent this.

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MAYOR BECKER: The things that I wonder about in that six, five-four deal - one thing is will the five that run at-large, gang up on the four that run by district, you know. Are you forming some sort of elite pecking order there of some kind. Two, on the other hand, I can see where the guy that runs by district for this example, if we took San Pedro and Pleasanton Road as north and south, Commerce and Houston Streets as east and west, you see.

MRS. COCKRELL: It wouldn't be that though.

MAYOR BECKER: What wouldn't be where?

MRS. COCKRELL: The east and the west, because the center population is farther north around Hildebrand.

MAYOR BECKER: Are these things.....

MRS. COCKRELL: They have to be by population.

MAYOR BECKER: Are they by population?

MRS. COCKRELL: They have to be.

MAYOR BECKER: They have to be more or less equal.

MRS. COCKRELL: It has to be more or less equal. I think I have heard that around Hildebrand is more like the center of our population.

MAYOR BECKER: But how do they figure out, though, this thing about Kazen running in Laredo and representing Randolph Field.

MR. PADILLA: The population in that district is about the same as in the others.....

MAYOR BECKER: But what I am trying to get ready to say is that if you ran four districts, each district would have, they're playing tick tack toe over here, each district would have a substantial importance attached to it, you see, and you wouldn't come from a sliver, you know, one of these little old things that run off down here. There wouldn't be, the tendency to say, now, I come from that district between a quarter of a mile wide and all that kind of business and here's a guy next door to me that's running from that one and running from this one and all that monkey motioning going on as we had before. You'd represent, if you want to look at it that way, pretty powerful constituents.

MR. MORTON: I would think this, just making the assumption that the five - this does not include the Mayor, let's say the four and one at-large, I think they all did that, this fellow over here that has this big quarter - everyone in that quarter is going to look first to him and I think that balances out the game here is really what I am saying.

MR. PADILLA: I think we are speculating on what could happen, you know, any number of things could happen really.

MR. MORTON: You just posed the question, let's assume that they feel like they're big sticks because they ran over the entire City, by the same token I can't help but believe that issues that directly effect any one of those four quarters this fellow right here is going to have more to say about it than anybody else regardless of how well these others stick together.

MR. PADILLA: We have a motion for five at-large and four including the Mayor for district, don't we?

MRS. COCKRELL: Five at-large including the Mayor.

MR. MORTON: Including the Mayor and four for districts.

MR. PADILLA: No, I don't think that was the motion at all. Who made the motion? Dr. San Martin?

MAYOR BECKER: Cliff made the motion.

MR. MORTON: It was five at-large including the Mayor and four districts.

MR. PADILLA: I'll agree with that there shouldn't be any gerry mandering. Four and four.....

MR. MORTON: Plus the Mayor you've got five in all.

MAYOR BECKER: Well go ahead and discuss it.

MR. MENDOZA: No, I was going to say that would you accept an amendment that these people live in a certain area and not necessarily all of them in one area. In other words would be at-large, I'm talking about that you have four from districts and four at-large including the Mayor. The Mayor can live anywhere he wants to but the other four should come from a district.

MR. PADILLA: That's what you call residence in a district elected at-large. That's another combination.

MR. MENDOZA: Residency requirement would be at-large except for the Mayor.

MR. MORTON: How about us getting back to the.....we have to be half men and half women.

MRS. COCKRELL: I like that, and I will second your motion.

MAYOR BECKER: You know I have got a better suggestion yet, and I think that we are tired. We have been here a long time. Why not go off and think about this thing. I can see what Leo's talking about, the residency thing. It makes a certain amount of sense to me. You're actually getting - you'd be getting if a guy comes from a quadrant to run at -large, and one coming from the same quadrant you would get two to represent that district. That's quite an area. It would tend to stop this ganging up on the other guy if it was ever going to be.

MR. PADILLA: I just fail to recognize if both of them are going to be elected from that district so to speak, where the benefit is.

MAYOR BECKER: I don't think any of us have ever ganged up on one another here and that's the reason I really want to be honest with you I'd stay with this system. But like Claude Black says this morning, how do we know what we are going to have enough Council that has the same characteristics and attitudes.....

REV. BLACK: If I would be assured there was such fine men and such a fine lady for Councils of the future, I would go with that, but history just doesn't repeat itself in this very splendid way and it won't.

MR. PADILLA: Would you like to introduce that as a resolution, Claude?

MAYOR BECKER: I think we possibly might, but how about consideration though about what Leo was saying. Let's just mention them all while we are talking about it that a man run at-large from a quadrant and then the residency requirement also applies to the one that's running, well I'm getting it all backwards. The residency requirement would apply to the man running at-large or women whichever the case might be and that one other one would run by the districting method from that quadrant that applies to everyone, the eight of them and then, of course, the Mayor run at-large.

MR. MENDOZA: He could live downtown if he wanted to.

MAYOR BECKER: Live downtown? What if he lived in New York City?

MR. MENDOZA: Well, as long as you came in every..... I'd like to make a motion.

MRS. COCKRELL: I'd like to think about it.

MAYOR BECKER: That's one proposal. Then what Cliff was talking about the 4 and the 5 and then the 6 and the 5 and the 5 and the 4, you know, all these variances thereof and that we put this off until we can think a little clearer.

MRS. COCKRELL: One other thing in the direct election of Mayor - one thing you will also have to clarify is should there be a vacancy in office, how is it filled? And if we had gone into the first system that some are elected - were elected at-large and the Mayor was elected at large, is there any limitation on who shall fill the office of Mayor, and if we've got to be sure to clarify the intent of the Council whether if anyone on the Council could be eligible to be named a replacement or only those who run at-large or what.....

DR. SAN MARTIN: They have to have another election if it's the Mayor.

MRS. COCKRELL: There are two year terms. I don't think we do. I think the Council can elect if it's just a two year term.

DR. SAN MARTIN: If they are more than a year maybe you can.

MR. PADILLA: In the event of an election the next question is would any current member of the Council be eligible to run for Mayor, or would he have to stay where he is and only the outsiders so to speak non-members - would he have to resign or would he have to stay out of the election all together and someone not on the Council only those not on the Council.....

MR. MORTON: Mr. Mayor, why don't we just put that off until the.....

MR. PADILLA: Mr. Mayor, may I move that we adjourn, but just before we adjourn we reschedule another meeting for Charter Revision purposes. Whatever your wishes are.

MAYOR BECKER: You want to try to schedule it for Friday, June 28?

MRS. COCKRELL: I'm moving that day.

MR. PADILLA: How about Tuesday?

MAYOR BECKER: How about Wednesday, June 26th?

MRS. COCKRELL: We're going to be.....

MAYOR BECKER: Okay. What in the world.....let's see...

DR. SAN MARTIN: How about Monday, July the 1st?

MRS. COCKRELL: I hope we don't have any crisis over the weekend.

MR. PADILLA: Can we have only the Charter that day?

MAYOR BECKER: All right. Nine o'clock Monday morning, July 1 at City Hall - Charter Revision.

MR. PADILLA: And then the rest of it stands, I move adjournment, Mr. Mayor.

MAYOR BECKER: All right, okay.

END

There being no further business to come before the Council, the meeting adjourned at 5:15 P. M.

A P P R O V E D

M A Y O R

ATTEST:

C i t y C l e r k

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