

ALDO TATANGELO - Mayor  
GUSTAVO GUEVARA, JF / Secretary  
RUBEN G. CORTEZ - City Assessor  
J. R. ESPARZA - City Tax Collector  
MICHAEL PORTMAN - City Treasurer  
EUSTORGIO PEREZ - City Attorney

# CITY OF LAREDO

*munidex # 2 b - 11-04-80*

ALDO TATANGELO  
MAYOR  
P.O. BOX 579  
(512) 723-6326  
LAREDO, TEXAS 78040

*Vetoed motion  
by 10-21-80*

## CITY COUNCIL MEMBERS

- WARD 1 MERCURIO MARTINEZ, JR.  
CARLOS A. ZUNIGA
- WARD 2 VIDAL CANTU, JR.  
GUILLERMO BENAVIDES
- WARD 3 ANDRES RAMOS, JR.  
ENRIQUE TREVINO
- WARD 4 JOE A. GUERRA  
FELIPE SANCHEZ

November 4, 1980

## VETO MESSAGE

Gentlemen:

After full consideration of the matter, I am vetoing the motion passed on October 21, 1980, to freeze the water and sewer rates for 30 days.

I am doing so for two reasons, the first being a technical one, and the second and more important, a substantive one.

At the council meeting on October 21, 1980, Alderman Ramos made a motion to appoint a committee and to report their findings to the Council within 30 days. No vote was ever taken on this motion. Then Alderman Flores requested that the new sewer rates passed on July 15, 1980 be frozen for 30 days until a new rating was worked out by the Investigation Committee, which was seconded by Alderman Sanchez and passed by the Council. However, the Council did not vote on the issue of appointment of an Investigation Committee, and so the rationale for the passed motion was not effected. But much more importantly, the City has obtained a loan committment in the amount of 2½ million dollars from the Texas Department of Water Resources for improvements to the City's water and sewage system, and this committment was based on the City's agreement to charge more realistic water and sewage rates and also to make more diligent efforts to collect delinquent taxes.

The rates introduced by our July 15th ordinance were based on what was considered to be a more appropriate revenue from the water and sewer rates in recommendation to the Laredo Waterworks System Board of Trustees by the consulting engineers.

Whether or not those rates are in fact, realistic, it is my intention to make further study. However, to interfere with those rates that were passed on July 15th without further careful study would be financially imprudent and at variance with obligations previously undertaken by the City in order to get financial aid from the State to improve our water and sewage system.

Accordingly, I must veto the motion of October 21, 1980.



**Laredo Water Works System**

Telephone 512/723-7475, P.O. Box 2950, Laredo, Texas 78041

A.A. PEREZ, P.E. GENERAL MANAGER • SECRETARY TREASURER

Mayor Aldo Tatangelo  
P. O. Box 579  
Laredo, Texas 78040

November 4, 1980

Dear Mayor:

As you know, the last rate study for the Sewer System was made in 1977 and the revised rates were placed into effect in January, 1978. Since that time, 2,700 new connections have been added to the System.

During the past two years, the Sewer System has been hit hard by inflation and uncontrollable increased costs in electrical power, chemicals and minimum wage.

The accelerated growth of the City has also added the need for a second sewage Treatment plant in order to meet Federal and State discharge permit requirements.

Land for the proposed South Laredo Plant was obtained in the Chacon Creek in South Laredo. Due to public protest, this site was abandoned and a new site was obtained about 1.5 miles south of the City limits. This new site required a new outfall line which will cost approximately \$2,500,000.

All the increased costs cited above plus the cost of the outfall line required an increase in sewer rates. Our Consulting Engineer made a rate study which was presented to the City Council for review and approval.

As you know, we are under a Court Order and a State Board Order to complete our South Laredo Plant by 1982. Without the rate increase as approved by the City Council, we will be unable to comply with the Court and State Board Orders.

Any change or modification of the present sewer rates will present problems and inequities in what customers are being charged for sewer service.

At the present time, only 41% of the residential customers are paying the maximum \$10.50 rate. There are 12% of the residential customers that pay minimum \$3.30 rate. Residential customers paying bills between \$10.50 and \$3.30 amount to 45% of the total customers.

The present rates will have to be reviewed and studied again within the next six months, as required by the Environmental Protection Agency, when we go into Step II of the Grant Process.

Please let us know if you need additional information regarding this matter.

Sincerely,

A. A. Perez, P. E.  
General Manager

RESOLUTION

LAREDO WATER WORKS SYSTEM AND LAREDO SEWER SYSTEM

WHEREAS, on the 15th day of July, 1980, the City Council of the City of Laredo did duly pass and approve an ordinance setting rates for water and sewer services furnished to the citizens of Laredo by the Laredo Water Works System and Laredo Sewer System; and,

WHEREAS, said rates were set on recommendation of the System's engineers after a thorough rate study; and,

WHEREAS, said rates were approved by a special committee appointed by the City Council after a thorough study thereof, taking into consideration the maintenance of adequate services for the citizens of Laredo; and,

WHEREAS, the Laredo Sewer System is under a Federal Court order to enlarge its wastewater treatment facilities; and,

WHEREAS, the Department of Water Resources has agreed to a low interest loan to provide, in part, the funds necessary to build the new South Laredo sewer treatment plant, conditioned upon an adequate sewer rate charge to users; and,

WHEREAS, the necessary funds are not available on the open market at a comparable interest rate, if at all; and,

WHEREAS, the City Council of the City of Laredo did on the 21st day of October, 1980, freeze or rescind said sewer rate adjustment; and,

WHEREAS, such action by the City Council will result in the inability of the City to secure necessary funds for much needed improvements to the City Wastewater Treatment facilities, or in the alternative, to refuse to provide service to any new connections, and further subject the city to possible fines by the Texas Department of Water Resources for failure to comply with its enforcement order and also to face contempt proceedings for failure to comply with an order of the Federal District Court; and,

WHEREAS, the increased costs of operating the Sewer System to comply with the Federal law on clean water, known as the Clean Water Act, and the further increased costs of labor, materials, fuel, chemicals and other necessary expenses occasioned by minimum wage increases and inflation, and the further cost of replacement of main lines under streets now being paved under the City's Paving Program; and,

WHEREAS, it is imperative that the rate adjustment as approved by ordinance of the City Council of the City of Laredo on July 15, 1980, be allowed to stay in effect in order to meet the requirements imposed on the Sewer System as is set out above.

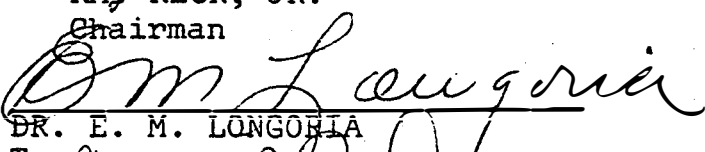
NOW, THEREFORE, BE IT RESOLVED that the Laredo Water Works System and Laredo Sewer System, in consideration of the premises request the City Council of the City of Laredo, reinstate the previously approved rate adjustment for the benefit of the citizens of Laredo and the future growth of our community.

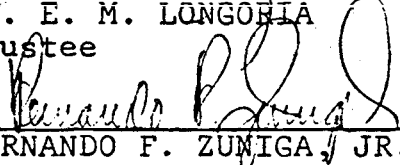
PASSED AND APPROVED on the 22 day of October, A.D., 1980.

LAREDO WATERWORKS SYSTEM  
LAREDO SEWER SYSTEM

BY 

RAY KECK, JR.  
Chairman

  
DR. E. M. LONGORIA  
Trustee

  
FERNANDO F. ZUMIGA, JR.  
Trustee

  
R. J. GOODMAN  
Trustee

  
ALDO TATANGELO  
Mayor & Ex Officio Trustee of  
the City of Laredo

ATTEST:

  
A. A. PEREZ, P.E.  
Secretary