

MINUTES OF THE CITY COUNCIL

CITY OF AUSTIN, TEXAS

Regular Meeting

May 13, 1976
10:00 A.M.

Council Chambers
301 West Second Street

The meeting was called to order with Mayor Friedman presiding.

Roll Call:

Present: Councilmembers Himmelblau, Hofmann, Lebermann,
Linn, Trevino, Mayor Friedman, Mayor Pro Tem Snell

Absent: None

INVOCATION

The Invocation was delivered by REVEREND GEORGE CARLISLE, St. Davids Episcopal Church.

APPROVAL OF MINUTES

Councilmember Himmelblau moved that the Council approve the Minutes for May 6, 1976. The motion, seconded by Councilmember Linn, carried by the following vote:

Ayes: Mayor Friedman, Mayor Pro Tem Snell, Councilmembers
Himmelblau, Hofmann, Linn

Noes: None

Not in Council Chamber when roll was called: Councilmembers
Lebermann, Trevino

PARLIAMENTARY WEEK

Councilmember Hofmann read and then presented a proclamation to Ms. Marcia Romberg proclaiming the week of May 17, 1976, as "Parliamentary Week" in Austin and urged all organizations to join the Council in this recognition. Ms. Romberg thanked the Council for the proclamation.

MUNICIPAL CLERK'S WEEK

Mayor Pro Tem Snell read and then presented a proclamation to City Clerk Grace Monroe, proclaiming the week of May 10-14, 1976, as "Municipal Clerk's Week" in recognition of the vital services they perform and their outstanding dedication to the communities they represent. Mrs. Monroe expressed her honor and pleasure in working with the Council.

FOSTER GRANDPARENTS DAY

Mayor Friedman read and then presented a proclamation to Evelyn Walton and Maria C. Esquivel proclaiming May 14, 1976, as "Foster Grandparents Day" in Austin, and called upon all residents to join the Council in applauding these selfless individuals.

Mrs. Walton commented that she was honored that the Council was cognizant of this special group of volunteer Senior Citizens and the contributions they make in providing love and guidance to special children of the Austin State School. Mrs. Esquivel also expressed her thanks to the Council for this recognition.

NATIONAL VOLUNTEER WEEK

Mayor Pro Tem Snell read and then presented a proclamation to Harriet Zinn proclaiming the week of May 16-22, 1976, as "National Volunteer Week" in Austin, and urged all citizens to join in this recognition. Ms. Zinn thanked the Council on behalf of all of the volunteers in the nation as well as in Austin.

YOUTH GOVERNMENT DAY

Mayor Friedman read and then presented a proclamation to Matt Mathias, Chairperson of Austin Council on Youth Affairs, proclaiming May 13, 1976, as "Youth Government Day" in Austin and urged all citizens to join the Council in recognizing the contributions of the Council on Youth Affairs to the present and future direction of our City.

Mr. Mathias thanked the Council especially since they were the ones that originally organized the Youth Council. He noted a special thanks to Council-member Lebermann since he was the original sponsor of the Ordinance. Present at the Council meeting were 21 members of the Youth Council and leaders of City high schools to participate in the Youth Government Day. Mr. Mathias took this opportunity to recognize the 21 members and the City Department heads they would be working with.

REQUEST FOR AN AMENDMENT TO THE INDUSTRIAL WASTE ORDINANCE

Mr. Brad Hey, representing Tolson Oil Company, appeared before the Council to request an amendment to the Industrial Waste Ordinance relating to Grease Traps in Self-Service Gasoline Outlets. He requested that the Ordinance

be amended to exclude Self-Service Gasoline Outlets and Convenience Stores from having to install grease and/or sand traps. Mr. Hey felt that these traps serve no useful purpose.

In response to Mayor Friedman's question, Mr. Hey stated that he had an amendment that could be presented to the Environmental Resource Office for consideration. Mayor Friedman noted that this was discussed with Mr. Hey and if the Council was in agreement, this request could be referred to Dr. Maureen McReynolds, Director of Environmental Resource Management, for her consideration. Mr. Homer Reed, Deputy City Manager, indicated that the staff would like to respond with a report on this subject and return to the Council at a later date.

RELEASE OF EASEMENT

Councilmember Linn moved that the Council adopt a resolution authorizing release of the following easement:

All of that certain Public Utilities Easement ten (10.00) feet in width that traverses the north 139.46 feet of Lot 1-A and the Public Utilities Easement ten (10.00) feet in width that traverses the west 132.50 feet of Lot 31-A, said lots being out of the Resubdivision of Lots 1, 2, 3, 4, 29, 30, 31, 32 and 33, Block A, Rosewood Village Section 8 Amended. (Requested by Mr. Leon M. Lurie, Executive Director of the Urban Renewal Agency of the City of Austin)

The motion, seconded by Mayor Pro Tem Snell, carried by the following vote:

Ayes: Mayor Pro Tem Snell, Councilmembers Himmelblau, Hofmann, Lebermann, Linn, Trevino, Mayor Friedman
Noes: None

LICENSE AGREEMENT

Councilmember Linn moved that the Council adopt a resolution authorizing the License Agreement between the CITY OF AUSTIN and PAY LESS SHOE STORES permitting encroachment of a neon sign in the right-of-way of Merle Drive, the area of encroachment to be a strip of land one (1.00) foot in width and 10.00 feet in length, and adjacent to Lot 5, Block C, Ford Place Number One, a subdivision in the City of Austin, Travis County, Texas. (Requested by Mr. Alfred M. Rosenfield, representing Pay Less Shoe Stores, 1900 West Ben White Boulevard) The motion, seconded by Mayor Pro Tem Snell, carried by the following vote:

Ayes: Councilmembers Himmelblau, Hofmann, Lebermann, Linn, Trevino, Mayor Friedman, Mayor Pro Tem Snell
Noes: None

In response to Councilmember Linn's questions, Mr. Reuben Rountree, Director of Public Works Department, reviewed the other businesses located in this area.

STREET NAME CHANGE

Councilmember Lebermann moved that the Council adopt a resolution authorizing the following Street Name Change:

From HUMNIGTON DRIVE to HUMINGTON DRIVE. (Requested by Mr. Thomas B. Watts, representing Nash Phillips-Copus, owners of all the lots on either side of this street)

The motion, seconded by Councilmember Linn, carried by the following vote:

Ayes: Councilmembers Hofmann, Lebermann, Linn, Trevino, Mayor Friedman, Mayor Pro Tem Snell, Councilmember Himmelblau
Noes: None

TEMPORARY STREET CLOSURE

Councilmember Himmelblau moved that the Council adopt a resolution to temporarily close 35TH STREET at the intersection of Balcones, FOOTHILL DRIVE at the intersection of Foothill Parkway, and MT. BONNELL DRIVE at the Water Treatment Plant near the bridge, from 6:00 p.m. to 11:00 p.m., Friday, May 14, 1976; 7:00 a.m. to 11:00 p.m., Saturday, May 15, 1976; and 7:00 a.m. to 11:00 p.m., Sunday May 16, 1976. (Requested by Mr. Scott Keller, representing the Women's Art Guild/Laguna Gloria Fiesta) The motion, seconded by Councilmember Lebermann, carried by the following vote:

Ayes: Councilmembers Lebermann, Linn, Trevino, Mayor Friedman, Mayor Pro Tem Snell, Councilmembers Himmelblau, Hofmann
Noes: None

CONTRACTS AWARDED

Councilmember Linn moved that the Council adopt a resolution awarding the following contract:

WILLIE RODRIGUEZ, d/b/a
Austin Concession
5000 Broken Bow
Austin, Texas

- Mobile Concession for Food, Drink, and Miscellaneous Items, Parks and Recreation Department with special events.
One and one-half (1-1/2) year contract including two (2) additional one (1) year extensions. 27% of Gross Receipts Revenue to City projected at \$7,800.00.

The motion, seconded by Councilmember Trevino, carried by the following vote:

Ayes: Councilmembers Linn, Trevino, Mayor Friedman, Mayor Pro Tem Snell, Councilmembers Himmelblau, Hofmann, Lebermann
Noes: None

In response to Mayor Pro Tem Snell's questions concerning this contract, Mr. Jack Robinson, Director of the Parks and Recreation Department, commented that this type of concessionaire is designed for softball tournaments and rock concerts. Certain special events such as the type held at Fiesta Gardens would

not utilize this particular concessionaire. Mr. Robinson pointed out that this particular concessionaire does not have a certain area guaranteed to him but is on call for the area that needs service.

Mayor Pro Tem Snell was concerned that possibly the rights of some groups were being taken away since this is used to make additional funds for their organization. Councilmember Linn felt that it had been made clear that a person could not go to any specific area, but the City can set aside certain events for certain groups. Mr. Solon Bennett, Director of Purchases and Stores, read a portion of the contract regarding the concession and the events that could be conducted as determined by the Director of Parks and Recreation.

Mayor Pro Tem Snell moved that the Council adopt a resolution awarding the following contracts:

Bid Award:	- Training and Technical Assistance
FORWARD MOVEMENT OF MINORITY CONTRACTORS ASSOCIATION, INC. 1402 East First Street Austin, Texas	- \$29,456.00
MEXICAN-AMERICAN CHAMBER OF COMMERCE 705 North Lamar Austin, Texas	- \$30,824.00
AUSTIN WOMEN'S CENTER, INCORPORATED 1403 Lavaca Street Austin, Texas	- \$28,675.06

The motion, seconded by Councilmember Linn, carried by the following vote:

Ayes: Councilmember Trevino*, Mayor Friedman, Mayor Pro Tem Snell,
Councilmembers Himmelblau, Hofmann, Lebermann, Linn
Noes: None

*Councilmember Trevino made the following statement for the record:

"Last summer, the Council passed a resolution establishing a City policy of affirmative action for minority contractors and entrepreneurs. At the same time, the Council set aside Housing and Community Development monies to establish the Office of Minority Business Affairs, and \$90,000 for contracting with community-based organizations.

Since that time, the OMBA has been established; and in turn, has established for itself a gratifying track record. The percentage of minority contracts with the City has increased by over 600%. The staff richly deserves congratulations on their efforts in this regard.

But the most difficult tasks lie ahead of us. The time has come to take the program to the people. The difficult tasks of identifying and assessing the capabilities of minority businesses, and the delivery of training and technical assistance to those businesses is about to begin.

These contracts, which I now urge the Council to award, are the result of lengthy discussions and much hard work on the part of both the staff and the contract organizations. Austin, Texas, is the first municipality in the country to have an office for minority economic development and my office has received inquiries from city and state governments across the country. Because the concept is a new one, the progress of the agencies about to receive contracts will be carefully monitored.

Again, the staff deserves congratulations for the efforts, and I look forward to an aggressive program which will bring the minority businessperson to his or her rightful place in the placement of City monies."

Councilmember Lebermann moved that the Council adopt a resolution awarding the following contracts:

Bid Award:

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| | - Rent Car Concessions, Robert Mueller Municipal Airport. |
| HAYES LEASING COMPANY,
d/b/a Avis Rent-A-Car
System
Dallas Love Field
Dallas, Texas | - Aggregate Guarantee for 5 years of \$335,000.00 or 10% of Gross Receipts, whichever is greater; plus revenue from rental of rent-car spaces and space within airport terminal building. |
| HERTZ CORPORATION
100 North Central Expressway
Richardson, Texas | - Aggregate Guarantee of 5 years of \$264,248.00 or 10% of Gross Receipts, whichever is greater; plus revenue from rental of rent-car spaces and space within airport terminal building. |
| CORSICANA RENTAL-LEASING, INC.
d/b/a National Car Rental
5400 Airport Boulevard
Austin, Texas | - Aggregate Guarantee for 5 years of \$205,591.82 or 10% of Gross Receipts, whichever is greater; plus revenue from rental of rent-car spaces and space within airport terminal building. |
| TEXAS AUTO SERVICES, INC.
c/b/a Budget Rent-A-Car
3330 Manor Road
Austin, Texas | - Aggregate Guarantee for 5 years of \$201,300.00 or 10% of Gross Receipts, whichever is greater; plus revenue from rental of rent-car spaces and space within airport terminal building. |

The motion, seconded by Councilmember Himmelblau, carried by the following vote:

Ayes: Mayor Friedman, Mayor Pro Tem Snell, Councilmembers
Himmelblau, Hofmann, Lebermann, Linn, Trevino
Noes: None

In response to Councilmember Linn's question, Mr. Solon Bennett noted that there were nine bid invitations issued and six received. The reason for not leasing space to everyone is due to the limited amount of space at the airport. Mr. Roy Bayless, Director of the Aviation Department, commented that he felt a business atmosphere should be created to obtain the high quality of service the citizens deserve. He did not desire to have any additional rental services other than the four, even if the space was available.

Councilmember Lebermann moved that the Council adopt a resolution awarding the following contract:

AUSTIN CONCRETE WORKS, INC.
801 Airport Boulevard
Austin, Texas

- Concrete Pipe, Street and Bridge
Division. Twelve (12) Months Supply
Agreement. Item Nos. 1 through 17 -
\$18,663.00.

The motion, seconded by Councilmember Himmelblau, carried by the following vote:

Ayes: Mayor Friedman, Mayor Pro Tem Snell, Councilmembers
Himmelblau, Hofmann, Lebermann, Linn, Trevino
Noes: None

Councilmember Linn noted that this company employs 43 people with 87% being women and minorities and no women or minorities in management.

Councilmember Lebermann moved that the Council adopt a resolution awarding the following contract:

BESCO, INC.
1616 West 5th
Austin, Texas

- 25 foot Street Light Poles,
Electric Department.
Item 1; 200 ea. @ \$191.00
Total - \$38,200.00.

The motion, seconded by Councilmember Himmelblau, carried by the following vote:

Ayes: Mayor Friedman, Mayor Pro Tem Snell, Councilmembers
Himmelblau, Hofmann, Lebermann, Linn, Trevino
Noes: None

Councilmember Lebermann moved that the Council adopt a resolution awarding the following contract:

FEDERAL PACIFIC COMPANY
c/o R. D. Erb Company
111 West Laurel Avenue
San Antonio, Texas

- Three Metal-Clad Switchgear,
Electric Department.
Item 1; 3 ea. @ \$82,436.00.
Total \$247,308.00 - subject to 4.5%
maximum escalation

The motion, seconded by Councilmember Himmelblau, carried by the following vote:

Ayes: Mayor Friedman, Mayor Pro Tem Snell, Councilmembers
Himmelblau, Hofmann, Lebermann, Linn, Trevino
Noes: None

In response to Councilmember Hofmann's question, Mr. R. L. Hancock, Director of the Electric Utility Department, presented slides depicting the metal-clad switchgear and explained its use.

Councilmember Lebermann moved that the Council adopt a resolution awarding the following contract:

TIPS IRON AND STEEL	- Fabricated Reinforcing Steel,
300 Baylor	Electric Department.
Austin, Texas	Item 1 - \$14,988.00

The motion, seconded by Councilmember Himmelblau, carried by the following vote:

Ayes: Mayor Friedman, Mayor Pro Tem Snell, Councilmembers
Himmelblau, Hofmann, Lebermann, Linn, Trevino
Noes: None

Councilmember Lebermann moved that the Council adopt a resolution awarding the following contracts:

Bid Award:	- Trucks, Vehicle and Equipment Services Department
LEIF JOHNSON FORD	- Items 1, 2, 4, 5, 6, 7 and 8 -
507 East Koenig Lane	\$115,818.50
Austin, Texas	
INTERNATIONAL HARVESTER	- Items 9, 10, 11, 12 and 14 -
COMPANY	\$81,879.07
4711 East Seventh Street	
Austin, Texas	

The motion, seconded by Councilmember Himmelblau, carried by the following vote:

Ayes: Mayor Friedman, Mayor Pro Tem Snell, Councilmembers
Himmelblau, Hofmann, Lebermann, Linn, Trevino
Noes: None

In response to Mayor Pro Tem Snell's question, Mr. Les Rogers, Director of Vehicle and Equipment Services, commented that two of the aforementioned trucks would be replacements and the remainder would be additional purchases.

Councilmember Lebermann moved that the Council adopt a resolution awarding the following contracts:

Bid Award:	- Truck Bodies and Equipment, Vehicle and Equipment Services Department.
COMMERCIAL BODY CORP. Fifth at Pedernales Austin, Texas	- Items 1.1, 1.2, 2 and 3 - \$8,355.00
TRUCK SPECIALTY INDUSTRIES 6540 South Interregional Austin, Texas	- Items 1.3, 4 and 5 - \$12,799.80

The motion, seconded by Councilmember Himmelblau, carried by the following vote:

Ayes: Mayor Friedman, Mayor Pro Tem Snell, Councilmembers
Himmelblau, Hofmann, Lebermann, Linn, Trevino
Noes: None

Councilmember Lebermann moved that the Council adopt a resolution awarding the following contract:

LIFT CRANE COMPANY 5148 Lotus Street Houston, Texas	- Truck Mounted Crane and Steel Platform, Vehicle and Equipment Services Department. Item 1; 1 ea. @ \$19,754.00
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The motion, seconded by Councilmember Himmelblau, carried by the following vote:

Ayes: Mayor Friedman, Mayor Pro Tem Snell, Councilmembers
Himmelblau, Hofmann, Lebermann, Linn, Trevino
Noes: None

Councilmember Lebermann moved that the Council adopt a resolution awarding the following contract:

ALLIS-CHALMERS CORPORATION c/o Process Engineered Equipment Company 2002 North Port Avenue Corpus Christi, Texas	- Vertical Shaft Motorized Butterfly Valves, Water Distribution Division. Items 1, 2 and 3 - \$71,844.00
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The motion, seconded by Councilmember Himmelblau, carried by the following vote:

Ayes: Mayor Friedman, Mayor Pro Tem Snell, Councilmembers
Himmelblau, Hofmann, Lebermann, Linn, Trevino
Noes: None

Councilmember Lebermann moved that the Council adopt a resolution awarding the following contract:

JOE McDANIEL
Route 5, Box 67B
Austin, Texas

- West Austin Water Transmission
Main Phase I-A - \$838,382.50

The motion, seconded by Councilmember Himmelblau, carried by the following vote:

Ayes: Mayor Friedman, Mayor Pro Tem Snell, Councilmembers
Himmelblau, Hofmann, Lebermann, Linn, Trevino
Noes: None

Councilmember Lebermann moved that the Council adopt a resolution awarding the following contract:

AUSTIN ENGINEERING COMPANY
P. O. Box 3255
Austin, Texas

- Phase I-B, West Austin Water
Transmission Main Surge Protection
Installation at the A. R. Davis
Water Treatment Plant - \$206,000.00

The motion, seconded by Councilmember Himmelblau, carried by the following vote:

Ayes: Mayor Friedman, Mayor Pro Tem Snell, Councilmembers
Himmelblau, Hofmann, Lebermann, Linn, Trevino
Noes: None

Deputy City Manager Homer Reed pointed out that the contracts with Joe McDaniel and Austin Engineering Company would complete the West Austin Transmission Main.

Councilmember Lebermann moved that the Council adopt a resolution awarding the following contract:

BLAND CONSTRUCTION COMPANY
P. O. Box 190
Austin, Texas

- Boring under streets and installation
of water and wastewater lines in
Hidalgo Street, East 4th Street,
Waller Street, and Ed Bluestein
Boulevard - \$43,323.00

The motion, seconded by Councilmember Himmelblau, carried by the following vote:

Ayes: Mayor Friedman, Mayor Pro Tem Snell, Councilmembers
Himmelblau, Hofmann, Lebermann, Linn, Trevino
Noes: None

LICENSE AGREEMENT FOR INSTALLATION OF WATER AND WASTEWATER MAINS

Councilmember Linn moved that the Council adopt a resolution for authorization to enter into a License Agreement with the Southern Pacific Transportation Company for the purpose of installing an 8-inch water main and a 16-inch wastewater main beneath said Railroad's Right-of-way at Mile Post 1.70, Engineer's Station 14+30 in the City of Austin, Travis County, Texas. The motion, seconded by Mayor Pro Tem Snell, carried by the following vote:

Ayes: Mayor Pro Tem Snell, Councilmembers Himmelblau, Hofmann, Lebermann, Linn, Trevino, Mayor Friedman
Noes: None

STANDARD UTILITY AND UTILITY JOINT USE AGREEMENTS

Councilmember Himmelblau moved that the Council adopt a resolution for authorization to enter into a Standard Utility Agreement and Utility Joint Use Agreement with the Texas Highway Department to cover adjustments and relocations of water and wastewater utilities within Interstate Highway 35 from U. S. Highway 183 South to 46th Street (Airport Boulevard and U. S. 290 Intersection in Austin, Texas). The motion, seconded by Councilmember Lebermann, carried by the following vote:

Ayes: Councilmembers Himmelblau, Hofmann, Lebermann, Linn, Trevino, Mayor Friedman, Mayor Pro Tem Snell
Noes: None

APPROVAL OF WATER AND WASTEWATER PRIORITIES
POSTPONED

The Council had before it for consideration approval of priorities on the remainder of Water and Wastewater available funds; however, Councilmember Linn requested that this be postponed because she had not had sufficient time to review the material.

Councilmember Linn moved that approval of priorities on the remainder of Water and Wastewater available funds be postponed until May 27, 1976. The motion, seconded by Councilmember Trevino, carried by the following vote:

Ayes: Councilmembers Hofmann, Lebermann, Linn, Trevino, Mayor Friedman, Mayor Pro Tem Snell, Councilmember Himmelblau
Noes: None

SETTING PUBLIC HEARING REGARDING INSTALLATION OF WATER MAIN THROUGH
KEALING PARK

Councilmember Linn moved that the Council adopt a resolution setting a hearing for 7:30 p.m. on June 17, 1976, regarding the installation of a water main through Kealing Park to serve the Blackshear area. The motion, seconded by Mayor Pro Tem Snell, carried by the following vote:

Ayes: Councilmembers Lebermann, Linn, Trevino, Mayor Pro Tem
Snell, Councilmembers Himmelblau, Hofmann
Noes: None
Abstain: Mayor Friedman

SETTING PUBLIC HEARING ON AMBULANCE FRANCHISE

Councilmember Linn moved that the Council adopt a resolution setting a hearing for 4:00 p.m. on May 27, 1976, on the application of Hill Country Ambulance Service for an Ambulance Franchise. The motion, seconded by Councilmember Hofmann, carried by the following vote:

Ayes: Councilmembers Linn, Trevino, Mayor Friedman, Mayor Pro Tem
Snell, Councilmembers Himmelblau, Hofmann, Lebermann
Noes: None

CONSTRUCTION CHANGE ORDER

The Council had before it for consideration the approval of a Construction Change Order in the amount of \$18,358.40 to CLEARWATER CONSTRUCTORS for the West 10th Street Improvements Project.

Due to several questions from the Council, Mr. Homer Reed stated that it is certain that the test borings made by the testing firm were not close enough to the exact location of the bridge to be reliable; therefore, the actual test borings encountered by the construction company when they were ready to build the bridge did not coincide with the test data that was available, so it required a complete redesign of the foundation for the bridge.

Mr. Charles Graves, Director of Engineering, indicated that the soil was partly the reason for the change. The actual location of the footing under the old abutment was unknown until the old bridge was removed and the back fill material used at that time was not the same as the material bored. Councilmember Himmelblau asked if when the contracts are prepared for this, was there any way for the City to be broad enough so that this would not occur again. Mr. Graves felt that the possibility of this happening again could not be completely eliminated.

In response to Mayor Friedman's question, MR. JERRY RIDDLE, Bovay Engineers, noted that he was unaware of a second bridge. Regarding the phases of soil testing, Mr. Riddle commented that Bovay Engineers had requested a two-phase process, but the Construction Management Department of the City states this was not the case.

Mr. Homer Reed pointed out that due to the problems that occurred here, the entire procedure for testing services is being evaluated, and it may prove to be that the design engineer should be made responsible to do the testing rather than have a separate contract. This total evaluation is being done and Mr. Reed stated that when completed, the report will be presented to the Council.

Mr. Riddle noted that their intent was to give a cost reduction but when construction and exploration began, it was found that the soil behind the old abutment would not support the spread footing that he designed.

Councilmember Linn felt that the problem here was the fact that the firm recommended that there be a two-phase program and the City did not follow through with this.

Mr. Riddle commented that Bovay would like to have had one boring at 9th Street and one at 10th Street at the beginning of the project, so there could have been some basic information to proceed on to find the subsurface conditions. Mayor Friedman asked if the testing had been done to find the soil condition, would the amount being requested been included in the first price. Mr. Riddle stated it would have been included, so money is not being lost but just time. Mr. Riddle pointed out that the specifications state that there will be adjustments to the quantities estimated in the beginning and this accounts for the large portion of change orders that have occurred thus far; there may be more of this type yet to come.

Mayor Pro Tem Snell stated he had no problems with this change order, but he would like to be told that money is trying to be saved and that the company would come before the Council again if necessary. Mr. Riddle suggested some type of a mid-design report to the Council that would keep them better informed on the project and the cost. Mayor Friedman felt that if the engineering firms are involved with City projects that they look for alternatives instead of having just one set of plans.

Mr. Homer Reed stated that the staff would try and keep the Council better informed on such situations in the future.

MR. GROVER WILLIAMS, Trinity Engineering Testing Corporation, noted that there were no inaccuracies and the work that was done was at the best of the standards in that particular field. 80% of the problem that the change order is on has nothing to do with the soil at all, but involves the location and the shape of the old abutment footing. He pointed out that if all of the information had been known about the old footing such as the size, shape and the detailed information concerning the back fill behind the footing, one would still be faced with the drill shaft foundation to make it stable.

Motion

Councilmember Linn moved that the Council adopt a resolution approving a Construction Change Order in the amount of \$18,358.40 to CLEARWATER CONSTRUCTORS for the West 10th Street Improvements Project. The motion, seconded by Councilmember Trevino, carried by the following vote:

Ayes: Councilmember Trevino, Mayor Friedman, Mayor Pro Tem Snell,
Councilmembers Himmelblau, Hofmann, Lebermann, Linn
Noes: None

HEARING ON ANNEXATION

Mayor Friedman opened the public hearing scheduled for 11:00 a.m. to consider the annexation of the following:

1. 1,413.11 acres of land out of the Santiago Del Valle Grant, Missouri Pacific Industrial Park, Section One, Resubdivision of Lots 4, 5, and 6, Block B of Missouri Pacific Industrial Park, Section One, Missouri Pacific Industrial Park, Section Two and unplatted land - Portion of Area 7. (Initiated by City of Austin - Case No. C7a-76-005)
2. 289.22 acres of land out of the Santiago Del Valle Grant, unplatted land - Area 6. (Initiated by the City of Austin - Case No. C7a-76-004)

Mr. Lillie stated that last year the staff submitted an annexation report to the Council which included data on 12 areas and recommended priorities for consideration by the Council. Initial action by the Council on the recommendations included annexation of all of the major industries. Consideration has since been given to the effect of the December 6, 1975, Bond Election on the priorities identified in the annexation report. Mr. Lillie pointed out that during the next two weeks the Council would have an opportunity to consider the annexation of areas that are capable of being served by the various departments of the City. Notices regarding the annexation included legal notice in the newspaper; written notice; hand delivered notices; and a copy of the notice was printed in the newspaper.

It was noted that Area 7 can be provided with services, if not immediately then within the 3-year period. The physical impact appears attractive in the short run for annexation because of the large tracts of industrial land. However, as the residential areas develop, extensive additions to municipal services will be required which will shift the impact.

In reviewing Area 6, Mr. Lillie commented that this had been before the Council on at least two other occasions and on each occasion, at the request of the property owners, the Council decided not to proceed with annexation. Also included in the report concerning this area, was the availability of services by City departments, and it is the feeling that services are either available or could be extended within the 3-year time period.

The Environmental Resource Management Department identified another concern which is that nearly all of the areas under consideration are within the high noise contour of Bergstrom Air Force Base. The City has met with officials at Bergstrom with respect to land use controls in the area and the recommendation is most likely that land use should not be residential in this area because of the noise contour. However, the Council has the opportunity to determine which types of land uses should occur. In response to Councilmember Linn's question concerning special zoning for the area since it is a high noise area, Mr. Lillie commented that the present zoning could be used and that there possibly would be some changes in building codes.

In conclusion, Mr. Lillie pointed out that it was the staff's recommendation that both of these areas be annexed.

MR. FRANK NIENDORFF, representing the Missouri Improvement Company who own Industrial Park, stated that the environment presently in Area 7 was planned and created to be a compatible unit within the City. He felt this would be an asset to be within the City and would corporate wherever needed. Mr. Niendorff referred to additional projects that are being built in Industrial Park and desired to work with the Council and other necessary departments to proceed with these projects. Mr. Homer Reed noted that Mr. Niendorff has been assured that the City will work with these industries in the same manner as was followed with the other industries that were annexed last year whereby any construction underway, that is where the site work has been accomplished, the City will accept that as under construction at the time of annexation and would treat it in this manner.

ANDY WAGGONER, owner of 30 acres in Area 6, commented that most of this acreage was being used for agricultural purposes and had spent an extensive amount of money in planning for a project in this area. He felt that annexation right now would cost him quite a bit of money since he possibly could not complete it. Mr. Waggoner noted that he had not been notified of this annexation. Mr. Lillie noted that this area has been considered for annexation before. Councilmember Trevino felt that Mr. Waggoner should have taken this into consideration before planning his project.

GENE THORTON, President of Air Conditioning, Inc., owners of approximately 59 acres in Area 7, indicated that they had water and no sewer. He was concerned as to when and if sewer would be available. Mayor Friedman stated that the staff had indicated that services can be extended within the next three years.

Councilmember Linn moved that the Council close the public hearing and direct the administration to institute annexation proceedings to annex the following:

1. 1,413.11 acres of land out of the Santiago Del Valle Grant, Missouri Pacific Industrial Park, Section One, Resubdivision of Lots 4, 5, and 6, Block B of Missouri Pacific Industrial Park, Section One, Missouri Pacific Industrial Park, Section Two, and unplatted land - Portion of Area 7. (Initiated by City of Austin - Case No. C7a-76-005)
2. 289.22 acres of land out of the Santiago Del Valle Grant, unplatted land - Area 6. (Initiated by the City of Austin - Case No. C7a-76-004)

The motion, seconded by Councilmember Trevino, carried by the following vote:

Ayes: Mayor Friedman, Mayor Pro Tem Snell, Councilmembers Himmelblau, Lebermann, Linn, Trevino

Noes: None

Abstain: Councilmember Hofmann

WITHDRAWAL OF CONTRACT REGARDING LIBRARY MOBILE TRAILER

The Council was to consider the approval of a contract between Hancock Center and City of Austin for the location of a library mobile trailer on the parking lot at Hancock Shopping Center each Thursday; however, the item was withdrawn until a later date.

NEW AIRPORT RENTAL FEES

The Council had before it for consideration establishing new airport rental fees for Braniff, Continental, and Texas International Airlines for the period October 1, 1975, through September 30, 1976.

Mr. Roy Bayless, Director of Aviation Department, reviewed the recommendations as follows:

1. Landing Fees - Increase from 22¢ to 25-1/2¢ per 1,000 pounds of approved landing weight.
2. Terminal Building space - Increase from \$7.10 to \$8.50 per square foot per year.
3. Additionally, the term of the agreement has been extended to April 1, 1983, to allow for the necessary seven years to amortize the full cost of the loading bridges funded by the City.
4. The airlines have agreed to pay \$120,000 per year as security cost reimbursement, reimbursement for contractual cost for loading bridge maintenance of \$12,000 per year, and \$59,097 per year for seven years to amortize the City cost of bridges.
5. Except for the loading bridge amortization charge, fees are renegotiable October 1, 1976.

Mr. Bayless noted that the total annual airline fees are estimated at \$600,000 this fiscal year and represent an increase in rental fees from the airlines of approximately 105% since June 1, 1974. For comparison, the proposed building rental and landing fees are 50¢ per square foot and 4-1/2¢ per thousand pounds landing weight above those recently agreed upon by the City of San Antonio.

Mr. Bayless recognized the co-directors that were present at the Council meeting as being Mr. Shannon Smith and Mr. Bobby Heath who were also in support of these recommendations.

Councilmember Linn moved that the Council adopt a resolution establishing new airport rental fees for Braniff, Continental, and Texas International Airlines for the period October 1, 1975, through September 30, 1976. The motion, seconded by Mayor Pro Tem Snell, carried by the following vote:

Ayes: Councilmembers Himmelblau, Hofmann, Lebermann, Linn,
Trevino, Mayor Friedman, Mayor Pro Tem Snell

Noes: None

LEASE AGREEMENT FOR PITCH-AND-PUTT GOLF COURSE

The Council had before it for consideration authorizing the renewal of a lease agreement for one year with Winston Kinser for land occupied by the Pitch-and-Putt Golf Course.

In response to Councilmember Himmelblau's question as to why the fee for the lease agreement has not increased, Mr. Joe Morahan, Director of Property Management, indicated that after visiting with Parks and Recreation Department, it was found that Mr. Winston Kinser has maintained the same fees which the Parks and Recreation Department felt makes golfing available more to the public in this area. Since this is only a one-year extension, an increase was not recommended. Mayor Pro Tem Snell suggested the possibility of the City operating this on the same basis as done on others.

Councilmember Linn moved that the Council adopt a resolution authorizing renewal of lease agreement for one year with Winston Kinser for land occupied by the Pitch-and-Putt Golf Course. The motion, seconded by Mayor Pro Tem Snell, carried by the following vote:

Ayes: Councilmembers Hofmann, Lebermann, Linn, Trevino, Mayor
Friedman, Mayor Pro Tem Snell, Councilmember Himmelblau
Noes: None

ZONING ORDINANCE

Mayor Friedman introduced the following ordinance:

AN ORDINANCE ORDERING A CHANGE IN USE AND CHANGING THE USE MAPS ACCOMPANYING CHAPTER 45 OF THE AUSTIN CITY CODE OF 1967 AS FOLLOWS:
A 25,000 SQUARE FOOT TRACT OF LAND, LOCALLY KNOWN AS 1310-1312 EAST 51ST STREET, FROM "A" RESIDENCE DISTRICT TO "O" OFFICE DISTRICT; SAID PROPERTY BEING LOCATED IN AUSTIN, TRAVIS COUNTY, TEXAS; SUSPENDING THE RULE REQUIRING THE READING OF ORDINANCES ON THREE SEPARATE DAYS; AND PROVIDING AN EFFECTIVE DATE. (B. L. McGee, C14-71-278)

Councilmember Hofmann moved that the Council waive the requirement for three readings, declare an emergency, finally pass the ordinance, and provide an effective date. The motion, seconded by Mayor Pro Tem Snell, carried by the following vote:

Ayes: Councilmembers Lebermann, Linn, Trevino, Mayor Friedman,
Mayor Pro Tem Snell, Councilmembers Himmelblau, Hofmann
Noes: None

The Mayor announced that the ordinance had been finally passed.

SALE OF BONDS AND DATE TO RECEIVE BIDS

MINUTES PERTAINING TO PASSAGE AND ADOPTION OF
ORDINANCE AUTHORIZING THE CITY'S FINANCIAL
ADVISORS TO GIVE NOTICE OF PUBLIC SALE OF
\$40,000,000 "CITY OF AUSTIN, TEXAS, ELECTRIC
LIGHT AND POWER, WATERWORKS AND SEWER SYSTEM
REVENUE BONDS, SERIES 37," AND \$15,600,000
"CITY OF AUSTIN, TEXAS, GENERAL OBLIGATION
BONDS, SERIES 256," BOTH DATED JULY 1, 1976.

THE STATE OF TEXAS	X
	X
COUNTY OF TRAVIS	X
	X
CITY OF AUSTIN	X

ON THIS, the 13th day of May, 1976, the City Council of the City of Austin, Texas, convened in regular session at the Council Chambers, Municipal Annex, the meeting being open to the public and notice of said meeting having been given as prescribed by Article 6252-17, Section 3A, V.A.T.C.S., with the following members present and in attendance, to wit:

JEFFREY M. FRIEDMAN	MAYOR
JIMMY SNELL	MAYOR PRO TEM
MARGRET HOFMANN	COUNCIL MEMBER
DR. EMMA LOU LINN	COUNCIL MEMBER
JOHN TREVINO	COUNCIL MEMBER
LOWELL H. LEBERMANN	COUNCIL MEMBER
BETTY HIMMELBLAU	COUNCIL MEMBER

and with the following absent: _____, constituting a quorum; at which time the following among other business was transacted, to wit:

The Mayor presented for the City Council's consideration an ordinance authorizing the giving of notice of sale of bonds, the caption of said ordinance being as follows:

"ORDINANCE NO. 760513-B

"AN ORDINANCE AUTHORIZING THE CITY'S FINANCIAL ADVISORS TO GIVE NOTICE OF PUBLIC SALE OF \$40,000,000 "CITY OF AUSTIN, TEXAS, ELECTRIC LIGHT AND POWER, WATER WORKS AND SEWER SYSTEM REVENUE BONDS, SERIES 37," AND \$15,600,000 "CITY OF AUSTIN, TEXAS, GENERAL OBLIGATION BONDS, SERIES 256," BOTH DATED JULY 1, 1976; ENACTING PROVISIONS INCIDENT AND RELATING TO THE SUBJECT AND PURPOSE OF THIS ORDINANCE AND DECLARING AN EMERGENCY."

The ordinance was read and Council Member Linn moved that the rule be suspended which requires that no ordinance shall become effective until the expiration of ten days following the date of its final passage, that such ordinance be finally passed and adopted at this meeting, and that, for the reasons recited therein, said ordinance be passed as an emergency measure for the immediate preservation of the public peace, health, and safety of the citizens of Austin as permitted by the City Charter. The motion was seconded by Council Member Himmelblau and carried by the following vote:

AYES: Mayor Friedman, Mayor Pro Tem Snell, Councilmembers Hofmann, Trevino, Lebermann and Himmelblau and Linn

NOES: None

The ordinance was read the second time and Council Member Linn moved that the rules be further suspended and that the ordinance be passed as an emergency measure to its third reading. The motion was seconded by Council Member Himmelblau and carried by the following vote:

AYES: Mayor Friedman, Mayor Pro Tem Snell, Councilmembers Hofmann, Trevino, Lebermann and Himmelblau and Linn

NOES: None

The ordinance was read the third time and Council Member Linn moved that the ordinance be finally passed as an emergency measure. The motion was seconded by Council Member Himmelblau and carried by the following vote:

AYES: Mayor Friedman, Mayor Pro Tem Snell, Councilmembers Hofmann, Trevino, Lebermann and Himmelblau and Linn

NOES: None

The Mayor then announced that the ordinance had been finally passed and adopted.

AMENDMENT TO SIGN ORDINANCE

Mayor Friedman introduced the following ordinance:

AN ORDINANCE DECLARING CERTAIN FINDINGS; AMENDING CHAPTER 3 OF THE AUSTIN CITY CODE OF 1967 BY PROVIDING AN ADDITIONAL ARTICLE THERETO ENTITLED "CHARITIES: PROMOTIONAL SIGNS."; AUTHORIZING AND REGULATING THE DISPLAY OF PROMOTIONAL MESSAGES FOR CERTAIN CHARITIES ON COVERED WALKWAYS AND TUNNELS AUTHORIZED BY ARTICLE VIII OF CHAPTER 36 OF THE AUSTIN CITY CODE; SUSPENDING THE RULE REQUIRING THE READING OF AN ORDINANCE ON THREE SEPARATE DAYS; AND PROVIDING AN EFFECTIVE DATE.

Councilmember Linn moved that the Council waive the requirement for three readings, declare an emergency and finally pass the ordinance. The motion, seconded by Councilmember Trevino, carried by the following vote:

Ayes: Councilmember Trevino, Mayor Friedman, Mayor Pro Tem
Snell, Councilmembers Himmelblau, Hofmann, Lebermann, Linn
Noes: None

The Mayor announced that the ordinance had been finally passed.

AMENDING CITY CODE TO REQUIRE PUBLIC HEARING PRIOR TO CHANGES FOR
ELECTRIC, WATER, SEWER AND GARBAGE COLLECTION RATES

Mayor Friedman introduced the following ordinance:

AN ORDINANCE AMENDING CHAPTER 1 OF THE AUSTIN CITY CODE OF 1967 BY ADDING A NEW SECTION 1-12 REQUIRING A PUBLIC HEARING PRIOR TO THE ADOPTION OF CHANGES IN THE RATES CHARGED BY MUNICIPAL OWNED UTILITIES; SUSPENDING THE RULE REQUIRING THE READING OF ORDINANCES ON THREE SEPARATE DAYS; AND PROVIDING AN EFFECTIVE DATE.

Councilmember Linn moved that the Council waive the requirement for three readings, declare an emergency and finally pass the ordinance. The motion, seconded by Councilmember Trevino, carried by the following vote:

Ayes: Mayor Friedman, Mayor Pro Tem Snell, Councilmembers
Himmelblau, Hofmann, Lebermann, Linn, Trevino
Noes: None

The Mayor announced that the ordinance had been finally passed.

PARKS AND RECREATION DEPARTMENT MAINTENANCE FACILITY SITE

Mr. Jack Robinson, Director of Parks and Recreation Department, stated that at the present time, the City has over 400 acres at Walnut Creek Park and the Parks and Recreation Department was proposing that this site be selected as the area for the North District Maintenance Facility.

Councilmember Linn moved that the Council authorize the staff to proceed with preparing the necessary contract for the North District Maintenance Facility for Council presentation. The motion, seconded by Councilmember Trevino, carried by the following vote:

Ayes: Mayor Pro Tem Snell, Councilmembers Himmelblau, Hofmann,
Lebermann, Linn, Trevino, Mayor Friedman
Noes: None

AFTERNOON SESSION
2:00 P.M.

Mayor Friedman called the afternoon session to order.

YANKEE DOODLE DAY

Councilmember Himmelblau read and then presented a proclamation to Dr. Coleman Jennings, Director of the production "Yankee Doodle"; Mr. David Nan Carrow, Chairperson of the University of Texas Drama Department; Mr. Maurice Coats, Director of Texas Commission on Arts and Humanities; and members of the Yankee Doodle Company, proclaiming May 14, 1976 as "Yankee Doodle Day" in Austin, Texas, and urged all citizens to join the Council in welcoming the seventeen members of the "Yankee Doodle" company back to Austin and called upon Austin residents of all ages to take advantage of the last opportunity to enjoy their fine show. Dr. Jennings thanked the Council for the proclamation and extended an invitation to all to see the performance of "Yankee Doodle." He also wished to thank Mr. Maurice Coats and the Texas Commission for their support in this endeavor.

EXECUTIVE SESSION ACTION

Mayor Friedman announced that the Council had met in an Executive Session earlier and had discussed appointments to several boards and commissions that were now before the Council for action.

Citizens Board of Natural
Resources and Environmental Quality

Councilmember Hofmann moved that the Council appoint the following to the Citizens Board of Natural Resources and Environmental Quality:

To fill unexpired terms to July 1, 1977:

Brother Daniel Lynch	Kathy Patman
Dr. David Block	

For three year terms beginning July 1, 1976 to July 1, 1979:

Dale Napier	Dan Walden
Archile Petit	Larry Springer

To fill unexpired terms beginning June 1, 1976 to June 19, 1978:

Victor Ledesma

The motion, seconded by Mayor Pro Tem Snell, carried by the following vote:

Ayes: Councilmembers Hofmann, Linn, Trevino, Mayor Friedman,
Mayor Pro Tem Snell

Noes: None

Not in Council Chamber when roll was called: Councilmembers
Himmelblau, Lebermann

Building Standards Commission

Mayor Pro Tem Snell moved that the Council appoint the following to the Building Standards Commission:

For two year terms:

Mrs. Lester Clark
Ms. Sally Shipman

Lou Rose

The motion, seconded by Councilmember Linn, carried by the following vote:

Ayes: Councilmembers Hofmann, Linn, Trevino, Mayor Friedman,
Mayor Pro Tem Snell.

Noes: None

Not in Council Chamber when roll was called: Councilmembers
Lebermann, Himmelblau

Zoning Board of Adjustment

Councilmember Trevino moved that the Council appoint the following to the Zoning Board of Adjustment:

To fill unexpired terms to December 31, 1976:

John Andrew King
Mark Perlmutter

To fill unexpired term to February 5, 1978:

Earnest Perales

The motion, seconded by Mayor Pro Tem Snell, carried by the following vote:

Ayes: Councilmembers Linn, Trevino, Mayor Friedman, Mayor Pro
Tem Snell, Councilmembers Himmelblau, Hofmann

Noes: None

Not in Council Chamber when roll was called: Councilmember Lebermann

Mayor Friedman announced that next week at Executive Session the Council would consider appointments to the Brackenridge Hospital Advisory Board and the Board of Equalization. (Also the Vending Committee announced later in the meeting.)

Also discussed in the Executive Session today were matters pertaining to land business, but there was no action taken.

PUBLIC HEARING CONCERNING AUSTIN'S PARTICIPATION IN FAYETTE II

Mayor Friedman opened the public hearing to consider Austin's participation in Fayette II with the Lower Colorado River Authority. MR. R. L. HANCOCK, Director of the Electric Utility, presented an overview of the material that had been presented in a work session last week. The purpose of the report was to provide information to the Council so that it could make a decision with respect to Austin's participation in Fayette Unit II. Austin has been duly notified by the Lower Colorado River Authority who has been committed for Fayette Unit II and it is incumbent on Austin to make that decision.

Mr. Hancock noted that Austin currently is operating on a previously authorized generation expansion program. That program anticipates a broadened fuel base, moving off of the critical natural gas to a broader fuel base of oil, coal and nuclear. Currently, we are committed to Fayette I, which is under construction. The Lower Colorado River Authority has indicated their intent to proceed with Fayette II in accordance with the participation agreement and desires of LCRA, and they have extended an opportunity to Austin to participate in Fayette II.

Austin's consideration will indicate a reduced requirement for expensive and short oil and gas through participation in Fayette Unit II. In addition to participation in Fayette II, it will simplify many of the administrative problems associated with Fayette I with respect to separation of accounts and separation of costs between the two twin units. Austin's participation in Fayette II will improve the plant operation considerably in that the operating problems associated with a discrimination in costs between the two will be eliminated, and the plant will just be much simpler to operate. Finally there should also be an improvement in the electrical reliability of Austin's utility system.

Mr. Hancock presented slides which outlined various studies that had taken place concerning the project such as electrical growth rate of other utility systems in the state of Texas; economic studies which are a very key factor in the decision with respect to Fayette II; revenue requirement studies involving Fayette I, Fayette II and the South Texas Project. Several studies were conducted with respect to optimization and sensitivity of the various plans with some variations of capital cost of the plan and some variation of fuel cost of the plan, and some variation of growth patterns in the system. Those studies in summary form indicated that a 275 megawatt commitment to Fayette II was an appropriate commitment, not an ideal, but was a satisfactory commitment. That Fayette II cost overruns could go up as high as 40% of the current estimated capital cost for the facility and still be an economic investment. Fuel sensitivity studies indicated that the fuel cost for Fayette II could increase 20% over current estimates and still be an economically viable option; and lastly, optimization studies indicated that the growth rate of the system, the electrical growth rate now as opposed to population growth rate could decline to a level of 4% and participation in Fayette II would still be an economically viable option for the City.

With respect to fuel diversification, which is an important factor considering Austin's problems with natural gas, those studies indicated that first there was an improvement in fuel diversification through participation in Fayette Unit II. The combination of Fayette I, II and the South Texas Project provided the best diversification.

The impact on the rate payers simply indicates that the studies reveal that Fayette I, Fayette II and South Texas Project yielded the lowest potential cost to the rate payer.

Mr. Hancock stated that there are many intangible factors associated with the project such as no new land needed for participation in Fayette II, no new lake needed, no new rail facilities required, no additional coal storage facilities required and no additional coal handling equipment required. The engineering on Fayette II is a very minimum.

If Austin ever intends to add an additional coal facility to the system, this quite obviously is the lowest cost plant that Austin will ever have an option to add due to the many common facilities that have been installed in conjunction with Fayette I.

In response to Councilmember Linn's questions, Mr. Hancock noted that if the City does not go into Fayette II or the South Texas Plant and with our existing system on the current growth rate, we will have enough power until approximately 1986. Mr. Hancock stressed that this was a guess and he would have to check the records to be sure.

He stated that the Railroad Commission has specifically dictated that all utilities must have reduced their gas usage to 90% of 1975 levels in 1980 and 75% of 1975 levels by 1985. Also, no new contracts will be accepted for natural gas to be utilized as boiler fuel which means one will have to use some other alternative fuel. Our contract for natural gas will expire approximately in 1989. As regards converting Decker II from a fuel oil fired unit, Mr. Hancock commented that prior to construction of the site, coal was examined and found not to be feasible. Mr. Hancock stated that if Austin is ever going to participate in a coal unit, Fayette II is the most attractive unit we could ever participate in.

MR. CHARLES HERRING, General Manager of the Lower Colorado River Authority, pointed out that regardless of whether or not Austin joined in on the Fayette II project, LCRA would build the unit. He sincerely hoped that Austin would participate in the project. At this time, he introduced Mr. R. M. Tinstman, Assistant General Manager and Budget Officer of LCRA; Mr. Dowdy Miller, Director of Finance; Mr. Elof Soderberg, Chief Engineer; Mr. Frank Marcon, Mining Engineer and Consultant on coal acquisitions associated with Bechtel Power Corporation; Mr. Griffith Morris, Manager of Economic Research and Planning for Gilbert Associates; and Mr. Bob Bayless, First Southwest Company Financial Consultant.

MR. GRIFFITH MORRIS stated that his company had been involved in revenue bond financing associated with Fayette I and with Fayette II, and just recently a financing was completed on a very good rate. It was their conclusion that Fayette I and II are feasible, economic, rational projects and deserve the serious attention of investors. At this point and time for Texas there are no other alternatives or other plants in this area at this kind of capital cost and he felt that this is an accomplishment in this stage of world energy crisis, that a coal fired unit in Texas can come on. The combined investment for both units, 1981 after both are in and operable will be in the order of \$390 per kilowatt. There are no options at or anywhere around that price.

MR. FRANK MARCON stated that for the past eight months he had been looking throughout most of the United States for a coal source for the Fayette II unit, and had narrowed the field down to three prospects. All three are in the southern Colorado area and within about 60 miles of each other. As reported by Mr. Hancock the delivered price or the delivered cost of coal to the Fayette Power Project will be one dollar per million BTU, which Mr. Marcon felt was remarkable. He noted that the coal was deep and all three will be engaged in underground mining. As regards the possibility of utilizing the coal in the north central Texas area, Mr. Marcon noted that it was very thin and deep and felt it would not be practical to mine it.

In response to Councilmember Hofmann's question concerning the contract with Montana coal, Mr. Herring commented that the contract could be sold and had it not been for the tax levied by the State of Montana after we purchased it, it still would be very attractive. He indicated that they would constantly pursue getting a less expensive coal even for Unit I, provided they can work out an arrangement to assign all or a portion of the Decker contract to someone else who would be interested in it.

Councilmember Linn stressed that there was the possibility of paying more for Colorado coal than for the Montana coal. Mr. Herring felt this was very unlikely, but that it could happen. Hopefully, there will be some control over all of the costs, with the possible exception of a state-levied tax.

MS. PAM GIBLIN, Chairperson of the Mayor's Commission on Electric Rates, presented the Commission's report on this project and stated their recommendation was to get into Fayette II and pull out of the South Texas Project. The reasons for this recommendation included consideration to such things as alternative fuels, budget factors, economic assumptions, plant operating cost and capacity factor.

MR. JOE COOK, a member of Citizens for Utility Rate Equity, felt that the City was signing contracts for power generation plants and no fuel to back it up. He recommended that Austin get out of the nuclear, get out of Fayette II, and if a better coal contract for Fayette I can't be negotiated that Austin pull out of it also. He felt that a decision concerning Fayette II should be delayed until the coal cost could be determined.

MR. MICHAEL EAKIN, representing Citizens for Fiscal Responsibility, appeared before the Council and stated that it was his opinion that Austin was paying the highest electrical bills in the state. Mayor Friedman pointed out that Austin's rates are lower than most cities in Texas.

Mr. Eakin urged the City to withdraw from the South Texas Project and he felt there had been quite a bit of mismanagement on the part of the City and that the utility had given the citizens gross misinformation when it comes to demand. He challenged the Council to check the kilowatt projected per household use. Mr. Eakin felt that there were several things that had not been looked at close enough such as conservation; rate restructure; peak load down and that a decision could be made concerning this participation in 2 years and not now.

MR. JOE RIDDELL stated that the proposed participation in Fayette II is unnecessary; it is highly speculative, and is potentially a very costly investment. He then addressed certain points of the analysis of the economic system that was performed by the City. Mr. Riddell commented that natural gas would not go as high as the Electric Department projected it would, and he felt that Austin should undertake a serious conservation program. He also suggested the possibility of utilizing solar power, and concluded by urging the Council

to put this option of joining Fayette II to the people for a vote.

MS. SHUDDE FATH felt that Fayette II is a unique once-in-a-lifetime bargain, but that the projected growth rate was too high. She suggested that the City base load with Fayette II, sell the electricity from Fayette I to another utility until such time as we need it and in the meantime the City has not missed this bargain and are not over committed on generators.

MR. ROBERT YOUNG felt the real issue was what alternative makes the fuel we are going to use guarantee the lowest cost per kilowatt hour for the electricity we generate. He stressed the importance of finding some kind of alternatives to the basic oil and gas fired equipment we presently have. Whatever the projection, the growth projections to use gas and fuel oil fired plants, even if we use them for only peak loading, would make that peak load electricity so tremendously more expensive, that there is simply no justification for keeping those plants on line as a primary source of energy. Mr. Young stated that we should take on Fayette I and Fayette II to provide our base load capacity, and to abandon the South Texas Project since it will generate electricity at a higher rate per kilowatt hour than Fayette alone. In conclusion, he hoped that the Council would submit the issue of severance of the South Texas Project to the voters.

MR. WAYNE HUFFMAN felt that the coal received from Colorado would probably be cheaper than the Montana coal due to the difference in distance for transporting it. He also felt that strip mining is far more dangerous to the environment than to have a deep coal mine in Colorado. Mr. Huffman was concerned that at some later date there would possibly be Fayette III, IV and V. Mr. Herring addressed himself to this by saying that at the present time there are no plans for a third unit.

MR. ALBERT FOSTER CHERRY had several questions concerning the project such as ownership of Fayette I and II; would there be another Fayette plant; just where for certain the coal will be obtained from and the possibility of LCRA using any excess capacity the City might have associated with the plant.

MR. JOE JOSLIN appeared in opposition to the City of Austin participating in the Fayette II project, and he felt it was not designed to reduce Austin's electricity bills but would only increase them. He felt that if the City was going to participate in this project that the citizens of Austin should have the chance to make that decision.

MR. STEVE MILLER, Plant Engineering Manager for Glastron Boat Company, appeared in support of Austin's participating in the Fayette II project as an alternative source of electric power.

MR. DAVID WHITEHILL addressed himself to the growth rate in Austin and applying across-the-board rates.

MARK MAYFIELD asked the possibility of Austin undertaking a Fayette III plant and seeking other investors or partners the way LCRA has done with Fayette II. Mr. Hancock commented that Austin would have that option if the need were identified for Fayette III.

Councilmember Trevino pointed out that there would be a significant increase if the City did go into a third unit, because there would be the expense of additional equipment that is not required with Fayette II.

MR. EDDIE BACON stated his disagreement with the South Texas Project and with Fayette II. He felt that Fayette II would destroy the environment, animals, and plant life. Mr. Bacon felt there was the alternative of using coal gasification and the copperas toxic process which is 85% fuel efficient and will not pollute the land.

Motion

Councilmember Himmelblau moved that the Council close the public hearing concerning Austin's participation in Fayette II with LCRA and to join in with the Lower Colorado River Authority on the Fayette II project subject to the staff coming back with all contracts and necessary agreement and evidence that intention to the LCRA between now and May 20, 1976. The motion, seconded by Councilmember Trevino, carried by the following vote:

Ayes: Councilmember Trevino, Mayor Friedman, Mayor Pro Tem Snell,
Councilmembers Himmelblau, Hofmann, Lebermann, Linn*

Noes: None

*Councilmember Linn stated that she did not think the coal price would go down nor would the plant lower electric rates, but she did not think the gas and oil is going to be available, and we need to provide electricity for our citizens.

(A transcript of this public hearing is on file in the City Clerk's Office.)

NON-BINDING REFERENDUM ON AUSTIN'S PARTICIPATION IN THE SOUTH TEXAS NUCLEAR PROJECT

Councilmember Hofmann made the following statement concerning the consideration of a non-binding referendum on Austin's participation in the South Texas Nuclear Project:

"Over the last two months, the Council has heard much discussion on the reliability and economics of nuclear power. The evidence is not clear cut, but there are substantial problems concerning construction costs, plant reliability, operating and maintenance costs, and fuel costs have been documented.

Since we continue to pay money into the project monthly, we should seek a buyer for our 16% share as quickly as possible. However, the voters authorized bonds for the project and should be given the opportunity to express their preference on our continued participation."

Motion

"Therefore, I would like to make the following motion:

I move that the Council instruct the City Manager to proceed immediately to find a purchaser for Austin's share of the South Texas Project.

I further move that the Manager report back to Council at not more than thirty-day intervals the interest in such proposed purchase as soon as ample opportunity has been had to solicit a purchaser or purchasers for Austin's interest in the Project.

I further move that prior to any sale of Austin's interest in the Project that the citizens of the City have an opportunity to vote on whether the City shall continue in the South Texas Project."

The motion was seconded by Councilmember Trevino.

Substitute Motion

Councilmember Linn moved that the Council proceed along the same lines as outlined by Councilmember Hofmann except that the referendum be deleted. The substitute motion died for lack of a second.

Councilmember Linn stated that it has been demonstrated that this type of plan is not economically feasible and did not see the reason for having a referendum.

Mayor Pro Tem Snell felt there were still a number of citizens that are interested and that this should be put to the people.

Roll Call on Motion

Roll Call on Councilmember Hofmann's motion, Councilmember Trevino's second, showed the following vote:

Ayes: Mayor Friedman, Mayor Pro Tem Snell, Councilmembers
Hofmann, Linn, Trevino

Noes: Councilmembers Himmelblau, Lebermann

The Mayor announced that the motion had carried.

Councilmember Himmelblau stated that it was her opinion that the City should participate in the South Texas Project.

PUBLIC HEARING TO CONSIDER 1975 TEST YEAR FIGURES BY SOUTHWESTERN BELL

Mayor Friedman opened the public hearing to consider the 1975 Test Year Figures submitted by Southwestern Bell Telephone Company.

Mr. Gray Bryant, Division Manager of Southwestern Bell Telephone Company, stressed his reason for appearing before the Council by stating that this procedure was described in a procedural ordinance dated April 8, 1976, from which Mr. Bryant read a portion at this time. He pointed out that the 1975 data was presented to the Council on April 8, 1976, and it demonstrates that the company is still entitled to 4 million additional dollars. Mr. Bryant commented that all of the evidence has been presented to the Council and it clearly points out that there is a revenue deficiency of \$4 million.

Mr. Bryant stated that the telephone company would be willing to wait a week for the recommendations from the consultant, Mr. George Hess, and if there are no recommendations from Mr. Hess, then Mr. Bryant felt that the additional amount requested should be granted. Mayor Friedman asked Mr. Bryant that if the Council should choose to grant the rate increase, could the City get a guarantee from Southwestern Bell Telephone that they would forego any requests for future rate increase for a minimum of three years. Mr. Bryant stated that he could not make any type of guarantee about Southwestern Bell Telephone Company.

Mr. Don Butler, Legal Counsel, commented that the consultants have not completed their review of the 1975 data and was not sure just what the final review would indicate. Mr. Butler felt that Southwestern Bell had not met its burden of proof by presenting any evidence today as for a need for any increase. Therefore, Mr. Butler recommended to the Council to proceed with passage of the procedural ordinance to make the earlier ordinance final as is.

Mr. Jon D. Lawrence, attorney for Southwestern Bell, stated his disagreement with Mr. Butler on the question as to whether or not Southwestern Bell has carried the burden of proof. He felt the information submitted on April 8, 1976, is in the same format as information that has been presented in the past and the Council has acted upon to pass rate ordinances. He requested that the \$4 million be granted.

Mr. Butler reiterated that the ordinance be finalized subject to any appropriate motions for a rehearing.

Mayor Friedman introduced the following ordinance:

AN ORDINANCE AMENDING ORDINANCE NO. 760304-F PROVIDING INTERIM RATE INCREASES ESTABLISHED IN SUCH ORDINANCE BE MADE FINAL, SUBJECT TO THE FILING OF A MOTION FOR REHEARING; SUSPENDING THE RULE REQUIRING THE READING OF ORDINANCES ON THREE SEPARATE DAYS; AND PROVIDING AN EFFECTIVE DATE.

Mayor Friedman moved that the Council close the public hearing, waive the requirement for three readings, declare an emergency, and finally pass the ordinance. The motion, seconded by Councilmember Himmelblau, carried by the following vote:

Ayes: Councilmembers Himmelblau, Hofmann, Lebermann, Trevino,
Mayor Friedman, Mayor Pro Tem Snell
Noes: Councilmember Linn

The Mayor announced that the ordinance had been finally passed.

Mayor Friedman stated that a motion for a rehearing would be considered at the proper time. He pointed out that the motion finalizes telephone increases that were approved prior to today and no additional rate increase has been approved at this time.

REVISIONS TO VENDING ORDINANCE

Councilmember Linn commented that the changes would be the ones proposed at the last Council meeting on May 6, 1976.

Mayor Friedman introduced the following ordinance:

AN ORDINANCE REPEALING ORDINANCE NO. 760401-E AND SECTION 31-51 OF THE CODE OF THE CITY OF AUSTIN OF 1967; ADDING NEW SECTIONS 31-51 AND 31-52; ESTABLISHING A VENDING COMMISSION; REGULATING THE VENDING OF ARTS AND CRAFTS ON THE PUBLIC SIDEWALKS OF THE CITY OF AUSTIN; PROVIDING FOR THE ISSUANCE OF LICENSES THEREFOR; TEMPORARILY CLOSING CERTAIN STREETS; PROVIDING A PENALTY; SUSPENDING THE RULE REQUIRING THE READING OF ORDINANCES ON THREE SEPARATE DAYS; AND PROVIDING AN EFFECTIVE DATE.

Councilmember Linn moved that the Council waive the requirement for three readings, declare an emergency and finally pass the ordinance. The motion, seconded by Councilmember Hofmann, carried by the following vote:

Ayes: Councilmembers Hofmann, Lebermann, Linn, Mayor Friedman,
Councilmember Himmelblau

Noes: Councilmember Trevino, Mayor Pro Tem Snell

Mayor Friedman announced that the ordinance had been finally passed.

Mr. Martin Mayfield appeared in support of the amendments to the Vending Ordinance but did think the license fee was a little high. Mr. Terry Roberts also felt the license fee was too high. Councilmember Linn commented that the increase was due to administrative costs. Mr. Abe Zimmerman asked that the ordinance include the statement that it would be subject to a referendum.

Mr. Jan Kubicek, City Attorney, pointed out that as stated in the City Charter, ordinances do not have to state in their text that they are subject to a referendum. He would not recommend to the Council that this be added.

Mayor Friedman commented that the Council would consider making appointments to the Vending Committee on May 20, 1976.

PROPOSED WORK SESSION WITH TEXAS DEPARTMENT OF HIGHWAYS AND THE PUBLIC TRANSPORTATION DEPARTMENT

Councilmember Hofmann stated that she had originally planned to ask for work sessions regarding four joint projects with the Texas Highway Department; however, it has developed that one of the four projects will be studied within the neighborhood, and two of the other projects are being postponed indefinitely by the Highway Department due to a lack of funds. Councilmember Hofmann noted that one of the projects which was to involve the five-level interchange has been reduced to a three-level which will be a great savings to the City and the citizens.

At this time, Mr. Joe Ternus, Director of Urban Transportation, presented two slides concerning the interchange showing the ramps and what is proposed. Councilmember Hofmann felt that a work session was no longer necessary in view of the recent facts concerning the projects.

NAVIGATION BOARD RECOMMENDATION CONCERNING A REQUEST BY ALLEN
KELLER CONSTRUCTION TO LEAVE ROCK FILL IN LAKE AUSTIN

The Council had before it for consideration recommendations from the Navigation Board concerning a request by Allen Keller Construction to leave rock fill in Lake Austin.

Motion

Councilmember Linn moved that the Council uphold the original recommendation by the Navigation Board which required the removal of the rock fill in Lake Austin to proceed with going to Court. Councilmember Hofmann seconded the motion.

MR. JEFF GESLIN, Chairman of the Navigation Board, commented that the Navigation Board reversed their decision concerning the Keller Construction Company because it was felt that in trying to get the fill out, it would create more sludge in the lake and pollute Lake Austin.

Councilmember Lebermann felt that the motion was unrealistic at this point and would be a burden on the company. Considering the situation, he felt that the Navigation Board's recommendation should be upheld.

City Attorney Jan Kubicek felt that he could not legally give an opinion to the Council or advise them on this matter since he has not had time to study all of the facts. Mayor Pro Tem Snell suggested that a report be obtained from the Environmental Board. Councilmember Trevino concurred with this suggestion.

Substitute Motion

Mayor Friedman moved that the Council authorize the Legal Department to proceed with its investigation and take whatever legal action is necessary to get the rock fill removed from Lake Austin. The motion died for lack of a second.

Withdrawal of Second

Councilmember Hofmann withdrew her second to Councilmember Linn's motion; therefore, the original motion died for lack of a second.

Motion

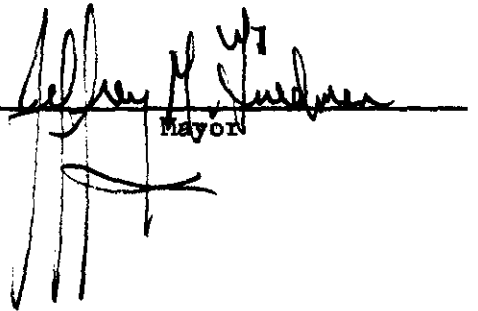
Councilmember Trevino moved that the Council postpone recommending approval by Allen Keller Construction Company to leave rock fill in Lake Austin created in the construction of Loop 360, to allow the staff sufficient time to review this matter and also to have comments from the Environmental Board on this. The motion, seconded by Mayor Pro Tem Snell, carried by the following vote:

Ayes: Mayor Pro Tem Snell, Councilmembers Himmelblau, Hofmann,
Lebermann, Trevino
Noes: Mayor Friedman, Councilmember Linn

ADJOURNMENT

The Council adjourned at 5:45 p.m.

APPROVED


Mayor

ATTEST:


City Clerk