

**STATE OF TEXAS
COUNTY OF BEXAR
CITY OF SAN ANTONIO**

A WORK SESSION AND REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF SAN ANTONIO WERE HELD IN THE MUNICIPAL PLAZA BUILDING, WEDNESDAY, DECEMBER 7, 2011 AND THURSDAY, DECEMBER 8, 2011, RESPECTIVELY.

The San Antonio City Council convened in a Work Session at 2:00 pm Wednesday, **December 7, 2011**, Municipal Plaza Building, with the following Councilmembers present: Bernal, Taylor, Saldaña, D. Medina, Lopez, C. Medina, Williams, Chan, Soules, and Mayor Castro. **ABSENT:** Ramos.

1. BRIEFING AND CITY COUNCIL DISCUSSION ON SAWS PROPOSED RATE ADJUSTMENTS.

Robert Puente, San Antonio Water System (SAWS) President outlined recent developments that include finalizing an agreement regarding the Regional Carrizo Project and integrating the BexarMet System with SAWS. In regard to the Edwards Aquifer Recovery Implementation Program (EARIP), he reported that a Steering Committee had voted to approve the proposed Habitat Conservation Plan and the Edwards Aquifer Authority (EAA) would consider a fee adjustment for same in early 2012.

Mr. Puente stated that the SAWS 2012 Budget balances revenue requirements with available revenues and funds \$219 million of existing operational requirements and \$215 million in capital improvements. He outlined the \$215 million capital investments that include \$122 million for Wastewater; \$54 million for Water Delivery; and \$39 million for Water Supplies. He spoke of the proposed rate adjustment, noting that the total increase was 7.9% and would increase the average monthly residential bill by \$3.41. He reported that they were proposing to increase the discount provided through the Affordability Discount Program based on poverty level. He indicated that they would adjust Special Service Fees based on the cost to provide the service and would generate \$1.5 million.

Mr. Puente provided data regarding the EAA and Texas Commission on Environmental Quality (TCEQ) Pass-Through Fees, noting that two fees would increase by a total of \$1.57 for 2012. He presented the SAWS Residential Bill Projection without the EARIP Increase through 2016, noting increases from 2012-2016. He stated that SAWS had the second lowest water rates in the State with El Paso having lower rates. He spoke of the great amount of community outreach conducted with 75 stakeholder meetings in 75 days.

Ben Gorzell, Chief Financial Officer stated that the Public Utilities Office had been involved in the process with SAWS as the revenue requirements and rate models were being developed. He noted that they had performed a comprehensive review that included a Cash Flow Analysis; Key Financial Targets; and Operations and Maintenance (O&M) Budget. He mentioned that the proposed rate increase was applied against the consumption estimate to validate that the revenue generated matched the SAWS revenue requirement. He provided a comparison of the Capital Improvements Program (CIP) Budget from 2005-2010 and from 2012-2016. He mentioned that the CIP for 2012 was projected at \$215.5 million.

Mr. Gorzell spoke of the O&M Budget totaling \$219 million for 2012 which increased 3.6% from FY 2011. He outlined the proposed benefit changes for SAWS employees to reach a goal of 80% employer contribution and 20% employee contribution for employees hired prior to January 1, 2011, adding that there would be an 8-year phase-in process. He mentioned that effective 2017, depending on the date of hire, two different medical insurance contribution schedules would be adopted. Additionally, requiring employees to obtain additional years of service; increase the minimum retirement age; and increases employee contribution rates. He reported on the existing and proposed debt service and indicated that the net impact to the city if the rate increase was effective on January 1, 2012 was \$286,100. Lastly, Mr. Puente recommended an Overall System Wide increase of 7.9%.

Mayor Castro stated that there were concrete projects that were reasonable and necessary.

Councilmember Williams thanked staff for their work. He asked of the projects related to Wastewater. Mr. Gorzell replied that staff had conducted a comprehensive review and worked with SAWS to prioritize projects. Councilmember Williams spoke of the importance of maintaining a good credit rating. He asked of the proposed benefits changes for SAWS Employees. Mr. Gorzell replied that they were working toward reaching a goal of 80% employer contribution and 20% employee contribution for employees hired prior to January 1, 2011. He stated that for employees hired on or after January 1, 2011, they would like to reach a 70% employer contribution and 30% employee contribution. He noted that SAWS Employees had a lower deductible and out-of-pocket maximum than City Employees and would continue to work with SAWS to address same. Councilmember Williams requested that staff continue to monitor the Brackish Desal Project, noting that he was concerned with the high estimated operating costs.

Councilmember Saldaña asked of water resource development and development of additional capacity. Mr. Gorzell replied that water resource development was related to water supply and included the Brackish Desal and Regional Carrizo Projects. Councilmember Saldaña asked of the prioritization of projects. Mr. Gorzell stated that SAWS reviewed projects based on replacement and capacity. Councilmember Saldaña asked of the Brackish Desal Project. Mr. Gorzell replied that the costs were difficult to project due to limited data but staff would continue to monitor. Councilmember Saldaña asked of the Affordability Discount Program. Doug Evanson of SAWS stated that they were proposing to increase the program to provide \$1.6 million in assistance. Mr. Gorzell added that there were other programs that could provide assistance to qualified ratepayers. Councilmember Saldaña asked of outreach efforts regarding assistance programs. Greg Flores of SAWS stated that they visit senior centers and other city facilities to inform seniors of their programs.

Councilmember Chan asked of the rate increase that would be approved the following day. Mr. Gorzell replied that the City Council would vote to approve an overall rate increase of 7.9%. Councilmember Chan asked of the implementation of the EARIP Fee. Mr. Evanson stated that they would not assess the fee until it had been discussed with the City Council. Councilmember Chan asked of the Brackish Desal Project. Kelley Neumann of SAWS replied that the cost of the Desal Plant was \$145 million and that additional funding would be allocated for pipeline integration. She reported that they were in the process of drilling Phase I wells and have issued a Request for Proposals (RFP) for a Program Manager for design and construction of the project. Councilmember Chan expressed concern with the \$2.7 million revenue requirement for Water Supply. Ms. Neumann indicated that the funding was needed to continue programmed Water Supply projects.

Councilmember Chan requested a breakdown of the 2010 Rate Increase. Mr. Gorzell replied that he would provide said information to the City Council.

Councilmember Bernal stated that he was comfortable with the proposed increase for 2012 but expressed concern with future rate increases. He asked if the Affordability Discount Program would be able to keep pace with the projected rate increases. Mr. Evanson replied that the SAWS Board was aware of the desire of the City Council to increase the funding for the Affordability Discount Program and would work on a policy to address same. Councilmember Bernal requested that a dedicated SAWS phone number be made available for individuals needing assistance. Mayor Castro added that a phone number similar to 3-1-1 should be implemented that would help address outreach issues. Mr. Gorzell indicated that the Department of Human Services had a dedicated phone number for individuals needing assistance.

Councilmember Soules stated that he understood the need for the rate increase to address wastewater issues but expressed concern with the long-term plan and projects. He asked of the number of customers utilizing the Affordability Discount Program. Mr. Puente replied that they assisted 20,000 customers through the program. Councilmember Soules asked of the favorable revenue for 2011. Mr. Evanson replied that it totaled \$19 million. Mr. Gorzell stated that SAWS should not rely on excess funding for items with recurring costs.

Councilmember D. Medina thanked everyone for their work on the process. He spoke of the great outreach efforts provided by SAWS Staff and asked that SAWS take low-income customers into consideration regarding future rate increases.

Mayor Castro noted that no action was required on said item and thanked everyone for the presentation.

2. BRIEFING ON THE CITY'S CURRENT PROGRESS IN EVALUATING AND ANALYZING THE FEASIBILITY OF WASTE TO ENERGY (WTE) CONVERSION TECHNOLOGIES IN SAN ANTONIO.

Scott Pasternak and David Demme of SAIC presented on the Waste to Energy (WTE) Feasibility Study conducted for the City of San Antonio and CPS Energy. Mr. Pasternak stated that the San Antonio Area generates enough Municipal Solid Waste (MSW) to produce at least 140 megawatts of electricity. He noted that the State of Texas does not specifically qualify MSW as a renewable resource and that more clarity was needed regarding the renewable resource status of WTE. He indicated that WTE plants must incorporate extensive environmental controls for compliance and stakeholder acceptance and that WTE plant development was opposed by some advocacy groups. He added that WTE was not feasible in San Antonio absent paying multiples of the current wholesale electricity price and/or waste disposal fees.

Mr. Pasternak reported that the objective of the study was to answer two primary questions: 1) Are there feasible WTE Technologies that operate in a clean, efficient, and sustainable manner?; and 2) If yes, what are they and could they be economical in San Antonio given the city's waste management strategy, renewable energy goals, and the price of electricity? He indicated that a Waste Availability Analysis was performed to estimate the annual quantity of MSW that could be available for a WTE Project in San Antonio. He noted that the city currently sends waste to three private landfills at an

average tip fee of \$21.50 per ton and indicated that a reasonable WTE Project would require the city to obtain 190,000 open market tons of waste in 2016.

Mr. Pasternak spoke of the 10-Year Recycling and Resource Recovery Plan, noting that the city's goal was to achieve 60% recycling of residential waste by 2020. He outlined the city's recycling initiatives that include the separation of brush and bulky waste, as well as the pilot for an organic recycling waste program. He stated that a WTE Facility would receive MSW not otherwise diverted and that some WTE Plants remove additional materials for recycling prior to conversion.

Mr. Demme provided a historical perspective of WTE, noting that there are 86 WTE Facilities in the US with the youngest plant being 15 years old. He stated that current trends indicate that there is a renewed interest in WTE and that some plants are being expanded. He mentioned that MSW is considered a renewable resource by the federal government although Texas does not include MSW as a renewable resource. He spoke of the emissions and regulatory issues and noted that emerging WTE Technologies have the potential to lower air emissions. He added that WTE Plants result in Green House Gas reductions when compared to landfilling and coal based electricity production.

Mr. Demme outlined WTE development hurdles that include the fact that landfill capacity is plentiful and relatively inexpensive. Additionally, there are no strong federal or state public policies encouraging or requiring WTE in lieu of landfilling. He provided an overview of the WTE Technology Types Evaluated including: 1) Proven Thermal; 2) Emerging Thermal; 3) Biological; 4) Chemical; and 5) Other. He reported that a Request for Information was advertised and issued to WTE Vendors with a total of 15 responses received. He added that a screening analysis was conducted to select three technology types for further evaluation. Mr. Demme stated that the three technology types selected were Mass Burn Combustion; Gasification; and Pyrolysis. He explained that Mass Burn Combustion was proven in commercial operation and being used in most of the 86 plants throughout the US. He mentioned that with this technology, pre-processing with recyclables removal could be added at an additional cost. He indicated that most Gasification Systems pre-process waste before entering the gasification chamber could be enhanced with plasma torches. He noted that Pyrolysis was a proven process that utilized coal and wood and was used by small scale facilities in Europe and Asia.

Mr. Demme reported the cost parameters utilizing a 1,000 Ton Per Day (TPD) Facility in Capital and Operations, noting that the capital costs ranged from \$230-\$500 million and operation costs ranged from \$11-25 million. He showed a chart of the required tip fees with no premium to the current power price forecast for each of the technologies, as well as the landfill, through Year 2034.

Mr. Demme spoke of the findings and stated that there are feasible, WTE Technologies that operate in a clean, efficient, and sustainable manner. However; they are not economical for San Antonio at this time or in the foreseeable future. He stated that this was due to abundant landfill space; low tip fees; and modest electricity prices in San Antonio. He added that emerging technologies offer potential cost and performance advantages but can be operationally complex and projecting their cost is difficult.

Mayor Castro thanked everyone for the presentation and asked of the opposition to WTE. Mr. Pasternak replied that there was a concern regarding the building of the WTE Plants and noted that it was a large capital investment. He stated that when these types of plants were first built,

communities had to commit to deliver certain amounts of waste by contract. These contracts limited recycling opportunities and thus, caused concern for recycling advocates.

Councilmember Chan asked of the tip fee. Mr. Pasternak replied that the tip fee was the price that a city pays to dispose of its waste at a landfill. Councilmember Chan asked of the capital costs referenced on Slide 19. Mr. Pasternak responded that they were projections based on available data.

Councilmember Lopez asked of the timeline for utilizing emerging technology. Mr. Pasternak replied that he was only aware of a few commercial facilities being built at this time and they were located in Canada, Mississippi, and a few cities in California. Councilmember Lopez asked of potential legislation related to WTE. Mr. Pasternak stated that there were no states that required WTE but there was a law in Europe that did not allow untreated waste to be placed in a landfill. Councilmember Lopez asked of the city's goal to reach a 60% recycling rate. David McCary replied that it was a goal that the city hoped to reach by 2020 and stated that he would provide information regarding the additional recycling that could be provided through WTE as requested.

Councilmember C. Medina asked of the location and zoning required for WTE Plants. Mr. Pasternak stated that the plants were generally located in the Downtown Area and were usually designated as Industrial Zoning.

Mayor Castro noted that no action was necessary and thanked everyone for the presentation.

EXECUTIVE SESSION

A. DELIBERATIONS REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS AND DISCUSS RELATED ISSUES PURSUANT TO TEXAS GOVERNMENT CODE SECTION 551.087 (ECONOMIC DEVELOPMENT).

Mayor Castro announced that the executive session would not be held but would be addressed during the Regular City Council Meeting the following day. He recessed the meeting at 5:04 pm and announced that the meeting would resume at 5:30 pm for Ceremonials.

CEREMONIALS

Mayor Castro reconvened the meeting at 5:30 pm and addressed the Ceremonial Items.

Mayor Castro presented a Proclamation in recognition of the NCAA Division I Women's Volleyball Championship that will be held at the Alamodome December 15-17, 2011. It was noted that the Texas Longhorns currently lead the championship field as the No. 1 Seed. It was also mentioned that events being held in addition to the tournament include the Under Armour All-America High School Volleyball Match and Skills Competition, and the Powerade Youth Volleyball Clinic.

Mayor Castro presented a Certificate of Official Congratulations to the San Antonio Scorpions for becoming the newest team in the North American Soccer League. It was noted that they will make their debut in the Spring of 2012 and that the team's home games will be played at the South Texas Area Regional (STAR) Soccer Complex. It was further noted that the profit generated will be provided directly to Morgan's Wonderland, a unique theme park designed with special-needs

individuals of all ages in mind. It was reported that this marks the first time in history that a professional sports team has been organized solely for the benefit of a non-profit cause.

CITIZENS TO BE HEARD

Mayor Castro called upon the individuals registered to speak.

Mark Perez expressed concerns with the AGE Refinery Building, noting that an incident occurred the previous week. He asked why they were able to operate without the proper permits and why city staff was not enforcing ordinances. He asked why the City Manager was not present for Citizens to be Heard. He mentioned that the AGE Refinery Building was recently purchased by NuStar Energy and would like to know if the permit fees were paid. He added that he was concerned with the DPT Laboratories Facility.

Nazirite Ruben Flores Perez spoke of the book of John Chapters 14 and 20 in The Bible. He referenced an article in the newspaper regarding Whooping Cranes in Fulton, Texas.

Nita Shaver stated that she had moved to San Antonio six months ago and loves living in the Downtown Area. She noted her concerns that there were no public restrooms within downtown and requested that the city explore options for installing same. She stated that these public restrooms should be easily identified through proper signage.

Antonio Diaz requested a Resolution from the City Council to designate October 12th as Indigenous Peoples Day. He stated that he had requested assistance from District 2 and would appreciate the support of the City Council. He mentioned that Yanaguana was the name given to the area now known as San Antonio and the Indigenous People had made many contributions to the city.

Richard Noble invited the City Council to attend the LGBT Federal Equality Civil Rights March on Friday, at 6:30 pm. He stated that he had met with many US Leaders regarding same and that many cities had passed Human Rights Resolutions. He noted that many residents of San Antonio were in support of the Federal Equality Bill based on sexual orientation and gender identity and requested a Proclamation for same.

ADJOURNMENT

There being no further discussion, Mayor Castro adjourned the meeting at 6:18 pm.

The San Antonio City Council convened in a Regular Meeting on Thursday, **December 8, 2011** at 9:00 am in the City Council Chambers.

ROLL CALL

City Clerk Leticia M. Vacek took the Roll Call and noted a quorum of the Council with the following present: Bernal, Taylor, Ramos, Saldaña, D. Medina, Lopez, C. Medina, Williams, Chan, Soules, and Mayor Castro. **ABSENT:** None.

Item 1. The Invocation was delivered by Omar Shakir, Imam, Masjid Bilal, guest of Councilmember Rey Saldaña, District 4.

Item 2. Mayor Castro led the Pledge of Allegiance to the Flag of the United States of America.

Item 3. MINUTES

Councilmember Taylor moved to approve the Minutes for the October 5-6, 2011 City Council Meetings. Councilmember Lopez seconded the motion.

The motion prevailed by the following vote: **AYES:** Bernal, Taylor, Ramos, Saldaña, D. Medina, Lopez, C. Medina, Williams, Chan, and Mayor Castro. **NAY:** None. **ABSENT:** Soules.

ITEMS FOR INDIVIDUAL CONSIDERATION

The City Clerk read the caption for Item 4:

2011-12-08-1004

Item 4. AN ORDINANCE AUTHORIZING THE SAN ANTONIO WATER SYSTEM TO INCREASE OVERALL RATES BY 7.9 PERCENT AFFECTING THE WATER DELIVERY, WATER SUPPLY, WASTEWATER, AND RECYCLED WATER RATES; REVISIONS TO CUSTOMER RELATED SPECIAL SERVICE FEES; AND TARIFF AMENDMENTS TO CHAPTER 34 OF THE SAN ANTONIO CITY CODE AND CHAPTER 35 (UNIFORM DEVELOPMENT CODE) OF THE SAN ANTONIO CODE OF ORDINANCES TO IMPLEMENT THE RATE INCREASE AND REVISED SPECIAL SERVICES FEES.

Assistant City Manager Ben Gorzell stated that since information had been presented during the B Session, they would provide answers to questions they had received. He noted that city staff had performed a comprehensive review and their recommendation was to support San Antonio Water System's (SAWS) rate request for an overall system increase of 7.9%.

Robert Puente, SAWS President and CEO stated that the overall rate increase totaled 7.9% and would increase the average monthly residential bill by \$3.41. He outlined the FY 2012 Capital Improvement Program totaling \$215 million, noting that \$122 million would be utilized for Wastewater; \$54 million for Water Delivery; and \$39 million for Water Supplies. He spoke of the Affordability Program that was implemented in 2001 to help customers pay their water bill. He provided the average monthly discounts based on percentage of poverty level for 2011 and proposed discounts for 2012. He reported that 86% of residential bills do not exceed the 2nd block, with 7% in each the 3rd and 4th blocks. He mentioned that they were recommending adjustments to Special Service Fees based on the cost to provide the service that would generate an additional \$1.5 million. He indicated that the Edwards Aquifer Authority (EAA) Fee was recommended to increase by \$0.24 cents per month and that the Edwards Aquifer Recovery Implementation Program (EARIP) Fee increase was pending a decision by the EAA Board. He added that the Texas Commission on Environmental Quality (TCEQ) Fee would decrease by \$0.03 cents. Lastly, he provided residential bill projections without the EARIP Increase for 2012-2016 and stated that SAWS had the second lowest water rates in the State.

Doug Evanson, SAWS Chief Financial Officer referenced Ordinance No. 75686 which outlines the order of priority for SAWS Gross Revenues. He noted that surplus amounts transferred to the Renewal and Replacement Fund provide cash funding for the Capital Program. He provided an overview of the sources and uses of funds from 2008-2012, noting that 28% of the Capital Program would be cash funded in 2012. He stated that through October 2011, \$16.8 million more had been transferred to the Renewal and Replacement Fund than budgeted. He explained that they would not recommend utilizing these funds to offset the rate increase due to greater negative impacts to the Capital Improvement Programs in 2013 and 2014, as well as a reduction in the 2012 Budgeted Senior Lien Debt Coverage.

Mayor Castro called upon the citizens registered to speak.

Bob Martin spoke in opposition to the SAWS Rate Increase. He noted the challenging economic conditions and asked SAWS to reduce their expenditures. He referenced the SAWS Desalination Plant and stated that he did not believe another one was needed since BexarMet already operated one.

Richard Perez with the Greater Chamber of Commerce introduced Mike Albach, Chair of their 2011 Water Committee. Mr. Albach stated that the Greater Chamber was in support of the proposed SAWS Rate Increase noting the importance of the development and diversification of San Antonio's Water Supply. He spoke of the great work of SAWS in the area of water conservation and keeping rates low. He indicated that the rate increase was needed to maintain and address aging infrastructure. He made several recommendations that include a revision of city ordinances to allow for regional water uses during droughts.

Jack M. Finger expressed concern with the SAWS Rate Increase and asked why infrastructure improvements had not been made in the past.

Nazirite Ruben Flores Perez stated that he understood the need to fix aging infrastructure. He added that he hoped there would not be confusion on the SAWS Acquisition of BexarMet and the rate increase. He referenced an article in the newspaper regarding whooping cranes and the need for the San Antonio River Authority to stay on the sidelines.

Margaret Day with the Alamo Sierra Club spoke in support of the SAWS Rate Increase to address infrastructure needs and water system improvements. She mentioned the need to protect water quality in local streams and the Edwards Aquifer. Additionally, to avoid overutilization of the Edwards Aquifer in a prolonged drought. She expressed concern that the brackish desalination process was not maximized for energy efficiency. She added that it would create unnecessary additional power demand from CPS Energy. She asked that SAWS continue to pursue opportunities for water conservation and increase affordability programs for low-income residential customers.

Russell Seal with Lone Star Chapter of the Sierra Club read comments submitted jointly to the Texas Water Development Board from the Environmental Defense Fund; National Wildlife Federation; and Sierra Club. He expressed concern with the cost to implement the State Water Plan which has increased to \$53 billion. He stated that he was pleased that SAWS was doing something early in an effort to keep costs down. He mentioned that the role of water conservation as a water management strategy needs to be enhanced and that it was important to protect the sustainability of existing water supplies.

Sylvia Gangel, President of the Real Estate Council stated that they were not opposed to the SAWS portion of the fee increase but strongly opposed to the Edwards Aquifer Authority (EAA) portion. She noted that as proposed, the EAA Fee would increase nearly 32%. She indicated that this fee had not received the same level of stakeholder review and input and that the fee would duplicate current efforts by the TCEQ and SAWS.

Rob Killen with the North Chamber of Commerce spoke in support of the SAWS Rate Increase. He provided a letter from North Chamber President Duane Wilson stating that SAWS had done an excellent job with the resources they have but recognized the need to invest in new water sources and replace aging infrastructure.

Nikki Kuhns expressed opposition to the SAWS Rate Increase without a serious discussion of the cost to fluoridate. She stated that recent developments should have resulted in putting an end to the failed policy of water fluoridation. She noted the many associated costs with fluoridation. She referenced an open records request of data showing that the secondary maximum contaminant level was exceeded at pumping stations and that SAWS claimed that unapproved testing methods had been used. She expressed concern that babies were being exposed to water fluoridation. She provided a handout from Andrew Young, the son of a dentist, in opposition to water fluoridation and to its harmful effects.

Rhett Smith spoke of the harmful effects of chemicals in fluoridated water and expressed concern with the high costs of providing same.

Crystal Vargas with the West Chamber of Commerce spoke in support of the SAWS Rate Increase. She stated that they recognize the need for SAWS to make investments in water and wastewater infrastructure which will help businesses. She thanked SAWS for committing to assist the low-income residents, seniors, and disabled individuals pay their bills.

Jack Uptmore with the San Antonio Builder's Association stated that he appreciated the efforts of SAWS but expressed concern that more information was not provided regarding the EAA Increase.

Berto Guerra, Chairman of the SAWS Board stated that he was pleased with the work of SAWS thus far. He made mention of the Lower Colorado River Authority Lawsuit Settlement in the amount of \$30 million favoring SAWS and the recent vote to take in the BexarMet System. He noted that they would continue to do what was best for the citizens and thanked the City Council for their support.

Letters of support for Item 4 were received from Ramiro Cavazos with the Hispanic Chamber of Commerce and E. Duane Wilson with the North San Antonio Chamber of Commerce.

Mayor Castro asked of the need to invest significant resources into wastewater. Mr. Puente replied that they needed to address issues related to sewer overflows and that San Antonio was unique in that 75% of sewer overflows were related to debris and grease. He spoke of the high cost to clean and inspect pipes and their proactive work to replace pipes with potential issues. Mayor Castro asked of the Affordability Discount Program. Mr. Puente stated that SAWS had implemented an Affordability Discount Program in 2001. He added that they had also incorporated other programs to help customers pay their bills. He noted that they were committed to increase the assistance provided to customers to keep pace with future rate increases. Mayor Castro asked of the organization moving forward. Mr. Berto Guerra replied that he felt that SAWS would continue to be a strong and

professional organization that provides open communication to its customers. He mentioned that they were deeply focused on the future of the city and bringing in new water supplies at affordable costs.

Councilmember Williams spoke of the great work of SAWS but expressed concern with the dependency on water from the Edwards Aquifer. He also expressed concern with the proposed annual increases and asked that SAWS find a way to lower costs. Mr. Puente stated that they were working to diversify water resources and would continue to enhance conservation efforts. Councilmember Williams referenced the additional \$16.8 million transferred to the Renewal and Replacement Fund that would help lower borrowing costs. He mentioned the large increase within the salaries and benefits categories, specifically for retirees, and asked that SAWS get better control of these costs. He asked how SAWS would address these concerns. Mr. Evanson replied that they had adjusted eligibility requirements and increased the retiree contribution levels. He added that they were moving toward increasing employee contributions for health benefits and forecasted an 80/20 level by 2017. Councilmember Williams requested that it be accomplished sooner than 2017.

Councilmember Soules thanked Mr. Berto Guerra for his time and stated that it was the duty of the City Council to protect the well-being of the citizens of San Antonio. He noted that it was important to address sewer infrastructure issues and diversify the water supply. He expressed concern with the challenging economic conditions. He spoke of the large increase in SAWS' salaries and benefits since 2008 and asked SAWS to learn to do more with less.

Councilmember Ramos thanked SAWS and city staff for their work but noted her concerns with annual rate increases. She stated that she understood that infrastructure improvements were needed but felt there should be a better plan in place to address same. She asked when the rate increase would take effect. Mr. Puente replied that it would be effective in January and customers would receive the bill in February. Councilmember Ramos thanked SAWS for their work on the Affordability Programs and stated that although rate increases were difficult at any time; she would support the increase.

Councilmember Chan asked of the delay to the Capital Improvement Program that was approved for 2009-2010. Mr. Puente replied that they delayed the program to save \$88 million by bringing in water from the Regional Carrizo. Mr. Evanson added that when capital projects were not implemented, the funds would go to the Replacement and Renewal Fund and would get redeployed in future years. Discussion ensued regarding the flow of funds. Councilmember Chan spoke to the increases related to Operations and Maintenance. She thanked SAWS for keeping water rates low but asked that alternate water resources be identified.

Councilmember D. Medina thanked SAWS for their work and asked if the funds generated from the rate increase would be utilized for future projects. Mr. Puente confirmed that funding would be utilized for future projects including the 2012-2017 Bond Program. Councilmember D. Medina asked of SAWS taking a proactive approach to fixing pipes before they break. Mr. Puente replied that SAWS had an active, preventative maintenance program and assessed lines when cleaning them. Councilmember D. Medina spoke of the importance of the Affordability Programs and requested that SAWS Staff reach out to the seniors through the Senior Nutrition Centers and block walking.

Councilmember Bernal stated that he was pleased with the proposed increase to the Affordability Programs. He noted that he understood the need for the rate increase due to the aging infrastructure

but asked that SAWS look at cutting costs and streamlining resources to minimize future rate increases.

Councilmember Taylor stated that she would support the rate increase due to the necessary infrastructure improvements but expressed concern with future rate increases. She encouraged SAWS to review their expenditures and identify efficiencies. She noted the importance of the Affordability Programs for low-income families and asked SAWS Staff to be more creative in their outreach efforts regarding same.

Mayor Castro stated that nobody liked rate increases but understood that this rate increase was necessary and reasonable.

Councilmember Soules moved to adopt a 5.5% rate increase that will go directly to the Capital Improvements Fund Projects. Councilmember Chan seconded the motion.

The motion failed by the following vote: **AYES:** Chan and Soules. **NAY:** Bernal, Taylor, Ramos, Saldaña, D. Medina, Lopez, C. Medina, Williams, and Mayor Castro. **ABSENT:** None.

Councilmember Williams moved to approve the staff recommendation. Councilmember Ramos seconded the motion.

The motion prevailed by the following vote: **AYES:** Bernal, Taylor, Ramos, Saldaña, D. Medina, Lopez, C. Medina, Williams, and Mayor Castro. **NAY:** Soules. **ABSTAIN:** Chan. **ABSENT:** None.

RECESSED

Mayor Castro recessed the meeting at 11:57 am to break for lunch and stated that the Council would return at 2:00 pm to address the remainder of the items as well as executive session.

RECONVENED

Mayor Castro reconvened the meeting at 2:06 pm and addressed the Consent Agenda Items.

CONSENT AGENDA ITEMS 5-22B

Consent Agenda Items 5, 6, 8, 9, and 10 were pulled for Individual Consideration. Item 11 was pulled from the agenda by staff.

Councilmember Bernal moved to approve the remaining Consent Agenda Items. Councilmember Ramos seconded the motion.

Mayor Castro called upon the individuals registered to speak on the Consent Agenda.

John Maner addressed the City Council and expressed concern that he was directly affected by the CPS Energy Transmission Line in Item 8. He stated that his land was being taken from him and that he felt that CPS Energy was out of control. He noted that this project would not address the needs of the ratepayer and would be utilized to sell power to another electric utility. He mentioned that the

cost of the project was not in the best interest of the public and that CPS Energy had other existing rights-of-way that they could utilize. He added that the property was a working farm that had been used as such for 34 years and asked the City Council for their assistance.

Faris Hodge, Jr. submitted written testimony in opposition to Items 4, 9, 21A, 21B, and 23. He noted that he was opposed to the SAWS Rate Increase (Item 4) and asked why CPS Energy Board Meetings did not include Citizens to be Heard. He wrote in favor of Items 5-8, 10-12, 15, 18, 20, and 22.

The motion to approve the remaining Consent Agenda Items prevailed by the following vote: **AYES:** Bernal, Taylor, Ramos, Saldaña, D. Medina, Lopez, C. Medina, Williams, Chan, Soules, and Mayor Castro. **NAY:** None. **ABSENT:** None.

2011-12-08-1007

Item 7. AN ORDINANCE AUTHORIZING AN AMENDMENT IN THE INCREASED AMOUNT NOT TO EXCEED \$125,000.00 TO THE \$16,372,736.00 DESIGN BUILD AGREEMENT WITH JOERIS GENERAL CONTRACTORS TO PROVIDE FOR ADDITIONAL CONCRETE PAVING FOR THE NORTHWEST SERVICE CENTER PROJECT, A CERTIFICATES OF OBLIGATION FUNDED PROJECT, LOCATED IN COUNCIL DISTRICT 7.

PULLED BY STAFF FOR DECEMBER 14, 2011 MEETING

Item 11. A RESOLUTION CASTING THE CITY'S 1,005 VOTES FOR THE BEXAR APPRAISAL DISTRICT BOARD OF DIRECTORS FOR A TERM OF OFFICE TO BEGIN ON JANUARY 1, 2012, AND EXPIRE ON DECEMBER 31, 2013.

Item 12. APPOINTING PAUL FOSTER (MAYORAL, CATEGORY: CIVIL ENGINEERING), ASHLEY HIXON (MAYORAL, CATEGORY: FINANCE) TO THE HEMISFAIR PARK AREA REDEVELOPMENT CORPORATION BOARD OF DIRECTORS FOR TERMS OF OFFICE TO EXPIRE AUGUST 13, 2012; AND REAPPOINTING GINI GARCIA (MAYORAL, CATEGORY: DOWNTOWN BUSINESS), DANIEL A. LOPEZ (MAYORAL, CATEGORY: DOWNTOWN NEIGHBORHOODS), AND SUE ANN PEMBERTON (MAYORAL, CATEGORY: HISTORIC PRESERVATION) TO THE HEMISFAIR PARK AREA REDEVELOPMENT CORPORATION BOARD OF DIRECTORS, FOR TERMS OF OFFICE TO EXPIRE AUGUST 13, 2015.

2011-12-08-1010

Item 13. AN ORDINANCE AWARDED A CONSTRUCTION CONTRACT IN THE AMOUNT OF \$88,230.47 PAYABLE TO TCL CONSTRUCTION ENTERPRISES, INC. FOR THE CONSTRUCTION OF SUNSET HILLS PARK BASKETBALL COURT RESURFACING PROJECT, AN AUTHORIZED 2007 PARKS BOND FUNDED PROJECT, LOCATED IN COUNCIL DISTRICT 7.

2011-12-08-1011

Item 14. AN ORDINANCE ADOPTING REVISED GUIDELINES EFFECTIVE JANUARY 1, 2012, TO INCLUDE ELIGIBILITY CRITERIA, FOR THE CITY COUNCIL PROJECT FUNDS

(CCPF), FORMERLY KNOWN AS THE HUMAN DEVELOPMENT SERVICES FUND; APPROVING THE PUBLIC PURPOSES FOR EXPENDITURES; AND AUTHORIZING THE EXECUTION OF CONTRACTS.

2011-12-08-1012

Item 15. AN ORDINANCE AUTHORIZING A FUNDING AGREEMENT WITH NATIONAL WESTERN ART FOUNDATION, IN THE AMOUNT OF \$100,000.00 TO HIRE AN EXECUTIVE DIRECTOR AND ASSIST WITH OPERATING EXPENSES.

2011-12-08-1013

Item 16. AN ORDINANCE REVISING THE INVESTMENT POLICY FOR THE CITY OF SAN ANTONIO, TEXAS, TO INCLUDE THE DIRECTOR OF FINANCE AS AN AUTHORIZED INVESTMENT OFFICER AND MEMBER OF THE CITY'S INVESTMENT COMMITTEE.

2011-12-08-1014

Item 17. AN ORDINANCE AUTHORIZING THE DIRECTOR OF THE FINANCE DEPARTMENT TO USE THE REQUEST FOR COMPETITIVE SEALED PROPOSAL SOLICITATION METHOD FOR THE PROCUREMENT OF GOODS AND NON-PROFESSIONAL SERVICES, DELEGATING AUTHORITY TO APPROVE CHANGE ORDERS TO ADMINISTRATIVE OFFICIALS IN AMOUNTS AS ARE ALLOWED BY STATE LAW, AND REPEALING ORDINANCE NOS. 82743 AND 2007-10-18-1110.

2011-12-08-1015

Item 18. AN ORDINANCE AUTHORIZING CERTAIN CITY PERSONNEL TO SIGN INSTRUMENTS FOR THE DISBURSEMENT OF CITY OF SAN ANTONIO, TEXAS FUNDS; CONTINUING AUTHORIZATION FOR THE USE OF FACSIMILE SIGNATURES UNDER CERTAIN CIRCUMSTANCES; RATIFYING THE SIGNATURES OF CERTAIN OFFICIALS IN THEIR POSITIONS; AND AUTHORIZING THE ESTABLISHMENT AND OPENING OF ADDITIONAL ACCOUNTS.

2011-12-08-1016

Item 19. AN ORDINANCE RATIFYING THE SUBMISSION OF A GRANT APPLICATION TO THE TEXAS DEPARTMENT OF STATE HEALTH SERVICES AND AUTHORIZING THE ACCEPTANCE OF FUNDS FOR AN AMOUNT NOT TO EXCEED \$200,000.00 TO DEVELOP OR ENHANCE A LOCAL COALITION AND IMPLEMENT AN INTERVENTION THAT REDUCES PRETERM BIRTH AND INFANT MORTALITY RATES FOR A TERM BEGINNING DECEMBER 1, 2011 THROUGH AUGUST 31, 2013.

2011-12-08-1017

Item 20. AN ORDINANCE AUTHORIZING CERTAIN ACTIONS RELATING TO OUTSTANDING OBLIGATIONS DESIGNATED AS CITY OF SAN ANTONIO, TEXAS ELECTRIC AND GAS SYSTEMS JUNIOR LIEN REVENUE BONDS, SERIES 2003;

INCLUDING APPROVAL OF A REPLACEMENT STANDBY BOND PURCHASE AGREEMENT; APPROVAL OF AN UPDATED OFFICIAL STATEMENT; ENACTING OTHER PROVISIONS INCIDENT AND RELATED TO THE SUBJECT AND PURPOSE OF THIS ORDINANCE; AND PROVIDING AN EFFECTIVE DATE.

Item 21. CONSIDERATION OF FINANCIAL MATTERS RELATING TO CPS ENERGY TO INCLUDE THE FOLLOWING:

2011-12-08-1018

- A. AN ORDINANCE AUTHORIZING THE ISSUANCE OF “CITY OF SAN ANTONIO, TEXAS ELECTRIC AND GAS SYSTEM REVENUE BONDS, TAXABLE NEW SERIES 2012” IN A PRINCIPAL AMOUNT NOT TO EXCEED \$600,000,000 IN ONE OR MORE ADDITIONAL SERIES PURSUANT TO THE DELEGATION PROVISIONS SET FORTH HEREIN; AND ALL OTHER MATTERS RELATED THERETO.

2011-12-08-1019

- B. AN ORDINANCE AUTHORIZING THE ISSUANCE OF “CITY OF SAN ANTONIO, TEXAS ELECTRIC AND GAS SYSTEMS REVENUE BONDS, NEW SERIES 2012 IN A PRINCIPAL AMOUNT NOT TO EXCEED \$600,000,000 IN ONE OR MORE ADDITIONAL SERIES PURSUANT TO THE DELEGATION PROVISIONS SET FORTH HEREIN; AND ALL OTHER MATTERS RELATED THERETO.

Item 22. THIS ORDINANCE AUTHORIZES THE FOLLOWING ACTIONS RELATED TO THE SOLAR AMERICA CITIES INITIATIVE:

2011-12-08-1020

- A. AN ORDINANCE AUTHORIZING THE ACCEPTANCE AND ALLOCATION OF ADDITIONAL GRANT FUNDING IN AN AMOUNT UP TO \$20,000.00 FROM THE DEPARTMENT OF ENERGY FOR THE SAN ANTONIO SOLAR AMERICA CITIES INITIATIVE FOR THE DEVELOPMENT OF A SUSTAINABLE SOLAR INFRASTRUCTURE TO INTEGRATE SOLAR ENERGY INTO CITY PLANNING AND PROCESSES; AS WELL AS A COMMITMENT TO A LARGE-SCALE IMPLEMENTATION OF SOLAR TECHNOLOGIES THROUGH APRIL 30, 2012.

2011-12-08-1021

- B. AN ORDINANCE AUTHORIZING THE AWARD OF A CONTRACT TO SOLAR SAN ANTONIO IN AN AMOUNT UP TO \$20,000.00 TO SUPPORT SOLAR ENERGY PUBLIC OUTREACH EFFORTS AND TECHNICAL ASSISTANCE FOR THE DEPARTMENT OF ENERGY’S “SOLAR CITIES” PROGRAM. THIS AGREEMENT IS FUNDED BY THE DEPARTMENT OF ENERGY’S SOLAR AMERICA CITIES INITIATIVE THROUGH MARCH 30, 2012.

[CONSENT ITEMS CONCLUDED]

ITEMS PULLED FOR INDIVIDUAL CONSIDERATION

The City Clerk read the following Ordinance:

2011-12-08-1005

Item 5. AN ORDINANCE AUTHORIZING THE CITY TO UTILIZE A COOPERATIVE CONTRACT WITH T. F. HARPER & ASSOCIATES, LP TO MANUFACTURE AND INSTALL ONE 60' X 85' SHADE CANOPY FOR THE COLLINS GARDEN BASKETBALL COURT FOR A TOTAL COST OF \$69,375.00; FUNDING IS AVAILABLE THROUGH THE FEDERAL HUD 108 FUND.

Councilmember D. Medina thanked the community and neighborhood association for their work on said item. He asked staff to highlight the process. Mike Frisbie, CIMS Director stated that there had been a great amount of community input and that improvements would include sidewalk work, pavilion, and canopy for the basketball court. Councilmember D. Medina stated that the community was excited with the investment to the Collins Garden Park.

Councilmember D. Medina moved to adopt the proposed Ordinance. Councilmember Ramos seconded the motion.

The motion prevailed by the following vote: **AYES:** Bernal, Taylor, Ramos, Saldaña, D. Medina, Lopez, C. Medina, Williams, Chan, Soules, and Mayor Castro. **NAY:** None. **ABSENT:** None.

The City Clerk read the following Ordinance:

2011-12-08-1006

Item 6. AN ORDINANCE AUTHORIZING THE SUBMITTAL OF THREE PROJECTS FOR FUNDING CONSIDERATION THROUGH THE FY 2013-2016 TRANSPORTATION IMPROVEMENT PROGRAM BY THE BEXAR COUNTY – METROPOLITAN PLANNING ORGANIZATION (MPO).

Councilmember Ramos requested information on the three projects selected. Majed Al-Ghafry replied that staff had recommended three projects totaling \$60 million to the Metropolitan Planning Organization (MPO): 1) Callaghan Road – Evers to Centerview; 2) Presa Ramps at Highway 90; and 3) UTSA Boulevard from Babcock to Edward Ximenez Avenue. Councilmember Ramos thanked everyone for their work and expressed support for the Presa Ramps Project. She spoke of the great need in the area and recognized the work of the MPO.

Councilmember Williams stated that the UTSA Project was very important for the city and had been a joint project with the Texas Department of Transportation. He thanked the Councilmembers that serve on the MPO for their work.

Councilmember C. Medina expressed his support for the projects and also thanked everyone for their work on the MPO.

Councilmember Lopez asked of the process for project selection. Mr. Al-Ghafry replied that the call for projects began in May of 2011 with potential funding of \$50 million. The MPO issued an official

call for projects in August and city staff identified projects that would qualify for funding. Mr. Al-Ghafry stated that there were 73 projects submitted by all agencies totaling \$1 billion. He indicated that the vetting process would begin in January and projects would be selected by May, 2012. Councilmember Lopez thanked staff for their work.

Councilmember D. Medina thanked the members of the MPO and confirmed that the Presa Ramps Project would also affect District 5. Mr. Al-Ghafry confirmed same.

Councilmember Ramos moved to adopt the proposed Ordinance. Councilmember Saldaña seconded the motion.

The motion prevailed by the following vote: **AYES:** Bernal, Taylor, Ramos, Saldaña, D. Medina, Lopez, C. Medina, Williams, Chan, Soules, and Mayor Castro. **NAY:** None. **ABSENT:** None.

The City Clerk read the following Ordinance:

2011-12-08-1008

Item 8. AN ORDINANCE AUTHORIZING THE ACQUISITION, THROUGH NEGOTIATION OR CONDEMNATION, OF (19) PERMANENT EASEMENTS, (4) TEMPORARY CONSTRUCTION EASEMENT INTERESTS AND (1) RIGHT OF ENTRY EASEMENT TO APPROXIMATELY 27.00 ACRES OF PRIVATELY OWNED REAL PROPERTY, LOCATED WITHIN THE SOUTHWESTERN PORTION OF THE CPS ENERGY SERVICE TERRITORY NORTH OF THE CITY OF LYTLE, MEDINA COUNTY, TEXAS, FM 2790, COUNTY ROAD 6710 AREA, FOR THE ELECTRIC TRANSMISSION TEXAS LYTLE AND CPS ENERGY LYTLE ELECTRIC TRANSMISSION LINE PROJECT; DECLARING IT TO BE A PUBLIC PROJECT AND A PUBLIC NECESSITY FOR THE ACQUISITION.

Councilmember Lopez asked of the compensation to affected property owners. Mike Etienne, CIMS Assistant Director replied that they are paid fair market value for their properties. David Luschen of CPS Energy stated that they hire an appraiser to conduct an appraisal on the property and that CPS Energy pays 95% of the appraised value. He added that they cannot have physical structures on the property but agricultural uses were permitted. Councilmember Lopez asked if a dollar figure had been determined. Mr. Luschen replied that an amount has not been established as they could not send an appraiser out until said item was approved by the City Council. He added that the property owner could bring the item forward to the Commissioner's Court in that respective county if they did not agree with the appraisal.

Councilmember C. Medina clarified that said property was not located in District 7. The property owner replied that he owns property in District 7 but the property in question was located in Medina County. Councilmember C. Medina asked of the meetings that occurred between the property owner and CPS Energy. Mr. Luschen outlined the formalized routing and citing process followed by CPS Energy. He stated that they held an open house for the public at Lytle High School, as well as a Board Open Microphone at the Lytle Civic Center.

Councilmember Williams asked of the location. Mr. Luschen replied that they were tying in with ETT, a partner transmission company of American Electric Power and Mid America Power. He reported that the project was mandated by Electric Reliability Council of Texas (ERCOT) for

reliability purposes. Councilmember Williams asked if they were purchasing property or an easement. Mr. Luschen replied that they were compensating the property owner for a permanent easement, access, damages, and crop loss.

Councilmember Lopez moved that the City of San Antonio authorize the use of the power of eminent domain to acquire property for the public use of permanent easements and temporary construction easements for electric transmission and distribution lines, communication systems and related appurtenances for CPS Energy by acquiring the following property described by the City Clerk and incorporated as part of this Motion. Councilmember Bernal seconded the motion.

City Clerk Vacek read the following property description:

The property is out of a 66.2074 acre tract of land and a 5.1680 acre tract of land out of Lot 13A, and exception "I"; the east 10.00 acres and the west 15.89 acres out of Lot 13A, a 4.38 acre tract of land and a 20.59 acre tract of land out of Lot 13A, a 34.44 acre tract of land out of Lot 13A and Lot 14A, and a 225.004 acre tract of land out of Lots 10A and 14A, all out of Block 13; a 81.28 acre tract of land out of Lot 11A, Block 11; a 47.003 acre tract of land, a 14.463 acre tract of land and an 18.9814 acre tract of land out of Lot 7A, a 22.00 acre tract of land, an 11.647 acre tract of land, and a 11.646 acre tract of land out of Lot 8A, a 18.0799 acre tract of land out of Lot 9A, a 18.62 acre tract of land out of Lot 12A, and a 13.3785 acre tract of land out of Lot 13A, all out of Block 9; a 11.60 acre tract of land out of Lot 8A, Block 8 and Lot 15A, Block 7; a 9.5876 acre tract of land, and a 9.5919 acre tract of land out of Lot 23A, a 43.49 acre tract of land out of Lot 22A, and a 17.727 acre tract of land out of Lot 25A, all out of Block 7; all as shown by plat recorded in Volume 2, Pages 1 and 2, Plat Records, Medina County, Texas; and a 40 acre tract of land out of Lots 1 and 10, as shown by plat recorded in Volume 1, Page 1, Plat Records, Medina County, Texas, all property as more particularly described by metes and bounds in Exhibits 1-25 of this Ordinance.

The motion prevailed by the following vote: **AYES:** Bernal, Taylor, Ramos, Saldaña, D. Medina, Lopez, C. Medina, Williams, Chan, and Mayor Castro. **NAY:** None. **ABSENT:** Soules.

The City Clerk read the following Ordinance:

2011-12-08-1009

Item 9. AN ORDINANCE AUTHORIZING THE CLOSURE OF WEST PETALUMA BOULEVARD RIGHT OF WAY ADJACENT TO NCB 9464 TO ESTABLISH A RAILROAD QUIET ZONE LOCATED IN COUNCIL DISTRICTS 3 AND 4.

Mike Etienne stated that the Public Works Department had requested to close West Petaluma Boulevard at the railroad crossing to establish a Quiet Zone. He reported that the city would provide safety measures as follows: 1) Remove the asphalt at the railroad crossing and install sod or grass; 2) Install street lights; 3) Install guard rails on both sides; and 4) Post dead-end signs. He provided a map of the area and noted that of 25 notices mailed to property owners within a 500-foot radius; 21 were returned in favor and four were returned in opposition. He added that staff held several neighborhood meetings and that the associated costs would be covered by the District 4 Quiet Zone Project.

Councilmember Saldaña thanked staff for their work on the project and noted that the quiet zone would affect 150 homes.

Councilmember Ramos thanked Councilmember Saldaña for his leadership on said item. She asked how long it would take to implement the quiet zone. Majed Al-Ghafry replied that most of the improvements are complete and would take one month to implement.

Councilmember D. Medina also commended Councilmember Saldaña for his leadership on said item and spoke of the great impact of quiet zones.

Mrs. Vacek read written testimony from Paul Calandres in support of the quiet zone. He wrote that he had been living at 8206 Forsen Street since October 1976 and been subject to very loud horns from Southern Pacific Railroad Trains. He added that he was glad to hear of the quiet zone.

Councilmember Saldaña moved to adopt the proposed Ordinance. Councilmember Bernal seconded the motion.

The motion prevailed by the following vote: **AYES:** Bernal, Taylor, Ramos, Saldaña, D. Medina, Lopez, C. Medina, Williams, Chan, Soules, and Mayor Castro. **NAY:** None. **ABSENT:** None.

The City Clerk read the caption for Item 10:

Item 10. APPOINTING LAURIE CHARLES (RESIDENT/PROPERTY OWNER) AND CAROLYN S. NELSON (PROPERTY OWNER); REAPPOINTING ARTHUR CAMPOS, JR. (RESIDENT/PROPERTY OWNER); AND APPOINTING EITHER KENNETH MITTS, ALBERT URESTI, OR ED GARZA TO FILL THE REMAINING CITY STATUTORY CATEGORY TO THE CITY SOUTH MANAGEMENT AUTHORITY BOARD OF DIRECTORS; ALL TERMS OF OFFICE TO COMMENCE JANUARY 1, 2012 AND EXPIRE DECEMBER 31, 2013.

Councilmember Ramos moved to appoint Laurie Charles, Carolyn S. Nelson, and Albert Uresti, and reappoint Arthur Campos, Jr. to the City South Management Authority Board of Directors. Councilmember Saldaña seconded the motion.

The motion prevailed by the following vote: **AYES:** Bernal, Taylor, Ramos, Saldaña, D. Medina, Lopez, Williams, Chan, Soules, and Mayor Castro. **NAY:** None. **ABSENT:** C. Medina.

Item 23. CITY MANAGER'S REPORT

A. STATUS OF \$30 MILLION EXCESS BOND PROJECTS

Item A was not addressed.

B. FY2012 BUDGET HIGHLIGHTS BROCHURE

Ms. Sculley stated that the FY 2012 Budget Highlights Brochure had been provided to the City Council and hard copies were available to the public at city facilities. She noted that the information was available in English and Spanish and added that budget information was available online.

EXECUTIVE SESSION

Mayor Castro recessed the meeting at 3:04 pm to convene in Executive Session for the purposes of:

**A. DELIBERATIONS REGARDING ECONOMIC DEVELOPMENT
NEGOTIATIONS AND DISCUSS RELATED ISSUES PURSUANT TO TEXAS
GOVERNMENT CODE SECTION 551.087 (ECONOMIC DEVELOPMENT).**

Mayor Castro reconvened the meeting at 4:45 pm and announced that the City Council had been briefed on the above-styled matters and did not take any action.

ADJOURNMENT

There being no further discussion, Mayor Castro adjourned the meeting at 4:45 pm.

APPROVED



**JULIÁN CASTRO
MAYOR**

Attest:



LENCÍA M. VACEK, TRMC/MMC
City Clerk