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MATERIAL SUPPORTING THE AGENDA

Volume XVb

January 1968 - August 1968

This volume contains the Material Supporting the Agenda furnished to each member of the Board of Regents prior to the meetings held on January 26-27, March 8-9, April 19-20, May 31-June 1, and July 26-27, 1968.

The material is divided according to the Standing Committees and the meetings that were held and is submitted on three different colors, namely:

- (1) white paper - for the documentation of all items that were presented before the deadline date
- (2) blue paper - all items submitted to the Executive Session of the Committee of the Whole and distributed only to the Regents, Chancellor, and Chancellor Emeritus
- (3) yellow paper - emergency items distributed at the meeting

Material distributed at the meeting as additional documentation is not included in the bound volume, because sometimes there is an unusual amount and other times maybe some people get copies and some do not get copies. If the Secretary were furnished a copy, then that material goes in the appropriate subject folder.



THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM

Material Supporting  
Agenda

Meeting Date:..... May 31- June 1, 1968.....

Meeting No.:..... 661.....

Name: .....

*Offie Copy*

CALENDAR  
BOARD OF REGENTS  
OF  
THE UNIVERSITY OF TEXAS SYSTEM

May 31-June 1, 1968

Place: U. T. Austin, Main Building

Meeting Room: Main Building, Suite 212

Friday, May 31, 1968-- The Committees will meet in the following order, followed by the Meeting of the Board:

9:00 a.m.	Executive Committee
	Academic and Developmental Affairs Committee
	Buildings and Grounds Com- mittee
12:00 noon	Lunch, Main Building 101
	Medical Affairs Committee
	Land and Investment Committee
	Committee of the Whole
	Meeting of the Board

Telephone Numbers:

Office of the Secretary GR 1-1265

Hotels:

Crest Inn	GR 8-9611
Driskill	GR 6-3501
Villa Capri	GR 6-6171

Airlines:

Braniff Airlines	GR 6-4631
Trans Texas Airways	478-9585

Taxi GR 2-1111

## **Executive Committee**

EXECUTIVE COMMITTEE

Date: May 31, 1968  
Time: 9:00 a.m.  
Place: Main Building, Suite 212  
U. T. Austin, Austin, Texas

No items have been submitted for consideration by the Executive Committee. The report of the interim actions taken since the last meeting will be in the Supplementary Agenda Material.

# EXECUTIVE COMMITTEE

## Supplementary Agenda

Date: May 31, 1968  
Time: 9:00 a. m.  
Place: Main Building, Suite 212  
U. T. Austin, Austin, Texas

	Page EXEC
Interim Actions	
1. U. T. Austin: Minutes of the Board of Directors of TSP, Inc. (20-M-67)	3
2. U. T. Austin: Minutes of the Texas Union Board (21-M-67)	3
3. U. T. Austin: Amendments to the Personnel Pay Plan for 1967-68 and 1968-69 (5-C1-67)	3
4. U. T. Arlington, U. T. El Paso, Houston Dental Branch, and Anderson Hospital: Amendments to the 1967-68 Budgets (9-B-67)	4
5. U. T. Austin, U. T. Arlington, U. T. El Paso: Summer Session Budgets for 1968 (10-B-67)	6

## REPORT OF INTERIM ACTIONS

Below is a report of the interim actions that have been approved by the Executive Committee since the Committee's last report on April 19, 1968:

1. U. T. Austin: Minutes of the Board of Directors of TSP, Inc. (20-M-67). -- Approval was given to the minutes of the meetings of the Board of Directors of Texas Student Publications, Inc., at The University of Texas at Austin held on March 1, 1968, March 8, 1968, and March 15, 1968. The following items in the minutes required Regental consideration and were approved:
  - a. Permission for Texas Student Publications to print the "Texas Times" on a trial basis subject to the working out of a price agreement with the UT Information Service.
  - b. Recommendation of the University Administration that TSP not be permitted to print the "Course-Instructor Evaluation Report" for the YMCA.
  
2. U. T. Austin: Minutes of the Texas Union Board (21-M-67). -- Approval was given to the minutes of the meetings of the Board of Directors of the Texas Union of The University of Texas at Austin on February 22, 1968, and March 1, 1968. The following item in the minutes which required Regental consideration was thereby approved:

Re-election of Mr. Jack Steele as Director of the Texas Union for 1968-69. This appointment will be reflected in the Texas Union portion of the 1968-69 Budget for Auxiliary Enterprises of The University of Texas at Austin.
  
3. U. T. Austin: Amendments to the Personnel Pay Plan for 1967-68 and 1968-69 (5-C1-67). -- The following amendment to the 1967-68 Personnel Pay Plan for The University of Texas at Austin was approved, effective as indicated below:

Add:

- a. Effective May 1, 1968:

<u>Code</u>	<u>Title</u>	<u>Monthly Range</u>	<u>Annual Range</u>
5007	Balcones Research Center Engineer	\$1050 - 1250	\$12,600 - 15,000

b. Effective June 1, 1968:

<u>Code</u>	<u>Title</u>	<u>Monthly Range</u>	<u>Annual Range</u>
3102	Psychologist IV	\$1150 - 1475	\$13,800 - 17,700

The 1968-69 Plan, already approved was thereby amended by including the above amendment, and in addition thereto Code 2063 was changed to read as follows:

<u>Code</u>	<u>Title</u>	<u>Monthly Range</u>	<u>Annual Range</u>
2063	Chief, Accounting Division	\$ 835 - 1050	\$10,020 - 12,600

4. U. T. Arlington, U. T. El Paso, Houston Dental Branch, and Anderson Hospital: Amendments to the 1967-68 Budgets (9-B-67)  
 .--Approval was given to the amendments to the 1967 Budgets of U. T. Arlington, U. T. El Paso, Houston Dental Branch, and Anderson Hospital as follows: (Pages 4 - 6)

AMENDMENTS TO 1967-68 BUDGET  
 Source of Funds - Departmental Appropriations  
 (Unless Otherwise Specified)

The University of Texas at Arlington

<u>Item No.</u>	<u>Explanation</u>	<u>Present Status</u>	<u>Proposed Status</u>	<u>Effective Dates</u>
17.	Auxiliary Enterprises Student Activities - Music			
	Transfer of Funds	From: Student Services Fee Unappropriated Balance	To: Student Activities - Music Travel Account	
	Amount of Transfer	\$ 654.05	\$ 654.05	---

The University of Texas at El Paso

<u>Item No.</u>	<u>Explanation</u>	<u>Present Status</u>	<u>Proposed Status</u>	<u>Effective Dates</u>
19.	Transfer of Funds	From: Unappropriated Balance	To: Major Repairs and Rehabilitation of Build- ings (for Data Proces- sing Division)	
	Amount of Transfer	\$ 8,000	\$ 8,000	---

The University of Texas Dental Branch at Houston

<u>Item No.</u>	<u>Explanation</u>	<u>Present Status</u>	<u>Proposed Status</u>	<u>Effective Dates</u>
1.	George W. Walker General Practice Salary Rate	Professor \$21,000	Professor \$24,000	4/1/68
	Source of Funds: Reserve for Salaries			



- |    |  |                     |                     |        |
|----|--|---------------------|---------------------|--------|
| 2. | James K. Foster, Jr.<br>Medicine (Diagnosis)   | Professor           | Professor           | 4/1/68 |
|    | Salary Rate  | \$19,000            | \$22,000            |        |
|    | Source of Funds:<br>Reserve for Salaries   |                     |                     |        |
| 3. | Frank B. Trice<br>Medicine (Endodontics)   | Professor           | Professor           | 4/1/68 |
|    | Salary Rate  | \$21,000            | \$23,000            |        |
|    | Source of Funds:<br>Reserve for Salaries   |                     |                     |        |
| 4. | Merrill G. Wheatcroft<br>Pathology (General Pathology) and Dental Science<br>Institute | Professor           | Professor           | 4/1/68 |
|    | Salary Rate  | \$18,000            | \$22,000            |        |
|    | Source of Funds:<br>Reserve for Salaries   |                     |                     |        |
| 5. | Ernest Beerstecher, Jr.<br>Physiology (Biological Chemistry)                           | Professor           | Professor           | 4/1/68 |
|    | Salary Rate  | \$17,800            | \$20,000            |        |
|    | Source of Funds:<br>Reserve for Salaries   |                     |                     |        |
| 6. | Donald C. Kroeger<br>Physiology (Pharmacology)   | Professor           | Professor           | 4/1/68 |
|    | Salary Rate  | \$17,000            | \$20,000            |        |
|    | Source of Funds:<br>Reserve for Salaries   |                     |                     |        |
| 7. | Edwin L. Smith<br>Physiology (Physiology)  | Professor           | Professor           | 4/1/68 |
|    | Salary Rate  | \$21,000            | \$23,000            |        |
|    | Source of Funds:<br>Reserve for Salaries   |                     |                     |        |
| 8. | John E. Pleasants<br>Surgery   | Associate Professor | Associate Professor | 4/1/68 |
|    | Salary Rate  | \$16,500            | \$20,000            |        |
|    | Source of Funds:<br>Reserve for Salaries   |                     |                     |        |

The University of Texas M. D. Anderson Hospital  
and Tumor Institute at Houston

Item No.	Explanation	Present Status	Proposed Status	Effective Dates
19.	Edward Santora, Jr. Office of Education Salary Rate	Resident in Oral Surgery \$ 3,600	Resident in Oral Surgery \$ 4,800	4/1 - 6/30



**Academic and Developmental Affairs  
Committee**

ACADEMIC AND DEVELOPMENTAL AFFAIRS COMMITTEE

Date: May 31, 1968

Time: Following the meeting of the Executive Committee

Place: Main Building, Suite 212  
U. T. Austin, Austin, Texas

	<u>Page</u> <u>A &amp; D</u>
1. U. T. System: Chancellor's Docket No. 24	Below
2. U. T. Austin: Establishment of Ph.D. Program in Communication	Below
3. U. T. Austin: Exception to <u>Regents' Rules and Regulations</u> , Part One, Chapter III, Section 31, (Retirement and Modified Service) for Professor W. A. Noyes, Jr.	2
4. Houston Dental Branch: Exception to <u>Regents' Rules and Regulations</u> , Part One, Chapter III, Section 31, (Retirement and Modified Service) for Mr. Ossip Bezpatka	4

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1. U. T. SYSTEM: CHANCELLOR'S DOCKET NO. 24.-- Chancellor's Docket No. 24 was mailed on May 13, 1968, to each Regent together with a ballot for approval or disapproval. The ballots are due in the Secretary's office at the close of business on May 27.

If the ballots reflect that any one of the items is excepted, the Secretary will so report at the meeting of the Academic and Developmental Affairs Committee and the docket will be referred to the Committee of the Whole.

2. U. T. AUSTIN: ESTABLISHMENT OF PH.D. PROGRAM IN COMMUNICATION.-- Below is a Xerox copy of Chancellor Ransom's recommendation:

Chancellor Ransom and President Hackerman concur in the recommendation of the Graduate Assembly that a new Ph.D. program in Communication be established at The University of Texas at Austin.

It is recommended that the Administration be authorized to request the approval of the Coordinating Board for this new degree program.

3. U. T. AUSTIN: EXCEPTION TO REGENTS' RULES AND REGULATIONS, PART ONE, CHAPTER III, SECTION 31, (RETIREMENT AND MODIFIED SERVICE) FOR PROFESSOR W. A. NOYES, JR.--Below is a Xerox copy of Chancellor Ransom's recommendation with respect to an exception to the Regents' Rules and Regulations, Part One, Chapter III, Section 31:

Chancellor Ransom concurs in the recommendation, which has the strong endorsement of President Hackerman and Dean Silber, that an exception be made to the mandatory retirement rule for Professor W. A. Noyes, Jr., who holds a half-time teaching position in the Department of Chemistry.

The reasons justifying this recommendation are set out in the following letter from Dr. William Shive, Chairman of the Department of Chemistry, to Dean Silber:



THE UNIVERSITY OF TEXAS AT AUSTIN  
AUSTIN, TEXAS 78712

Department of Chemistry

PRESIDENT U. T. AUSTIN	
REC'D.	APR 23 1968
REFER TO.....	<i>Chancellor</i>
HANDLE.....	READ & RETURN.....



April 15, 1968

Dean John R. Silber  
College of Arts and Sciences  
The University of Texas at Austin

Dear Dean Silber:

Professor W. A. Noyes, Jr., who joined our staff in September, 1963, after serving for a semester as a Visiting Professor, will be seventy years of age on April 18, 1968.

Although appointed only half-time during this period, Professor Noyes has taught and served the equivalent of essentially full-time. He has provided the leadership for our physical chemistry division and has been responsible for recruitment of the most promising young physical chemists available in this country. He has, in addition to his outstanding teaching in chemistry, created an entirely new course, Physical Science 320, Science and Government, which has received most favorable acceptance by students to the extent that demand for the course has made it necessary to offer the course for the past three successive semesters.

Professor Noyes has also been outstanding in the work of committees, with difficult assignments. Even with excessive service work and teaching, he has developed here an excellent research group which is contributing significantly to photochemistry. He has, furthermore, been one of the most sought members of our staff for visiting lectureships, symposia, dedication addresses, and other such activities, and has continued to receive honorary degrees from other institutions and other honors.

For one who has contributed so much to the University, the Budget Council of the Department of Chemistry requests the administration and the Board of Regents to make an exception in his case and grant prior approval for the Department of Chemistry to continue to have his services on a half-time basis.

Sincerely yours,

*William Shive*

William Shive  
Chairman

WS:jt

*Approved & endorsed heartily:  
John Silber*

*De: Pearson  
This is an exception but  
one well worth while. I approve  
this with great enthusiasm*

*WS  
4/23*

*Absolutely  
Harry Pearson*

*Sec. 31.3 re. Mod. Comm.  
30.18 Exception*

4. HOUSTON DENTAL BRANCH: EXCEPTION TO REGENTS' RULES AND REGULATIONS, PART ONE, CHAPTER III, SECTION 31, (RETIREMENT AND MODIFIED SERVICE) FOR MR. OSSIP BEZPATKA.-- Below is a Xerox copy of Chancellor Ransom's recommendation with respect to an exception to the Regents' Rules and Regulations, Part One, Chapter III, Section 31:

Chancellor Ransom concurs in the recommendation of Dean Olson and System Personnel Director Kennedy that Ossip Bezpatka, Carpenter in the Physical Plant, be allowed to continue in his present position for the 1968-69 fiscal year. Mr. Bezpatka became seventy years of age during the 1963-64 fiscal year; however, Dean Olson recommends continuation of his employment for the 1968-69 fiscal year for the reasons stated in the following letter to Dr. Ransom:

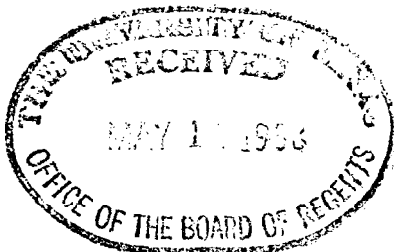
REC'D - UPO APR 29 1968

THE UNIVERSITY OF TEXAS AT HOUSTON  
DENTAL BRANCH  
6516 JOHN FREEMAN AVENUE  
TEXAS MEDICAL CENTER

OFFICE OF THE BUSINESS MANAGER

April 8, 1968

P. O. BOX 20068  
HOUSTON, TEXAS 77025



Dr. Harry H. Ransom  
Chancellor  
The University of Texas  
Austin, Texas 78712

Dear Doctor Ransom:

This is to request permission to continue employment of Ossip Bezpatka, Carpenter in Physical Plant, for the fiscal year of 1968-1969. Mr. Bezpatka has passed his 70th birthday, which was during the fiscal year 1963-1964; however, his health is very good, and his ability as a cabinet maker is far above average. Because of the quality of his workmanship, he saves a considerable outlay of funds for furnishings, including desks, bookcases, and other cabinet work. I am convinced that we will be unable to find another with his skill.

CHANCELLOR'S OFFICE U. OF T.  
Acknowledged..... File.....  
REC'D APR 26 1968  
TO: Mr. Kennedy FOR INFO AND RETURN  
TO: G.W. Kennedy PLEASE ADVISE ME  
TO: G.W. Kennedy PLEASE HANDLE

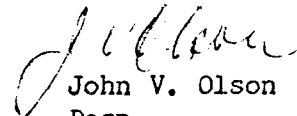
Dean John Olson

-2-

April 8, 1968

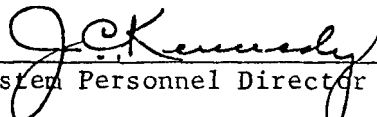
Mr. Bezpatka's position in the 1968-1969 budget is in  
Physical Plant at a salary of \$7104.00.

Sincerely yours,

  
John V. Olson  
Dean

JVO:et

APPROVAL RECOMMENDED:

  
System Personnel Director



ACADEMIC AND DEVELOPMENTAL AFFAIRS COMMITTEE

Supplementary Agenda

Date: May 31, 1968

Time: Following the meeting of the Executive Committee

Place: Main Building, Suite 212  
U. T. Austin, Austin, Texas

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5. U. T. Austin: Limitations on Enrollment in Law School of Nonresidents in First Year Classes and as Transfers	7
6. Anderson Hospital: Dual Positions Pursuant to Section 33, Article XVI, Constitution of Texas	7

5. U. T. AUSTIN: LIMITATIONS ON ENROLLMENT IN LAW SCHOOL OF NONRESIDENTS IN FIRST YEAR CLASSES AND AS TRANSFERS.--It is hoped that the Regents' special committee with respect to the enrollment of nonresidents in the School of Law at The University of Texas at Austin will have an opportunity to confer with Dean Keeton before the May 31st meeting. With that in mind, Chairman Erwin again recommends that the following resolution be adopted:

WHEREAS, the number of students in the School of Law at The University of Texas at Austin is limited to an arbitrary figure which is unrelated to the number of qualified applicants who apply; and

WHEREAS, there are many qualified residents of Texas who are unable to gain admittance to the School of Law because of the arbitrary limitation on enrollment; and

WHEREAS, approximately 30% of the students now in the School of Law are nonresidents of Texas;

NOW, THEREFORE, BE IT RESOLVED by the Board of Regents of The University of Texas System, that effective immediately, with respect to all persons entering the School of Law as either first year students or transfer students, in any academic semester no more than 5% of such first year students and no more than 5% of such transfer students may be nonresidents of the State of Texas.

6. ANDERSON HOSPITAL: DUAL POSITIONS PURSUANT TO SECTION 33, ARTICLE XVI, CONSTITUTION OF TEXAS.--Chancellor Ransom recommends that an appropriate resolution be adopted with respect to the individual listed below in connection with his service on each of the federal boards or commissions opposite his name:

THE UNIVERSITY OF TEXAS  
M. D. ANDERSON HOSPITAL AND TUMOR INSTITUTE

<u>Name</u>	<u>Classification</u>	<u>Board or Commission</u>
Emil Frei, III, M.D.	Associate Director (Clinical Research)	Member - Oncology Advisory Committee - and Member - Bureau of Medicine - both of the Food and Drug Administration, U.S. Department of Health, Education and Welfare

# **Buildings & Grounds Committee**

BUILDINGS AND GROUNDS COMMITTEE

Date: May 31, 1968

Time: Following the Meeting of the Academic and Developmental  
Affairs Committee

Place: Main Building, Suite 212  
U. T. Austin, Austin, Texas

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U. T. AUSTIN

1. Approval of Plans and Specifications for Central  
Water Chilling Station No. 3 Building and Piping Therefor 2

2. Approval of Plans and Specifications for Modification  
to South Entrance to the Campus, and Appropriation Therefor 2

U. T. ARLINGTON

3. Approval of Plans and Specifications for Improvements  
in Second Street Area (Site Development for Second Street Mall)  
and Appropriation Therefor 2

4. Award of Contract to Dallas Office Supply Company  
for Furniture and Furnishings for Carlisle Hall (Faculty  
Office Building) 3

THE UNIVERSITY OF TEXAS SYSTEM  
OFFICE OF THE DIRECTOR OF  
FACILITIES PLANNING AND CONSTRUCTION  
AUSTIN, TEXAS 78712

RECOMMENDATIONS TO THE  
REGENTS' BUILDINGS AND GROUNDS COMMITTEE

May 14, 1968

1. U. T. AUSTIN - APPROVAL OF PLANS AND SPECIFICATIONS FOR CENTRAL WATER CHILLING STATION NO. 3 BUILDING AND PIPING THEREFOR.--In accordance with authorization given by the Board at the meeting held December 17, 1966, plans and specifications for a building and piping for Central Water Chilling Station No. 3 at The University of Texas at Austin have been prepared by Brown and Root, Engineers for the project. These plans and specifications have been approved by President Hackerman, Mr. Lester E. Palmer, Vice-Chancellor Walker, and Chancellor Ransom, and it is recommended that they be approved by the Board, with authorization to the Director of the Office of Facilities Planning and Construction to advertise for bids to be presented to the Board or the Executive Committee for consideration at a later date.

2. U. T. AUSTIN - APPROVAL OF PLANS AND SPECIFICATIONS FOR MODIFICATION TO SOUTH ENTRANCE TO THE CAMPUS, AND APPROPRIATION THEREFOR.--In connection with the construction of Central Water Chilling Station No. 3 and the new South Entrance to the Campus at The University of Texas at Austin, certain retaining walls, curbs, landscaping, etc., need to be provided. Plans and specifications covering this work have been prepared by Brooks, Barr, Graeber, and White and approved by President Hackerman, Mr. Lester E. Palmer, Vice-Chancellor Walker, and Chancellor Ransom. It is recommended that they be approved by the Board, with authorization to the Director of the Office of Facilities Planning and Construction to advertise for bids to be presented to the Board or the Executive Committee for consideration at a later date. It is further recommended that an appropriation of \$300,000.00 be made from the Unappropriated Balance of the Available University Fund to cover the estimated cost of this project.

3. U. T. ARLINGTON - APPROVAL OF PLANS AND SPECIFICATIONS FOR IMPROVEMENTS IN SECOND STREET AREA (SITE DEVELOPMENT FOR SECOND STREET MALL) AND APPROPRIATION THEREFOR.--In accordance with authorization given by the Board at the meeting held March 8, 1968, final plans and specifications for the Improvements in the Second Street Area, titled Site Development for Second Street Mall, at The University of Texas at Arlington, have been prepared by Schrickel, Rollins, and Associates and approved by President Woolf, Mr. Lester E. Palmer, Vice-Chancellor Walker, and Chancellor Ransom. It is recommended that they be approved by the Board, with authorization to the Director of Facilities Planning and Construction to advertise for bids to be presented to the Board or the Executive Committee for consideration at a later date.

It is further recommended that an appropriation of \$200,000.00 be made from accounts as shown below to cover the estimated cost of this project:

Account No. 85-9782-0099 - U. T. Arlington - Eight Tennis Courts - Allotment Account	\$ 39,942.88
Account No. 85-9799-5000 - U. T. Arlington - Reserve for Architects' Fees and Miscellaneous Construction	117,500.00
Account No. 85-9799-9905 - U. T. Arlington - Unallocated Proceeds - Local Funds	42,557.12

4. U. T. ARLINGTON - AWARD OF CONTRACT TO DALLAS OFFICE SUPPLY COMPANY FOR FURNITURE AND FURNISHINGS FOR CARLISLE HALL (FACULTY OFFICE BUILDING).--Specifications for Furniture and Furnishings for Carlisle Hall (Faculty Office Building) at The University of Texas at Arlington have been prepared in the Office of Facilities Planning and Construction and bids have been called for, received, opened, and tabulated, as shown below:

	Base Bid	Bidder's Bond or Cashier's Check	Completion Time
Abel Contract Furniture and Equipment Company, Inc., Austin, Texas	\$68,368.00	5% B. B.	180 days
Arlington Office Supply, Arlington, Texas	70,897.74	\$3,544.88 C. C.	28 days after 12/13/68
Dallas Office Supply Company, Dallas, Texas	63,324.69	5% B. B.	180 days
Foley's - A Division of Feder- ated Department Stores, Inc., Houston, Texas	91,265.90	5% B. B.	120 days
Rockford Furniture Associates, Austin, Texas	65,459.25	5% B. B.	150 days
Stafford-Lowden Company, Fort Worth, Texas	68,302.79	5% B. B.	100 days
Stewart Office Supply Company, Dallas, Texas	66,208.27	5% B. B.	120 days
John H. Yochem Company, Corpus Christi, Texas	70,998.12	5% B. B.	180 days

It is recommended that a contract award in the amount of \$63,324.69 be made to the low bidder, Dallas Office Supply Company, Dallas, Texas. There are sufficient funds in the Allotment Account for this project to cover this recommended contract award, and the low bid is within the amount allocated for this purpose.

SUPPLEMENTARY AGENDA  
BUILDINGS AND GROUNDS COMMITTEE

Date: May 31, 1968

Time: Following the meeting of the Academic and Developmental  
Affairs Committee

Place: Main Building, Suite 212  
U. T. Austin, Austin, Texas

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U. T. AUSTIN

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| 5. Award of Contract to Gray and Becker for Physical Plant Warehouse on Balcones Tract   | 5 |
| 6. Appropriation for Model of Library-Stadium Complex  | 5 |
| 7. Additional Appropriation for Feasibility Study for Expanding Memorial Stadium   | 5 |
| 8. Authorization for Preparation of Preliminary Plans for Engineering Teaching Center I and Engineering Teaching Center II and Additional Appropriation for Architect's Fees | 6 |

U. T. EL PASO

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| 9. Approval of Contract with Central Energy Corporation for Central Heating and Chilled Water Plant   | 6  |
| 10. Authorization for Construction of Additional Student Dormitory and Dining Facilities (Including Athletic Dormitory Facilities), Appointment of Carroll, Daeuble, DuSang and Rand as Project Architect, and Appropriation of Additional Architect's Fees | 23 |

GALVESTON MEDICAL BRANCH

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| 11. Acceptance of United States Public Health Service Grant No. JO6 IM 00345-01 for Library Building and Statement of Status of Financing | 25 |
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DALLAS MEDICAL SCHOOL

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| 12. Rental of Space at 2600 Stemmons Freeway for the Regional Medical Program                           | 26 |
| 13. Renewal of Lease Agreement for Rental of Space at 2600 Stemmons Freeway for Department of Neurology | 26 |
| 14. Rental of Space at 2600 Stemmons Freeway for the Department of Pediatrics                           | 27 |

U. T. HOUSTON

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| 15. Approval of Easement to Houston Natural Gas Corporation | 27 |
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THE UNIVERSITY OF TEXAS SYSTEM  
OFFICE OF THE DIRECTOR OF  
FACILITIES PLANNING AND CONSTRUCTION  
AUSTIN, TEXAS 78712

SUPPLEMENT TO RECOMMENDATIONS TO  
REGENTS' BUILDINGS AND GROUNDS COMMITTEE

May 31, 1968

5. U. T. AUSTIN - AWARD OF CONTRACT TO GRAY AND BECKER FOR PHYSICAL PLANT WAREHOUSE ON BALCONES TRACT.--In accordance with authorization given by the Board at the meeting held September 13, 1967, plans and specifications for a Physical Plant Warehouse on the Balcones Tract at The University of Texas at Austin were prepared by the U. T. Austin Physical Plant staff and approved by the Director of Facilities Planning and Construction, after which bids were called for and were received, opened, and tabulated on May 15, 1968, as shown below:

Bidder	Base Bid	Alt. No. 1 Deduct	Alt. No. 2 Deduct	Alt. No. 3 Deduct	Completion Time
W. D. Anderson Company	\$222,769	\$4,060	\$ 7,922	\$12,014	160 wkg. days
Joe Badgett Construction Company, Inc.	217,834	5,521	10,879	16,263	200 wkg. days
J. C. Evans Construction Company, Inc.	259,795	4,100	8,200	12,900	150 wkg. days
Gray and Becker, Inc.	215,481	5,399	10,600	15,900	150 wkg. days
Thomas Brothers Construc- tion Company	222,415	5,833	11,666	17,499	200 wkg. days

All bidders are located in Austin, Texas, and each submitted with his bid a bidder's bond in the amount of 5% of the greatest amount bid.

It is recommended by Mr. C. J. Eckhardt, Mr. Lester E. Palmer, President Hackerman, Vice-Chancellor Walker, and Chancellor Ransom that a contract award be made to the low bidder, Gray and Becker, Inc., Austin, Texas, as follows:

Base Bid	\$215,481.00
Deduct Alternate No. 3 (Omit three bays of the building)	<u>15,900.00</u>
<b>Total Recommended Contract Award</b>	<b><u>\$199,581.00</u></b>

6. U. T. AUSTIN - APPROPRIATION FOR MODEL OF LIBRARY-STADIUM COMPLEX.-- After the first presentation by the associated firms of Osborn Engineering Company and Lockwood, Andrews, and Newnam, Inc., on the feasibility study for the expansion of Memorial Stadium at The University of Texas at Austin, it was deemed desirable that a model should be developed, showing the stadium and the important contiguous areas. Brooks, Barr, Graeber, and White earlier had built a model of the Lyndon Baines Johnson Library, and, hence, this firm was asked to integrate the stadium model built by Osborn Engineering into a model of the entire complex. It is recommended by the Athletics Council, President Hackerman, Mr. Lester E. Palmer, Vice-Chancellor Walker, and Chancellor Ransom that an appropriation of \$1,000.00 be made from the Reserve for Budget Adjustment of Intercollegiate Athletics at U. T. Austin in order to make payment to Brooks, Barr, Graeber, and White for the model built as outlined above.

7. U. T. AUSTIN - ADDITIONAL APPROPRIATION FOR FEASIBILITY STUDY FOR EXPANDING MEMORIAL STADIUM.--At the Regents' Meeting held October 28, 1967, an appropriation of \$18,000.00 was made for a feasibility study for expanding Memorial Stadium at The University of Texas at Austin, and the



associated firms of Osborn Engineering Company and Lockwood, Andrews, and Newnam, Inc., were appointed to make this study. The engineers confined their studies to what was considered to be the most economical way of expansion, that is, by double decking the east side of the Stadium. However, after a further study of the structures being planned directly across Red River Street, it was found that it was not desirable to enlarge the stadium by constructing an upper deck on the East side. More consideration must be given, therefore, to designing a larger West side upper deck, and since this project is considered to be beyond the scope of the original assignment given to the engineers, it is recommended by the Athletics Council, President Hackerman, Mr. Lester E. Palmer, Vice-Chancellor Walker, and Chancellor Ransom that an additional appropriation of \$10,000.00 be made from the Unallocated Balance and Balance Forward of Intercollegiate Athletics at U. T. Austin for the purpose of developing a plan for the West side upper deck at the Stadium and that the associated firms of Osborn Engineering and Lockwood, Andrews, and Newnam, Inc., be authorized to proceed with the planning.

8. U. T. AUSTIN - AUTHORIZATION FOR PREPARATION OF PRELIMINARY PLANS FOR ENGINEERING TEACHING CENTER I AND ENGINEERING TEACHING CENTER II AND ADDITIONAL APPROPRIATION FOR ARCHITECT'S FEES.--At the Regents' Meeting held August 28, 1965, an appropriation of \$60,000.00 was made to cover Architects' Fees through the preliminary plan stage for an Engineering Center at The University of Texas at Austin, and at the meeting held October 7, 1965, the firm of Page, Southerland, and Page was appointed as Architect for this project. As the program planning progressed for this project, it became obvious that in order to provide the facilities contemplated for the Engineering Teaching Center, a considerably larger facility would be required. In order to obtain the maximum in Federal Grants and to plan realistically for the land utilization on the proposed site, the overall facility was divided into two parts, namely, Engineering Teaching Center I and Engineering Teaching Center II as shown on the Schedule of Commitments. At the time that the firm of Page, Southerland, and Page was appointed as Architect for this project, and the appropriation was made for Architects' Fees, it was anticipated that the total cost would not exceed \$6,000,000.00; hence, Architects' Fees for preliminary plans were appropriated in the amount of \$60,000.00. With the increase in the project, it is necessary that an additional appropriation be made.

It is, therefore, recommended by President Hackerman, Mr. Lester E. Palmer, Vice-Chancellor Walker, and Chancellor Ransom that an additional \$40,000.00 be appropriated from Permanent University Fund Bond Proceeds to cover miscellaneous expenses and Architects' Fees through the preliminary plan stage, with authorization to Page, Southerland, and Page to prepare preliminary plans and outline specifications for Engineering Teaching Center I and Engineering Teaching Center II at a total estimated cost of \$10,000,000.00, these plans to be presented to the Board for approval at a later date.

9. U. T. EL PASO - APPROVAL OF CONTRACT WITH CENTRAL ENERGY CORPORATION FOR CENTRAL HEATING AND CHILLED WATER PLANT.--At the Regents' Meeting held May 6, 1967, a contract was awarded to Central Energy Corporation for construction and operation of a central utility plant to provide chilled water and high temperature water for The University of Texas at El Paso, with the proposed contract to be brought back to the Board for approval before signature by the Chairman. Lengthy conferences have been held by University administrative officials and Central Energy Corporation to work out the details of the proposed contract. This contract has now been reviewed and approved by Mr. Paul Horton of McCall, Parkhurst, and Horton, Bond Attorneys, Mr. Burnell Waldrep, University Attorney, Mr. Lester E. Palmer, Director of the Office of Facilities Planning and Construction, Mr. R. L. Anderson, Comptroller, and Mr. E. D. Walker, Vice-Chancellor for Business Affairs.

It is, therefore, recommended by Mr. Lester E. Palmer, Comptroller Anderson, Vice-Chancellor Walker, and Chancellor Ransom that the proposed contract as approved by all those listed above be approved by the Board, with authorization to the Chairman to sign the documents involved, which are quoted in full as follows:

CUSTOMER AGREEMENT

This AGREEMENT is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 1968, by and between CENTRAL ENERGY CORPORATION, a Texas corporation with its principal place of business in Dallas, Dallas County, Texas, hereinafter sometimes referred to as "CEC," and the BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM for the use and benefit of The University of Texas at El Paso, hereinafter sometimes referred to as "Board,"

WITNESSETH:

WHEREAS, Board desires that a central plant and underground distribution system be provided to furnish chilled and high temperature water to the buildings constituting The University of Texas at El Paso; and

WHEREAS, CEC represents to Board that it has the requisite experience, skill and personnel properly to serve Board in the capacities specified below, and Board in reliance on such assurances is willing to contract to obtain chilled and high temperature water from CEC and to provide for the construction, operation and maintenance of a central plant and underground distribution system;

NOW, THEREFORE, in consideration of the premises and the mutual covenants hereinafter set forth, the parties agree as follows:

1. Construction of Central Plant. CEC hereby agrees to construct a central plant and an underground distribution system to provide chilled and high temperature water to those buildings on the campus of The University of Texas at El Paso described in Exhibit A attached hereto and made a part of this agreement together with such other main campus buildings and facilities as may be added by Board and to which service is requested by Board. Board agrees to purchase all requirements of chilled and high temperature water for future campus buildings and to connect all existing buildings with the central plant system as it is feasible to render such buildings capable of receiving and using the chilled and high temperature water to be supplied by the central plant. Board further agrees that during the term of this agreement it will not provide or otherwise obtain chilled and high temperature water from any other source for buildings described in Exhibit A and major buildings to be constructed within the area described in Exhibit B. Such chilled and high temperature water shall be provided on a 24 hour-a-day basis. The central plant shall be designed of masonry construction of a design to harmonize with the present buildings on the site. The cooling tower shall be located on the roof of the building and enclosed with masonry screen. The central plant will be designed to be readily expandable. Inside the central plant approximately 800 square feet of floor space, in a location to be mutually selected by Board and by CEC, will be provided to Board for installation of switchgear connected with the central electrical system of The University of Texas at El Paso campus, all of which is shown on Exhibit E attached hereto and made a part hereof; provided, however, that such site shall be subject to relocation upon mutual agreement of the parties. CEC will not be responsible for the installation, operation, or maintenance of the switchgear, but CEC agrees that it will cooperate with Board, under supervision of Board personnel, in the operation of the switchgear or, in the event of shutdown in the restoration of electrical service and shall at all times provide Board with access to the switchgear location. Before any work is begun or any commitments made as to materials and design of the central plant and underground distribution systems, all plans and specifications shall be approved by the Director of Facilities Planning and Construction and the Board. All future locations of pipelines, if any, shall have the prior approval of the Director of Facilities Planning and Construction.

2. Term. This agreement shall be for a primary term ending August 31, 1997. CEC shall have the stage of construction so advanced that:

- a. The system is capable of delivering chilled and high temperature water not later than May 1, 1969;
- b. The initial central plant and underground distribution systems will have been substantially completed, tested and placed in operation not later than June 1, 1969;

CEC shall notify Board in writing as soon as each of the phases of construction, outlined above, have been completed.

3. Design and Plant Capacity. The central plant and underground distribution system shall be designed and constructed to provide services to facilities of The University of Texas at El Paso. The initial plant shall have an installed cooling capacity of 2000 tons and an installed heating capacity of 40 MMBTU/Hr. The design will provide for multiple boilers and multiple chillers with the largest unit of each not exceeding 60% of the total plant capacity. As load requirements necessitate enlargement of the plant facilities, the plant ultimate design will approach 25% reduction in capacity with the largest unit (heating and cooling) out of service. Board agrees that standby and peaking requirements for chilled water will be supplied by existing small chillers in the physical science and liberal arts buildings until the central plant load exceeds 2400 tons. These units will be operated and maintained by CEC and no charge will be made for chilled water produced from these machines. Board will be responsible only for electricity water and repair parts used.

Chilled water shall be circulated to the delivery points at a temperature of not less than 39° F to not more than 42° F and at a pressure of approximately 125 p. s. i. g. If requested by Board, CEC will provide chilled water during peak cooling periods within range of 39° F to 40° F. High temperature water shall be circulated to the delivery points at a pressure of not less than 150 p. s. i. g. and not more than 250 p. s. i. g. The temperature of the circulating water will be between 350° F and 400° F.

4. Commencement of Construction; Ground Lease. CEC hereby agrees to commence construction of the said central plant and underground distribution system upon the lands of Board above described within a reasonable time from the date of this agreement. CEC will obtain from its contractors a performance and payment bond assuring CEC of completion of the project in sufficient time to commence the provision of services as herein specified. Should CEC permanently abandon the construction of said plant, title to all improvements shall vest in Board. As a part of the consideration of this agreement Board agrees to lease to CEC a tract of land within the site and at the location shown on Exhibit C attached hereto of approximately 82 feet by 175 feet containing 14,350 square feet, upon which CEC can erect the central plant building and install the central plant. The parties hereby agree to execute on the date hereof a lease agreement attached hereto as Exhibit D reflecting the terms and conditions under which said land is to be used.

5. Metering Equipment; Point of Delivery. The principal metering for the system will be made at the point of output from the central plant. Auxiliary metering will be separately provided, however, for each building having a load in excess of 60 tons. Central plant meters will be accurate to a tolerance of plus or minus 0.5%, and auxiliary meters will be accurate to a tolerance of plus or minus 3%. Board will provide CEC with space in the building(s) to install equipment for measuring and metering the chilled and high temperature water delivered or returned from each delivery point serving such building. Delivery points to the building will be at the underground point mutually agreed to by Board and CEC, terminating approximately five (5) feet from the point of entrance of the building to be served. Circulation from the delivery point will be done by Board. The necessary mixing valves, control system, pumps and regulators will be installed in the circulating system of the building by Board.

6. Ownership and Repair of Central Plant. Board shall not, by virtue of this agreement during the term hereof, acquire any interest or right in or to the central plant, central plant building, distribution system, or any other equipment installed by CEC, except as otherwise provided in this agreement and the lease agreement attached hereto. CEC shall repair and maintain such building, systems and equipment. If all or any part of such facilities shall at any time be destroyed or damaged so that the production or circulation of chilled or high temperature water is not adequate to maintain the standards herein contained, CEC shall proceed promptly to rebuild, replace and/or repair the same. CEC shall have the right, upon reasonable notice to the Director, Physical Plant, of Board, to interrupt the supply of chilled or high temperature water to Board's facilities for the purposes of making any necessary repairs but CEC shall in each instance accomplish such work at such times and in such manner as to cause as little interruption or inconvenience to the occupants of the building as is reasonably possible and shall restore its facilities to operation as quickly as shall be reasonably possible under the circumstances.

7. Right of Entry. Board agrees that CEC, its agents, representatives and workmen and all persons designated by CEC shall have free ingress and egress at all times to the areas within which the central plant building is located.

8. Return of Chilled and High Temperature Water. Board shall be responsible for the return to the circulation system of all chilled and high temperature water as follows:

a. Board shall endeavor to return chilled water from each building at a temperature of approximately 56° F and at a pressure sufficient to enter CEC's return lines which will normally be within 10 p. s. i. of the delivered pressure.

b. Board shall endeavor to return high temperature water at a temperature of approximately 150° F and at a pressure sufficient to enter CEC's return lines which will normally be within 10 p. s. i. of delivered pressure. CEC's return lines shall be designed and operated so as to permit such entry under all usual operating conditions. The necessary mixing valves, control systems, pumps and regulators in the circulation system of the buildings served shall be installed by Board at its sole expense. The design of such equipment shall provide for the automatic return of the high temperature water within the approximate limits above prescribed. Unusual system loss originating within the buildings may be charged to Board at direct CEC cost.

9. Rates for Chilled Water. Board shall pay CEC for producing, furnishing and circulating chilled water in accordance with the following schedule, subject to adjustment as herein provided:

#### Rate Schedule

Plant production and distribution charge:

\$.0095 (9-1/2 mills) per hour per ton capacity

Commodity Charge:

\$.027 per ton hour for first 1,000 annual ton hours per ton capacity

\$.023 per ton hour for next 500 annual ton hours per ton capacity

\$.019 per ton hour for next 500 annual ton hours per ton capacity

\$.016 all additional ton hours annually

Commodity charges will be increased or, as the case may be, decreased from time to time as follows:

a. For the refrigeration produced using steam turbines or absorption chillers, \$.0002 per ton hour for each cent by which the average annual cost to CEC per million BTU of the fuel utilized in the central plant systems varies from 38 cents per million BTU.

b. For the refrigeration produced using electric motor-driven chillers, \$.0012 per ton hour for each one tenth cent by which the average annual cost to CEC per kilowatt hour (KWH) of electrical energy, including cost determined on the basis of demand, varies from \$.01 per KWH. Where electric driven chillers are not utilized the electrical cost adjustment shall be \$.00033 per ton-hour per .1 cent change in cost of electrical energy including demand from \$.01 per kilowatt hour.

c. \$.0002 per ton hour for each two cents by which the average annual cost to CEC per thousand gallons of water utilized in the central plant system varies from fifteen cents per thousand gallons of water.

d. \$.0002 per ton hour for each five percent change in the average cost of labor prevailing for manufacturing employees in the El Paso labor market for the month of December of each contract year from the average cost of labor prevailing for manufacturing employees in the El Paso labor market for December, 1968. The average cost of labor prevailing for manufacturing employees in the El Paso labor market shall be determined by reference to and in conformity with the index of Gross Average Hours and Earnings in the El Paso Metropolitan Area published by the Texas Employment Commission in cooperation with the United States Bureau of Labor Statistics.

e. By an adjustment to reflect the increase or decrease in taxes, as herein defined, for taxable periods commencing January 1, 1969. Adjustments with respect to ad valorem taxes assessed to and paid by CEC shall be made for changes in the tax charged resulting from any change in the tax rate or in the percent of assessed value includible in the defined "base" for taxation. Such adjustment, which shall be made to the base charge payable at the date services are first provided hereunder, shall be computed at the end of each calendar year during the term of this contract in which a change in taxes shall have occurred as follows:

Step 1. Multiply the total assessed value at the most recent assessment date of all property used by CEC in the performance of this contract ("Property Value") by the tax rate and percentage of assessed value included in the tax base used for the determination of tax for the preceding year.

Step 2. Multiply the Property Value used in Step 1 by the tax rate and percentage of assessed value included in the tax base used for the determination of tax for the year which includes the date at which service is commenced hereunder.

Step 3. Subtract the product of Step 2 from the product of Step 1.

Step 4. Divide the remainder of Step 3 by the number of ton hours of chilled water sold by CEC during the preceding calendar year.

Step 5. Multiply the quotient of Step 4 by a fraction of which the denominator is the total revenue realized by CEC from the sale of chilled water and steam during the preceding calendar year to all parties from the plant constructed hereunder and the numerator of which is the total revenue realized by CEC from the sale of chilled water to Board hereunder during the preceding calendar year.

Step 6. If the product of Step 5 is a plus figure, add to base charge for chilled water, or, if the product of Step 5 is a minus figure, subtract from the base charge.

Upon any adjustment to the base rate as provided in this paragraph 9, CEC shall give written notice to Board of its computation of such adjustment not later than April 30 of each year. The adjustment shall be applied commencing with the beginning of the next succeeding fiscal year of the Board.

10. Rates of High Temperature Water. Board shall pay CEC for producing, furnishing and circulating high temperature water at the following rates, subject to adjustment as hereinafter provided:

Rate Schedule

Plant production and Distribution Charge - \$.00010 per hour per MBH  
installed capacity

Commodity Charge - \$1.25 per million BTU

The commodity charge will be increased or, as the case may be, decreased from time to time as follows:

a. \$.0015 per million BTU for each one tenth cent by which the average annual cost to CEC per million BTU of the fuel utilized in the central plant system allocated to production of high temperature water for sale varies from 38 cents per million BTU.

b. \$.002 per million BTU for each one tenth cent by which the average annual cost to CEC per KWH of electrical energy, including cost determined on the basis of demand, varies from \$.01 per KWH.

c. \$.005 per million BTU for each one cent by which the average annual cost to CEC per thousand gallons of water utilized in the central plant system varies from fifteen cents per thousand gallons of water.

d. \$.02 per million BTU for each five percent change in the average cost of labor prevailing for manufacturing employees in the El Paso, Texas, labor market for December of each contract year from the average cost of labor prevailing for manufacturing employees in the El Paso, Texas, labor market for December, 1968, such costs determined as provided in paragraph 10.

e. By a tax adjustment identical with the adjustment provided in (e) of paragraph 9 hereof, except that (1) in Step 4 the remainder of Step 3 shall be divided by the number of million BTU's of high temperature water sold by CEC during such preceding calendar year from the central plant system, and (2) the quotient of Step 4 shall be multiplied by a fraction, the denominator of which is the total revenue of CEC from the sale of chilled water and high temperature water from the central plant system for said 12 months period and the numerator of which is the total revenue of CEC from the sale of high temperature water from the said central plant system for such preceding calendar year. The amount so determined shall, if a plus figure, be added to or, if a minus figure, be subtracted from the base charge for high temperature water.

Upon any adjustment to the base rate as provided in this paragraph 10, CEC shall give written notice to the Board of its computations of such adjustment not later than April 30 of each year. The adjustment shall be applied commencing with the beginning of the next succeeding fiscal year of the Board.

11. Modification in Event of Expansion. CEC agrees that during the first twelve years following the commencement of service hereunder it will expand the central plant and distribution system in such manner as may be necessary in order to serve any buildings built or rehabilitated for air-

conditioning during such period. Such expansion will be performed under the existing terms of this agreement as to rates for demand and energy charges, and those provisions will be applicable to the operations of CEC as performed in the expanded plant. In the event additional expansion is required after the first twelve year period, the rates to be applicable thereupon and the remaining terms of this agreement shall be subject to modification by mutual determination of the parties hereto.

12. Encumbrances and Removal of Property. Except for the financing of the construction and equipment for the facilities described in this agreement, CEC agrees not to further encumber any property located on the land described in Exhibit B without approval of Board and CEC further agrees not to remove any of said property without approval of Board. CEC covenants that in financing the said construction and equipment it will at no time encumber such property beyond actual cost of facilities, and indebtedness thus secured will be retired systematically over the term of this contract.

13. Statements for Charges; Payment. Statements shall be rendered monthly by CEC to Board not later than the fifth business day of each month for the prior month's service, and shall be payable on or before thirty days thereafter.

14. Verification of Metering. Board shall have access at all reasonable times to metering equipment and all instruments used in determining the measurement of the contract units of chilled water and high temperature water, but the reading, adjustment and maintenance thereof shall be performed only by representatives of CEC. Upon request of Board, CEC shall submit to Board its records and readings of such meters and measuring equipment, and a representative of Board may, at the request of Board, be present when periodic tests or adjustments are made of such meters and measuring equipment; and CEC shall give reasonable notice of its intention to make such test or adjustments. Board, through a representative, shall have the right at reasonable times to have its representatives test the accuracy of such meters and measuring equipment, and if upon any test of the meters or measuring equipment by Board or by CEC any of such meters or measuring equipment is found to be inaccurate by 2% or more, such meter or measuring device shall be promptly corrected, and payments based upon such inaccurate registration shall be corrected for the period during which said inaccuracy is known to have existed, but in case such period is not known or agreed upon, then for a period extending back for one-half ( $\frac{1}{2}$ ) of the lapsed time since the previous test of the accuracy of such meter or measuring equipment. Calculations of energy usage by plant records of temperature differential and flow may be used when mutually agreed.

15. Equipment Under Control of Board. CEC will not be responsible for insufficient cooling or heating within any building attributable to defects or inadequacy of air handling, heat exchange or other related equipment not under the exclusive control of CEC.

16. Indemnification and Insurance. CEC will indemnify and hold Board harmless from any loss, cost, damage or expense proximately resulting from the negligent performance by it of its obligations hereunder or from its violation of the covenants made by it hereunder. CEC shall be promptly notified in writing of any claim or demand for payment made on account of which Board claims that it is entitled to indemnification under this agreement; and such CEC shall have a reasonable opportunity and the right to contest, at its own expense, any such claim or demand asserted against Board. Board shall cooperate in defending against any such claim or demand and shall make available to CEC any business records appropriate for use in contesting any such liability.

At all times during the term of this agreement CEC shall maintain in full force and effect the following insurance coverage:

- a. Public liability insurance in an amount not less than \$100,000 per person and \$500,000 for each occurrence.
- b. Workmen's compensation insurance in accordance with applicable laws.
- c. Property damage liability insurance, in the amount of \$100,000/\$500,000.
- d. Property damage upon the entire structure and contents in the amount of at least 80% of the insurable value thereof, including coverage against fire, lightning, windstorm, hurricane, hail, explosion, riot, civil commotion, smoke, aircraft and land vehicles.

17. Assignment of Proceeds. CEC represents that, incident to its financing the building of the facilities contracted by it to be built hereunder, it will designate a trustee to protect the interests of the holders of the bonds sold to provide such financing. The trustee so designated shall be acceptable to Board and Board agrees to make payments from time to time for services rendered to it under the terms hereof to such trustee under the following conditions:

- a. Upon receipt of instructions to do so, in writing, duly signed by CEC; or
- b. In the event CEC becomes unable to continue the performance of services as herein provided because of its bankruptcy, insolvency, or for any other reason.

Under the circumstances outlined in subparagraph (b) above, the trustee shall designate a successor plant operator of the central plant which shall be acceptable to the Board. If the trustee fails to appoint an acceptable successor plant operator, Board shall either appoint a successor plant operator or shall itself take over the operation of such plant. In such latter event, Board shall pay the operating and maintenance expenses, the total of which shall be deducted from the sum of the amounts payable by it for services hereunder and the amounts received by it from any services rendered to others, which amounts shall be due and payable to Board as operator of central plant, and the balance of which, if any, shall be remitted to trustee to be applied to the payment of the principal and interest on the bonds issued by CEC for the building of the central plant facilities and reasonable fees for the services rendered by it.

Should it become necessary, due to the circumstances outlined in subparagraph (b) above, to provide for the payment of CEC's outstanding bonds through the trustee, then this agreement, and the lease to CEC of the plant site, shall terminate on August 30, 1993, or at the time when the last of the bonds issued by CEC for the facilities built hereunder are paid in full, whichever event occurs first. If termination occurs as a result of the payment of such bonds, then all the remaining personal property then constituting the plant, and any supplies then on hand, shall become the property of the Board.

18. Inspection of Plant and Systems. Board will cause a semiannual inspection to be made under the supervision of the Director, Office of Facilities Planning and Construction, of the central plant and distribution systems. A written report of the results of such inspection shall be given to CEC and to the trustee. If deficiencies are indicated in report, CEC shall have a reasonable time to correct such deficiencies or request reconsideration thereof.



19. CEC Not a Public Utility. Board stipulates that Board understands that CEC is not and will not become a "public utility," that CEC does not and will not dedicate any of its property or facilities to the public use or to any use which would cause CEC to become a public utility. Board will at no time during the term of this agreement urge or press any claim or charge that CEC is or should be a public utility, nor will Board urge any such claim after the termination of this agreement based upon any occurrence or set of facts which existed during the term of this agreement.

20. Notices. All notices and bills hereunder shall be in writing and shall be deemed to have been delivered when deposited in the United States mail, postage prepaid, if properly addressed as follows:

If to Board: The University of Texas at El Paso  
El Paso, Texas

If to CEC: 2102 Proctor Street  
Dallas, Texas

Either party may by written notice to the other change its address for purposes of notices and bills hereunder.

21. Merger Clause; Amendments. This written agreement constitutes the whole agreement between the parties hereto, and all prior or contemporaneous oral commitments or understandings are merged herein. This agreement may be modified or amended only by an agreement in writing signed by each of the parties hereto.

22. Force Majure. CEC will not be responsible for any interruptions of the delivery of chilled water or high temperature water or for the performance of any of the duties assumed hereunder by CEC, due to strikes, fires, or governmental interference or order or regulation of or by any governmental authority, acts of God, or causes beyond the control of CEC, but CEC will at all times exercise the highest of diligence to have the central plant system furnish an uninterrupted supply of chilled water and high temperature water.

23. Successor and Assigns. This agreement shall be binding upon the successors and assigns of the parties hereto. Except for the assignment of proceeds as provided in paragraph 16 hereof, CEC may not sell or assign this agreement without prior written consent of Board, which consent shall not be unreasonably withheld.

24. Waiver. No failure by any party hereto to enforce any of its rights hereunder shall constitute a waiver or release of any such right or effect the validity of this agreement. No waiver of any breach of this agreement shall be deemed a waiver of any other or subsequent breach.

25. Authority. The parties represent and warrant that each has legal power to enter into this agreement and that each has taken all action necessary to authorize its duly authorized officers to execute this agreement.

26. No Indebtedness Created. This agreement shall not be construed as creating an indebtedness against the State of Texas, and all obligations of the Board hereunder are subject to the availability of appropriations by the Legislature of the State of Texas.

27. Partial Invalidity. If any provision of this agreement is held to be invalid and not binding on any party hereto, such invalidity shall not affect the validity or enforceability of the remainder of this agreement.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed and delivered as of the date and year first above written.

ATTEST: BOARD OF REGENTS OF  
THE UNIVERSITY OF TEXAS SYSTEM

\_\_\_\_\_ By \_\_\_\_\_  
Secretary Chairman

ATTEST: CENTRAL ENERGY CORPORATION

\_\_\_\_\_ By \_\_\_\_\_  
Secretary President

Approved as to Form: Approved as to Content:

\_\_\_\_\_ \_\_\_\_\_  
University Attorney Vice-Chancellor for  
Business Affairs

EXHIBIT A

Initial Central Plant Loads

<u>Bldg. No.</u>	<u>Building Name</u>	<u>Area Ft.</u>	<u>Estimated Cooling (Tons Peak)</u>	<u>Estimated Heating (MBH Peak)</u>
2	Liberal Arts	91,891	310	5,050
6	Educational (Faculty)	9,600	29	530
12	Kelley Hall (Faculty)	6,600	20	365
13	Math & Physical Science	18,000	60	990
21	Science	33,600	145	1,850
45	Physical Science	90,000	360	4,950
(23-46)	Library & Addition	95,300	324	5,245



EXHIBIT "C"  
CENTRAL ENERGIES CORPORATION  
PROPERTY DESCRIPTION

A portion of the Alexander Addition to the City of El Paso, Texas

Description of a parcel of land being a portion of the Alexander Addition to the City of El Paso, Texas, El Paso County, Texas and being more particularly described by metes and bounds as follows to wit:

From a point, said point being an existing city monument located 10 feet northerly and 10 feet easterly of the centerline intersection of University Avenue (formerly College Avenue) with Randolph Street; Thence South  $52^{\circ} 45' 30''$  West along the monument line of University Avenue, a distance of 500.00 feet; Thence South  $37^{\circ} 14' 30''$  East a distance of 260.00 feet; Thence South  $48^{\circ} 16' 30''$  West a distance of 177.00 feet; Thence South  $37^{\circ} 13' 30''$  East a distance of 12.00 feet to the POINT OF BEGINNING;

Thence South  $37^{\circ} 13' 30''$  East a distance of 210.00 feet;

Thence South  $52^{\circ} 46' 30''$  West a distance of 82.00 feet;

Thence North  $37^{\circ} 13' 30''$  West a distance of 210.00 feet;

Thence North  $52^{\circ} 46' 30''$  East a distance of 82.00 feet to the point of beginning and containing in all 17,220.00 square feet or 0.395 acres of land more or less.

DONALD T. CREMANS & ASSOCIATES

Signed: George H. Mengel  
George H. Mengel, P. E.

April 25, 1968



LEASE AGREEMENT

THE STATE OF TEXAS    X  
                                   X  
 COUNTY OF EL PASO    X

This AGREEMENT made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 1968, by and between the BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM, herein called "Lessor," and CENTRAL ENERGY CORPORATION, a Texas corporation with its principal place of business in Dallas, Dallas County, Texas, herein called "Lessee."

## WITNESSETH:

For and in consideration of the construction, operation and maintenance of a central chilled and high temperature water plant and an underground distribution system by Lessee to furnish services to certain of the buildings constituting The University of Texas at El Paso, which shall revert to Lessor at the expiration of the term of this lease as herein provided, the covenants and agreements to be kept and performed by Lessee pursuant to that certain customer agreement of even date herewith by and between Lessee and Lessor to which reference is here made for all purposes, and the payment by Lessee of ten dollars per annum, Lessor does hereby lease unto Lessee for a term commencing on the date hereof and terminating on August 31, 1997, or such other date as may be determined under provisions of the customer agreement whereby said customer agreement is terminated, the following described tract of land located on the site of The University of Texas at El Paso described on Exhibit A hereto.

The following terms and conditions as to the use of the leased premises hereby granted are expressly agreed to by and between Lessee and Lessor:

1. Lessee agrees to construct a central water chilled water and high temperature water plant and underground distribution system in accordance with the terms and conditions of the customer agreement. Lessor agrees to furnish Lessee the necessary rights of ingress and egress to the central plant site in accordance with the plat attached hereto and marked Exhibit B. Lessor further agrees and hereby grants to Lessee the right to use as much of the surface adjacent and contiguous to the leased premises as may be reasonably necessary for the operation and maintenance of the central plant and underground distribution system. Such operation and maintenance by Lessee shall not in any manner restrict or interfere with any proposed new building which may be constructed by Lessor on said premises. Lessee hereby agrees to relocate its underground distribution lines when requested to do so by Lessor. If the relocation is caused by a change in the use by Lessor of its premises after the Lessor shall have approved the original location of such lines, the expense of such relocation shall be borne by the Lessor. Otherwise, the expenses incurred in relocating such lines shall be borne by the Lessee. Lessee hereby agrees that at all times it will restore the surface of the leased premises on any lands covered hereby to the same condition as prior to the construction, replacing, repairing or maintaining of its underground distribution system or related facilities.

2. It is agreed and understood that title to the central plant and the underground distribution system including all personal and movable

property, such as compressors, boilers, cooling towers, switch gears, chillers, pumps and internal piping and all other improvements and equipment, shall vest in Lessor upon the expiration or termination of this lease.

3. Lessee shall not commit or suffer to be committed waste upon said premises, and shall keep said premises and the improvements and equipment thereon in good order and repair and in clean, safe and healthful condition, and shall comply with all state, federal and local laws, rules and regulations with regard to the use and conditions of the demised premises and improvements and equipment thereon.

4. It is agreed and understood that Lessor is not to be liable for any damages or injuries to any person or persons or property on account of the occupancy, use or improvements placed on said premises by the Lessee, its successors or assigns, and Lessee shall indemnify and hold harmless Lessor from any such liability in the manner and to the extent provided in the customer agreement.

5. Lessee shall pay all charges connected with the operation of said premises, including all taxes, assessments and charges, general and specific, that may be levied or assessed against Lessee by reason of its use of said premises and improvements and equipment situated thereon.

6. This lease may be transferred or assigned by Lessee only in the event of an assignment or transfer of the customer agreement after receipt of approval therefor from Lessor.

EXECUTED by the parties on the day and year first above written.

ATTEST:

BOARD OF REGENTS  
THE UNIVERSITY OF TEXAS SYSTEM

\_\_\_\_\_  
Secretary

By \_\_\_\_\_  
Chairman

LESSOR

ATTEST:

CENTRAL ENERGY CORPORATION

\_\_\_\_\_  
Secretary

By \_\_\_\_\_  
President

LESSEE

Approved as to Form:

Approved as to Content:

\_\_\_\_\_  
University Attorney

\_\_\_\_\_  
Vice-Chancellor for  
Business Affairs

THE STATE OF TEXAS    §  
                                  §  
COUNTY OF TRAVIS     §

BEFORE ME, the undersigned authority, on this day personally appeared FRANK C. ERWIN, JR., Chairman of the Board of Regents of The University of Texas System, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said Board of Regents of The University of Texas System.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this \_\_\_\_\_ day of \_\_\_\_\_, 1968.

\_\_\_\_\_  
Notary Public in and for  
Travis County, Texas.

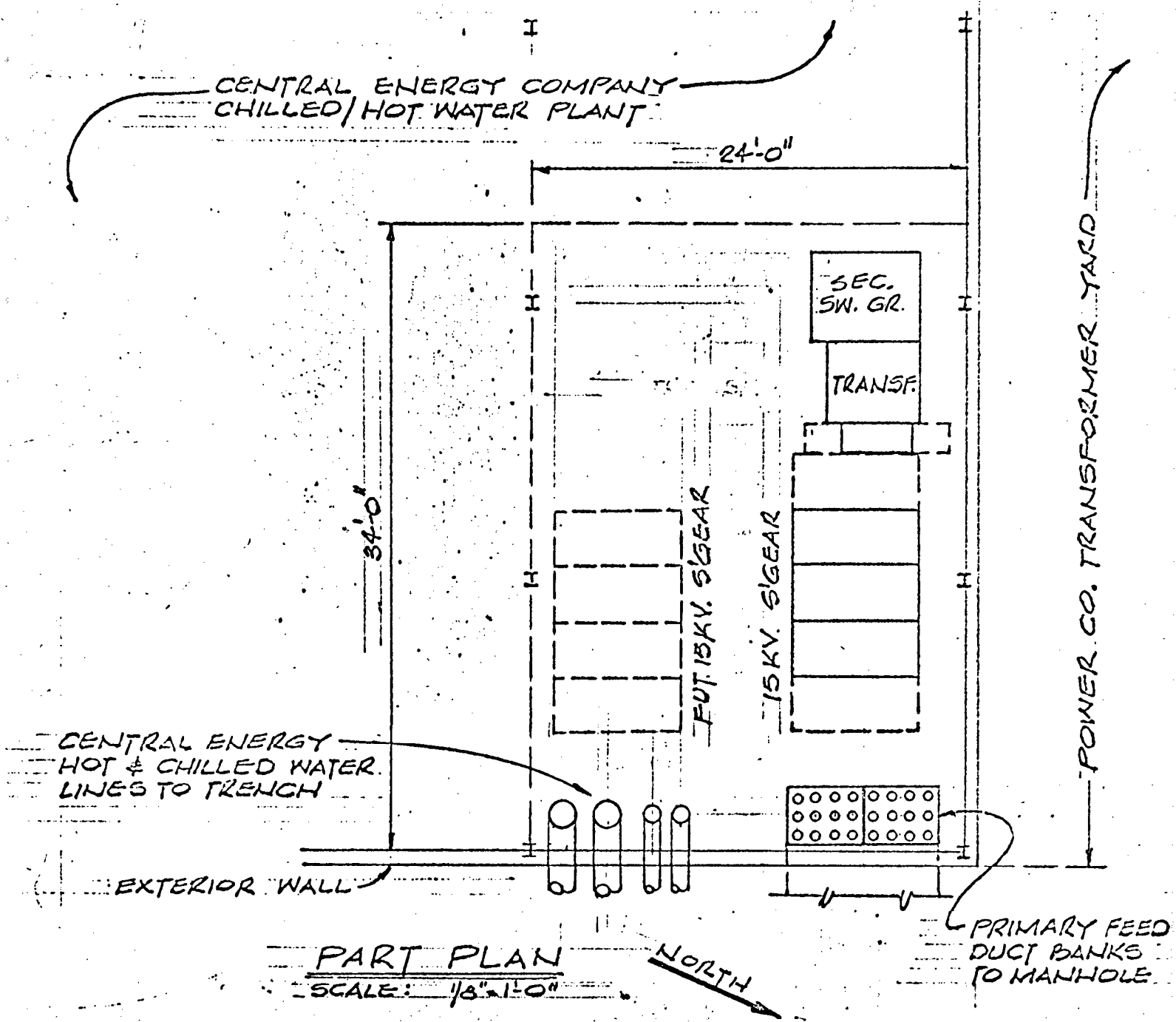
THE STATE OF TEXAS    §  
                                  §  
COUNTY OF DALLAS     §

BEFORE ME, the undersigned authority, on this day personally appeared \_\_\_\_\_, \_\_\_\_\_ of the Central Energy Corporation, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of the said Central Energy Corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this \_\_\_\_\_ day of \_\_\_\_\_, 1968.

\_\_\_\_\_  
Notary Public in and for  
Dallas County, Texas





GAYNOR & SIRMEN  
ENGINEERS  
DALLAS, TEXAS

DATES 3-7-68  
BY A.A.D.  
CND

UNIV. OF TEXAS @ EL PASO  
UNIV. OF TEXAS SWITCHGEAR  
SPACE REQUIREMENTS IN  
CENTRAL PLANT

NO 2269  
PAGE

10. U. T. EL PASO - AUTHORIZATION FOR CONSTRUCTION OF ADDITIONAL STUDENT DORMITORY AND DINING FACILITIES (INCLUDING ATHLETIC DORMITORY FACILITIES), APPOINTMENT OF CARROLL, DAEUBLE, DUSANG AND RAND AS PROJECT ARCHITECT, AND APPROPRIATION OF ADDITIONAL ARCHITECT'S FEES.--At the meeting held March 8, 1968, the Board authorized Messrs. Walker and Shelton to review with the Administration, the Building Committee of The University of Texas at El Paso, and Mr. Jack Vowell's Committee in El Paso the construction of additional student dormitory space at U. T. El Paso and the Expansion of Miners Hall (Athletic Dormitory) and to report back to the Board with recommendations.

Based on preliminary studies, a recommendation was made at the Board meeting held April 19, 1968, to appoint Architects to review methods of expanding Athletic Dormitory facilities. The firm of Carroll, Daeuble, DuSang, and Rand was appointed, and an appropriation of \$10,000.00 for Architect's Fees was made. The Architects have been working with the Administration in developing the best method for expanding the facilities.

A detailed study has been made of the current and projected needs for student housing and dining facilities at U. T. El Paso, including methods of construction and financing. Following is a summary of this study:

#### HOUSING FACILITIES CURRENTLY AVAILABLE

##### I. University Owned Facilities

Dormitory	<u>Capacity</u>		Year Constructed
	Men	Women	
Worrell Hall	30	---	1937
Benedict Hall	---	17	1937
Hudspeth Hall	100	---	1948
Bell Hall	---	98	1948
Miners Hall	78	---	1951
Burgess Hall	<u>180</u>	<u>---</u>	1963
	<u>388</u>	<u>115</u>	Total <u>503</u>

##### II. University Owned Facilities

Married Student Apartments 81 Completed in 1963

##### III. Privately Owned Facilities

###### Dormitory:

Hawthorne House for 185 men and 120 women

###### Apartments:

There are private apartments available near the vicinity of the Campus; however, the number is not large.

###### Other Facilities:

There are some facilities which offer room and board, but the number is rather limited.

#### EVIDENCE OF NEED FOR ADDITIONAL HOUSING

At the beginning of the 1967 Fall Semester, all on-Campus housing was filled to capacity. This was also true of off-Campus housing with some students residing in motels. In addition, there were over 400 applications for University housing which could not be filled.

The need for on-Campus housing arises primarily from full-time students from outside the El Paso area. The following enrollment statistics indicate the pattern of growth and a projection to 1970:

Full-Time Single Students (Fall Semester)  
(% Housed in University Housing Based on Current Facilities)

Year	Men		Women		Freshmen	
	No.	% Housed	No.	% Housed	No.	% Housed
1961	1460	13%	841	14%	1300	11%
1964	2021	17%	1195	10%	1790	9%
1967	2762	14%	1619	7%	2442	10%
1970(Est.)	3720	10%	2185	5%	3295	7%

An analysis of the 1967 Fall Registration of full-time and part-time students reveals the following geographic distribution:

All Students	Men	Women	Total
Non-Residents of Texas	637	190	827
Residents of Texas from Outside El Paso County	<u>1127</u>	<u>659</u>	<u>1786</u>
Sub-Total	1764	849	2613
Residents of El Paso County	<u>3711</u>	<u>2705</u>	<u>6416</u>
Total	<u>5475</u>	<u>3554</u>	<u>9029</u>

Athletic housing facilities consist of space for 78 men (Miners Hall) with a small dining facility for the occupants and other athletes. The Administration and Department of Intercollegiate Athletics have requested living facilities for approximately 300 men. This includes accommodations for 180 scholarship athletes and the remainder for non-scholarship athletes.

After a thorough review of Miners Hall, it is the conclusion of the Administration and the Architects that it is not economically or architecturally feasible to expand Miners Hall to house 300 athletes.

Based on estimated costs of construction and a study of financing of new dormitory facilities, it is believed that the facilities can be financed from revenues of the dormitory facilities, with rates of approximately \$110.00 per month for regular student room and board.

Based on the analysis of overall student housing needs, Athletic Department Housing needs, and the feasibility of financing, the following recommendations are made:

- (1) That a dormitory complex be planned to be located in the southwest area of the Campus between Sun Bowl Road and Wiggins Road, designed to eventually accommodate approximately 1300 to 1400 students, with dining and lounge facilities for approximately 1800 students.
- (2) That the complex be designed around a central commons area to provide dining and lounge facilities for the housing units initially constructed, those to be constructed later as a part of the same complex, and for the existing housing units now located in the same general area.
- (3) That, subject to further review after the 1968 Fall registration, plans for the initial construction provide for units to house approximately 700 students including space for at least 300 men, at an estimated cost not to exceed \$3,750,000.00; the unit for 300 men to be available for the Department of Intercollegiate Athletics, student trainers, managers, counselors, etc.

(4) That if the Fall 1968 enrollment justifies the need, a third unit of the complex be recommended to the Board, which would increase the total capacity in the complex to approximately 1,000 students.

(5) That debt service and required coverage for the Revenue Bonds for construction of these facilities be provided from (a) Revenues of the project and (b) a second lien on the revenues of those facilities pledged under other Student Housing Revenue Bonds Issues.

(6) That the firm of Carroll, Daeuble, DuSang, and Rand be appointed as Project Architects for the complex, which now includes the Athletic Facilities, and that an additional appropriation of \$30,000.00 be made from the Unappropriated Balance of Auxiliary Enterprises at U. T. El Paso to cover miscellaneous expenses and Architect's Fees through the preliminary plan stage.

(7) That the Architects be authorized to prepare preliminary plans for housing facilities for approximately 700 students, with an alternate to increase to approximately 1,000 students, based on needs after review of 1968 Fall enrollment.

(8) That the firm of Vinson, Elkins, Weems, and Searls, Houston, Texas, be appointed as Bond Counsel and Mr. Sam E. Maclin, Russ and Company, San Antonio, Texas, as Financial Adviser for the Revenue Bonds to be issued in connection with this project.

(9) That authorization be given to apply to the appropriate Federal agency for loan funds for this project.

These recommendations are concurred in by Chancellor Ransom, Vice-Chancellor Walker, Mr. Lester E. Palmer, Mr. Floyd Shelton, Comptroller Anderson, President Ray, and U. T. El Paso Director of Intercollegiate Athletics George McCarty.

11. GALVESTON MEDICAL BRANCH - ACCEPTANCE OF UNITED STATES PUBLIC HEALTH SERVICE GRANT NO. J06 LM 00345-01 FOR LIBRARY BUILDING AND STATEMENT OF STATUS OF FINANCING.--United States Public Health Service Grant No. J06 LM 00345-01 in the amount of \$1,598,406.00 for assistance in the construction of the Library Building at The University of Texas Medical Branch at Galveston has been received. It is recommended by President Blocker, Mr. Lester E. Palmer, Vice-Chancellor Walker, and Chancellor Ransom that this grant be accepted by the Board.

The balance of the financing is to come from a \$1,000,000.00 gift made several years ago by Moody Foundation, and the present estimated cost of the building is within the funds available.

Appropriations of \$122,500.00 have already been made to cover Architects' Fees and preliminary expenses. It is further recommended that the Federal Grant as reported above and the balance of \$877,500.00 which has not yet been appropriated from the Moody Foundation gift be added to the Allotment Account for the Library Building.

Authorization has been given to the Associate Architect, O'Neil Ford and Associates, to proceed with the preparation of working drawings and specifications.

12. DALLAS MEDICAL SCHOOL - RENTAL OF SPACE AT 2600 STEMMONS FREEWAY FOR THE REGIONAL MEDICAL PROGRAM.--The following letter has been received from Dr. Charles C. Sprague, Dean, Southwestern Medical School at Dallas:

"Approval is requested to lease 2,020 square feet of space at 2600 Stemmons Freeway for the Regional Medical Program. The current lease for this program includes space for the Department of Neurology for which we are now submitting a separate recommendation for rental of the facilities occupied by that Department. It is proposed to move the Regional Medical Program into another area of the Stemmons complex where more suitable space is available for the Program requirements.

"We are submitting herewith a lease for three (3) years with the option to cancel at the end of any one (1) year period with ninety days written notice. The rental will be \$694.77 per month or approximately \$0.34 per square foot. Funds are available for this purpose in USPHS Grant RM-00007. It is anticipated that an additional grant will be received in September, 1968, for a regional cancer survey program and when this grant is approved, the rental will be prorated between the two grants on an equitable basis. The rate quoted is higher than at other locations in this complex because some remodeling is necessary to meet our program requirements.

"This space is adjacent to our campus and the rental is below the cost for comparable space at other locations. It is further desirable for this program to be housed near the offices of the American Cancer Society and Medical School departments in leased space at this location. Grouping of leased space at one location also results in cost savings in delivery of mail and supplies.

"I would appreciate your approval, and that of the Board of Regents, to enter into this agreement effective, July 1, 1968."

Vice-Chancellor LeMaistre concurs in Dr. Sprague's request. Vice-Chancellor Walker and Chancellor Ransom recommend that this request be approved. It is further recommended that Vice-Chancellor Walker be authorized to execute the lease agreement with the 2600 Stemmons Freeway Company, Dallas, Texas, for 2020 square feet of space at the quoted rate of \$694.77 per month, said lease to be for a three year period effective July 1, 1968, and payable from Regional Medical Program grant funds.

13. DALLAS MEDICAL SCHOOL - RENEWAL OF LEASE AGREEMENT FOR RENTAL OF SPACE AT 2600 STEMMONS FREEWAY FOR DEPARTMENT OF NEUROLOGY.--The following letter has been received from Dr. Charles C. Sprague, Dean, Southwestern Medical School at Dallas:

"Approval is requested to renew our current lease for 2,820 square feet of space at 2600 Stemmons Freeway for the Department of Neurology to be used for departmental offices and research. The current lease included space for the Regional Medical Program, for which spearate recommendation is now made for leasing in another area.

"We are submitting herewith a lease for three (3) years with the option to cancel at the end of any one (1) year period with ninety days written notice. The rental will be \$823.00 per month or approximately \$0.29 per square foot. Funds are available for this purpose in the Symposium Fund and USPHS Grants CH-1026 and 5-801-FR-5426, from which payments will be prorated on an equitable basis.

"The space for Neurology was donated to the Medical School for the first year to assist in the establishment of a Department of Neurology. We now request permission to lease the space since it is adjacent to the campus and the rental cost is below the cost for comparable facilities at more distant locations.

"I would appreciate your approval, and that of the Board of Regents, to enter into this agreement effective July 1, 1968."

Vice-Chancellor LeMaistre concurs in Dr. Sprague's request. Vice-Chancellor Walker and Chancellor Ransom recommend that this request be approved. It is further recommended that Vice-Chancellor Walker be authorized to execute the lease agreement with the 2600 Stemmons Freeway Company, Dallas, Texas, for 2820 square feet of space at the quoted rate of \$823.00 per month, said lease to be for a three year period effective July 1, 1968, and payable from the Department of Neurology's Symposium Fund and USPHS grants.

14. DALLAS MEDICAL SCHOOL - RENTAL OF SPACE AT 2600 STEMMONS FREEWAY FOR THE DEPARTMENT OF PEDIATRICS.--The following letter has been received from Dr. Charles C. Sprague, Dean, Southwestern Medical School at Dallas:

"Approval is requested to lease 2,352 square feet of space at 2600 Stemmons Freeway for the Department of Pediatrics for use as office space for personnel of the comprehensive health care project being funded by the Children's Bureau of the Department of Health, Education and Welfare.

"We are submitting herewith a lease for a one (1) year period at \$933.00 per month or approximately \$0.40 per square foot. The availability and cost of space in the vicinity has been investigated and we found the other locations to be more expensive and less convenient to the Medical School and Children's Medical Center, where the other project personnel will be located. The recommended space is adjacent to the campus. The rate quoted is higher than at other locations in this complex because of some remodeling required for the program that must be amortized over a twelve month period.

"You will recall that the Board of Regents has previously approved rental of space for this program. The lease was never officially signed since there was a subsequent acceleration in the program which increased the space requirements.

"Funds for payment of this rental are available in C & Y Project 647.

"I would appreciate your approval and that of the Board of Regents to enter into this relationship effective August 1, 1968."

Vice-Chancellor LeMaistre concurs in Dr. Sprague's request. Vice-Chancellor Walker and Chancellor Ransom recommend that this request be approved. It is further recommended that Vice-Chancellor Walker be authorized to execute the lease agreement with the 2600 Stemmons Freeway Company, Dallas, Texas, for 2352 square feet of space at the quoted rate of \$933.00 per month, said lease to be for a one-year period effective August 1, 1968, and payable from grant funds of C & Y Project 647.

15. U. T. HOUSTON - APPROVAL OF EASEMENT TO HOUSTON NATURAL GAS CORPORATION.--In connection with the underground distribution system for central chilled water and steam to be installed by Houston Natural Gas

2. San Antonio Medical School: Establishment of a Physicians Referral Service. -- WHEREAS, the Basic Salary Augmentation and Fringe Benefit Program for The University of Texas Medical Schools and M. D. Anderson Hospital and Tumor Institute and the School of Public Health, adopted by the Board of Regents of The University of Texas System in September 1967, provides that a Physicians Referral Service will be developed at each institution in conformity with professional ethics and legal requirements and submitted for approval by the Central Administration and the Board of Regents; and

WHEREAS, in accordance therewith, Dean Pannill has submitted a proposal for the establishment of a Physicians Referral Service at The University of Texas Medical School at San Antonio, which proposal has been approved by the faculty of the San Antonio Medical School; and

WHEREAS, this proposal conforms to the policy statements of the Board of Regents of November 6, 1966, July 29, 1967, and September 13, 1967; and

WHEREAS, said proposal has been duly approved by Vice-Chancellor LeMaistre and Chancellor Ransom;

THEREFORE BE IT ~~RESOLVED~~ <sup>RESOLVED</sup> by the Board of Regents that the ~~following~~ proposal for the San Antonio Medical School be approved, effective June 1, 1968; *9 July 1968*

PHYSICIANS REFERRAL SERVICE  
FOR  
THE UNIVERSITY OF TEXAS MEDICAL SCHOOL AT SAN ANTONIO

1. All professional fees from the sources listed below will be billed and collected by this institution's Physicians Referral Service and will be deposited to an institutional trust fund account.
  - a. Fees generated as a member of the institutional faculty, including third party payment plans,
  - b. Fees from all professional consultations *and services*
  - c. Fees for services rendered at any other state supported medical facility or institution in the State of Texas,
  - d. Fees for individual professional service at Federal or affiliated hospitals,
  - e. Fees from court appearances.

Professional income which is excluded from this collection is as follows:

- a. Honoraria, royalties, lecture fees, and non-professional retainers,
- b. Payment for editing scientific publications,
- c. Consultation fees (honoraria) as a regional or national consultant to any branch of the United States Government, such as United States Public Health Service or military services.

2. All expenses of administration and operation of the Physicians Referral Service will be paid from income to the trust fund.
3. An amount not to exceed eight per cent per year of the balance of the fund following payment of expenses will be deposited to an Institutional Faculty Development Fund, to be expended in support of institutional faculty programs. Details of these programs will be presented at a later date.
4. The remaining free balance of the fund will be distributed quarterly to the various departments in the proportion that each departmental faculty participated in the earning of the fund. Each department will designate an executive committee of faculty members under the leadership of the departmental chairman which will be charged with the disbursement of funds.

Appropriate expenditures include:

- a. Permissive faculty salary augmentation within the limits established by the Board of Regents,
  - b. Departmental faculty development (including travel, consultants fees, official entertainment),
  - c. Development of house staff support,
  - d. Departmental program development.
5. The provisions of Revenue Ruling 66-377 will be applied in the accounting procedures of the Physicians Referral Service.



3 San Antonio Medical School: Resolution of Appreciation to Trinity University. -- As an expression of gratitude to Trinity University for providing space for The University of Texas Medical School at San Antonio pending the construction of the San Antonio Medical School Building, the following resolution was adopted *by Reg. Peace*  
*R. P. ...* *unanimously*

WHEREAS, In December, 1965 the President and Board of Trustees of Trinity University, San Antonio, Texas, made a generous offer of approximately 10,000 square feet of space in the Moody Engineering Science Building on that campus to be used to accommodate the administration, faculty and staff of The University of Texas Medical School at San Antonio; and

WHEREAS, such offer was made in the spirit of true academic cooperation to house the San Antonio Medical School during its early developmental stages pending completion of the new physical plant; and

WHEREAS, no monetary consideration for the use of this space was required, since it was agreed that certain faculty members of the San Antonio Medical School would, from time to time, participate in the teaching programs for the benefit of students at Trinity University at no cost to that institution; and

WHEREAS, the San Antonio Medical School will vacate these premises in July, 1968 when the new medical school building is completed;

NOW, THEREFORE, BE IT RESOLVED by the Board of Regents of The University of Texas:

1. That it hereby expresses gratitude to the President and Board of Trustees of Trinity University for this most generous action which permitted continued development of the San Antonio Medical School during a critical period of its growth,

2. That it considers Trinity University's action as an example of the highest order of cooperation between a privately supported and a state supported institution of higher learning and expresses its desire to continue this kind of cooperation in the future.

4 Houston Dental Branch, Anderson Hospital, G. S. B. S., Public Health School: Administrative Organization for The University of Texas at Houston. -- For an internal administrative organization for the units of The University of Texas System located in Houston (presently The University of Texas Dental Branch at Houston, The University of Texas M. D. Anderson Hospital and Tumor Institute at Houston, The University of Texas Graduate School of Biomedical Sciences at Houston and The University of Texas School of Public Health at Houston), the following was adopted with the understanding that the proposed Administrative Council shall serve the institutional heads at Houston and that its Chairman shall serve at the pleasure of, be responsible to, and report to, the institutional heads:

## ADMINISTRATIVE ORGANIZATION THE UNIVERSITY OF TEXAS AT HOUSTON

### Preface

The University of Texas System is comprised of several units and campuses situated throughout the State, all governed by the same Board of Regents, and as a system administered by the Chancellor who is located in Austin. The University of Texas at Houston is one such campus. It is made up of several institutions with common objectives of service, research, and teaching as they relate to health and human care.

Each of the component units of the Houston campus has a certain autonomy, both fiscal and operational. Each has its own administrative head who is responsible to the Chancellor and each has access to the Board of Regents through the Chancellor. However, interaction, common needs and inter-institutional dependence do exist. The intent of this statement and proposal is to recognize that in this group (confederacy) of institutions with their individual fiscal and administrative autonomy, there is an interaction which, through a more formal organization, can better shape the strength of the whole group without decreasing the autonomy of the individual component.

Therefore, the institutional heads at Houston jointly present and recommend for adoption this document to create a more formal local mechanism for administrative exchange and understanding; to enhance inter-institutional activities, thus to extend the total resources; to foster faculty security and understanding; to encourage inter-institutional cooperation; and to more aptly assist the development of The University of Texas at Houston.

### 1. Composition:

The University of Texas at Houston shall consist of the M. D. Anderson Hospital and Tumor Institute, the Dental Branch, the Graduate School of Biomedical Sciences, the School of Public Health, and such other units, schools or colleges as The University of Texas Board of Regents may designate.

2. Administrative Council of The University of Texas at Houston:

- 2.1 The Administrative Council of The University of Texas at Houston shall be composed of the institutional heads of the component units and the Vice-Chancellor for Health Affairs (Ex officio).
- 2.2 The institutional heads may invite supporting staff to participate in administrative functions. Such supporting staff shall not vote in the Council except that a staff member may be designated to act as the official substitute for the absentee institutional head.
- 2.3 A Chairman is to preside over the meetings of the Administrative Council and with the Council prepare by-laws for the functioning of the Council; provided, however, that such by-laws and amendments thereto shall have no force or effect unless and until they have been approved by the Chancellor and the Board of Regents. He is to administer the Council's policies and execute its decisions.
- 2.4 Within the policies and regulations of the Board of Regents, and under the supervision and direction of the Chancellor, the Administrative Council shall, with appropriate participation by the Houston faculty and staff:
  - 2.41 Have general coordinating authority with respect to the component institutions of The University of Texas at Houston.
  - 2.42 Coordinate through its Chairman all joint presentations to agencies of local, state and federal governments, and to the lay and professional public.
  - 2.43 Have a responsibility in the development program of The University of Texas at Houston under the program as developed by The University of Texas System Development Board.
  - 2.44 Assist in developing and maintaining a master plan for the growth of The University of Texas at Houston.
  - 2.45 Develop affiliation agreements with hospitals (and other institutions or agencies where indicated) for the component institutions of The University of Texas at Houston, and aid in developing agreements for component units of The University of Texas located elsewhere which desire affiliations in Houston.
  - 2.46 Review for informational purposes budgets and budget requests of the component units of The University of Texas at Houston prior to their submission by the respective institutional heads to the Chancellor and Board of Regents.
  - 2.47 Review for informational purposes tenure appointments or nominations to the faculty, and major staff appointments prior to submission by the respective institutional heads to the Chancellor and Board of Regents.

- 2.48 Develop and recommend methods of centralization of administrative and business procedures, etc.
- 2.49 Review for informational purposes Institutional Supplements and changes therein prior to submission to the Chancellor.

3. Chief Administrative Officers of Component Institutions:

3.1 The Chief Administrative Officer of each of the component institutions serves under the direction of the Chancellor, reports to the Chancellor, is responsible to the Chancellor, and has access to the Board of Regents through the Chancellor. These responsibilities of the Chancellor may be delegated to the Vice-Chancellor for Health Affairs.

3.2 Within the policies and regulations of the Board of Regents and under the supervision and direction of the Chancellor or his delegate, the chief administrative officer of each unit has general authority and responsibility for the administration of that institution.

3.21 Specifically, the chief administrative officer is expected, with appropriate participation of the staff, to:

- 3.21(1) Develop and administer plans and policies for the program, organization, and operations of the institution.
- 3.21(2) Interpret The University of Texas System policy to the staff, and interpret the institution's program and needs to the Chancellor and to the public.
- 3.21(3) Develop and administer policies relating to students and to the proper management of service to patients.
- 3.21(4) Recommend appropriate budgets and supervise expenditures under approved budgets.
- 3.21(5) Nominate all members of the faculty and staff, maintain efficient personnel programs, and recommend staff members for promotion, retention, or dismissal for cause.
- 3.21(6) Insure efficient management of business affairs and physical property; recommend additions and alterations to the physical plant.
- 3.21(7) Serve as presiding officer at official meetings of faculty and staff of the institution, and as an ex officio member of each college or school faculty (if any) within the institution.
- 3.21(8) Appoint all faculty and staff committees.
- 3.21(9) Cause to be prepared and submitted to the Chancellor rules and regulations for the governance of the institution, and when such rules and regulations have been approved by the Chancellor,

such rules and regulations shall constitute the "Institutional Supplement" for that institution. Provided, however, that any rule or regulation in any such "Institutional Supplement" which is in conflict with any rule or regulation in the Regents' Rules and Regulations, as now or hereafter amended shall be null, void, and of no effect, and whenever the Regents' Rules and Regulations are amended, the Chancellor and the chief administrative officers of the component institutions shall proceed promptly to make any and all amendments in the "Institutional Supplements" necessary to conform the institutional supplements to the provisions of the Regents' Rules and Regulations.

3.21(10) Assume initiative in developing long-term plans for the program and physical facilities of the institution.

3.21(11) Assume active leadership in developing private fund support for the institution in accordance with policies and procedures established by the Chancellor with the advice of the University Development Board, and in collaboration with the Executive Director of the University Development Board and the Administrative Council of The University of Texas at Houston.

#### 4. Chairman

4.1 After receiving the recommendation of the Administrative Council, the Health Affairs Council and the Vice-Chancellor for Health Affairs, the Chancellor shall designate annually one of the institutional heads at Houston to serve as chairman of the Administrative Council for a term to begin on September 1st.

4.2 The Chairman shall:

4.21 Preside at all meetings; in the absence of the chairman the Administrative Council may designate a member to preside in lieu of the absentee-chairman.

4.22 Help to formulate, develop, administer and implement the policies and decisions of the Administrative Council.

4.23 Serve in such liaison capacities as might be agreed upon by the Administrative Council or which might arise and logically be expected; also, to serve in such other capacities as may be specifically outlined or assigned, thus, to foster the purposes of The University of Texas at Houston.

#### 5. Amendments:

5.1 Amendments hereto may be proposed by a majority of the Administrative Council, and presented in writing to the Chancellor for approval by the Board of Regents.

Anderson Hospital: Donation of Original Cobalt 60 Unit to the College Museum of Radiology in Chicago.-- The following resolution was adopted:

WHEREAS, the first cobalt 60 unit owned by The University of Texas M.D. Anderson Hospital and Tumor Institute at Houston was designed by members of the staff of Anderson Hospital; and

WHEREAS, this first cobalt 60 unit is no longer in use; and

WHEREAS, The American College of Radiology Foundation has established a College Museum of Radiology in Chicago and has requested that the first cobalt 60 unit owned by Anderson Hospital be donated to this Museum; and

WHEREAS, this cobalt 60 unit would be properly housed for full view as a historical item to radiologists and physicists and others;

BE IT RESOLVED that this unit be donated to the College Museum of Radiology in Chicago.

Anderson Hospital: Appointment of Mr. Warren S. Bellows, Jr., to Board of Visitors of the University Cancer Foundation.-- The Medical Affairs Committee approved the recommendation of Doctor R. Lee Clark that Mr. Warren S. Bellows, Jr., of Houston be appointed as a member of the Board of Visitors of the University Cancer Foundation of The University of Texas M.D. Anderson Hospital and Tumor Institute at Houston to succeed the late Mr. Warren S. Bellows, Sr.

Corporation in the Texas Medical Center to serve units within that Center, a request has been made by Texas Medical Center, Inc., that an easement be granted to Houston Natural Gas Corporation across certain land in the Center owned by The University of Texas System. The area is more fully described on a map which will be available for inspection at the meeting.

Although the U. T. System has not yet entered into a contract with Houston Natural Gas Corporation for service of chilled water and steam, it is understood that future buildings will be served by this central facility; therefore, it is to the University's interest that this underground distribution system be installed.

It is recommended by Dr. R. Lee Clark, Mr. Lester E. Palmer, Vice-Chancellor Walker, and Chancellor Ransom that an easement covering the area as designated on the map referred to above, be granted by the Board at no cost to the Houston Natural Gas Corporation, and that the Chairman of the Board be authorized to sign the easement document after approval as to content by the Director of the Office of Facilities Planning and Construction and as to legal form by the University Attorney.

EMERGENCY ITEMS  
BUILDINGS AND GROUNDS COMMITTEE

Date: May 31, 1968

Time: Following the Meeting of the Academic and Developmental  
Affairs Committee

Place: Main Building, Suite 212  
U. T. Austin, Austin, Texas

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B & G

U. T. AUSTIN

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Main U. S. Post Office, the Old U. S. Post Office Annex, and  
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U. T. ARLINGTON

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THE UNIVERSITY OF TEXAS SYSTEM  
OFFICE OF THE DIRECTOR OF  
FACILITIES PLANNING AND CONSTRUCTION  
AUSTIN, TEXAS 78712

EMERGENCY ITEMS  
RECOMMENDATIONS TO REGENTS' BUILDINGS AND GROUNDS COMMITTEE

May 30, 1968

16. U. T. AUSTIN - APPROVAL OF BRACKENRIDGE URBAN RENEWAL DISPOSAL AGREEMENT AND APPROPRIATION THEREFOR.--At the Regents' Meeting held April 19, 1968, authorization was given to Chairman Erwin to sign an Urban Renewal Disposal Agreement relating to the acquisition of the Brackenridge Urban Renewal Tract at The University of Texas at Austin as authorized by the 60th Legislature, Regular Session, Chapter 73, House Bill No. 287. A second agreement has now been prepared, which, in addition to outlining the boundaries of the property involved, sets out the prices to be paid for the various properties. The total estimated cost involved in the acquisition of the property, the boundaries of which are given in detail in the agreement, is \$4,447,800.00. It is recommended by President Hackerman, Mr. Lester E. Palmer, Vice-Chancellor Walker, and Chancellor Ransom that an appropriation in this amount be made from the following sources:

\$ 500,000.00 from Account No. 85-0204-2000 - Interest on Proceeds of Permanent University Fund Bonds

3,947,800.00 to be transferred from Available University Fund accounts as follows:

\$1,800,000.00 from Account No. 63-1006-0000 - Science Research Buildings

2,147,800.00 from Account No. 63-1005-0000 - Expansion of Power Generation, Central Water Chilling, and Utilities Distribution Systems

It is further recommended that authorization be given to Chairman Erwin to sign the Urban Renewal Disposal Agreement referred to, after approval as to content by the Director of the Office of Facilities Planning and Construction and as to legal form by the University Attorney.

17. U. T. AUSTIN - AUTHORIZATION TO PROCEED WITH REMODELING OF THE OLD MAIN U. S. POST OFFICE, THE OLD U. S. POST OFFICE ANNEX, AND THE OLD, OLD MAIN U. S. POST OFFICE AND APPROPRIATION THEREFOR.--Some time ago, The University of Texas System made application to the Federal Government for acquisition of the Old Main U. S. Post Office, the Old U. S. Post Office Annex, and the Old, Old Main U. S. Post Office, Austin, Texas, and these buildings have now become the property of The University of Texas System. In order to carry out the purposes for acquiring the buildings as set out in the application, the following recommendations are made by President Hackerman, Mr. Lester E. Palmer, Vice-Chancellor Walker, and Chancellor Ransom:

1. That an appropriation of \$1,500,000.00 be made from Account No. 85-0204-2000 - Interest on Proceeds of Permanent University Fund Bonds for the purpose of remodeling the Old Main U. S. Post Office and the Old, Old Main U. S. Post Office in Austin, Texas. It is also contemplated that the Old U. S. Post Office Annex, which has been condemned by the City of Austin, will be demolished and the area made into a landscaped park area.

2. That the Project Architects, Brooks, Barr, Graeber, and White, be authorized to proceed with the preparation of plans and specifications for this project, to be presented to the Board for approval at a later date.

18. U. T. ARLINGTON - APPROVAL OF EXECUTION OF LOAN AGREEMENT WITH U. S. COMMISSIONER OF EDUCATION FOR COMPOSITE BUILDING PROJECT.--President Woolf has been notified by the U. S. Office of Education that, in response to a request submitted in October 1966, a loan has been awarded under Title III of the Higher Education Facilities Act of 1963 in the amount of \$1,285,000 at an interest rate of 3% for a term of 30 years to pay part of the cost of construction of a composite building project at U. T. Arlington, including the Business Classroom-Life Sciences Building, Faculty Office Building, and Central Utility Expansion. Application for this loan was filed at about the same time as applications for Title I grants for the same project were filed. Grants amounting to \$1,912,669 have been received, and these grant funds together with Constitutional Tax Bond proceeds aggregating \$4,222,331 and other funds amounting to \$150,000 have been appropriated by the Board for construction of this project.

The U. S. Office of Education has requested that the Board of Regents adopt a Resolution authorizing execution of the Loan Agreement and that the agreement be executed on a timely basis. Terms and Conditions constituting part of the Loan Agreement include the usual provisions of Federal government agencies for construction grants and loans, among which is the provision that bonds in the amount of the approved loan will be issued and be subject to public sale. The Loan Agreement provides that the bonds shall be secured by fees, revenues or other moneys levied and collected under Article 2909c of Vernon's Texas Civil Statutes.

The proceeds of this loan, when received, can be substituted in the above construction project for proceeds of Constitutional Tax Bonds or other funds, and those funds can be used for other needed construction. Therefore it is recommended that:

- (1) The Board adopt the resolution set forth below accepting the proposed loan, authorizing the execution of the loan agreement, and authorizing such further action as may be necessary to consummate the loan.
- (2) The Board authorize increasing Building Use Fees at U. T. Arlington from the present semester total of \$20.00 to \$25.00, with the increased fee to secure the aforementioned loan to the extent needed.
- (3) The firm of McCall, Parkhurst and Horton, Dallas, Texas, be appointed as Bond Counsel and Mr. Sam E. Maclin, Russ and Company, San Antonio, be appointed as Financial Adviser for bonds issued under this Loan Agreement.

#### RESOLUTION APPROVING LOAN AGREEMENT

"WHEREAS, there has been filed with the U. S. Commissioner of Education by The University of Texas System, for and on behalf of The University of Texas at Arlington, (hereinafter called the "Applicant") an application for a loan under title III of the Higher Education Facilities Act of 1963 to assist in the construction of:

"A new Faculty Office Building; a portion of a Business Classroom-Science Building; and the prorated portion of the extension of the Central Utility Plant with necessary equipment, exterior utilities and site improvements, and the U. S. Commissioner of Education has tentatively offered to make the requested loan and has transmitted for consideration a proposed Loan Agreement, dated as of April 15, 1968; and

"WHEREAS, the proposed Loan Agreement has been duly examined and considered in accordance with all applicable rules of procedure and legal requirements, and made a part of the records of the Board of Regents of The University of Texas System (herein called the "Board") of the Applicant; and

"WHEREAS, it is deemed advisable and in the interests of the Applicant that the proposed Loan Agreement be accepted and its execution authorized;

"NOW, THEREFORE, be it resolved by the Board of the Applicant that the proposed Loan Agreement be and the same hereby is accepted without reservation or qualification.

"BE IT FURTHER RESOLVED THAT Frank C. Erwin, Jr., Chairman of the Board of the Applicant be and he is hereby authorized to execute the Loan Agreement, on behalf of the Applicant, and Betty Anne Thedford, the Secretary of the Board of the Applicant, be and she is authorized to attest the execution of the Loan Agreement and the proper officials of the Applicant are hereby authorized to take such further action as is necessary to provide for the construction of the project, and to consummate the loan."

These recommendations are concurred in by Chancellor Ransom, Vice-Chancellor Walker, Mr. Floyd Shelton, Mr. R. L. Anderson, Mr. Lester E. Palmer, and President J. R. Woolf.

19. GALVESTON MEDICAL BRANCH - AWARD OF CONTRACT TO TELLEPSEN CONSTRUCTION COMPANY FOR CLINICAL SCIENCES BUILDING.--In accordance with authorization given by the Board at the meeting held March 11, 1967, bids were called for on the Clinical Sciences Building at The University of Texas Medical Branch at Galveston and were received, opened, and tabulated on May 21, 1968, as shown below:

	Blount Bros. Corporation	Lambert Const. Co., Inc., & Assoc.	Southwestern Const. Co.	Tellepsen Const. Co.
Base Bid	\$3,863,000	\$3,994,000	\$3,763,600	\$3,579,800

Deduct Alternates:

No. 1	2,000	1,350	2,500	2,300
No. 2	2,500	2,130	2,200	2,000
No. 3	1,500	1,560	1,200	1,400
No. 4	12,000	19,100	21,000	12,000
No. 5	2,000	9,800	2,000	1,000
No. 6	13,000	10,900	14,700	10,000
No. 7	300	310	560	300

All bidders are located in Houston, Texas.  
Each bidder submitted with his bid a bidder's bond in the amount of 5% of the greatest amount bid.

It is recommended by Dr. Truman G. Blocker, Jr., Mr. Lester E. Palmer, Vice-Chancellor Walker, and Chancellor Ransom that the low base bid be accepted and that a contract award in the amount of \$3,579,800.00 be made to the low bidder, Tellepsen Construction Company, Houston, Texas.

In order to cover this recommended contract award, Architects' Fees thereon, and miscellaneous expenses within the total funds available, it will be necessary to use approximately \$83,000.00 of the funds allocated for Movable Furniture and Equipment; however, it is anticipated that over the next two-year construction period, the Galveston Medical Branch will be able to accumulate this amount of equipment for use in the new building or otherwise provide the necessary funds in order that the total amount of equipment needed for the building will be available by the time the building is ready for occupancy.

20. GALVESTON MEDICAL BRANCH - AWARD OF CONTRACT TO JOHN GRAY COMPANY, INC., FOR REMODELING OF FIRST FLOOR OF CHILDREN'S HOSPITAL FOR DEPARTMENT OF PEDIATRICS AND REMODELING OF THIRD FLOOR OF REBECCA SEALY BUILDING FOR DEPARTMENT OF PHARMACOLOGY AND ADDITIONAL APPROPRIATION.--At the Regents' Meeting held April 19, 1968, appropriations in the total amount of \$150,000.00 were made for Remodeling of the First Floor of the Children's Hospital for the Department of Pediatrics and for Remodeling of the Third Floor of Rebecca Sealy Building for the Department of Pharmacology at The University of Texas Medical Branch at Galveston. Plans and specifications for these remodeling projects were prepared by the Galveston Medical Branch Physical Plant staff, and bids were called for, received, opened, and tabulated on May 23, 1968, as shown below:

REMODELING OF FIRST FLOOR OF CHILDREN'S HOSPITAL

Bidder	Base Bid	Alt. No. 1	Alt. No. 2	Alt. No. 3
John Gray Company, Inc., Galveston, Texas	\$144,528.00	\$1,942.00	\$2,514.00	\$2,129.00
Texas Coast Construction Company, Galveston, Texas	152,743.00	1,742.00	2,214.00	1,929.00

Both bidders submitted a bidder's bond: John Gray Company, Inc., in the amount of 5% of the greatest amount bid, and Texas Coast Construction Company in the amount of \$150,000.00.

REMODELING OF THIRD FLOOR OF REBECCA SEALY BUILDING

Bidder	Base Bid	Bidder's Bond
John Gray Company, Inc., Galveston, Texas	\$ 94,403.00	5%
Texas Coast Construction Company, Galveston, Texas	123,998.00	\$125,000.00

As these bids are in excess of the amounts appropriated for the projects, negotiations have been entered into with the low bidder, John Gray Company, Inc., in an attempt to bring the contract price down, and the following reductions have been agreed upon on the Children's Hospital Remodeling project:

Reduce Air Conditioning from 8-zone to 5-zone, deduct	\$ 7,408.00
Reduce Contingency Allowance from \$5,000.00 to \$1,000.00, deduct	4,000.00
Eliminate Finishing of the Porch, deduct	4,000.00
Eliminate Millwork, deduct	<u>4,000.00</u>
Total Deductions	<u>\$19,408.00</u>

As this work is urgently needed by the Galveston Medical Branch, it is recommended by Dr. T. G. Blocker, Jr., Mr. V. E. Thompson, Mr. Lester E. Palmer, Vice-Chancellor Walker, and Chancellor Ransom that a contract award be made to the low bidder, John Gray Company, Inc., Galveston, Texas, as shown below:

Base Bid, Remodeling Children's Hospital	\$144,528.00
Deductions by Negotiations	<u>19,408.00</u>
	125,120.00
Add Alternate No. 1 (Installation of Vinyl Tile in Certain Specified Areas)	<u>1,942.00</u>
	127,062.00
Base Bid, Remodeling Rebecca Sealy Building	<u>94,403.00</u>
Total Recommended Contract Award	<u>\$221,465.00</u>

It is further recommended that in order to cover this recommended contract award, an additional appropriation of \$71,465.00 be made to these projects from the Unappropriated Balance of Galveston Medical Branch.

21. GALVESTON MEDICAL BRANCH - RENTAL OF SPACE IN ST. MARY'S NURSING SCHOOL BUILDING FOR MEDICAL RECORDS STORAGE.--The following letter has been received from Dr. T. G. Blocker, Jr., President, Galveston Medical Branch:

"At the present time, Medical Records for the Medical Branch are being stored on the third floor and in the basement of the Old Out-Patient Department Building. There are approximately 330,000 individual patient records in storage which are being used daily and must be accessible at all times. There is a constant need for these records with the many return patients being registered in our Out-Patient Department or admitted to the hospital.

"The present statutes require that records be retained for minors two years after the age of majority or a minimum time of 23 years. The American Hospital Association recommends a minimum retainage of ten (10) years of all information with only pertinent patient information records retained after ten (10) years.

"We are accumulating over 30,000 new patient records each year which must be kept in storage. These records need to be stored in an air conditioned facility to protect them from deterioration.

"A microfilming program has just been initiated at the Medical Branch to record all patient record information on microfilm. With the tremendous "back log" of records now on hand, it will take approximately two years to complete this project to where this voluminous amount of paper can be transformed to film and then destroyed.

"With the bid opening on the Clinical Sciences Building due May 21, 1968, it is necessary for us to move these records from the Old Out-Patient Department Building to an area where they will be protected and made available for daily use and microfilming.

"In order to accomplish this task, we have contacted the administrators of St. Mary's Hospital and asked them the possibility of using one entire floor of their Nursing School Building. We have been informed that one floor is available for this use. The floor is air conditioned and will provide for the necessary protection of these records. One floor of this building contains 10,600 square feet which is less than we are using at the present time. The hospital officials do not want to rent less than an entire floor for a particular purpose. Two floors would be too large and we believe that the one floor in the St. Mary's Nursing School Building plus stacking the additional files in our present Medical Records facility would be adequate for our needs. The rental charge would be 22¢ per square foot per month.

"Therefore, it is recommended that we be permitted to lease 10,600 square feet of space at 22¢ per square foot per month in the Nursing School Building, owned and operated by the St. Mary's Hospital, for a period not to exceed two years. It is further recommended that the funds for this rental charge be paid from the General Funds of the Medical Branch Hospitals."

Executive Vice-Chancellor LeMaistre, Vice-Chancellor Walker and Chancellor Ransom concur in this request. If the request is approved, it is recommended that Vice-Chancellor Walker be authorized to execute the lease agreement with the St. Mary's Hospital, Galveston, Texas, for 10,600 square feet of space at the rate of 22¢ per square foot per month, said lease to be for a period not to exceed two years and payable from General Funds of Medical Branch Hospitals.

# **Medical Affairs Committee**

MEDICAL AFFAIRS COMMITTEE

Date: May 31, 1968

Time: Following the Meeting of the Buildings and Grounds Committee

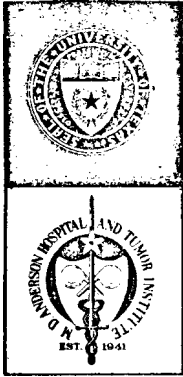
Place: Main Building, Suite 212  
U. T. Austin, Austin, Texas

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2. Anderson Hospital: Appointment of Mr. Warren S. Bellows, Jr., to Board of Visitors of the University Cancer Foundation	3

1. ANDERSON HOSPITAL: PROPOSED DONATION OF ORIGINAL COBALT 60 UNIT TO THE COLLEGE MUSEUM OF RADIOLOGY IN CHICAGO.-- Below is a Xerox copy of Chancellor Ransom's recommendation:

Chancellor Ransom and Vice-Chancellor LeMaistre concur in the recommendation of Dr. R. Lee Clark that the Board of Regents approve donation of the original cobalt 60 unit to the College Museum of Radiology in Chicago.

Dr. Clark's letter to Dr. Ransom dated May 6, 1968 in support of the proposed donation of this unit follows:



## THE UNIVERSITY OF TEXAS

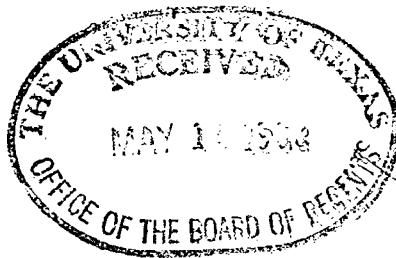
M. D. ANDERSON HOSPITAL AND TUMOR INSTITUTE

Texas Medical Center Houston, Texas 77025

May 6, 1968

R. LEE CLARK, M. D., DIRECTOR

Dr. Harry H. Ransom  
Chancellor  
The University of Texas  
Austin, Texas 78712



CHANCELLOR'S OFFICE U. OF T.	
SEARCHED	INDEXED
SERIALIZED	FILED
MAY 14 1968	
GALB	
GWL	

Dear Doctor Ransom:

The American College of Radiology Foundation has established a College Museum of Radiology in Chicago and has requested that the first cobalt 60 unit, owned by this institution, be donated to this museum. As you will recall, this unit was designed by members of the staff of this institution. It is no longer in use and has been held for some time pending a recommendation as to its disposition.

One of the advantages of allowing this to become the property of the American College of Radiology is that it would be properly housed for full view as an historical item to those most interested, that is, the radiologists and physicists themselves. In effect, this would mean that the American College of Radiology is putting its stamp of approval upon our claim to have designed the first acceptable cobalt irradiator in the world.

The College Museum of Radiology is an appropriate place for this unit to be displayed and it is my recommendation that approval of the Board of Regents be requested to donate this unit to the museum.

If further information is needed to obtain Board of Regents approval of this recommendation please advise.

Sincerely yours,

R. Lee Clark, M.D.  
Director

RLC:br



2. ANDERSON HOSPITAL: APPOINTMENT OF MR. WARREN S. BELLOWS, JR., TO BOARD OF VISITORS OF THE UNIVERSITY CANCER FOUNDATION.-- Below is a Xerox copy of Chancellor Ransom's recommendation:

Chancellor Ransom and Vice-Chancellor LeMaistre concur in the recommendation of Dr. R. Lee Clark that Mr. Warren S. Bellows, Jr., of Houston, be appointed to the Board of Visitors of the University Cancer Foundation.

Mr. Bellows is the son of the late Mr. Warren S. Bellows, Sr., who was a member of the Board of Visitors at the time of his death last year. A biographical resume on Mr. Bellows follows:

Name: Warren S. Bellows, Jr.

Address: 3 Crestwood, Houston, Texas (residence)  
716 North York, Houston, Texas (office)

Born: November 3, 1917, Port Arthur, Canada

Wife: Barbara Crowley - 3 children

Education: The University of Texas, Civil Engineering, B.S. 1939

Occupation: President, W. S. Bellows Construction Corporation

Other  
Affiliations: Chairman, 1968 Harris County Heart Fund  
Member, National Committee for Economic Development  
Member, State Board of Control  
Director, Fort Worth and Denver Railroad  
Houston Chamber of Commerce (not active on a committee  
at present)

Professional  
Societies: American Society of Civil Engineers

(For the record, the Secretary reports that Mrs. Mirtha G. Dunn passed away in December 1967. Mrs. Dunn was also a member of the Board of Visitors of the University Cancer Foundation.)

MEDICAL AFFAIRS COMMITTEE

Supplementary Agenda

Date: May 31, 1968

Time: Following the meeting of the Buildings and Grounds Committee

Place: Main Building, Suite 212  
U. T. Austin, Austin, Texas

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4. San Antonio Medical School: Proposed Resolution of Appreciation to Trinity University	7
5. Houston Dental Branch, Anderson Hospital, G. S. B. S., Public Health School: Administrative Organization for The University of Texas at Houston	8

3. San Antonio Medical School: Proposed Establishment of a Physicians Referral Service. -- Chancellor Ransom and Vice-Chancellor Le-Maistre concur in the recommendation of Dean Pannill that the Board of Regents adopt the following proposal with regard to the establishment of a Physicians Referral Service. This proposal has been approved by the faculty of the San Antonio Medical School:

#### PHYSICIANS REFERRAL SERVICE

In accordance with the policy statements of the Board of Regents of The University of Texas of November 6, 1966, July 29, 1967, and September 13, 1967, the following procedure will be established at The University of Texas Medical School at San Antonio effective June 1, 1968.

*making  
and*

1. All professional fees from the sources listed below will be billed and collected by this institution's Physicians Referral Service and will be deposited to an institutional trust fund account.
  - a. Fees generated as a member of the institutional faculty, including third party payment plans,
  - b. Fees from all professional consultations,
  - c. Fees for services rendered at any other state supported medical facility or institution in the State of Texas,
  - d. Fees for individual professional service at Federal or affiliated hospitals,
  - e. Fees from court appearances.

Professional income which is excluded from this collection is as follows:

- a. Honoraria, royalties, lecture fees, and non-professional retainers,
  - b. Payment for editing scientific publications,
  - c. Consultation fees (honoraria) as a regional or national consultant to any branch of the United States Government, such as United States Public Health Service or military services.
2. All expenses of administration and operation of the Physicians Referral Service will be paid from income to the trust fund.
  3. An amount not to exceed eight per cent per year of the balance of the fund following payment of expenses will be deposited to an Institutional Faculty Development Fund, to be expended in support of institutional faculty programs. Details of these programs will be presented at a later date.
  4. The remaining free balance of the fund will be distributed quarterly to the various departments in the proportion that each departmental faculty participated in the earning of the fund. Each department will designate an executive committee of faculty members under the leadership of the departmental chairman which will be charged with the disbursement of funds.

Appropriate expenditures include:

- a. Permissive faculty salary augmentation within the limits established by the Board of Regents,
  - b. Departmental faculty development (including travel, consultants fees, official entertainment),
  - c. Development of house staff support,
  - d. Departmental program development.
5. The provisions of Revenue Ruling 66-377 will be applied in the accounting procedures of the Physicians Referral Service.

4. San Antonio Medical School: Proposed Resolution of Appreciation to Trinity University. -- Chancellor Ransom recommends that the following resolution, which was submitted by Dean Pannill, be adopted by the Board of Regents as an expression of gratitude to Trinity University:

WHEREAS, In December, 1965 the President and Board of Trustees of Trinity University, San Antonio, Texas, made a generous offer of approximately 10,000 square feet of space in the Moody Engineering Science Building on that campus to be used to accommodate the administration, faculty and staff of The University of Texas Medical School at San Antonio; and

WHEREAS, such offer was made in the spirit of true academic cooperation to house the San Antonio Medical School during its early developmental stages pending completion of the new physical plant; and

WHEREAS, no monetary consideration for the use of this space was required, since it was agreed that certain faculty members of the San Antonio Medical School would, from time to time, participate in the teaching programs for the benefit of students at Trinity University at no cost to that institution; and

WHEREAS, the San Antonio Medical School will vacate these premises in July, 1968 when the new medical school building is completed;

NOW, THEREFORE, BE IT RESOLVED by the Board of Regents of The University of Texas:

1. That it hereby expresses gratitude to the President and Board of Trustees of Trinity University for this most generous action which permitted continued development of the San Antonio Medical School during a critical period of its growth,

2. That it considers Trinity University's action as an example of the highest order of cooperation between a privately supported and a state supported institution of higher learning and expresses its desire to continue this kind of cooperation in the future.

5. Houston Dental Branch, Anderson Hospital, G.S.B.S., Public Health School: Administrative Organization for The University of Texas at Houston. -- Vice-Chancellor LeMaistre concurs in the recommendation of the Health Affairs Council for a creation of an internal administrative organization for the units of The University of Texas System located in Houston. Vice-Chancellor LeMaistre's concurrence is with the understanding that the proposed Administrative Council serves the institutional heads at Houston and its Chairman serves at the pleasure of, is responsible to, and reports to, the institutional heads.

ADMINISTRATIVE ORGANIZATION  
THE UNIVERSITY OF TEXAS AT HOUSTON

Preface

The University of Texas System is comprised of several units and campuses situated throughout the State, all governed by the same Board of Regents, and as a system administered by the Chancellor who is located in Austin. The University of Texas at Houston is one such campus. It is made up of several institutions with common objectives of service, research, and teaching as they relate to health and human care.

Each of the component units of the Houston campus has a certain autonomy, both fiscal and operational. Each has its own administrative head who is responsible to the Chancellor and each has access to the Board of Regents through the Chancellor. However, interaction, common needs and inter-institutional dependence do exist. The intent of this statement and proposal is to recognize that in this group (confederacy) of institutions with their individual fiscal and administrative autonomy, there is an interaction which, through a more formal organization, can better shape the strength of the whole group without decreasing the autonomy of the individual component.

Therefore, the institutional heads at Houston jointly present and recommend for adoption this document to create a more formal local mechanism for administrative exchange and understanding; to enhance inter-institutional activities, thus to extend the total resources; to foster faculty security and understanding; to encourage inter-institutional cooperation; and to more aptly assist the development of The University of Texas at Houston.

1. Composition:

The University of Texas at Houston shall consist of the M. D. Anderson Hospital and Tumor Institute, the Dental Branch, the Graduate School of Biomedical Sciences, the School of Public Health, and such other units, schools or colleges as The University of Texas Board of Regents may designate.

2. Administrative Council of The University of Texas at Houston:

- 2.1 The Administrative Council of The University of Texas at Houston shall be composed of the institutional heads of the component units and the Vice-Chancellor for Health Affairs (Ex officio).
- 2.2 The institutional heads may invite supporting staff to participate in administrative functions. Such supporting staff shall not vote in the Council except that a staff member may be designated to act as the official substitute for the absentee institutional head.
- 2.3 A Chairman is to preside over the meetings of the Administrative Council and with the Council prepare by-laws for the functioning of the Council; provided, however, that such by-laws and amendments thereto shall have no force or effect unless and until they have been approved by the Chancellor and the Board of Regents. He is to administer the Council's policies and execute its decisions.
- 2.4 Within the policies and regulations of the Board of Regents, and under the supervision and direction of the Chancellor, the Administrative Council shall, with appropriate participation by the Houston faculty and staff:
  - 2.41 Have general coordinating authority with respect to the component institutions of The University of Texas at Houston.
  - 2.42 Coordinate through its Chairman all joint presentations to agencies of local, state and federal governments, and to the lay and professional public.
  - 2.43 Have a responsibility in the development program of The University of Texas at Houston under the program as developed by The University of Texas System Development Board.
  - 2.44 Assist in developing and maintaining a master plan for the growth of The University of Texas at Houston.
  - 2.45 Develop affiliation agreements with hospitals (and other institutions or agencies where indicated) for the component institutions of The University of Texas at Houston, and aid in developing agreements for component units of The University of Texas located elsewhere which desire affiliations in Houston.
  - 2.46 Review for informational purposes budgets and budget requests of the component units of The University of Texas at Houston prior to their submission by the respective institutional heads to the Chancellor and Board of Regents.
  - 2.47 Review for informational purposes tenure appointments or nominations to the faculty, and major staff appointments prior to submission by the respective institutional heads to the Chancellor and Board of Regents.

- 2.48 Develop and recommend methods of centralization of administrative and business procedures, etc.
- 2.49 Review for informational purposes Institutional Supplements and changes therein prior to submission to the Chancellor.

3. Chief Administrative Officers of Component Institutions:

- 3.1 The Chief Administrative Officer of each of the component institutions serves under the direction of the Chancellor, reports to the Chancellor, is responsible to the Chancellor, and has access to the Board of Regents through the Chancellor. These responsibilities of the Chancellor may be delegated to the Vice-Chancellor for Health Affairs.
- 3.2 Within the policies and regulations of the Board of Regents and under the supervision and direction of the Chancellor or his delegate, the chief administrative officer of each unit has general authority and responsibility for the administration of that institution.
  - 3.21 Specifically, the chief administrative officer is expected, with appropriate participation of the staff, to:
    - 3.21(1) Develop and administer plans and policies for the program, organization, and operations of the institution.
    - 3.21(2) Interpret The University of Texas System policy to the staff, and interpret the institution's program and needs to the Chancellor and to the public.
    - 3.21(3) Develop and administer policies relating to students and to the proper management of service to patients.
    - 3.21(4) Recommend appropriate budgets and supervise expenditures under approved budgets.
    - 3.21(5) Nominate all members of the faculty and staff, maintain efficient personnel programs, and recommend staff members for promotion, retention, or dismissal for cause.
    - 3.21(6) Insure efficient management of business affairs and physical property; recommend additions and alterations to the physical plant.
    - 3.21(7) Serve as presiding officer at official meetings of faculty and staff of the institution, and as an ex officio member of each college or school faculty (if any) within the institution.
    - 3.21(8) Appoint all faculty and staff committees.
    - 3.21(9) Cause to be prepared and submitted to the Chancellor rules and regulations for the governance of the institution, and when such rules and regulations have been approved by the Chancellor,



such rules and regulations shall constitute the "Institutional Supplement" for that institution. Provided, however, that any rule or regulation in any such "Institutional Supplement" which is in conflict with any rule or regulation in the Regents' Rules and Regulations, as now or hereafter amended shall be null, void, and of no effect, and whenever the Regents' Rules and Regulations are amended, the Chancellor and the chief administrative officers of the component institutions shall proceed promptly to make any and all amendments in the "Institutional Supplements" necessary to conform the institutional supplements to the provisions of the Regents' Rules and Regulations.

3.21(10) Assume initiative in developing long-term plans for the program and physical facilities of the institution.

3.21(11) Assume active leadership in developing private fund support for the institution in accordance with policies and procedures established by the Chancellor with the advice of the University Development Board, and in collaboration with the Executive Director of the University Development Board and the Administrative Council of The University of Texas at Houston.

#### 4. Chairman

4.1 After receiving the recommendation of the Administrative Council, the Health Affairs Council and the Vice-Chancellor for Health Affairs, the Chancellor shall designate annually one of the institutional heads at Houston to serve as chairman of the Administrative Council for a term to begin on September 1st.

4.2 The Chairman shall:

4.21 Preside at all meetings; in the absence of the chairman the Administrative Council may designate a member to preside in lieu of the absentee-chairman.

4.22 Help to formulate, develop, administer and implement the policies and decisions of the Administrative Council.

4.23 Serve in such liaison capacities as might be agreed upon by the Administrative Council or which might arise and logically be expected; also, to serve in such other capacities as may be specifically outlined or assigned, thus, to foster the purposes of The University of Texas at Houston.

#### 5. Amendments:

5.1 Amendments hereto may be proposed by a majority of the Administrative Council, and presented in writing to the Chancellor for approval by the Board of Regents.

## **Committee of the Whole**

May 24, 1968

The Honorable Frank C. Erwin, Jr.  
900 Brown Building  
Austin, Texas 78701

Dear Frank:

I am ceding my time for reporting to the Committee of the Whole in three meetings so that representatives of the liberal arts and sciences programs can report.

The first report is to be by Dean Silber of U.T. Austin; the second by Vice-President Leech of U.T. El Paso; and the third by Dean Charles Green of U.T. Arlington.

Sincerely yours,

Harry Ransom  
Chancellor

HR:jj

cc: Mr. Otis W. Singletary  
Mr. Norman Hackerman

→ Miss Betty Anne Theford

COMMITTEE OF THE WHOLE  
Chairman Erwin, Presiding  
Executive Session

Date: May 31, 1968

Time: Following the meeting of the Land and Investment Committee

Place: Main Building, Suite 212  
U. T. Austin, Austin, Texas

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1. Chairman Frank C. Erwin, Jr.
2. Vice-Chairman Jack S. Josey
3. Regent W. H. Bauer
4. Regent Frank N. Ikard
5. Regent (Mrs.) J. Lee Johnson III
6. Regent Joe M. Kilgore
7. Regent Levi A. Olan
8. Regent John Peace
9. Regent E. T. Ximenes

### B. REPORTS AND SPECIAL ITEMS BY CHANCELLOR

### C. REPORTS AND SPECIAL ITEMS BY VICE-CHANCELLORS

1. Vice-Chancellor Graves W. Landrum
2. Vice-Chancellor Charles A. LeMaistre

3. Vice-Chancellor Raymond W. Vowell
  4. Vice-Chancellor E. D. Walker
- D. SPECIAL ITEMS RELATING TO CENTRAL ADMINISTRATION AND/OR U. T. SYSTEM
- E. SPECIAL ITEMS RELATING TO COMPONENT INSTITUTIONS
1. U. T. Austin: States Report With Respect To Old Post Office Building.--Report.
  2. Anderson Hospital, G.S.B.S., Public Health School: Security Regulations.--Below is a Xerox copy of Chancellor Ransom's recommendation.

Chancellor Ransom and Vice-Chancellor Landrum recommend that the Board of Regents approve the following recommendations for security service as submitted by Mr. Joe E. Boyd, Jr., Administrator of the three named institutions:

Pursuant to the action of the Board of Regents at the meeting on January 26, 1968 regarding the implementation of SB 162, we recommend that the following resolution be adopted by the Board of Regents pertaining to the security regulations at The University of Texas M. D. Anderson Hospital and Tumor Institute, Graduate School of Biomedical Sciences and The School of Public Health at Houston.

BE IT RESOLVED by the Board of Regents that pursuant to Section 2 of Article 2919 j, V.C.S., the following security regulations of The University of Texas M. D. Anderson Hospital and Tumor Institute, Graduate School of Biomedical Sciences and The School of Public Health at Houston, be and they are hereby adopted as the security regulations governing the security service for the above University of Texas units at Houston.

#### SECURITY REGULATIONS

A security service will be maintained at The University of Texas M. D. Anderson Hospital and Tumor Institute to provide maximum security of property and personnel for M. D. Anderson Hospital and Tumor Institute, the Graduate School of Biomedical Sciences, and the School of Public Health,

and such other units of The University of Texas at Houston as might be designated by the Board of Regents at any future time. This service shall be under the supervision of a Security Coordinator or Security Chief who will report directly to the Business Manager. Security personnel under the supervision of the Security Coordinator shall have the titles of Watchman and Guard. All personnel with the title of Guard shall as soon as practical attend the training program for security personnel at The University of Texas in Austin and upon satisfactory completion of that program be commissioned as Peace Officers. Security services shall be provided for the M. D. Anderson Hospital building, temporary buildings adjacent to the main building, leased space in the Hermann Professional and Hermann Garage Buildings, leased space in the Pavilion Building, outside areas immediately adjacent to the buildings owned by M. D. Anderson Hospital, and such other new buildings or leased space for M. D. Anderson Hospital and Tumor Institute, the Graduate School of Biomedical Sciences, or the School of Public Health as may be acquired in the future. Services shall be provided on a twenty-four (24) hour basis for seven days each week. The Security Coordinator and one commissioned Peace Officer on each shift shall be armed at all times while on duty. The armed commissioned Peace Officer shall be the supervisor of other security personnel on the shift and he shall have the working title of Sergeant. He will report directly to the Security Coordinator. The Executive Head of any institution included in this plan, the Administrator or Business Manager may authorize the arming of other commissioned Peace Officers at any time they determine that an emergency exists and warrants such action.

All security personnel with the exception of the Security Coordinator are to wear the prescribed uniform at all times.

It will be the responsibility of the Security Coordinator to maintain a close liaison with the Houston Police Department and the Houston Office of the Department of Public Safety for the Houston Area. The Houston Police Department and the Texas Department of Public Safety will be called on at all times when assistance is required for investigation of criminal activities.

Since the flow of traffic in the Texas Medical Center is the responsibility of the Texas Medical Center, Inc., the Security Service will not be responsible for traffic, except in those ramp and dock areas immediately adjacent to the buildings.

The following regulations govern parking and traffic in ramp and dock areas immediately adjacent to the building:

1. No parking will be permitted on the ramps at the front of any building by other than University vehicles except to pick up and discharge passengers.
2. At any time a vehicle is parked on a ramp for the purpose of picking up or discharging passengers the engine of the vehicle must be turned off and the driver must be in attendance at the vehicle. Blocking of the drive will not be permitted.
3. The dock area of any building is to be used solely for the purpose of delivering supplies and equipment to the building. No parking is permitted in this area.

The University of Texas reserves the right to impound any vehicle parked in violation of the above regulations.

Violations of the parking and traffic regulations in other areas will be reported to the Texas Medical Center, Inc. for action.



COMMITTEE OF THE WHOLE

Emergency Items

1. Executive Committee Item 22-M-67

1. U. T. AUSTIN: MINUTES OF THE BOARD OF DIRECTORS OF TSP, INC., APRIL 17, 1968 - ITEM 7 OF EXECUTIVE COMMITTEE 22-M-67.-- The minutes of the meeting of the Board of Directors of Texas Student Publications, Inc. of April 17, 1968 were approved with the exception of Item 7 which reads as follows. It was requested that this item be discussed at the May 31 meeting:

7. Approve the change in the procedure for selecting the Editor of The Daily Texan from elective by the student body to appointive by the voting members of the TSP Board plus the student ex-officio members of the TSP Board. This will include the editors of the five publications, Texan, Cactus, Ranger, Riata, Texas Engineering and Science Magazine, plus the Managing Editor of the Texan. This group consisting of 11 students and 4 faculty members will make the appointment.

It is understood that if the Regents approve this change to the appointive system, the TSP Handbook and Charter will require changing. Likewise, the reference to the method of selecting the Texan Editor in Article VI of the Constitution of the Students' Association will need to be changed.

President Hackerman concurs in the recommendation of Vice-President Jordan that:

"If the Regents approve item number 7, however, it is my recommendation (and DeWitt Reddick's) that they should require the TSP Board to submit a set of exact procedures for the appointment of a Texan editor. TSP should, for example, be authorized to consider not only candidates who have applied for consideration, but should also have the privilege of seeking persons who may not have expressed an interest in the position.

"It is my suggestion that the Regents require that these procedures be submitted for regental approval by September 1, 1968."

COMMITTEE OF THE WHOLE  
Chairman Erwin, Presiding  
Executive Session

Supplementary Agenda

Date: May 31, 1968

Time: Following the meeting of the Land and Investment Committee

Place: Main Building, Suite 212  
U. T. Austin, Austin, Texas

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D. SPECIAL ITEMS RELATING TO CENTRAL ADMINISTRATION AND/OR U. T. SYSTEM

1. Regents' Rules and Regulations, Part One: Amendment to Chapter III, with Respect to Retirement and Modified Service. -- Chancellor Ransom and Vice-Chancellor Walker concur in the recommendation of Personnel Director Kennedy that the Regents' Rules and Regulations be amended as follows in order to include a change in the Teacher Retirement law which was enacted by the last session of the Legislature.

This revision changes the age under this section from age 65 to age 60 and makes this provision apply to any person rather than just "teacher members". The description of one-third time employment was taken from the Rules and Regulations of the Teacher Retirement System.

Present

Chapter III, 31.(15)  
Employment after Retirement. --  
Any person receiving service retirement under the Teacher Retirement System of Texas and who is over [sixty-five (65)] years of age may, [subject to the provisions of Section 31.1 above] be employed [by a State-supported college or university in this state] on as much as a one-third time basis [(which for teachers shall in no event exceed teaching of six (6) semester hours)]. This employment of a person receiving service retirement shall not affect his right to continue to receive benefits under the Teacher Retirement System of Texas. However, this employment does not entitle the person to receive additional creditable service under the Teacher Retirement System of Texas and the person so employed shall not be required to make further contributions to the Teacher Retirement System of Texas. Application of this provision to individual cases shall be based on institutional benefit or need and will be recommended through appropriate administrative officers to the Chancellor for approval.

Proposed

Chapter III, 31.(15)  
Employment after Retirement. --  
Any person receiving service retirement benefits from the Teacher Retirement System of Texas and who is over SIXTY (60) years of age may be employed IN A PUBLIC SCHOOL OF TEXAS on as much as a one-third time basis. THIS WOULD USUALLY LIMIT EMPLOYMENT IN INSTRUCTION TO NO MORE THAN ONE (1) THREE-SEMESTER-HOUR COURSE DURING ANY ONE SEMESTER OF THE LONG TERM, ONE (1) THREE-SEMESTER-HOUR COURSE DURING A SIX-WEEK TERM. ONE-THIRD EMPLOYMENT FOR STAFF SHALL IN NO CASE EXCEED FIFTY-NINE (59) CLOCK HOURS IN ANY CALENDAR MONTH. This employment of a person receiving service retirement shall not affect his right to continue to receive benefits under the Teacher Retirement System of Texas. However, this employment does not entitle the person to receive additional creditable service under the Teacher Retirement System of Texas and the person so employed shall not be required to make further contributions to the Teacher Retirement System of Texas. Application of this provision to individual cases shall be based on institutional benefit or need and will be recommended through appropriate administrative officers to the Chancellor for approval.

2. Scheduled Meetings and List of Scheduled Events. -- Below is a revision of the list of scheduled events as compiled by the Secretary:

1968		JUNE							1968	
S	M	T	W	T	F	S				
									1	
2	3	4	5	6	7	8				
9	10	11	12	13	14	15				
16	17	18	19	20	21	22				
23	24	25	26	27	28	29				

1968		JULY							1968	
S	M	T	W	T	F	S				
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7	8	9	10	11	12	13				
14	15	16	17	18	19	20				
21	22	23	24	25	26	27				
28	29	30	31							

1968		AUGUST							1968	
S	M	T	W	T	F	S				
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4	5	6	7	8	9	10				
11	12	13	14	15	16	17				
18	19	20	21	22	23	24				
25	26	27	28	29	30	31				

1968		SEPTEMBER							1968	
S	M	T	W	T	F	S				
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8	9	10	11	12	13	14				
15	16	17	18	19	20	21				
22	23	24	25	26	27	28				
29	30									

1968		OCTOBER							1968	
S	M	T	W	T	F	S				
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6	7	8	9	10	11	12				
13	14	15	16	17	18	19				
20	21	22	23	24	25	26				
27	28	29	30	31						

1968		NOVEMBER							1968	
S	M	T	W	T	F	S				
							1	2		
3	4	5	6	7	8	9				
10	11	12	13	14	15	16				
17	18	19	20	21	22	23				
24	25	26	27	28	29	30				

1968		DECEMBER							1968	
S	M	T	W	T	F	S				
1	2	3	4	5	6	7				
8	9	10	11	12	13	14				
15	16	17	18	19	20	21				
22	23	24	25	26	27	28				
29	30	31								

1968

- May 31 U. T. Arlington Commencement  
May 31-June 1 Board of Regents' meeting in Austin
- June 1 U. T. Austin Commencement  
 June 1 System Nursing School Commencement  
 June 3 Dallas Medical School Commencement  
 June 3 Houston Dental Branch Commencement  
 June 3 G. S. B. S. Commencement  
 June 8 Dedication of W. C. Hogg Building 11:00 a.m. (Austin)  
 June 12 Galveston Medical Branch Commencement  
 June 13 Oil and Gas Lease Sale on University Lands, Austin  
June 25 Meeting of Board of Regents to Consider Only a Bond Issue, Austin 2:00 P.M.  
 July 12 Dedication of San Antonio Medical School Building  
July 26-27 Board of Regents' meeting in Midland
- Sept. 20-21 Board of Regents' meeting in Austin
- Sept. 21\* U. of Houston vs. U. T. - Austin  
 Sept. 28\* Texas Tech vs. U. T. - Lubbock  
 Oct. 5\* Okla. State vs. U. T. - Austin  
 Oct. 12 O. U. vs. U. T. - Dallas  
 Oct. 19\* U. of Ark. vs. U. T. - Austin  
 Oct. 26\* Rice U. vs. U. T. - Houston  
 Nov. 2 S. M. U. vs. U. T. - Austin  
 Nov. 9 Baylor U. vs. U. T. - Waco  
 Nov. 16 T. C. U. vs. U. T. - Ft. Worth  
 Nov. 28 A&M vs. U. T. - Austin

\* Probably Night Games

E. SPECIAL ITEMS RELATING TO COMPONENT INSTITUTIONS

3. U. T. Austin: Report from Administration with Respect to Mr. Lawrence Caroline.--The Committee will receive a report from the Administration with respect to Mr. Lawrence Caroline, and it is anticipated that the Committee will also receive a recommendation with respect to the disposition of this matter.
  
4. U. T. Austin: Articles of Incorporation of the Lyndon Baines Johnson School of Public Affairs Foundation.--It is recommended that the Board authorize the execution and filing of the following Articles of Incorporation in order to establish the Lyndon Baines Johnson School of Public Affairs Foundation and it is also recommended that the Board further authorize the incorporators to name the initial Board of Directors after consultation with all interested parties:

ARTICLES OF INCORPORATION

OF

THE LYNDON BAINES JOHNSON  
SCHOOL OF PUBLIC AFFAIRS FOUNDATION

We, the undersigned, natural persons of the age of twenty-one years or more, at least two (2) of whom are citizens of the State of Texas, acting as incorporators of a nonprofit corporation under the Texas Non-Profit Corporation Act do hereby adopt the following Articles of Incorporation for such nonprofit corporation.

I.

The name of the corporation is THE LYNDON BAINES JOHNSON SCHOOL OF PUBLIC AFFAIRS FOUNDATION.

II.

The corporation is a nonprofit corporation.

III.

The period of its duration is perpetual.

IV.

The corporation shall have no members.

## V.

The purpose or purposes for which the corporation is organized are:

1. to promote the recognition, welfare, and progress of The Lyndon Baines Johnson School of Public Affairs at The University of Texas at Austin, and to encourage the making of gifts to the corporation for carrying out such purposes; and

2. to accept endowments, the income of which may be used, and gifts to be used directly to supplement salaries of professors, to cover travel expenses of professors to professional meetings, to grant fellowships and scholarships, to pay for distinguished visiting lecturers, or any and all other activities that will promote the welfare, growth and morale of the faculty and students of the school.

## VI.

No part of its property, whether the income or principal, shall be distributable to any director, officer, or employee of the corporation, and no part of the net earnings of the corporation shall inure to the benefit of any private individual. No substantial part of its activities shall consist of carrying on propaganda or otherwise attempting to influence legislation, and it shall not participate in or intervene in (including the publishing or distributing of statements) any political campaign on behalf of any candidate for public office.

## VII.

All of the property of the corporation and accumulations thereof shall be held and administered to effectuate its purposes. In case of the liquidation, dissolution, or winding up of the corporation whether voluntary or involuntary or by operation of the law, all of the net assets of the corporation after the payment of all liabilities shall be paid over to the Board of Regents of The University of Texas System to be used for the benefit of The University of Texas at Austin.

## VIII.

The street address of its initial registered office is 900 Brown Building, Austin, Texas 78701 and the name of its initial registered agent at such address is Frank C. Erwin, Jr.

## IX.

The direction and management of the affairs of this corporation and the control and disposition of its property and funds shall be vested in a Board of Directors composed of such number of persons, to be appointed by the Board of Regents of The University of Texas System, as may be fixed by the By-Laws of the corporation. Until changed pursuant to the By-Laws, the number of the directors shall be three (3).

The names and addresses of the persons who shall serve as directors of the corporation until their successors are duly appointed and qualified are as follows:

Frank C. Erwin, Jr.  
900 Brown Building  
Austin, Texas 78701

Jack S. Josey  
504 Waugh Drive  
Houston, Texas 77019

Frank N. Ikard  
1101 17th Street, N. W.  
Washington, D. C. 20036

## X.

The names and addresses of the incorporators are as follows:

Frank C. Erwin, Jr.  
900 Brown Building  
Austin, Texas 78701

Jack S. Josey  
504 Waugh Drive  
Houston, Texas 77019

Frank N. Ikard  
1101 17th Street, N. W.  
Washington, D. C. 20036



IN WITNESS WHEREOF, we have hereunto set our hands this  
\_\_\_\_\_ day of \_\_\_\_\_, 1968.

\_\_\_\_\_  
Frank C. Erwin, Jr.

\_\_\_\_\_  
Jack S. Josey

\_\_\_\_\_  
Frank N. Ikard

THE STATE OF TEXAS    )  
                          (  
COUNTY OF TRAVIS    )

I, \_\_\_\_\_, a Notary Public, do hereby certify that on this \_\_\_\_\_ day of \_\_\_\_\_, 1968, personally appeared before me FRANK C. ERWIN, JR., JACK S. JOSEY, and FRANK N. IKARD who each being by me first duly sworn, declared that they are the persons who signed the foregoing document as incorporators, and that the statements therein are true.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year above written.

\_\_\_\_\_  
Notary Public in and for  
Travis County, Texas

F. ITEMS FOR THE RECORD (1) U. T. ARLINGTON: ACCEPTANCE OF RESIGNATION OF DOCTOR JACK R. WOOLF (2) U. T. AUSTIN: ROBERT F. WINDFOHR PROFESSORSHIP IN OIL, GAS AND MINERAL LAW CHANGED TO THE ROBERT F. WINDFOHR AND ANNE BURNETT WINDFOHR PROFESSORSHIP IN OIL, GAS AND MINERAL LAW.-- The following items are reported for the record and for ratification by the Board of Regents:

1. U. T. Arlington: Acceptance of Resignation of Doctor Jack R. Woolf.--At the meeting of the Board of Regents on April 19, 1968, the resignation of Doctor Jack R. Woolf, President of The University of Texas at Arlington, was accepted effective August 31, 1968.
  
2. U. T. Austin: Robert F. Windfohr Professorship in Oil, Gas and Mineral Law changed to the Robert F. Windfohr and Anne Burnett Windfohr Professorship in Oil, Gas and Mineral Law.-- At the request of Mrs. Anne Burnett Windfohr, it is recommended that the Robert F. Windfohr Professorship in Oil, Gas and Mineral Law established by the Board of Regents on March 8, 1968, be changed to The Robert F. Windfohr and Anne Burnett Windfohr Professorship in Oil, Gas and Mineral Law.

# **Land & Investment Committee**

LAND AND INVESTMENT COMMITTEE

Date: May 31, 1968  
Time: Following the Meeting of the Medical Affairs Committee  
Place: Main Building, Suite 212  
U. T. Austin, Austin, Texas

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I. PERMANENT UNIVERSITY FUND

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PERMANENT UNIVERSITY FUND -- INVESTMENT MATTERS.--

REPORT OF SECURITIES TRANSACTIONS.--The following securities transactions have been made for the Permanent University Fund from April 1 through April 30, 1968. The Executive Director of Investments, Trusts and Lands recommends approval by the Board of Regents of these transactions:

PURCHASES OF SECURITIES

U. S. GOVERNMENT SECURITIES:

<u>FHA MORTGAGES</u>	<u>No. of Loans Purchased</u>	<u>Present Principal Balance</u>	<u>Net Principal Cost</u>	<u>Net Purchase Yield#</u>
Various Purchased for April Payment	<u>25</u>	<u>\$435,833.73</u>	<u>\$ 408,589.75</u>	<u>6.33%</u>

CORPORATE SECURITIES:

<u>COMMON STOCKS</u>	<u>No. of Shares Purchased</u>	<u>Average Principal Cost</u>	<u>Total Principal Cost*</u>	<u>Indicated Current Yield on Cost**</u>
Bristol-Myers Company	1,400	70.3	\$ 98,368.73	1.42%
Columbia Broadcasting System, Inc.	2,800	56.9	159,450.20	2.46
FMC Corporation	4,500	36.3	163,200.28	2.34
Federated Department Stores, Inc.	2,000	84.6	169,185.76	2.01
Ford Motor Company	7,500	57.8	433,630.39	4.15
General Motors Corporation	7,500	83.1	623,044.40	4.88
Gulf Oil Corporation	2,200	73.3	161,343.38	3.55
J. C. Penney Company, Inc.	2,000	77.2	154,308.45	2.33
PepsiCo, Inc.	3,700	44.6	164,869.79	2.02
Chas. Pfizer & Company, Inc.	2,300	68.0	156,302.25	2.13
Square D Company	12,900	21.7	279,688.29	4.38
Texaco Inc.	3,500	75.3	263,414.43	3.72
United Air Lines, Inc.	<u>3,500</u>	43.7	<u>152,947.63</u>	<u>2.29</u>
<b>T O T A L S</b>	<u>55,800</u>		<u>\$2,979,753.98</u>	<u>3.44%</u>

#After servicing costs based on average life of 12 years.

\*Includes brokerage commissions paid.

\*\*Yield at present indicated dividend rates.



SALES OF CORPORATE SECURITIES

BLOCKS OF COMMON STOCKS SOLD

<u>Security Sold</u>	<u>No. of Shares Sold</u>	<u>Net Sales Proceeds</u>	<u>Book Value of Holding</u>	<u>Gain or (Loss) on Sale</u>
Libbey-Owens-Ford Glass Company Common Stock	20,100	\$ 965,144.68	\$1,051,163.51	(\$86,018.83)
Ingersoll-Rand Company Common Stock	21,700	996,077.14	899,426.44	96,650.70
Pittsburgh Plate Glass Company (Now PPG Industries, Inc.) Capital Stock	15,325	1,049,664.37	1,029,066.31	20,598.06

RIGHTS SOLD

<u>Security</u>	<u>Net Sales Proceeds#</u>
15,615 rights to subscribe for The Chase Manhattan Bank (National Association) 4-7/8% Convertible Capital Notes, due 1993 (After writedown, hold 15,615 shares Chase Manhattan Bank with book value of \$741,284.03)	\$409.61

#Cash received deposited to principal endowment and holding of stock involved  
written down by same amount.

EXCHANGES OF TREASURY SECURITIES

B O N D S   E X C H A N G E D

Description & Par Value Exchanged	Book Value Exchanged*	Amortized Annual Income	Current Rate of Return
April Exchanges--			
(1) 3-1/4s of 5/15/85 (a) \$4,000,000 . . . . .	<u>\$ 3,990,853.45</u>	<u>\$130,522.66</u>	<u>3.27%</u>
(2) 3-1/2s of 11/15/98 (b) \$19,359,000. . . . .	<u>\$19,454,886.15</u>	<u>\$673,161.93</u>	<u>3.46%</u>

B O N D S   R E C E I V E D

Description & Par Value Received	Principal Adjustment Required##	Book Value on Interest Exchange Date**	Amortized Annual Income	Current Rate of Return	INCREASE IN	
					Rate of Return	Annual Income
April Exchanges--						
(1) 3-1/2s of 2/15/90 \$4,000,000	<u>\$ -0-</u>	<u>\$ 3,990,853.45</u>	<u>\$140,415.74</u>	<u>3.52%</u>	<u>0.25%</u>	<u>\$9,893.08</u>
(2) 3-1/2s of 2/15/90 \$19,359,000	<u>\$ -0-</u>	<u>\$19,454,886.15</u>	<u>\$673,206.56</u>	<u>3.46%</u>	<u>-0-</u>	<u>\$ 44.63</u>

\*Book value last interest payment date prior to interest exchange date.  
 ##Principal payup required to be paid by University to dealer.  
 \*\*Book value of bonds sent in for exchange adjusted for principal payup or takeout required.

- (a) Makes a total through April of \$36,700,000 par value 3-1/4s of 5/15/85 held exchanged for \$36,700,000 par value 3-1/2s of 2/15/90, leaving \$18,000,000 par value not yet exchanged.
- (b) Makes a total through April of \$67,359,000 par value 3-1/2s of 11/15/98 held exchanged for \$67,359,000 par value 3-1/2s of 2/15/90, leaving \$4,000,000 par value not yet exchanged.

RECOMMENDATION RE INVESTMENT POLICY CONCERNING ALLOCATION BETWEEN EQUITIES AND FIXED INCOME INVESTMENTS.--Since the initiation of the program to invest in FHA First Mortgage loans, it has been our policy to invest 25% of all new funds (not including those derived from sales of investments) in FHA loans and the remainder in Common Stocks. The only deviation from this policy was that \$1,000,000 of Stock money was temporarily invested in U. S. Treasury Bills about the time of the market break in January, 1968. It is recommended by the Executive Director of Investments, Trusts and Lands that the policy be continued of investing 25% of new money in FHA loans and 75% in Common Stocks.

REVIEW AND RECOMMENDATION WITH RESPECT TO CERTAIN LIST B STOCKS.--Beginning with March of 1967 the following List B stocks have been sold:

<u>Company</u>	<u>Shares</u>	<u>Cost</u>	<u>Proceeds</u>	<u>Profit/(Loss)</u>
AT & SF	35,200	\$ 949,185	\$ 1,012,383	\$ 63,198
Parke, Davis Drug	17,200	628,661	458,251	(170,410)
American Tobacco	24,200	699,934	845,969	146,035
Reynolds Tobacco	59,600	2,174,418	2,381,594	207,176
Commercial Credit	27,600	952,005	885,898	(66,107)
CIT Financial	30,400	949,691	960,720	11,029
Goodrich Tire	5,000	324,830	301,864	(22,966)
Ingersoll Rand	21,700	899,426	996,077	96,651
Kroger Grocery	27,600	849,712	721,104	(128,608)
Libby, Owens Ford Glass	20,100	1,051,163	965,145	(86,018)
National Bank of Detroit	10,833	479,686	476,652	( 3,034)
PPG Industries	15,325	1,029,066	1,049,664	20,598
Sinclair Oil	8,500	452,299	675,566	223,267
		<u>\$11,440,076</u>	<u>\$11,730,887</u>	<u>\$ 290,811</u>

Authority has heretofore been granted to sell the following List B stocks at such time as it might be considered advisable to do so:

<u>Company</u>	<u>Shares</u>	<u>Total Cost</u>
CNA Financial Corp., Comm.	6,000	\$ 211,938
CNA Financial Corp., \$1.10 Cum. Conv. Ser. A. Pfd. (Formerly Continental Casualty)	7,500	200,762
Kimberly-Clark Corporation	16,416	949,291
National Lead	9,800	802,143
Norfolk & Western Ry.	10,000	971,504
Union Pacific Ry.	27,500	948,219
Armco Steel	16,400	1,004,937
Bethlehem Steel	23,200	975,284
Inland Steel	22,700	1,001,388
Republic Steel	19,900	973,302
U. S. Steel	31,600	1,977,064
Allied Chemical	16,044	723,794

Of the 24 remaining List B stocks the Executive Director, Investments, Trusts and Lands recommends that the following be added to the list of those authorized for sale at such time and at such prices as may be determined by the Executive Director, Investments, Trusts and Lands after consultation with the Investment Counsel and the Staff Investment Committee:

<u>Company</u>	<u>Shares</u>	<u>Total Cost</u>
Chubb Corporation (Formerly Federal Insurance)	7,965	\$ 399,566
Hartford Fire Insurance Company	12,064	310,072
Insurance Company of North America	5,700	422,320
St. Paul Fire & Marine	5,868	313,053
U. S. Fidelity & Guaranty	8,589	298,347

PERMANENT UNIVERSITY FUND - LAND MATTERS.--

LEASES AND EASEMENTS.--It is recommended by the Executive Director of Investments, Trusts and Lands that the following applications for various leases, easements, and assignments on University Lands be approved. All are at the standard rates, unless otherwise stated, are on the University's standard forms with grazing leases carrying provisions for renewal for an additional five years at negotiated terms. Payments for easements and material source permits have been received in advance unless otherwise stated. All have been approved as to form by a University Attorney and as to content by the Endowment Officer and will be executed by the Executive Director of Investments, Trusts and Lands.

EASEMENTS AND SURFACE LEASES

No.	Company	Type of Permit	County	Location	Distance or Area	Period	Consideration
2592	Natural Gas Pipe Line Company of America	Surface Lease (Pipe Yard)	Ward	Block 17	20 acres	5/1/68- 4/30/69	\$ 300.00*
2593	Sinclair Oil & Gas Company	Surface Lease (Salt Water Disposal Contract)	Crockett	Block 29	1 acre	5/1/68- 4/30/69	100.00*
2594	El Paso Natural Gas Company	Pipe Line	Reagan	Block 2	936.73 rds 6-5/8" 335.32 rds 4-1/2"	3/1/68- 2/28/78	1,271.73
2595	Phillips Petroleum Company (renewal of 1110)	Pipe Line	Reagan & Crockett	Blocks 47 & 48	1,808.4 rds 2-3/8"	5/1/68- 4/30/78	1,048.87
2596	J. C. Williamson	Pipe Line	Andrews	Block 7	60.6 rds 2"	4/1/68- 3/31/78	50.00 (Min.)
2597	Albritton & Meyer	Pipe Line	Crockett	Block 47	390.0 rds 2"	5/1/68- 4/30/78	226.20
2598	Marathon Oil Company (renewal of 1097)	Pipe Line	Crockett	Block 50	443.6 rds 3" 337.6 rds 2-3/8"	5/1/68- 4/30/78	453.10

Easements and Surface Leases Continued. --

No.	Company	Type of Permit	County	Location	Distance or Area	Period	Consideration
2599	Texas Electric Service Company (renewal of 1108)	Power Line	Ward	Blocks 16, 17 & 18	1,400.67 rds	6/1/68- 5/31/78	\$ 812.39
2600	Melzer & Henderson	Surface Lease (Salt Water Disposal Contract)	Pecos	Block 21	1 acre	4/16/68- 3/15/69	250.00*
2601	Albritton & Meyer	Surface Lease (Salt Water Disposal Contract)	Crockett	Block 47	1 acre	5/1/68- 4/30/69	100.00*
2602	El Paso Natural Gas Company (renewal of 1125)	Pipe Line	Andrews	Blocks 1 & 9	651.5 rds 6-5/8"	9/1/68- 8/31/78	749.23
2603	El Paso Natural Gas Company (renewal of 1127)	Pipe Line	Andrews	Block 1	468.315 rds 10-3/4"	9/1/68- 8/31/78	538.56
2604	El Paso Natural Gas Company (renewal of 1160 and 1167)	Pipe Line	Andrews	Block 1	120.0 rds 4-1/2"	10/1/68- 9/30/78	69.60
2605	Big Bend Telephone Company, Inc.	Telephone Line	Pecos	Block 19	687 rds	5/1/68- 4/30/78	398.46
2606	Pioneer Natural Gas Company (renewal of 2049)	Pipe Line	Andrews	Blocks 13 & 14	4,782 rds under 6-1/2"	3/28/68- 3/27/78	2,773.56
2607	Pioneer Natural Gas Company (renewal of 2062)	Pipe Line	Andrews	Block 14	384.0 rds 2-1/2"	3/28/68- 3/27/78	222.72
2608	El Paso Natural Gas Company	Pipe Line	Reagan	Block 2	234.85 rds 4-1/2"	4/1/68- 3/31/78	136.21

Easements and Surface Leases Continued.--

No.	Company	Type of Permit	County	Location	Distance or Area	Period	Consideration
2609	J. A. Williams	Surface Lease (Business Site)	Reagan	Block 11	200' x 200'	5/1/68- 4-30/69	\$ 150.00*
2610	El Paso Natural Gas Company (renewal of 1121 and 1126)	Pipe Line	Andrews	Block 1	366.479 rds 4-1/2"	9/1/68- 8/31/78	212.56
2611	Phillips Petroleum Company (renewal of 1103)	Pipe Line	Andrews	Blocks 1 9 & 10	267.5 rds 3-1/2" 102.4 rds 4-1/2"	6/1/68- 5/31/78	214.54
2612	Transwestern Pipeline Company	Pipe Line	Ward & Winkler	Blocks 17 & 21	3,715.1 rds 30"	5/1/68- 4/30/78	9,287.75
2613	Natural Gas Pipeline Company of America	Pipe Line	Ward & Winkler	Blocks 17 18 & 21	5,865 rds 30"	5/1/68- 4/30/78	14,662.50
2614	Phillips Petroleum Company	Surface Lease (Salt Water Disposal Contract)	Andrews	Block 13	2 acres	4/16/68- 4/15/69	250.00*
2615	Mobil Pipe Line Company	Pipe Line	Andrews	Block 4	22.18 rds 4-1/2"	4/1/68- 3/31/78	50.00 (Min.)
2616	Mobil Pipe Line Company (renewal of 1101)	Pipe Line	Andrews	Block 4	663.78 rds 4-1/2"	6/1/68- 5/31/78	384.99
2617	Anadarko Production Company	Pipe Line	Andrews	Block 13	490.91 rds 2-3/8"	5/1/68- 4/30/78	284.73
2618	Larry Carrigan	Surface Lease (Residence Site)	Andrews	Block 13	2 acres	5/1/68- 4/30/69	50.00*

Eastments and Surface Leases Continued.--

No.	Company	Type of Permit	County	Location	Distance or Area	Period	Consideration
2619	Texas Electric Service Company	Power Line	Loving	Block 19	903.21 rds	6/1/68- 5/31/78	\$ 523.86
2620	Texas Electric Service Company (renewal of 1107)	Power Line	Andrews	Blocks 4, 8 9, 10, 11 & 14	923.64 rds	6/1/68- 5/31/78	535.71
2621	Permian Corporation	Pipe Line	Reagan & Upton	Blocks 2 & 3	4,972.8 rds 3 & 4 inch	5/1/68- 4/30/78	2,884.24
2622	Permian Corporation	Surface Lease (Tank Storage Site)	Upton	Block 3	.92 acre	5/1/68- 4/30/78	500.00**
2623	Permian Corporation	Surface Lease (Tank Storage Site)	Reagan	Block 2	.92 acre	5/1/68- 4/30/78	500.00**
2624	The Western Company	Surface Lease (Test Site)	Winkler	Block 21	100 acres	6/1/68- 5/31/69	2,000.00*
2625	Texas Highway Department	Right-of-Way & Channel Easement	Schleicher	Block 57	15.141 acres	So long as used for Ranch to Market Road	None
2626	Lone Star Producing Company	Pipe Line	Andrews	Block 4	285 rds 2-7/8"	1/1/68- 12/31/77	165.30
2627	Chester Milson	Surface Lease (Business Site)	Ward	Block 16	100' x 100'	5/1/68- 4/30/69	100.00*

\*Renewable from year to year, not to exceed a total of ten (10) years. Consideration shown is for the first year's rental.

\*\*Full consideration.



MATERIAL SOURCE PERMITS

No.	Grantee	County	Location	Quantity	Consideration
336	L. C. Younger Construction Co., Inc.	Andrews	Block 9	1,248 cubic yards	\$ 361.92
337	H. E. R. Construction Co.	Andrews	Block 9	1,296 cubic yards	375.84

WATER CONTRACTS

No.	Grantee	County	Location	Consideration	Period
125	Coral Drilling, Inc.	Crockett	Block 7	\$ 500.00	4/12/68*

\*Expires upon completion of the drilling operations.

GRAZING LEASES - All of the grazing leases listed are for the standard period of five years beginning July 1, 1968, through June 30, 1973.

NUMBER		Lessee	County	Location	Acreage	Annual Rate per Acre	Semi-Annual Payments		Total Annual Rental
New	Old						1/1	7/1	
1007	873	G. K. Mitchell & G. K. Mitchell, Jr.	Terrell	Blks 36 & 37	10,800.50	\$ .45	\$ 2,430.12	\$ 4,860.24	
1008	869 & 890	Darrell S. Warren	Pecos	Blks 18 & 20	1,789.40	.35	313.15 <sup>a</sup>	626.30 <sup>a</sup>	
1009	870 & 891	L. D. Haren	Pecos	Blks 18 & 20	1,168.44	.35	204.48 <sup>a</sup>	408.96 <sup>a</sup>	
1010	871	P. H. Coates & Steve Coates	Reagan	Blks 10 & 58	6,473.40	.60	1,942.02 <sup>b</sup>	3,884.04 <sup>b</sup>	
1011	872	Lester Ratliff	Upton	Blks 3 & 58	15,837.80	.42	3,325.94 <sup>c,d</sup>	6,651.88 <sup>c,d</sup>	
1012	874	Hayter & Rackley	Reagan	Blks 9, 10 & 58	5,875.10	.50	1,468.78 <sup>e</sup>	2,937.56 <sup>e</sup>	
1013	875	J. F. Oglesby, Jr.	Schleicher	Blks 54 - 57	16,616.20	.60	4,984.86	9,969.72	
1014	876	George Walton Poage & George Walton Poage, Jr.	Upton	Blks 1, 2, 3, 4 & 58	8,897.70	.40	1,779.54 <sup>i</sup>	3,559.08 <sup>i</sup>	
1015	877	Earl Whisnand	Reagan	Blks 9, 10, & 58	11,726.20	.50	2,931.55 <sup>f</sup>	5,863.10 <sup>f</sup>	
1016	878	Max Schneemann	Crockett	Blks 49, 50 & 51	9,598.60	.60	2,879.58	5,759.16	
1017	879	Strauss & Pfluger	Crockett	Blks 50 & 51	1,242.20	.60	372.66	745.32	

Grazing Leases - Continued

New	Old	Lessee	County	Location	Acreage	Annual Rate per Acre	Semi-Annual Payments		Total Annual Rental
							1/1	7/1	
1018	880	O'Bryan Estate	Reagan	Blk 11	994.50	\$ .65	\$ 323.22		\$ 646.44
1019	881	P. D. "Val" Gohmert	Reagan	Blks 9 & 10	6,775.20	.60	2,032.56		4,065.12
1020	882	Marathon Oil Company	Reagan	Blks 1, 2 & 9	5,636.70	.35	--		1,972.85
1021	883	Virgil Powell	Reagan & Crockett	Blks 7, 11 & 12	36,667.60	.65	11,916.97		23,833.94
1022	886	Continental Oil Company	Reagan	Blk 9	2,710.50	.35	--		948.68
1023	884	Lacy Way	Reagan	Blks 8 & 9	6,297.50	.60	1,889.25		3,778.50
1024	885	Richard Boggs	Reagan	Blks 8 & 9	3,072.40	.42	645.20		1,290.40
1025	887	Bob J. Meeks	Ward	Blk 16	1,194.38	.35	209.02		418.04
1026	888	J. D. Poage	Reagan & Upton	Blks 2 & 3	4,093.70	.40	818.40 <sup>g,h</sup>		1,636.80 <sup>g,h</sup>
1027	889	Alva Carpenter	Pecos	Blk 18	320.00	.35	56.00 <sup>a</sup>		112.00 <sup>a</sup>

a Plus \$8 per acre for all land in cultivation for farming purposes, payable semi-annually.

b Since 324 acres are unavailable for lessee's use because of boundary dispute, semi-annual rental payments are reduced to \$1,844.82, annual rental to \$3,689.64, until such time as acreage is made available for use.

c Since 5,210.2 acres are under oil field production, rental on that acreage is reduced 25% so long as production continues. Therefore, semi-annual rental will be \$3,052.41 and annual rental \$6,104.82 until notice of change by University Land Agent.

d Part of Pasture Rotation Program initiated by the Board of Regents in January, 1965. Semi-annual rental through December 31, 1969, will be reduced to \$2,332.88 and annual rental reduced proportionately.

Grazing Leases - Continued

- e Since 105 acres are unavailable for lessee's use because of boundary dispute, semi-annual rental payments are reduced to \$1,442.53, annual rental to \$2,885.06, until such time as acreage is made available for use.
- f Since 699 acres are unavailable for lessee's use because of boundary dispute, semi-annual rental payments are reduced to \$2,756.80, annual rental to \$5,513.60, until such time as acreage is made available for use.
- g Since 1,773.6 acres are under oil field production, rental on that acreage is reduced 25% so long as production continues. Therefore, semi-annual rental will be \$729.72 and annual rental \$1,459.44 until notice of change by University Land Agent.
- h Part of Pasture Rotation Program initiated by the Board of Regents in January, 1965. Semi-annual rental through December 31, 1969, will be reduced to \$364.86 and annual rental reduced proportionately.
- i Part of Pasture Rotation Program initiated by the Board of Regents in January, 1965. Semi-annual rental through December 31, 1969, will be reduced to \$1,342.04 and annual rental reduced proportionately.

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ASSIGNMENT OF GRAZING LEASE

No.	Assignor	Assigned to	County	Location	Acreage	Consideration
894	Walter Louis Young	Earl W. Whisnand William Schneemann III Max Schneemann, Jr.	Reagan	Blocks 48 & 49	4,227.80	\$6,000.00

REPORT ON CLEARANCE OF MONIES TO PERMANENT UNIVERSITY FUND AND AVAILABLE FUND.--The Auditor, Oil and Gas Production, reports the following with respect to monies cleared by the General Land Office to the Permanent University Fund and Available University Fund for the current fiscal year through April, 1968, as follows:

	April, 1968	Cumulative This Fiscal Year	Cumulative Preceding Fiscal Year (Averaged)
<u>Permanent University Fund</u>			
Royalty - Oil	\$ 1,343,971.32	\$ 9,978,969.08	\$ 9,642,812.88
Gas - Regular	78,339.70	756,288.66	721,921.44
- F.P.C.	-0-	-0-	106.32
Water	7,973.16	65,680.00	73,091.12
Salt Brine	637.10	8,884.90	7,826.40
Rental on Mineral Leases	5,305.85	121,289.99	187,354.96
Rental on Water Contracts	-0-	797.96	3,516.64
Amendments and Extensions of Mineral Leases	320.00	148,741.55	9,280.16
	<u>1,436,547.13</u>	<u>11,080,652.14</u>	<u>10,645,909.92</u>
Bonuses, Mineral Lease Sales (actual)	-0-	2,426,400.00	917,000.00
	<u>-0-</u>	<u>2,426,400.00</u>	<u>917,000.00</u>
Total - Permanent University Fund	\$ <u>1,436,547.13</u>	\$ <u>13,507,052.14</u>	\$ <u>11,562,909.92</u>
<u>Available University Fund</u>			
Rental on Easements	\$ 9,871.37	\$ 200,992.81	\$ 108,630.16
Interest on Easements and Royalty	107.74	141.03	54.64
Correction Fees-Easements	-0-	-0-	-0-
Transfer and Relinquishment Fees	45.30	1,771.58	1,146.80
	<u>45.30</u>	<u>1,771.58</u>	<u>1,146.80</u>
Total - Available University Fund	\$ <u>10,024.41</u>	\$ <u>202,905.42</u>	\$ <u>109,831.60</u>
TOTAL - Permanent and Available University Funds	\$ <u><u>1,446,571.54</u></u>	\$ <u><u>13,709,957.56</u></u>	\$ <u><u>11,672,741.52</u></u>

Oil and Gas Development - April 30, 1968

Acreage under Lease	633,609
Number of Producing Acres	306,853
Number of Producing Leases	1,374

TRUST AND SPECIAL FUNDS -- INVESTMENT MATTERS.--

REPORT OF SECURITIES TRANSACTIONS.--The following securities transactions have been made for the Trust and Special Funds from April 1 through April 30, 1968. The Executive Director of Investments, Trusts and Lands recommends approval by the Board of Regents of these transactions:

PURCHASES OF SECURITIES

Date of Purchase	Security and Fund	Principal Cost
4/ 3/68	\$35,962.16 par value Austin National Bank 5-1/2% Time Certificate of Deposit, dated 4/3/68, due 7/3/68, at par (Hogg Foundation: Alice N. Hanszen Gift to Mental Hygiene Program - Temporary)	\$ 35,962.16
	\$58,066.80 Ditto (Hogg Foundation: Balances Subject to Reappropriation - Temporary)	58,066.80
	\$137,158.54 Ditto (Hogg Foundation: Unappropriated Income Account - Temporary)	137,158.54
4/10/68	\$15,000.00 par value Austin National Bank 5% Time Certificate of Deposit, dated 4/10/68, due 10/10/68, at par (The Fine Arts Foundation - Various Donors - Scholarships in Music - Temporary)	15,000.00
4/15/68	\$102,750.00 par value Capital National Bank in Austin 5-1/2% Time Certificate of Deposit, dated 4/13/68, due 10/13/68, at par (Estate of Lila Belle Etter - Temporary)	102,750.00
4/29/68	\$3,382.34 par value Austin National Bank 5% Time Certificate of Deposit, dated 4/29/68, due 4/29/69, at par (Expansion Program of Cooperative Housing for Women Students - Various Donors - Temporary)	3,382.34

SALES OF SECURITIES

Date Sold	Security and Fund	Principal Proceeds
4/24/68	2,187 rights to subscribe for The Chase Manhattan Bank (National Association) 4-7/8% Convertible Capital Notes due 1993, sold 2,100 at 2/64ths and 87 at 1/64th (Proceeds distributed: From 312 rights to The University of Texas System Common Trust Fund From 603 rights to Hogg Foundation: W. C. Hogg Estate Fund From 318 rights to Hogg Foundation: Varner Properties From 636 rights to Rosalie B. Hite Endowment for Cancer Research From 159 rights to The William Heuermann Fund for Cancer Research - Anderson Hospital From 159 rights to The James W. McLaughlin Fellowship Fund - Reserve for Depletion - Galveston Medical Branch)	(\$ 55.97)  7.98# 15.43# 8.14# 16.28# 4.07# 4.07#
4/24/68	15 shares American General Insurance Co. (Houston, Texas) Common Stock, sold at 17-1/4 (Arts and Sciences Foundation - Various Donors)	252.57
4/25/68	143 shares Standard Oil Co. (New Jersey) Capital Stock, sold 100 at 70-5/8 and 43 at 70-3/8 (Anderson Hospital - Proceeds to be used "as directed by Dr. Clifton Howe for research or fellowship training in the Department of Medicine, or as otherwise directed by Dr. Howe.")	10,003.07
4/29/68	5 shares Outboard Marine Corp. Common Stock, sold at 32-7/8 (Benefit of Anderson Hospital)	158.12

#Cash received deposited to principal endowment and holding of stock involved written down by same amount.

THE UNIVERSITY OF TEXAS SYSTEM COMMON TRUST FUND - RECOMMENDATION RE TRANSFER AND ADDITIONS.--The Executive Director of Investments, Trusts and Lands recommends approval of the following transfer and additions to the Common Trust Fund on June 1, 1968:

Fund	Recommended Addition
The American Theatre Scholarship - Drama (\$249.00 already in Common Trust Fund)	\$ 166.00
Lillian Barkley Scholarship Fund (\$6,023.97 already in Common Trust Fund)	200.00
Bromberg Memorial Fund for Faculty Awards (\$52,663.56 already in Common Trust Fund)	192.63
The Accounting Education Fund (College of Business Administration Foundation) (\$48,037.10 already in Common Trust Fund)	217.00
Department of Chemistry - Various Donors - Various Purposes (\$22,000.00 already in Common Trust Fund)	200.00

COMMON TRUST FUND - RECOMMENDATION RE TRANSFER AND ADDITIONS  
(Continued)

Fund	Recommended Addition
Edward Louis Dodd and Alice Laidman Dodd Fellowship Fund ((\$51,000.56 already in Common Trust Fund)	\$ 151.42
1966 M. E. Class Fund (College of Engineering Foundation) ((\$102.05 already in Common Trust Fund)	25.00
T. U. Taylor Scholarship Fund (College of Engineering Foundation) ((\$3,512.00 already in Common Trust Fund)	610.00
Department of Drama Ex-Students Scholarship Fund (College of Fine Arts Foundation) ((\$10,213.60 already in Common Trust Fund)	62.40
Hal P. Bybee Memorial Fund (Geology Foundation) ((\$151,763.52 already in Common Trust Fund)	1,915.75
Guy E. Green Scholarship Fund (Geology Foundation) ((\$8,824.25 already in Common Trust Fund)	15.00
Carolyn G. and George M. Knebel Fund (Geology Foundation) ((\$19,203.53 already in Common Trust Fund)	200.00
F. L. Whitney Memorial Book Fund - Various Donors (Geology Foundation) ((\$2,207.80 already in Common Trust Fund)	20.00
Hogg Foundation - Eloise Helbig Chalmers - Ima Hogg Fund ((\$1,474.46 already in Common Trust Fund)	148.72
Thos. E. Hogg - Residuary Legacy ((\$3,654.00 already in Common Trust Fund)	54.81
Journalism Department - Various Donors ((\$14,073.34 already in Common Trust Fund)	125.00
Library Memorial Fund - Various Donors ((\$3,226.75 already in Common Trust Fund)	142.50
Lora Lee Pederson Scholarship Fund, Graduate School of Social Work ((\$4,044.91 already in Common Trust Fund)	105.00
The J. V. and H. A. Stiles Foundation ((\$99,013.18 already in Common Trust Fund)	24.70
John Arch White Professorship in Business Administration ((\$48,519.05 already in Common Trust Fund)	5,735.02
Johanna Blumel Memorial Award (Galveston Medical Branch) ((\$1,073.00 already in Common Trust Fund)	374.00
Isabella H. Brackenridge Scholarship Fund (Galveston Medical Branch) (Fund transferred per Regents Minutes of 4/20/68)	8,566.73
Gillette Professorship of Obstetrics and Gynecology (Dallas Medical School) ((\$10,273.74 already in Common Trust Fund)	271.68
Total additions to be made to Common Trust Fund on 6/1/68	<u>\$19,523.36</u>



TRUST AND SPECIAL FUNDS - GIFT, BEQUEST AND ESTATE MATTERS.--

GALVESTON MEDICAL BRANCH - JAMES W. McLAUGHLIN FELLOWSHIP FUND.--The James W. McLaughlin Fellowship Fund came to the University under the Will of A. C. McLaughlin who died in 1952 in California. The final distribution of the California portion of the Estate was made in 1958, three-fourths to the University and one-fourth to two of Mr. McLaughlin's grandchildren. The University was contacted recently by Mr. Mervyn J. Goodman, engaged in real estate and probate research in San Francisco, with a report that he had located a dormant account due the McLaughlin Estate which would soon escheat to the State of California. Mr. Goodman has proposed that he receive one-third of the money collected and pay all attorney's fees and other expenses from his one-third. He has now disclosed the name of the depository bank and reports a balance of approximately \$4,400 in the account. None of the McLaughlin family had any leads as to the nature or location of the account. Check for the amount due the University will be payable to the University, and settlement will be made with Mr. Goodman after receipt. It is recommended that the Executive Director, Investments, Trusts and Lands, be authorized to proceed with collection of the University's share of this account through Mr. Goodman and to pay Mr. Goodman one-third if this is the best arrangement that can be negotiated.

TRUST AND SPECIAL FUNDS - REAL ESTATE MATTERS.--

U. T. EL PASO - FRANK B. COTTON TRUST - RENEWAL OF GRAZING LEASE TO W. B. EVANS, HUDSPETH COUNTY.--This lease covers 16,911 acres of Cotton Estate Lands in Block 3, GC&SF Ry., Hudspeth County, for a five-year period, August 1, 1968, through July 31, 1973, at annual rental of \$1,521.98 at rate of 9¢ per acre. The expiring lease is at 5¢ per acre. The lease contains clause that it can be terminated in the event of sale of the land by the Board of Regents during the term of the lease upon 90 days' notice to lessee.

It is recommended that the renewal as outlined above be approved with the Chairman authorized to execute the lease upon approval as to form by a University Attorney and as to content by the Executive Director, Investments, Trusts and Lands.

U. T. EL PASO - FRANK B. COTTON TRUST - RENEWAL OF GRAZING LEASE TO J. A. NEAL, CULBERSON COUNTY.--This lease covers 6,100.95 acres of Cotton Estate Lands in Block 2, GC&SF Ry., Culberson County, for a five-year period, August 1, 1968, through July 31, 1973, at annual rental of \$610.10 at rate of 10¢ per acre. The expiring lease is at 7¢ per acre. The lease contains clause that it can be terminated in the event of sale of the land by the Board of Regents during the term of the lease upon 90 days' notice to lessee.

It is recommended that the renewal as outlined above be approved with the Chairman authorized to execute the lease upon approval as to form by a University Attorney and as to content by the Executive Director, Investments, Trusts and Lands.

U. T. EL PASO - FRANK B. COTTON TRUST - RENEWAL OF GRAZING LEASE TO IKE KELCY, HUDSPETH COUNTY.--This lease covers 2,160 acres of Cotton Estate Lands in Block 5, GC&SF Ry., Hudspeth County, for a five-year period, July 1, 1968, through June 30, 1973, at annual rental of \$172.80, at rate of 8¢ per acre. The expiring lease is at 5¢ per acre. The lease contains clause that is can be terminated in the event of sale of the land by the Board of Regents during the term of the lease upon 90 days' notice to lessee.

It is recommended that the renewal as outlined above be approved with the Chairman authorized to execute the lease upon approval as to form by a University Attorney and as to content by the Executive Director, Investments, Trusts and Lands.

MEETING OF THE MEMBERS OF THE BOARD OF REGENTS AS TRUSTEES OF WINEDALE STAGECOACH INN FUND.--The Executive Director, Investments, Trusts and Lands, recommends a brief meeting of the members of the Board of Regents as Trustees of Winedale Stagecoach Inn Fund at the May 31 - June 1 meeting of the Board of Regents for action on the following Agenda:

1. APPROVAL OF MINUTES of the meeting of the Trustees on March 8, 1968, copies of which were mailed to the Trustees by the Secretary-Treasurer with letter dated March 19.

2. RECOMMENDATION FOR ACCEPTANCE OF GIFT FROM MISS IMA HOGG OF WEHMEYER-NEINAST HOUSE.--Miss Hogg has had under consideration for several weeks the purchase of a house known as the Wehmeyer-Neinast House to be moved to Winedale for use by the University in teaching and laboratory work in restoration through the School of Architecture, the Department of Home Economics, and other University activities. The house was built in 1860 and is in good condition. It is an outstanding example of the best architecture in the Classic Revival Period and will complement Winedale Inn. Miss Hogg is purchasing the house for \$16,000 and will pay the cost of moving it to Winedale, estimated at \$4,000 to \$6,000. An application has been filed with the Department of Housing and Urban Development for a matching grant under their Historic Restoration and Preservation Program, and favorable action seems reasonably assured for a grant of \$9,000 or above. Part of this grant will be used to re-roof the house, and the remainder will be used for material and other costs in the teaching and laboratory program on the house. Chancellor Ransom, the Winedale Planning Committee, and Mr. Wayne Bell, Winedale Co-ordinator, recommend that the Trustees accept Miss Hogg's gift with deep appreciation and ratify the application to the Department of Housing and Urban Development.

LAND AND INVESTMENT COMMITTEE

Supplementary Agenda

Date: May 31, 1968

Time: Following the meeting of the Medical Affairs Committee

Place: Main Building, Suite 212  
U. T. Austin, Austin, Texas

Page  
L & I

TRUST AND SPECIAL FUNDS - BOND MATTERS

U. T. El Paso - Recommendation Re Appointment  
of Bond Counsel and Financial Adviser

Below

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TRUST AND SPECIAL FUNDS - BOND MATTERS.--

U. T. EL PASO - RECOMMENDATION RE APPOINTMENT OF BOND COUNSEL AND FINANCIAL ADVISER.--The Executive Director, Investments, Trusts and Lands, joined by Mr. Walker, Vice-Chancellor for Business Affairs, recommends the following appointments to assist in the planning and sale of bonds to provide Dormitory housing for U. T. El Paso:

As Bond Counsel -  
Vinson, Elkins, Weems & Searls  
Houston, Texas

As Financial Adviser -  
Mr. Sam E. Maclin  
San Antonio, Texas

*already approved  
see B + G*

LAND AND INVESTMENT COMMITTEE

Emergency Items

Date: May 31, 1968

Time: Following the Medical Affairs Committee

Place: Main Building, Suite 212  
U. T. Austin, Austin, Texas

PERMANENT UNIVERSITY FUND  
INVESTMENT MATTERS

	<u>L &amp; I</u> <u>Page</u>
1. Recommendations Regarding Additions to List A, Transfers from List A to List B, and Authority with Respect to Sales of List B Stocks	27
2. Extension of Contract with Investment Counsel	27

LAND AND INVESTMENT COMMITTEE

Emergency Items

May 31, 1968

PERMANENT UNIVERSITY FUND - INVESTMENT MATTERS.--

1. RECOMMENDATIONS REGARDING ADDITIONS TO LIST A, TRANSFERS FROM LIST A TO LIST B, AND AUTHORITY WITH RESPECT TO SALES OF LIST B STOCKS.--The Permanent University Fund was subjected to a comprehensive review at the regular quarterly meeting of the Investment Advisory Committee, the Staff Investment Committee and the Investment Counsel, which was held May 24 and 25, 1968. As a result of these deliberations, the Executive Director of Investments, Trusts and Lands, joined unanimously by the Investment Advisory Committee, Staff Investment Committee and the Investment Counsel, makes the following recommendations:

- a. That the following companies be added to List A, and the stocks thereof be authorized for purchase:

Burroughs Corporation  
Halliburton Company  
Motorola, Inc.  
Squibb Beech-Nut, Inc.

- b. That the following companies be transferred from List A to List B:

Aluminum Company of America  
American Can Co.  
American Smelting & Refining Co.  
Bendix Corporation  
Borden, Inc.  
Kennecott Copper Corporation  
Mellon National Bank & Trust Co., Pittsburgh  
Morgan Guaranty Trust Co., New York  
Otis Elevator Co.  
Union Carbide Corp.  
Utah Power & Light Co.

- c. That the Executive Director of Investments, Trusts and Lands be authorized to sell all or any part of the stocks of companies on List B; the decisions to sell and the timing thereof to be determined after consultation with Investment Counsel and the Staff Investment Committee.

2. EXTENSION OF CONTRACT WITH INVESTMENT COUNSEL.--The Executive Director, Investments, Trusts and Lands, recommends that he be authorized to extend the contract with Lionel D. Edie & Company, Inc., from September 1, 1968, to August 31, 1969, (subject to cancellation by the Board of Regents at any time on thirty days' written notice); the fee to continue at \$25,000 per year.

# Meeting of the Board

AGENDA  
MEETING OF THE BOARD OF REGENTS  
OF  
THE UNIVERSITY OF TEXAS SYSTEM

Chairman Erwin Presiding

Date: May 31, 1968

Time: Following the meeting of the Committee of the Whole

Place: Main Building, Suite 212  
U. T. Austin, Austin, Texas

A. INVOCATION

B. CONSIDERATION OF MINUTES: (1) JANUARY 26, AND (2) APRIL 19, 1968.

----- (1) At the January 1968 meeting of the Board of Regents, it was reported that the Park Board of the County of Nueces et al had offered to The University of Texas System 40 acres of land adjacent to the Marine Science Institute. Since that time, however, it has been determined that there are 50 acres in that tract rather than 40 acres. Thus, it is recommended that the January 1968 minutes (Volume XV, Page 946, Item 9) be corrected to reflect 50 acres rather than 40 acres so that it will read as follows. The portion that has been corrected is underscored:

9. U. T. Austin: Port Aransas Marine Institute - Authorization to Accept Fifty Acres of Land in Nueces County, Texas and to Prepare a Site Development Plan. -- It is recommended that the following resolution be adopted:

WHEREAS, after negotiating with the Park Board of the County of Nueces and with other officials of the County of Nueces, fifty acres of land adjacent to The University of Texas Marine Science Institute at Port Aransas have been offered to The University of Texas System by the County Commissioners' Court of the County of Nueces for expansion of the Port Aransas Institute; and

WHEREAS, there is also the possibility of acquiring additional acreage located adjacent to this property which is owned by the Federal Government; and

WHEREAS, this land would be of great benefit and use in the furtherance of the educational and research programs of The University of Texas System,



BE IT RESOLVED that the following recommendations be adopted:

1. That the Board of Regents accept the offer by the Nueces County Commissioners' Court of the 50 acres of land adjacent to the Port Aransas Marine Institute.
2. That authorization be given to the appropriate University officials to determine the exact configuration and description of the property and to work out any other details necessary to acquisition of title to the property.
3. That authorization be given to secure whatever approvals are necessary from the Legislature or the Coordinating Board for the acquisition of the property.
4. That authorization be given for the appropriate officials of The University of Texas to discuss with the appropriate Federal officials the acquisition of the property owned by the Federal Government.
5. That the Office of Facilities Planning and Construction be authorized to prepare a site development plan for the Port Aransas Marine Institute including the present site and the proposed additional 50 acres of land.
6. That the Secretary of the Board be instructed to prepare an appropriate resolution of thanks by the Board to be sent to the Nueces County Parks Board and the Nueces County Commissioners' Court.

(2)With respect to the minutes of the meeting of the Board of Regents held in Dallas on April 19, 1968, the Secretary calls to your attention a typographical error on Page 53, line 15. The "276 acres" should be "376 acres". Thus, the first paragraph of item 3 on Page 53 should read as follows:

3. U. T. Austin: Archer M. Huntington Museum Fund - Approval of Sale of Tract in the Littlefield Survey in Galveston County to Union Carbide Corporation. --Approval was given to sale of approximately 376 acres of Littlefield Survey of Galveston County Texas, (Archer M. Huntington Museum Fund) subject to a permanent easement in favor of Galveston County on 34.5 acres to Union Carbide Corporation for a total consideration of \$1,000,000 on the following terms:

C. SPECIAL ITEMS

1. Chancellor Harry Ransom
2. Chief Administrative Officers of the Component Institutions
  - a. U. T. Austin (Doctor Hackerman)
  - b. U. T. Arlington (Doctor Woolf)
  - c. U. T. El Paso (Doctor Ray)
  - d. Galveston Medical Branch  
(Doctor Blocker)
  - e. Dallas Medical School  
(Doctor Sprague)
  - f. San Antonio Medical School  
(Doctor Pannill)
  - g. System Nursing School  
(Doctor Willman)
  - h. Houston Dental Branch  
(Doctor Olson)
  - i. Anderson Hospital (Doctor Clark)
  - j. G. S. B. S. (Doctor Arnim)
  - k. Division of Continuing Education  
(Doctor Taylor)
  - l. Public Health School (Doctor Sterner)

3. Members of the Board of Regents
  - a. Chairman Frank C. Erwin, Jr.
  - b. Vice-Chairman Jack S. Josey
  - c. Regent W. H. Bauer
  - d. Regent Frank N. Ikard
  - e. Regent (Mrs.) J. Lee Johnson III
  - f. Regent Joe M. Kilgore
  - g. Regent Levi A. Olan
  - h. Regent John Peace
  - i. Regent E. T. Ximenes

E. REPORTS OF STANDING COMMITTEES

1. Executive Committee by Committee Chairman Bauer
2. Academic and Developmental Affairs Committee  
by Committee Chairman Olan
3. Buildings and Grounds Committee by Committee  
Chairman Johnson
4. Land and Investment Committee by Committee  
Chairman Ikard
5. Medical Affairs Committee by Committee  
Chairman Josey
6. Board for Lease of University Lands

F. REPORTS OF SPECIAL COMMITTEES, IF ANY

G. REPORT OF THE COMMITTEE OF THE WHOLE

H. ADJOURNMENT