

REGULAR MEETING OF THE CITY COUNCIL
OF THE CITY OF SAN ANTONIO HELD IN
THE COUNCIL CHAMBER, CITY HALL, ON
THURSDAY, DECEMBER 17, 1970.

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The meeting was called to order by the presiding officer, Mayor McAllister, with the following members present: McALLISTER, CALDERON, BURKE, HABERMAN, TREVINO, HILL, TORRES, JAMES; Absent: NIELSEN.

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70-55 The invocation was given by Reverend Norbert C. Oesch, Immanuel Lutheran Church.

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Minutes of the Council Meetings of December 3 and 10, 1970 were approved.

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70-55 ZONING HEARINGS

a. CASE 4082 - to rezone Lot 4, NCB 13807, from Temporary "A" Single Family Residential District to "B-3" Business District, located on the east side of I. H. 35 Expressway 701.84' north of the cutback to Sherri Ann Road; having 400.0' on I. H. 35 and a maximum depth of 430.0'.

Acting Planning Director, J. H. Wilkerson, explained the proposed change, which the Planning Commission recommended be approved by the City Council.

No one spoke in opposition.

After consideration, on motion of Dr. Calderon, seconded by Rev. James, the recommendation of the Planning Commission was approved by the passage of the following Ordinance by the following vote: AYES: McAllister, Calderon, Burke, James, Haberman, Trevino, Hill; NAYS: None; ABSENT: Nielsen, Torres.

AN ORDINANCE 39,123

AMENDING CHAPTER 42 OF THE CITY CODE
THAT CONSTITUTES THE COMPREHENSIVE
ZONING ORDINANCE OF THE CITY OF SAN
ANTONIO BY CHANGING THE CLASSIFICATION
AND REZONING OF CERTAIN PROPERTY
DESCRIBED HEREIN AS LOT 4, NCB 13807,
FROM TEMPORARY "A" SINGLE FAMILY
RESIDENTIAL DISTRICT TO "B-3" BUSINESS
DISTRICT.

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December 17, 1970
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b. CASE 3855 - to rezone Lot 22, NCB 11168, from "B" Two Family Residential District to "I-1" Light Industry District, located between I. H. Loop 410 and Chavaneaux Road, 2285.0' east of Roosevelt Avenue; having 822.9' on I. H. Loop 410, 776.48' on Chavaneaux Road and a distance of 167.10' between the two road ways.

Acting Planning Director, J. H. Wilkerson, explained the proposed change, which the Planning Commission recommended be approved by the City Council.

No one spoke in opposition.

After consideration, on motion of Dr. Calderon, seconded by Rev. James, the recommendation of the Planning Commission was approved by the passage of the following Ordinance by the following vote: AYES: McAllister, Calderon, Burke, James, Haberman, Hill; NAYS: None; ABSTAIN: Trevino; ABSENT: Nielsen, Torres.

AN ORDINANCE 39,124

AMENDING CHAPTER 42 OF THE CITY CODE
THAT CONSTITUTES THE COMPREHENSIVE
ZONING ORDINANCE OF THE CITY OF SAN
ANTONIO BY CHANGING THE CLASSIFICATION
AND REZONING OF CERTAIN PROPERTY
DESCRIBED HEREIN AS LOT 22, NCB 11168,
FROM "B" TWO FAMILY RESIDENTIAL DISTRICT
TO "I-1" LIGHT INDUSTRY DISTRICT.

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c. CASE 4064 - to rezone Lot 21, NCB 11693 from "D" Apartment District to "B-3" Business District and Lot 20, NCB 11693 from "D" Apartment District to "I-1" Light Industry District.

Subject property is located on the south side of Burwood Lane.

The "I-1" zoning being 400.54' east of Blanco Road; having 121.10' on Burwood Lane and a maximum depth of 243.77'.

The "B-3" zoning being 521.64' east of Blanco Road; having 313.51' on Burwood Lane and a maximum depth of 247.56'.

Acting Planning Director, J. H. Wilkerson, explained the proposed change, which the Planning Commission recommended be approved by the City Council.

No one spoke in opposition.

After consideration, on motion of Mr. Hill, seconded by Rev. James, the recommendation of the Planning Commission was approved by the passage of the following Ordinance by the following vote: AYES: McAllister, Calderon, Burke, James, Haberman, Trevino, Hill; NAYS: None; ABSTAIN: TORRES; ABSENT: Nielsen.

AN ORDINANCE 39,125

AMENDING CHAPTER 42 OF THE CITY CODE THAT CONSTITUTES THE COMPREHENSIVE ZONING ORDINANCE OF THE CITY OF SAN ANTONIO BY CHANGING THE CLASSIFICATION AND REZONING OF CERTAIN PROPERTY DESCRIBED HEREIN AS LOT 21, NCB 11693, FROM "D" APARTMENT DISTRICT TO "B-3" BUSINESS DISTRICT, AND LOT 20, NCB 11693, FROM "D" APARTMENT DISTRICT TO "I-1" LIGHT INDUSTRY DISTRICT.

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d. CASE 4031 - to rezone the north 150.0' of Lot 27, Blk. 1, NCB 7469 from "F" Local Retail District to "B-3" Business District and the south 145.0' of Lot 27, Blk. 1, NCB 7469 from "C" Apartment District to "B-2" Business Districts.

Located 350.0' east from Memorial Street and fronting both to Culebra Avenue and Cornelia Avenue.

The "B-3" being the north 150.0' with 200.0' on Culebra.

The "B-2" zoning being the south 145.0' with 200.0' on Cornelia Avenue.

Acting Planning Director, J. H. Wilkerson, explained the proposed change, which the Planning Commission recommended be approved by the City Council.

No one spoke in opposition.

After consideration, on motion of Mr. Trevino, seconded by Rev. James, the recommendation of the Planning Commission was approved by the passage of the following Ordinance by the following vote; AYES: McAllister, Calderon, Burke, James, Haberman, Trevino, Hill, Torres; NAYS: None; ABSENT: Nielsen.

AN ORDINANCE 39,126

AMENDING CHAPTER 42 OF THE CITY CODE THAT CONSTITUTES THE COMPREHENSIVE ZONING ORDINANCE OF THE CITY OF SAN ANTONIO BY CHANGING THE CLASSIFICATION AND REZONING OF CERTAIN PROPERTY DESCRIBED HEREIN AS THE NORTH 150.0' OF LOT 27, BLK. 1, NCB 7469, FROM "F" LOCAL RETAIL DISTRICT TO "B-3" BUSINESS DISTRICT, AND THE SOUTH 145.0' OF LOT 27, BLK. 1, NCB 7469, FROM "C" APARTMENT DISTRICT TO "B-2" BUSINESS DISTRICT.

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e. CASE 4085 S.R. - to rezone Lot 720 - A NCB 9484 from "C" Apartment District to "R-3" Multiple Family Residential District for a Child Day Care Center with over 20 children, located on the south side of Ware Boulevard. 541.6' east of Pleasanton Road; having 106.0' on Ware Boulevard and a depth of 410.70'.

Acting Planning Director, J. H. Wilkerson, explained the proposed change, which the Planning Commission recommended be approved by the City Council.

No one spoke in opposition.

After consideration, on motion of Rev. James, seconded by Dr. Calderon, the recommendation of the Planning Commission was approved by the passage of the following Ordinance by the following vote: AYES: McAllister, Calderon, Burke, James, Haberman, Trevino, Hill, Torres; NAYS: None; ABSENT: Nielsen.

AN ORDINANCE 39, 127

AMENDING CHAPTER 42 OF THE CITY CODE
THAT CONSTITUTES THE COMPREHENSIVE
ZONING ORDINANCE OF THE CITY OF SAN
ANTONIO BY CHANGING THE CLASSIFICATION
AND REZONING OF CERTAIN PROPERTY
DESCRIBED HEREIN AS LOT 720 -A NCB 9484,
FROM "C" APARTMENT DISTRICT TO "R-3"
MULTIPLE FAMILY RESIDENTIAL DISTRICT FOR
A CHILD DAY CARE CENTER WITH OVER 20
CHILDREN.

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f. CASE 3943 - to rezone Lot 10, Block 13, NCB 8496, from "D" Apartment District to "B-3" Business District, located northwest of the intersection of West Avenue and Pasadena Street; having 117.43' on West Avenue and 95.00' on Pasadena Avenue.

Acting Planning Director, J. H. Wilkerson, explained the proposed change, which the Planning Commission recommended be approved by the City Council.

No one spoke in opposition.

After consideration, on motion of Dr. Calderon, seconded by Rev. James, the recommendation of the Planning Commission was approved by the passage of the following Ordinance by the following vote: AYES: McAllister, Calderon, Burke, James, Haberman, Trevino, Hill, Torres; NAYS: None; ABSENT: Nielsen.

AN ORDINANCE 39,128

AMENDING CHAPTER 42 OF THE CITY CODE
THAT CONSTITUTES THE COMPREHENSIVE
ZONING ORDINANCE OF THE CITY OF SAN
ANTONIO BY CHANGING THE CLASSIFICATION

AND REZONING OF CERTAIN PROPERTY
DESCRIBED HEREIN AS LOT 10, BLOCK
13, NCB 8496, FROM "D" APARTMENT
DISTRICT TO "B-3" BUSINESS DISTRICT.

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g. CASE 4095 - to rezone Lot 3, Blk. 10, NCB 14095 (13.692 acres), from "R-1" Single Family Residential District to "R-6" Townhouse District, located on the northwest side of Evers Road between Rolling Ridge Drive east and Callaghan Road; having 192.10' on Evers Road, 1,418.48' on Callaghan Road and 512.53' on Rolling Ridge Drive East.

Acting Planning Director, J. H. Wilkerson, explained the proposed change, which the Planning Commission recommended be approved by the City Council.

No one spoke in opposition.

Councilman Hill called attention to the fact that the Planning Commission had discussed landscaping of the tract rather than screen fencing.

Mr. Tommy Saunders, representing Saunders and Trieschmann Development Corporation, the applicants, showed the Council a sketch of the proposed development. Along Callaghan Road the buildings will be set back approximately 100 feet from the street and suitable landscaping is proposed. He also showed how the property will be landscaped along the north and northwest property lines.

After consideration, on motion of Dr. Calderon, seconded by Mr. Trevino, the recommendation of the Planning Commission including the requirement for suitable landscaping was approved by passage of the Ordinance by the following vote: AYES: McAllister, Calderon, Burke, James, Haberman, Trevino, Hill, Torres; NAYS: None; ABSENT: Nielsen.

AN ORDINANCE 39,129

AMENDING CHAPTER 42 OF THE CITY CODE
THAT CONSTITUTES THE COMPREHENSIVE
ZONING ORDINANCE OF THE CITY OF SAN
ANTONIO BY CHANGING THE CLASSIFICATION
AND REZONING OF CERTAIN PROPERTY
DESCRIBED HEREIN AS LOT 3, BLK. 10,
NCB 14095 (13.692 ACRES), FROM "R-1"
SINGLE FAMILY RESIDENTIAL DISTRICT TO
"R-6" TOWNHOUSE DISTRICT.

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h. CASE 4108 - to rezone the north 114.0' of Lot 29, Blk. 2, NCB 13016, from "B" Two Family Residential District to "B-2" Business District and the south 58.0' of Lot 29, Blk. 2, NCB 13016, from "B" Two Family Residential District to "B-3" Business District, located northwest of the intersection of Mally Boulevard and Pleasanton Road.

The "B-3" being on the south 58.0'; having 110.0' on Mally Boulevard and 58.0' on Pleasanton Road.

The "B-2" being on the north 114.0'; having 114.0' on Pleasanton Road and a depth of 110.0'.

Acting Planning Director, J. H. Wilkerson, explained the proposed change, which the Planning Commission recommended be approved by the City Council.

No one spoke in opposition.

After consideration, on motion of Mr. Hill, seconded by Rev. James, the recommendation of the Planning Commission was approved by the passage of the following Ordinance by the following vote: AYES: McAllister, Calderon, Burke, James, Haberman, Trevino, Hill, Torres; NAYS: None; ABSENT: Nielsen.

AN ORDINANCE 39, 130

AMENDING CHAPTER 42 OF THE CITY CODE THAT CONSTITUTES THE COMPREHENSIVE ZONING ORDINANCE OF THE CITY OF SAN ANTONIO BY CHANGING THE CLASSIFICATION AND REZONING OF CERTAIN PROPERTY DESCRIBED HEREIN AS THE NORTH 114.0' OF LOT 29, BLK. 2, NCB 13016, FROM "B" TWO FAMILY RESIDENTIAL DISTRICT TO "B-2" BUSINESS DISTRICT AND THE SOUTH 58.0' OF LOT 29, BLK. 2, NCB 13016, FROM "B" TWO FAMILY RESIDENTIAL DISTRICT TO "B-3" BUSINESS DISTRICT.

* * * *

i. CASE 4072 - to rezone Lot 27, Blk. 4, NCB 2072 from "B" Two Family Residential District to "B-1" Business District, located north-east of the intersection of Culebra Avenue and North Elmendorf Street; having 100.36' on Culebra Avenue and 157.66' on North Elmendorf Street.

Mr. Wilkerson reminded the Council that this case was heard November 19, 1970 at which time the Council withheld a decision until the applicant could show what the intended use was.

Mr. Robert L. McIntyre identified himself as a property owner in the area and said that he is now in the process of purchasing the property from Mrs. A. L. Ford.

Mr. Clarence McGown, an attorney representing Mr. McIntyre, said that he intended to erect a concrete block building to be used as a real estate office.

Mrs. Alice Reina, 1135 Culebra, spoke against the rezoning as she felt that it would make the neighborhood less desirable.

After consideration, on motion of Rev. James, seconded by Mr. Torres, the recommendation of the Planning Commission was approved by the passage of the following Ordinance by the following vote: AYES: McAllister, Calderon, Burke, James, Haberman, Hill, Torres; NAYS: Trevino; ABSENT: Nielsen.

AN ORDINANCE 39,131

AMENDING CHAPTER 42 OF THE CITY CODE THAT CONSTITUTES THE COMPREHENSIVE ZONING ORDINANCE OF THE CITY OF SAN ANTONIO BY CHANGING THE CLASSIFICATION AND REZONING OF CERTAIN PROPERTY DESCRIBED HEREIN AS LOT 27, BLK. 4, NCB 2072, FROM "B" TWO FAMILY RESIDENTIAL DISTRICT TO "B-1" BUSINESS DISTRICT.

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j. CASE 4055 - to rezone Lots 39 and 40, Blk. 45, NCB 1624, from "B" Two Family Residential District to "B-3" Business District, located on the north side of Denver Boulevard, 250.0' east of South Pine Street; having 50.0' on Denver Boulevard and a depth of 140.0'.

Mr. Simon Ortiz, the applicant, said that he intended to operate an automobile repair garage on the property.

Members of the Council expressed reluctance to permit this rezoning because the area is strictly a residential area.

After consideration, Mr. Hill made a motion to uphold the recommendation of the Planning Commission that the rezoning be denied. The motion was seconded by Dr. Calderon and was passed by the following vote: AYES: McAllister, Calderon, Burke, James, Haberman, Trevino, Hill, Torres; NAYS: None; ABSENT: Nielsen.

k. CASE 4057 - to rezone lot 16, Blk. 59, NCB 3657 from "B" Two Family Residential District to "B-2" Business District, located north-east of the intersection of West Salinas Street and 24th Street; having 50.0' on West Salinas Street and 153.71' on 24th Street.

Mr. Frank Lombardino said that he was appearing before the Council as a favor to Mr. Adolfo Garcia, the applicant. Mr. Lombardino asked that consideration of this case be postponed for one month since a full Council was not present.

After consideration by members of the Council, it was agreed to postpone the hearing of this case until January 21, 1971.

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1. CASE 4092 - to rezone Lots 20 thru 35, Blk. 4, NCB 8179, from "B" Two Family Residential District to "R-3" Multiple Family Residential District, located on the west side of Evelyn Drive between Donaldson Avenue and Bexar Drive; having 274.5' on Evelyn Drive and 518.0' on both Donaldson Avenue and Bexar Drive.

Mr. Stewart Alexander, an attorney, appeared before the Council representing Congregation of Agudas Achim, the applicants. He showed the Council an artist's sketch of the proposed development. He said that the prospective buyer of the property would prefer to have the entire tract zoned "R-3" rather than just the south portion as proposed by the Planning Commission.

Mr. Lawrence E. Deveau, 219 Bexar Drive, expressed opposition to the proposed rezoning although he stated that he would not object to the south half of the tract being rezoned for apartments provided that the north portion remain zoned for two family residences.

Mr. Alexander asked the Council to postpone a decision in this case until he could prepare a design to discuss with residents in the area.

After consideration, the Council agreed to postpone the hearing of this case until January 21, 1971.

70-55 The Clerk read the following Ordinance:

AN ORDINANCE 39,132

ORDINANCE DIRECTING THE PUBLICATION OF
NOTICE OF INTENTION TO ISSUE CITY OF
SAN ANTONIO WATER REVENUE BONDS.

* * * *

Mr. Mike Passur, Chairman of the Water Works Board of Trustees, advised that a study has been made of the water system's finances and needed improvements for the next two years. It was found the City is growing, industry is coming in as well as the University of Texas at San Antonio. Water must be provided for annexed areas. The revenue from sale of water will not pay for the improvements and extensions required.

Management has recommended a \$10,000,000 revenue bond issue for the following purposes:

\$5,000,000 for capital improvements.
\$ 550,000 for acquisition of treatment plant sites.
\$1,500,000 for acquisition of private water companies.
\$2,500,000 for extension of water to U.T.S.A.
\$ 450,000 for replacement of outmoded facilities.

He asked the Council approve issuance of the bonds to finance the improvement program for the next two years.

Mr. Passur added that, in the meantime, the City Water Board is having a study made of the water system's needs for the next 25 years. When it is completed, the Council will be advised of the results.

Mr. John Shields, Comptroller for the City Water Board, explained how the bond issue would be financed.

Mr. Robert Van Dyke, Manager of the City Water Board, explained that the proposed booster station to serve the U.T.S.A. and adjacent area would not be located on the University grounds. The site is presently in the process of condemnation. He assured the Council the City Water Board has no intention of acquiring pumping sites for the drilling of wells in the U.T.S.A. area because of the quality and quantity needed for municipal use. The booster pumping site is four (4) acres in size and located south of Hausman Road and east of Babcock Road.

Mr. Van Dyke also discussed with Mr. Torres the 17 per cent increase in water rates approved in 1966. It was anticipated at the time it would produce \$1,100,000 in revenue each year to be used to supplement capital improvements. Projections were based on three (3) per cent increase per year in operating costs but with inflation the increase turned out to be six (6) per cent. Cost of salaries and wages today are \$1,200,000 more than predicted in 1965 and 1966.

Mr. Van Dyke stated the major reason for going the bond issue route, instead of a rate increase was because of the nature of the improvements that the money will be used for. They will be far-reaching, long time improvements that will benefit all the citizens of San Antonio well into the future. They felt that expenditures of this type are better suited to revenue bond financing, rather than ask the rate payers to pay for them at this time.

To other questions, he said the anticipated loss for 1970 on the chilled water plant is \$232,000; in 1968 the City Manager asked the City Water Board to vacate the premises at City Hall Annex. They will move out in April of 1971 when new offices are completed. However, the computer operation will remain as they have direct lines serving City Hall, Tax Office, Health, and Police Departments. This will be much more economical than to extend the lines.

After further discussion, Mr. Torres made a motion that the Ordinance be passed and approved. Seconded by Mr. Hill, the motion carrying with it the passage of the Ordinance, prevailed by the following vote: AYES: McAllister, Calderon, Burke, James, Haberman, Trevino, Hill, Torres; NAYS: None; ABSENT: Nielsen.

70-55 The Clerk read the following Ordinance:

AN ORDINANCE 39,133

ACCEPTING THE PROPOSAL OF McCALL, PARKHURST
AND HORTON TO ACT AS BOND COUNSEL IN
CONNECTION WITH PROPOSED WATER REVENUE
BONDS.

* * * *

Mr. Robert Van Dyke stated this Ordinance provides for complete bond counsel services in connection with the bond issue. The fee of \$10,500, which is in accordance with bond attorney's schedule of rates charged in the State, will be paid by the City Water Board.

After consideration, Dr. Calderon made a motion that the Ordinance be passed and approved. Seconded by Mr. Hill, the motion carrying with it the passage of the Ordinance, prevailed by the following vote: AYES: McAllister, Calderon, Burke, James, Haberman, Trevino, Hill; NAYS: None; ABSENT: Nielsen, Torres.

70-55 The Clerk read the following letter:

December 11, 1970

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

Gentlemen and Madam:

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

12/4/70 Petition of Forrest A. Dinn, Jr. for permit to construct seven-foot fence with six strands of y-shaped barbed wire at the top at 7934 Webbles Street.

12/11/70 Petition of William J. Zizelmann for removal of City paving and the reestablishment of the front corners of the lot at Rehman and Stark Streets.

/s/ J. H. INSELMANN
City Clerk

* * * *

There being no further business to come before the Council, the meeting was adjourned.

A P P R O V E D

ATTEST:

JH Inselmann
C i t y C l e r k

McAllister
M A Y O R

December 17, 1970
nsr

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ADDENDUM TO THE MINUTES OF THE
MEETING OF THE CITY COUNCIL OF
THE CITY OF SAN ANTONIO
DECEMBER 17, 1970

(TRANSCRIPT OF THE DISCUSSION CONCERNING THE ISSUANCE OF REVENUE BONDS
BY THE CITY WATER BOARD)

The Clerk read the following Ordinance:

AN ORDINANCE 39,132

ORDINANCE DIRECTING THE PUBLICATION OF
NOTICE OF INTENTION TO ISSUE CITY OF
SAN ANTONIO WATER REVENUE BONDS.

* * * *

MAYOR McALLISTER: Mr. Passur, we'll be glad to hear from you.

MR. MIKE PASSUR: Mr. Mayor, Mrs. Haberman, Gentlemen of the Council, my name is Mike Passur. I am Chairman of the Water Works Board of Trustees. I want to take this opportunity to thank you for letting us come before you today to tell you the needs of our Water Board and the financing of it for the next two years. Now, I know that you are a busy bunch of people, and we are not going to take up a lot of your time. We could spend a day or two going through all of these things, but we are going to try to make it as short as possible. From time to time we must review our finances, the work that we have to do and everything that pertains to your water system. We instructed our management to look into the situation and to tell us what we need for the next two years. The face of San Antonio is changing. The town is growing. Industry is coming in. The University of Texas is coming in. We must provide water for everything that you on the Council annex. It's part of our job. The revenue that is produced by the sale of water will not pay for all of these things. Management came up and told us that we are going to need for the next two years for capital improvements and other things at the Water Board in the figure amounting to ten million dollars.

Now, I am going to briefly tell you what this money is going to be used for. We need at least five million dollars for capital improvements. As you know, the line to the University of Texas is going to cost about two and one-half million dollars to get water to that area. Our regular improvements and replacements will be \$1,706,290. As you all know, we are faced with the problem in the future of surface water. We must buy land for our treatment plant now or there won't be any land available, and the price will be sky high. We propose for that a figure of \$550,000. When the Council annexes the property that you are talking about annexing, there are private water companies in there that will have to be purchased. We need about 1.5 million dollars for that.

MR. TORRES: How many companies are in there, Mike?

MR. PASSUR: I beg your pardon.

MR. TORRES: How many private water companies are in that area?

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MR. PASSUR: Well, there are two that I know of. I have with me, of course, Mr. Van Dyke, our General Manager, and Mr. John Shields, our Comptroller. I think there are about 13 or 14 little companies operating in the City of San Antonio now besides one big one. Of course, we have got a certain amount of money we have to use in our reserve fund and that ought to be about \$731,000. Interest during the construction will be about one-half a million dollars.

Now, on the 24th of November, the Board passed a Resolution to ask this Council to approve by ordinance the issuance of ten million dollars in revenue bonds to tide us over the next two two years. In the meantime we are having a study made of the total needs of the water system in San Antonio for the next 25 years. That study will not be ready until some time early next year. So without going into a lot of detail - you have a copy of the Resolution, and I'm sure you have all studied it - we would like, at this time, to ask you by ordinance to issue ten million dollars in revenue bonds for the use of your Water Board for the next two years. Now, if there are any questions we will try to answer them.

Mr. HILL: Mr. Passur, is this the reason for the two years on the bond issue?

MR. PASSUR: Yes.

MR. HILL: I mean, you're buying time, is what you are saying?

MR. PASSUR: We are buying time.

MR. HILL: You want ten million dollars in bonds to take care of the University of Texas, etc. In the meantime you are going to have a study of what it is going to take for the next 20 to 25 years.

MR. PASSUR: Black and Veatch, who are outstanding engineers, are making this study. We have used them before, and they will come up with that study of our needs, our rate structure and everything pertaining to the water system for the next 25 years.

MR. TORRES: I don't know, Mr. Passur, if I quite understand all your figures. I know there is a lot I do not understand, but your proposal is one for ten million dollars. Your exhibit No. 1 on your report on capital requirements and financing plan makes reference to your deficiency for your capital improvements of 8.468 million dollars. Is the remainder interest? How else would you account for the additional 1.5 million dollars that you are looking for?

MR. PASSUR: Is Mr. Shields there?

MR. JOHN SHIELDS: Mr. Torres, when we issue the bonds, we immediately accrue a reserve fund requirement which requires us to put into the reserve fund the maximum amount of the principal and interest due in any future years over the life of all the bonds. So that figure, as we estimated it, is \$751,000. During the two year period we will also have to be paying interest on these bonds, and that figure is approximately \$512,000. That is the difference between ten million dollars and the 8.468 million dollars.

MAYOR McALLISTER: In other words, you don't contemplate getting a return on full investment immediately?

MR. SHIELDS: No, sir.

MAYOR McALLISTER: Okay. Any other questions?

MR. TORRES: Yes. Just a couple of more, Mr. Shields - your University Booster Station - of course, you have a map on the location, is that actually on the University site?

MR. SHIELDS: No, sir. It is about one block away I think. It is on Hausmann Road I believe.

MR. TORRES: Yes, Hausmann Road and Babcock. Now, do you actually own the land already?

MR. SHIELDS: We do not own it. We are negotiating for the purchase of it at this time.

MR. TORRES: And, of course, in the negotiations - this may sound a little ridiculous - but in the negotiations for the purchase we do acquire the sub-surface rights. Is that the idea that we - is the booster station actually a pumping station?

MR. SHIELDS: No, sir. The water would be pumped into the station from Wurzbach Pumping Station which has the wells on it. There is no water that we feel would be adequate. I think Mr. Van Dyke should answer this question concerning the station itself.

MR. ROBERT VAN DYKE: I am Robert Van Dyke, Mr. Torres. The particular site there is north of the good water that is available in San Antonio, and it is approximately five miles north of our present mains. There is no water in that particular area that would provide an adequate supply for that area or for the University of Texas. The site that we are purchasing is just south of Hausmann Road and just east of Babcock Road. We are presently in a condemnation case to acquire this property which is a little in excess of four acres. At this pumping station, it will repump water that is produced at a good area approximately five miles south of the site.

MR. TORRES: So, today Bob, you do not contemplate, or there are no present plans for actually acquiring a pumping site on the - directly on the University grounds. Is that correct?

MR. VAN DYKE: No, sir. This particular site was located because it is on the division line between service level five and service level four. In the water system there are different pressures in different service levels. As the elevation of the land goes up, you have to have a different pressure. So we will be boosting from service level four into service level five where the University is located. This pump station and the mains that will feed it will not only serve the University of Texas, but the surrounding area that will develop as the University is built and comes into its full size.

MR. TORRES: Of course, you know it's obviously a.....I'm raising the question because I felt there was some jeopardy attaching to the City and the Water Board if we did not ascertain that when the regents acquired the University of Texas at San Antonio as deeds to the land they ascertain that they acquire all mineral rights. As you recall, I raised the point the deeds still do not transfer these sub-surface

rights to the land, and this is why I wanted to be sure, at least at this time, having to look to the site itself for water that we would not be establishing a pumping station at that particular location. We have not received a reply to your correspondence, have we, Mayor?

MAYOR McALLISTER: I don't recall if we have or not.

MR. TORRES: I haven't seen anything.

DR. CALDERON: Let me say with regards to those particular deeds in question that Mr. Torres raised some concern over a month or so ago. At that time, I asked the City Attorney to review those deeds, copies, of which, Mr. Torres was kind enough to make available to us, and the City Attorney advises that nowhere could he find water rights included in any clause, certainly refer to mineral rights but not to water rights. So certainly there never has been any problem really insofar as the deed containing water rights. Secondly, in talking with Mr. Van Dyke soon thereafter, he informed me that the water supply on the site, and some area radiating from the site, is of such poor quality and low quantity that it would be totally improper to utilize water from the site or around the site, and he informed me that therefore the water to be provided the University would have to come from a point some five miles away, and that this water would have to be pumped to the site; and so I would say that this certainly and, I would hope, that you would confirm this point, Mr. Van Dyke, that the Water Board has no intention at any point in time to drill wells on the site or around the site.

MR. VAN DYKE: That is correct, Dr. Calderon. The water that is available there is not of poor quality all the time, but it is in the outcrop zone, and it is subject to surface contamination and certainly would be unacceptable for a municipal water supply and, as you pointed out, it's very little water quantity.

MR. TORRES: This is the only explanation I was looking for and certainly, Dr. Calderon, I hope you didn't take any offense in me raising the question.....

DR. CALDERON: Let me say I really did take offense, Mr. Torres, because you always have a habit of raising questions just merely to cast suspicion on things. You never bother to check things out. Had you called Mr. Van Dyke, as I did; had you contacted the City Attorney, as I did; you would have the answers to the questions that you ask. But you never bother to ask. You always take advantage of the opportunity to cast suspicion on things and then in some later point in time someone, somewhere will answer the question. In the meantime, you will gather all the mileage that you have intended to get out.

MR. TORRES: You have a suspicious mind, Dr. Calderon. Mr. Van Dyke, I apologize if there was any intimation that I was seeking to put the Water Board into bad light. I was merely looking for the guarantee which you have made public this morning, and I think as part of our responsibility to the citizenry I think that these guarantees are essential, sir. On the point, Dr. Calderon, if I may, on the point of the legal questions there are legal questions that still have not been raised, Dr. Calderon. We are still going to have to go into the land. We're still going to have to be concerned with the sub-surface rights and the directional drilling rights which the adjacent land

owners have, and I still do not think that these questions have been answered. If I may take up a couple of more minutes of Mr. Van Dyke; sir, and I thank you for your patience, we, in 1966, let's see went along with the, I believe the Council then went along with a 17 per cent water rate increase and, of course, that was used primarily - the monies that came back from the increase - was used primarily for operation and maintenance, is that correct?

MR. VAN DYKE: No, that is not correct, sir. That money was a 17 per cent increase which was effective on October 1, 1966, and it was anticipated at that time that it would produce approximately \$1,100,000 worth of revenue each year. That money was to be used to supplement our capital improvements construction and not for maintenance and operation. However, since that time we have had a substantial increase because of inflation in our personnel costs. Our projections that were made at that time were based upon an annual increase of some three per cent per annum in our operating costs, and it has, in fact, turned out to be some six per cent. The City of San Antonio as well as all of the businesses and the City Water Board have been victims of this insidious inflation, and at the present time, the salaries and wages that we predicted in 1965 and 1966, at the time we were preparing our request, are some \$1,200,000 less than what they actually are today. So in other words inflation has taken this money that we anticipated for construction and has had to be used for salaries and operating costs, it was contemplated for that at the time.

MR. TORRES: I see. Then in studying this particular proposal you according to the press items, and according to I believe the statements made by the Mayor earlier here, you had also contemplated as an alternative a possible rate increase. In your projections, and in your studies as your alternative to the issuance of the bonds what would, and this is merely out of curiosity not that I would make this proposal, what would that rate increase as an alternative have amounted to, sir?

MR. VAN DYKE: We did not figure a percentage, Mr. Torres. The major reason for the bond issue versus the rates was because of the nature of the improvements that this money will be used for. They will be far reaching long-time improvements that will benefit all of the citizens of San Antonio well into the future. We feel that expenditures of this type, perhaps, are better suited to a bond type of financing rather than asking the rate fares to pay for it at this time.

MAYOR McALLISTER: Mr. Walker, I want to ask a question that you may or may not be prepared to answer. The four acres, or the tract of land that the Water Board contemplates acquiring for the booster station, will be acquired through condemnation. There is no intention on the part of the Water Board to ever drill any wells there, but certainly, when we acquire through condemnation in that manner there would be no mineral restrictions that would apply.

CITY ATTORNEY WALKER: If there are any mineral restrictions, the condemnation would also condemn whatever mineral restrictions might be involved.

MAYOR McALLISTER: So that the questions of mineral restrictions on this land is of no importance. It doesn't mean anything.

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CITY ATTORNEY WALKER: Of no importance.

MAYOR McALLISTER: Okay. Any other questions that anybody would like to ask?

MR. TORRES: Just of the staff, not of Mr. Van Dyke, did Mr. Bolen's office review the financial matter submitted to us?

ASSISTANT CITY MANAGER DOUTHIT: I couldn't answer that. Mr. Bolen is here. He can tell you.

FINANCE DIRECTOR BOLEN: No, sir. We did not.

MR. TORRES: Just one final thing, Bob, what's currently the annual loss from the Chilled Cooling Plant?

MR. VAN DYKE: We anticipate that our loss for the year 1970 will be approximately \$232,000.

MR. TORRES: I see, okay. On your new building, I understand then you are going to move about what, on April 1?

MR. VAN DYKE: Plus or minus April 1.

MR. TORRES: Thank you. You'll completely get out of your existing office facility?

MR. VAN DYKE: Yes, in early 1968 we were requested by the City Manager to vacate those premises and that's when we started our plans for our new building. The only facilities that will remain in 506 Dolorosa will be our computer center, and the reason that it will remain there is that we have direct lines that come here to City Hall, to the Tax Department, to the Health Department, to the Police Department, and it would be a great deal more expensive to move these lines and have to utilize leased lines to transmit the data back to the various City departments that we serve and so therefore, we felt it was more economical to retain our computer center there and to utilize these direct lines which we already own.

MR. TORRES: Mr. Mayor, recognizing the need to provide the services to the new University of Texas at San Antonio and having studied the report submitted by the City Water Board, as I'm sure all the members of the Council have, and this is strictly a notice of intent to issue the bonds, I'm going to move the adoption of the ordinance.

MR. HILL: I second it.

MAYOR McALLISTER: No further discussion; call the roll.

AYES: James, Haberman, Trevino, Nielsen, Hill, Torres, McAllister, Calderon, Burke.

NAYS: None.

ABSENT: None.

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