

# OMISSION

Pages 3777-4068

A. Ruth Baker

SIGNATURE OF OPERATOR

THE MINUTES OF THE BOARD OF REGENTS  
OF  
THE UNIVERSITY OF TEXAS SYSTEM

Meeting No. 723 - July 19, 1974  
[ Pages 1 - 63 with Attachments  
No. 1 (Ending with Page N-22)  
and No. 2 (Ending with Page 28)]

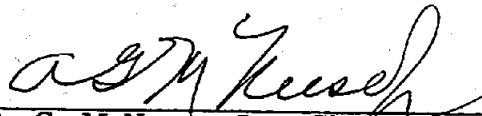
and


Special Meeting No. 724 - August 19, 1974  
(Pages 1 - 6)

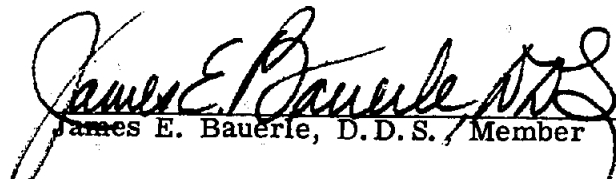
Austin, Texas.

We, the undersigned members of the Board of Regents of The University of Texas System, hereby ratify and approve all actions taken at this meeting (July 19, 1974) to be reflected in the Minutes.

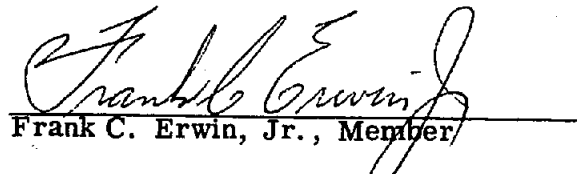
Signed this the 19th day of July, 1974, A. D.

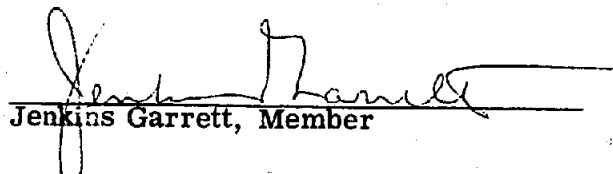
  
A. G. McNeese, Jr., Chairman

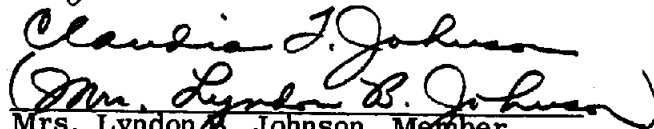
  
Dan C. Williams, Vice-Chairman


  
James E. Bauerle, D. D. S., Member

  
Edward Clark, Member

  
Frank C. Erwin, Jr., Member

  
Jenkins Garrett, Member

  
Mrs. Lyndon B. Johnson, Member

  
Joe T. Nelson, M. D., Member

  
Allan Shivers, Member

Meeting No. 723

THE MINUTES OF THE BOARD OF REGENTS  
OF  
THE UNIVERSITY OF TEXAS SYSTEM

Pages 1 - 63

July 19, 1974

Austin, Texas

'7-19-74

MEETING NO. 723

FRIDAY, JULY 19, 1974. --The Board of Regents of The University of Texas System convened in regular session at 9:00 a. m. on July 19, 1974, in the Main Building, Room 212, The University of Texas at Austin, Austin, Texas.

The meeting was called to order by Chairman McNeese, and the following were in attendance:

## ATTENDANCE:

Present

Chairman McNeese, Presiding  
Vice-Chairman Williams  
Regent Bauerle  
Regent Clark  
Regent Erwin  
Regent Garrett  
Regent (Mrs.) Johnson  
Regent Nelson  
Regent Shivers

Absent

Secretary Thedford

Chancellor LeMaistre  
Chancellor Emeritus Ransom  
Deputy Chancellor Walker

APPROVAL OF MINUTES OF JUNE 14, 1974. --Upon motion of Regent Nelson, seconded by Vice-Chairman Williams, the Minutes of the meeting of the Board of Regents held on June 14, 1974, were unanimously approved in the form distributed by the Secretary and recorded in the Permanent Minutes, Volume XXI, beginning with Page 3191.

U. T. SYSTEM: (1) RESOLUTION AUTHORIZING THE ISSUANCE OF BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM PERMANENT UNIVERSITY FUND BONDS, NEW SERIES 1974, IN THE AMOUNT OF \$11,000,000 AND AWARDING THE SALE OF THE BONDS TO CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO, CHICAGO, ILLINOIS, (2) DESIGNATION OF THE AUSTIN NATIONAL BANK, AUSTIN, TEXAS, PAYING AGENT AND BANKERS TRUST COMPANY, NEW YORK, NEW YORK, AND FIRST NATIONAL BANK OF CHICAGO, CHICAGO, ILLINOIS, CO-PAYING AGENTS AND (3) AWARD OF CONTRACT TO PRINT BONDS TO HART GRAPHICS, AUSTIN, TEXAS. --For the consideration of said bonds, the resolution set out on Pages 3 - 20 was duly introduced and read in full. It was then duly moved by Regent Clark, seconded by Vice-Chairman Williams, that said resolution be adopted, and, after due discussion, said motion carrying with it the adoption of said resolution, prevailed and carried by the following vote:

AYES: All members of said Board listed above as present voted "Aye" except Chairman McNeese who was recorded "Not Voting."

NOES: None.

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The adoption of this resolution authorized issuance of Board of Regents of The University of Texas System Permanent University Fund Bonds, New Series 1974, in the amount of \$11,000,000 and awarded the sale of the bonds to Continental Illinois National Bank and Trust Company of Chicago, Chicago, Illinois, at the price of par plus accrued interest to the date of delivery plus a premium of \$4,196.50 (Pages 19-20) at the interest rates reflected on Page 9. The effective interest rate is 6.10534 percent.

Upon motion of Regent Clark, seconded by Vice-Chairman Williams, the bid of The Austin National Bank, Austin, Texas, to serve as Paying Agent for the Board of Regents of The University of Texas System Permanent University Fund Bonds, New Series 1974, in the amount of \$11,000,000 was accepted. Bankers Trust Company, New York, New York, and First National Bank of Chicago, Chicago, Illinois, were designated Co-Paying Agents. (Pages 11, 14). The Paying Agent will pay the Board of Regents the sum of \$3,000 to act as the agent. Regent Shivers was recorded "Not Voting."

The contract for printing the Board of Regents of The University of Texas System Permanent University Fund Bonds, New Series 1974, in the amount of \$11,000,000, was awarded unanimously to Hart Graphics, Austin, Texas, upon motion of Regent Clark, seconded by Vice-Chairman Williams. These bonds are to be printed according to specifications with lithographed borders for the sum of \$962, there being 5 interest rates.

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## RESOLUTION

BY THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM AUTHORIZING THE ISSUANCE OF BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM PERMANENT UNIVERSITY FUND BONDS, NEW SERIES 1974, IN THE AMOUNT OF \$11,000,000.

WHEREAS, the Board of Regents of The University of Texas System (hereinafter sometimes called the "Board") heretofore has authorized, issued, and delivered that issue of Board of Regents of The University of Texas Permanent University Fund Refunding Bonds, Series 1958, dated July 1, 1958, said bonds having been authorized pursuant to the provisions of Section 18, Article VII of the Constitution of Texas; and

WHEREAS, said Refunding Bonds, Series 1958, are payable from and secured by a first lien on and pledge of the Interest of The University of Texas System in the income from the Permanent University Fund, in the manner and to the extent provided in the resolution authorizing said Refunding Bonds, Series 1958; and

WHEREAS, the resolution adopted on July 23, 1958, authorizing the issuance of said Refunding Bonds, Series 1958, reserved the right and power in the Board to issue, under certain conditions, Additional Parity Bonds and Notes for the purposes and to the extent provided in the Amendment to Section 18, Article VII of the Texas Constitution, adopted by vote of the people of Texas on November 6, 1956, said Additional Parity Bonds and Notes to be on a parity with the aforesaid Refunding Bonds, Series 1958, and equally and ratably secured by and payable from a first lien on and pledge of the Interest of The University of Texas System in the income from the Permanent University Fund, in the same manner and to the same extent as are said Refunding Bonds, Series 1958; and

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WHEREAS, the Amendments to Section 18, Article VII of the Texas Constitution, adopted by vote of the people of Texas on November 6, 1956, and on November 8, 1966, provide that the Board is authorized to issue negotiable bonds and notes for the purpose of constructing, equipping, or acquiring buildings or other permanent improvements for The University of Texas System, in a total amount not to exceed two-thirds (2/3) of Twenty per cent (20%) of the value of the Permanent University Fund exclusive of real estate at the time of any issuance thereof; and

WHEREAS, the Board heretofore has authorized, issued, sold and delivered its Permanent University Fund Bonds, Series 1959, dated July 1, 1959, Series 1960, dated July 1, 1960, Series 1961, dated July 1, 1961, Series 1962, dated July 1, 1962, Series 1963, dated July 1, 1963, Series 1964, dated July 1, 1964, Series 1965, dated July 1, 1965, and Series 1966, dated July 1, 1966, as installments or issues of such Additional Parity Bonds; and

WHEREAS, the Board has deemed it necessary and advisable that no more of said Additional Parity Bonds shall be issued because of the excessively restrictive Permanent University Fund investment covenants made in connection with all of the aforesaid Permanent University Fund Bonds heretofore issued; and

WHEREAS, the Board is required by law to keep said investment covenants in full force and effect as to all of the aforesaid Permanent University Fund Bonds heretofore issued and to affirm the first lien on and pledge accruing to said outstanding Permanent University Fund Bonds heretofore issued on the Interest of the University of Texas System in the income from the Permanent University Fund; and



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WHEREAS, pursuant to a resolution adopted on June 16, 1967, the Board authorized, issued, sold and delivered an installment or issue of negotiable bonds designated as the Board of Regents of The University of Texas System Permanent University Fund Bonds, New Series 1967, dated July 1, 1967 (hereinafter sometimes called the "New Series 1967 Bonds"), in the principal amount of \$14,000,000, payable from and secured by a lien on and pledge of the Interest of The University of Texas System in the Permanent University Fund, subject only and subordinate to the first lien on and pledge of said Interest heretofore created in connection with the aforesaid outstanding Permanent University Fund Bonds; and

WHEREAS, in said resolution adopted on June 16, 1967, the Board set forth the terms and conditions under which additional bonds may be issued to be on a parity with the aforesaid New Series 1967 subordinate lien bonds, and the Board has issued its Permanent University Fund Bonds, New Series 1968, New Series 1969, New Series 1970, New Series 1971, New Series 1972 and New Series 1973, in accordance therewith; and

WHEREAS, the Board has determined to authorize, issue, sell and deliver an additional installment or issue of such subordinate lien parity New Series Bonds in the principal amount of \$11,000,000; and

WHEREAS, the Board hereby officially finds and determines that the value of the Permanent University Fund, exclusive of real estate is in excess of \$703,000,000:

THEREFORE, BE IT RESOLVED BY THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM:

1. Throughout this resolution the following terms and expressions as used herein shall have the meanings set forth below:

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The term "Permanent University Fund," "Permanent Fund," and "Fund" used interchangeably herein shall mean the Permanent University Fund as created by Article VII, Section 11 of the Constitution, further implemented by the provisions of Title 49, Chapter 1, of the Revised Civil Statutes of Texas, 1925, as amended and supplemented.

The expression "Interest of the University" in the Permanent University Fund shall mean all of the income to such Fund from grazing leases on University lands, and all of the other income from such Fund, after making provision for the payment of the University's proportion of the expenses of administering such Fund, excepting one-third of the income arising and accruing to The Texas A&M University from the 1,000,000 acres of land appropriated by the Constitution of 1876 and the land appropriated by the Act of 1883, as more particularly defined by Chapter 42, Acts of the Forty-second Legislature, Regular Session, 1931 (Article 2592, Vernon's Annotated Civil Statutes of Texas).

The term "Resolution" as used herein and in the Bonds shall mean this resolution authorizing the Bonds.

The term "Bonds" or "New Series 1974 Bonds" shall mean the New Series 1974 Bonds authorized in this Resolution, unless the context clearly indicates otherwise.

The term "Old Series Outstanding Bonds" shall mean the outstanding bonds of the following issues:

Board of Regents of The University of Texas Permanent University Fund Bonds, Series 1959, dated July 1, 1959, originally issued in the amount of \$4,000,000.

Board of Regents of The University of Texas Permanent University Fund Bonds, Series 1960, dated July 1, 1960, originally issued in the amount of \$5,000,000.

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Board of Regents of The University of Texas Permanent University Fund Bonds, Series 1961, dated July 1, 1961, originally issued in the amount of \$6,000,000.

Board of Regents of The University of Texas Permanent University Fund Bonds, Series 1962, dated July 1, 1962, originally issued in the amount of \$5,000,000.

Board of Regents of The University of Texas Permanent University Fund Bonds, Series 1963, dated July 1, 1963, originally issued in the amount of \$4,000,000.

Board of Regents of The University of Texas Permanent University Fund Bonds, Series 1964, dated July 1, 1964, originally issued in the amount of \$4,000,000.

Board of Regents of The University of Texas Permanent University Fund Bonds, Series 1965, dated July 1, 1965, originally issued in the amount of \$6,000,000.

Board of Regents of The University of Texas Permanent University Fund Bonds, Series 1966, dated July 1, 1966, originally issued in the amount of \$11,000,000.

The term "New Series Additional Parity Bonds and Notes" and "Additional Parity Bonds and Notes" shall mean the additional parity bonds and the additional parity notes permitted to be issued pursuant to Section 11 of the Resolution adopted on June 16, 1967, authorizing the issuance of the New Series 1967 Bonds.

The term "New Series Outstanding Bonds" shall mean the outstanding bonds of the following issues:

Board of Regents of The University of Texas System Permanent University Fund Bonds, New Series 1967, dated July 1, 1967, originally issued in the amount of \$14,000,000 pursuant to a resolution adopted on June 16, 1967.

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Board of Regents of The University of Texas System Permanent University Fund Bonds, New Series 1968, dated July 1, 1968, originally issued in the amount of \$15,000,000, pursuant to a resolution adopted on June 25, 1968.

Board of Regents of The University of Texas System Permanent University Fund Bonds, New Series 1969, dated July 1, 1969, originally issued in the amount of \$7,000,000, pursuant to a resolution adopted on June 20, 1969.

Board of Regents of The University of Texas System Permanent University Fund Bonds, New Series 1970, dated July 1, 1970, originally issued in the amount of \$7,500,000, pursuant to a resolution adopted on July 10, 1970.

Board of Regents of The University of Texas System Permanent University Fund Bonds, New Series 1971, dated July 1, 1971, originally issued in the amount of \$9,000,000, pursuant to a resolution adopted on June 4, 1971.

Board of Regents of The University of Texas System Permanent University Fund Bonds, New Series 1972, dated July 1, 1972, originally issued in the amount of \$9,000,000, pursuant to a resolution adopted on June 9, 1972.

Board of Regents of The University of Texas System Permanent University Fund Bonds, New Series 1973, dated July 1, 1973, originally issued in the amount of \$11,000,000, pursuant to a resolution adopted on July 27, 1973.

The term "Board" shall mean the Board of Regents of The University of Texas System.

2. That said Board's negotiable coupon bonds, to be designated the "Board of Regents of The University of Texas System Permanent University Fund Bonds, New Series 1974," are hereby authorized to be

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issued and delivered in accordance with the Constitution and laws of the State of Texas in the principal amount of \$11,000,000 for the purpose of constructing, equipping, or acquiring buildings or other permanent improvements for The University of Texas System, to the extent and in the manner provided by law.

3. That said bonds shall be dated July 1, 1974, shall be in the denomination of \$5,000 each, shall be numbered consecutively from 1 through 2,200, and shall mature serially on July 1 in each of the years, and in the amounts, respectively, as set forth in the following schedule:

1975/78	\$440,000
1979/82	495,000
1983/86	550,000
1987/90	605,000
1991/94	660,000

Said bonds may be redeemed prior to their scheduled maturities, at the option of said Board, on the dates stated, for the prices, and in the manner provided, in the FORM OF BOND set forth in this Resolution; and further, said bonds shall be registrable as to principal only, at the option of the owner, in the manner provided in said FORM OF BOND.

4. That the bonds scheduled to mature during the years, respectively, set forth below shall bear interest from their date, until maturity or redemption, at the following rates, per annum:

maturities 1975 through 19 <u>83</u> ,	<u>6-1/2 %</u> ,
maturities 19 <u>84</u> through 19 <u>88</u> ,	<u>6 %</u> ,
maturities 19 <u>89</u> through 19 <u>90</u> ,	<u>6.10 %</u> ,
maturities 19 <u>91</u> through 19 <u>93</u> ,	<u>6.20 %</u> ,
maturities 19 <u>94</u> ,	<u>5-1/2 %</u> .

Said interest shall be evidenced by interest coupons which shall appertain to said bonds, and which shall be payable on the dates stated in the FORM OF BOND set forth in this Resolution.

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5. That said bonds and interest coupons shall be payable, shall have the characteristics, and shall be signed and executed (and said bonds shall be sealed), all as provided, and in the manner indicated, in the FORM OF BOND set forth in this Resolution.

6. That the form of said bonds, including the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas to be printed and endorsed on each of said bonds, the form of the aforesaid interest coupons which shall appertain and be attached initially to each of said bonds, and the form of endorsement for registration as to principal, shall be, respectively, substantially as follows:

FORM OF BOND:

No. \_\_\_\_\_

\$5,000

UNITED STATES OF AMERICA  
STATE OF TEXAS

BOARD OF REGENTS OF  
THE UNIVERSITY OF TEXAS SYSTEM  
PERMANENT UNIVERSITY FUND BOND, NEW SERIES 1974

ON JULY 1, 19\_\_\_\_, the BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM promises to pay to bearer, or if this bond be registered as to principal, then to the registered owner hereof, the principal amount of

FIVE THOUSAND DOLLARS

and to pay interest thereon, from the date hereof, at the rate of \_\_\_\_\_% per annum, evidenced by interest coupons payable JANUARY 1, 1975, and semiannually thereafter on each JULY 1 and JANUARY 1 while this bond is outstanding. The principal of this bond and the interest coupons appertaining hereto shall be payable to bearer, in lawful money of the United States of America, without exchange or collection charges to the bearer, upon presentation and surrender

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of this bond or proper interest coupon, at The Austin National Bank,  
Austin, Texas,

or, at the option of the bearer, at Bankers Trust Company  
, New York, New York, or

First National Bank of Chicago

Chicago, Illinois, which places shall be the paying agents for this Series of bonds.

THIS BOND is one of a Series of negotiable coupon bonds dated JULY 1, 1974, issued in the principal amount of \$11,000,000 FOR THE PURPOSE OF CONSTRUCTING, EQUIPPING, OR ACQUIRING BUILDINGS OR OTHER PERMANENT IMPROVEMENTS FOR THE UNIVERSITY OF TEXAS SYSTEM, to the extent and in the manner provided by law, in accordance with the provisions of the Amendments to Section 18, Article VII of the Texas Constitution, adopted by a vote of the people of Texas on November 6, 1956, and on November 8, 1966.

ON JULY 1, 1984, OR ON ANY INTEREST PAYMENT DATE THEREAFTER, any outstanding bonds of this Series may be redeemed prior to their scheduled maturities, at the option of said Board, IN WHOLE, OR IN PART IN INVERSE NUMERICAL ORDER, for the price of par and accrued interest to the date fixed for redemption, plus a premium of 2% of the par value if redeemed on or prior to JANUARY 1, 1989, with such premium to be reduced on and after JULY 1, 1989, to 1%. At least thirty days before the date fixed for any such redemption the Board shall cause a written notice of such redemption to be published at least once in a financial publication published in the City of New York, New York. By the date fixed for any such redemption, due provision shall be made with the paying agents for the payment of par and accrued interest to the date fixed for redemption of the Bonds to be redeemed, plus the required premium. If the written notice of

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redemption is published, and if due provision for such payment is made, all as provided above, the bonds, which are to be so redeemed, thereby automatically shall be redeemed prior to maturity, and they shall not bear interest after the date fixed for redemption, and shall not be regarded as being outstanding except for the purpose of being paid by the paying agents with the funds so provided for such payment.

IT IS HEREBY certified, recited and covenanted that this bond has been duly and validly issued and delivered; that all acts, conditions and things required or proper to be performed, exist and be done precedent to or in the issuance and delivery of this bond have been performed, existed and been done in accordance with law; and that the interest on and principal of this bond, and the Series of which it is a part, together with the other New Series Outstanding Bonds, are equally and ratably secured by and payable from a lien on and pledge of the Interest of The University of Texas System in the income from the Permanent University Fund, as such Interest is apportioned by Chapter 42 of the Acts of the Regular Session of the 42nd Legislature of Texas, subject only and subordinate to the first lien on and pledge of said Interest heretofore created in connection with the Old Series Outstanding Bonds (as such terms are defined in the Resolution authorizing this Series of bonds).

SAID BOARD has reserved the right, subject to the restrictions referred to in the Resolution authorizing this Series of bonds, to issue additional parity bonds and notes which also may be secured by and made payable from a lien on and pledge of the aforesaid Interest of The University of Texas System in the income from the Permanent University Fund, in the same manner and to the same extent as this Series of bonds.



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THIS BOND, at the option of the owner hereof, is registrable as to principal only on the books of the Registrar. For such purpose the Comptroller of The University of Texas System shall be the Registrar. If registered, the fact of registration shall be noted on the back hereof and thereafter no transfer of this bond shall be valid unless made on the books of the Registrar at the instance of the registered owner and similarly noted hereon. Registration as to principal may be discharged by transfer to bearer, after which this bond again may be registered as before. The registration of this bond as to principal shall not affect or impair the negotiability of the interest coupons appertaining hereto, which shall continue to be negotiable by delivery merely. Subject to said provisions for the registration of this bond as to principal only, nothing contained herein shall affect or impair the negotiability of this bond, and this bond shall constitute a negotiable instrument within the meaning of the laws of the State of Texas.

IN WITNESS WHEREOF, this bond and the interest coupons appertaining hereto have been signed with the facsimile signature of the Chairman of said Board and countersigned with the facsimile signature of the Secretary of said Board, and the official seal of said Board has been duly impressed, or placed in facsimile, on this bond.

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Chairman

FORM OF REGISTRATION CERTIFICATE:

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO. \_\_\_\_\_

I hereby certify that this bond has been examined, certified as

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to validity, and approved by the Attorney General of the State of Texas, and that this bond has been registered by the Comptroller of Public Accounts of the State of Texas.

Witness my signature and seal this

\_\_\_\_\_  
Comptroller of Public Accounts  
of the State of Texas

FORM OF INTEREST COUPON:

No. \_\_\_\_\_ \$ \_\_\_\_\_

ON \_\_\_\_\_ 1, 19\_\_\_\_, THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM promises to pay to bearer the amount shown on this interest coupon, in lawful money of the United States of America, without exchange or collection charges to the bearer, unless due provision has been made for the redemption prior to maturity of the bond to which this interest coupon appertains, upon presentation and surrender of this interest coupon, at The Austin National Bank, Austin, Texas, or, at the option of the bearer, at Bankers Trust Company, New York, New York, or at First National Bank of Chicago, Chicago, Illinois, said amount being interest due that day on the bond bearing the number hereinafter designated, of that issue of BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM PERMANENT UNIVERSITY FUND BONDS, NEW SERIES 1974, DATED JULY 1, 1974. BOND NO. \_\_\_\_\_.

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Chairman

FORM OF ENDORSEMENT FOR REGISTRATION AS TO PRINCIPAL:

ENDORSEMENT FOR REGISTRATION AS TO PRINCIPAL

(NO WRITING TO BE MADE HEREON EXCEPT BY THE REGISTRAR DESIGNATED FOR THIS ISSUE OF BONDS)

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It is hereby certified that, at the request of the owner of the within bond, I have this day registered it as to principal in the name of such owner, as indicated in the registration blank below, on the books kept by me for such purpose. The principal of this bond shall be payable only to the registered owner hereof named in the registration blank below, or his legal representative, and this bond shall be transferable only on the books of the Registrar and by an appropriate notation in such registration blank. If the last transfer recorded on the books of the Registrar and in the registration blank below shall be to bearer, the principal of this bond shall be payable to bearer and it shall be in all respects negotiable. In no case shall negotiability of the interest coupons appertaining hereto be affected or impaired by any registration as to principal.

<u>NAME OF REGISTERED OWNER</u>	<u>DATE OF REGISTRATION</u>	<u>SIGNATURE OF REGISTRAR</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

7. (a) It is hereby certified and recited that the Bonds authorized in this Resolution are Additional Parity Bonds permitted to be issued under Section 11 of the resolution of the Board adopted on June 16, 1967, authorizing the issuance of the New Series 1967 Bonds, and that all conditions and requirements of said Section 11 have been or will be met prior to the delivery of the New Series 1974 Bonds herein authorized. The New Series 1974 Bonds and the New Series Outstanding Bonds are and shall be on a parity and in all respects of equal dignity.

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(b) Pursuant to the provisions of the amendments to Section 18, Article VII, of the Texas Constitution, approved by vote of the people of Texas on November 6, 1956, and on November 8, 1966, the New Series 1974 Bonds, the New Series Outstanding Bonds, and any other New Series Additional Parity Bonds and Notes hereinafter issued, and the interest thereon, shall be and are hereby equally and ratably secured by and payable from a lien on and pledge of the Interest of the University in the income from the Permanent University Fund, as such Interest is defined in Section 1 of this Resolution, subject only and subordinate to the first lien on and pledge of said Interest heretofore created in connection with the Old Series Outstanding Bonds.

8. (a) The aforesaid resolution adopted June 16, 1967, authorizing the issuance of the New Series 1967 Bonds has provided that the Comptroller of Public Accounts of the State of Texas shall establish in the State Treasury a fund to be known as "Board of Regents of The University of Texas System New Series Permanent University Fund Interest and Sinking Fund" (hereinafter called the "Interest and Sinking Fund"). In addition to the moneys required to be transferred to the credit of the Interest and Sinking Fund in connection with the New Series Outstanding Bonds, the Comptroller of Public Accounts of the State of Texas shall, for the benefit of the New Series 1974 Bonds, transfer to the Interest and Sinking Fund, out of The University of Texas System Available University Fund (the fund in the State Treasury to which is deposited the Interest of the University), on or before November 15, 1974, and semiannually thereafter on or before May 15 and November 15 of each year while the New Series 1974 Bonds, or interest thereon, are outstanding and unpaid, the amount

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of interest or principal and interest which will become due on the New Series 1974 Bonds on the January 1 or July 1 next following. It is hereby recognized that the amounts necessary for the payment of principal and interest on the Old Series Outstanding Bonds will have been transferred on or before May 1 and November 1 of each year from the aforesaid Available University Fund to the interest and sinking fund heretofore created for the benefit of the Old Series Outstanding Bonds.

(b) To the end that money will be available at the places of payment in ample time to pay the principal of and interest on the Bonds as such principal and interest respectively mature, on or before November 15, 1974, and semiannually thereafter on or before May 15 and November 15 of each year while any of the New Series 1974 Bonds, or interest thereon, are outstanding and unpaid, the Comptroller of The University of Texas System, or such officer as may hereafter be designated by the Board to perform the duties now vested in such officer, shall perform the following duties:

(1) Prepare and file with the Comptroller of Public Accounts of the State of Texas (hereinafter called the "Comptroller of Public Accounts") a voucher based on which the Comptroller of Public Accounts shall draw a warrant against the Interest and Sinking Fund in the amount of the interest or principal and interest on the New Series 1974 Bonds (when both are scheduled to accrue and mature) which will become due on the January 1 or July 1 next following.

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(2) In the event New Series 1974 Bonds shall have been called for redemption on January 1 or July 1 next following of any year, prepare and file with the Comptroller of Public Accounts a voucher based on which the Comptroller of Public Accounts shall draw a warrant against funds of The University of Texas System legally available for such purpose in an amount sufficient to redeem the New Series 1974 Bonds thus called.

(c) Whenever a voucher is so filed with the Comptroller of Public Accounts, he shall make the warrant based thereon payable to the order of the paying agent situated in the State of Texas, specified in Section 6 hereof, and shall deliver such warrant to such paying agent on or before the December 1 or June 1 next following.

(d) The paying agent situated in the State of Texas, designated in Section 6 hereof, shall, out of moneys remitted to it under the provisions of this Section 8 hereof, and not otherwise, make available at the other paying agents specified in Section 6 hereof, funds sufficient to pay such of the New Series 1974 Bonds (whether payable to the bearer or payable to the registered owner thereof) and such of the coupons as are presented for payment, and said paying agent situated in the State of Texas by accepting designation as such paying agent agrees and is obligated to perform such service.

(e) The paying agents shall totally destroy all paid New Series 1974 Bonds and coupons, and shall furnish the Board with an appropriate certificate of destruction covering the New Series 1974 Bonds and coupons thus destroyed.

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(f) The Board shall make provision with the paying agents for the rendition of a statement to The University of Texas System for any sums due such paying agents for services rendered in connection with the payment of the New Series 1974 Bonds and coupons by such paying agents, and the amount of such charges shall be paid by the Board from funds available for such purpose.

9. That all of the language, terms, provisions, covenants and agreements of Section 7 through 13, both inclusive, of the resolution adopted June 16, 1967, authorizing the issuance of the New Series 1967 Bonds are hereby referred to, adopted, and made applicable to the New Series 1974 Bonds authorized by this Resolution, for all purposes.

10. That after said New Series 1974 Bonds shall have been executed, it shall be the duty of the Chairman of the Board or some officer of the Board acting under his authority, to deliver said Bonds and all necessary records and proceedings to the Attorney General of Texas, for examination and approval by the Attorney General. After said bonds shall have been approved by the Attorney General, they shall be delivered to the Comptroller of Public Accounts of the State of Texas for registration. Upon registration of said Bonds, the Comptroller of Public Accounts (or a deputy lawfully designated in writing to act for the Comptroller) shall manually sign the Comptroller's Registration Certificate prescribed herein to be printed and endorsed on each of said Bonds, and the seal of said Comptroller shall be impressed, or placed in facsimile, on each of said Bonds.

11. That said New Series 1974 Bonds are hereby sold and shall be delivered to Continental Illinois National Bank and Trust Company.

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of Chicago for the principal amount thereof and accrued interest to the date of delivery, plus a premium of \$ 4,196.50

12. That the Board certifies that based upon all facts, estimates and circumstances now known or reasonably expected to be in existence of the date the Bonds are delivered and paid for, the Board reasonably expects that the proceeds of the Bonds will not be used in a manner that would cause the Bonds or any portion of the Bonds to be an "arbitrage bond" under Section 103(d)(2) of the Internal Revenue Code of 1954, as amended, and the temporary and proposed regulations heretofore prescribed thereunder, including, without limitation, Sections 1.103-13 and 1.103-14 of the proposed regulations published in the Federal Register on May 3, 1973. Furthermore, all officers, employees and agents of the University are authorized and directed to provide certifications of facts, estimates and circumstances which are material to the reasonable expectations of the Board as of the date the Bonds are delivered and paid for, and any such certifications may be relied upon by counsel, by the owners or holders of the Bonds, or by any person interested in the exemption of interest on the Bonds from Federal income taxation. Moreover, the Board covenants that it shall make such use of the proceeds of the Bonds, regulate investments of proceeds of the Bonds, and take such other and further action as may be required so that the Bonds shall not be "arbitrage bonds" under Section 103(d) of the Internal Revenue Code of 1954, as amended, and regulations prescribed from time to time thereunder.



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RECESS. --Chairman McNeese announced that the Board would recess to have the meetings of the Standing Committees. (9:15 a. m.)

EXECUTIVE SESSION OF THE COMMITTEE OF THE WHOLE. --Immediately following the meeting of the Committee of the Whole in Open Session, Chairman McNeese asked the Board of Regents to retire to Room 209 as a Committee of the Whole in Executive Session to consider purchase of real property pursuant to Section 2(f), H. B. No. 3, 63rd Leg., R. S., 1973, to-wit:

1. U. T. System: Acquisition of Real Property in Houston, Harris County, Texas (Authorized by H. B. 287, Acts of the 60th Legislature, Regular Session, 1967)
2. U. T. Austin (Balcones Research Center): Recommendation for Acquisition of Property and Appropriation Therefor

RECONVENE. --At 11:15 a. m., immediately following the meeting of the Committee of the Whole in Executive Session, the Regents reconvened as the Board of Regents in Room 212 with the same attendance as at the earlier session.

#### REPORTS OF STANDING COMMITTEES

Chairman McNeese called for the reports of the Standing Committees. These committees had met in the same place at which the meeting of the Board of Regents was held (Main Building 212) and had considered all items in open session except as indicated in the reports.

REPORT OF SYSTEM ADMINISTRATION COMMITTEE (Pages 21-23). -- Stating that all actions were taken in open session, Committee Chairman Williams filed the following Report of the System Administration Committee. By unanimous vote, the report was adopted and the actions therein were ratified.

Since the last report of the System Administration Committee on the 14th of June 1974, recommendations of the Administration to make changes in the 1973-74 budgets for certain component institutions were circulated to the members of the System Administration Committee and no exceptions were registered. These recommendations were formally approved by the System Administration Committee this morning in open meeting and are submitted for ratification by the Board of Regents:

U. T. El Paso, Dallas Health Science Center (Dallas Southwestern Medical School), San Antonio Health Science Center and University Cancer Center and its M. D. Anderson: Amendments to the 1973-74 Budgets (9-B-74). --It is recommended by the appropriate chief administrative officers, concurred in by System Administration, that the following amendments to the 1973-74 budgets for The University of Texas at El Paso, The University of Texas Health Science Center at Dallas (Dallas Southwestern Medical School), The University of Texas Health Science Center at San Antonio and The University of Texas System Cancer Center and its M. D. Anderson be approved (Pages 22, 23).

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All rates are full time rates: salary rate indicates a 12 months' full time rate and academic rate indicates a 9 months' full time rate.

The University of Texas at El Paso

Explanation	Present Status	Proposed Status	Effective Dates
Library Transfer of Funds	From: Excellence Fund (Restricted Current Funds - Unappropri- ated Balance)	To: Library - Books and Periodicals \$ 11,000 Installation of Security System <u>3,000</u>	
Amount of Transfer	\$ 14,000	\$ 14,000	---
Frank B. Cotton Trust Transfer of Funds	From: Frank B. Cotton Trust (Restricted Current Funds) Un- appropriated Balance	To: Cotton Trust Expense	
Amount of Transfer	\$ 2,500	\$ 2,500	---

The University of Texas Health Science Center at Dallas

Explanation	Present Status	Proposed Status	Effective Dates
<u>Dallas Southwestern Medical School</u>			
Kenneth Glass (Non-tenure) Surgery	Assistant Professor of Orthopedic Surgery	Assistant Professor of Orthopedic Surgery	
Salary Rate	\$ 23,000	\$ 26,000	6/1/74
Source of Funds: Faculty Gifts to Department of Surgery			

Dr. Glass has acquired his proper Texas license and has passed the American Board of Orthopedic Surgery.

The University of Texas Health Science Center at San Antonio

Explanation	Present Status	Proposed Status	Effective Dates
Plant Funds Transfer of Funds	From: Unappropriated Balance	To: Plant Funds - Project Allocation Account	
Amount of Transfer	\$ 650,000	\$ 650,000	---

Transfer is requested to provide funds for internal remodeling and minor construction projects needed as departmental spaces are realigned and moved upon completion of new dental school facilities.

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The University of Texas System Cancer Center

<u>Explanation</u>	<u>Present Status</u>	<u>Proposed Status</u>	<u>Effective Dates</u>
Plant Funds			
Transfer of Funds	From: Unappropriated Surplus	To: Unexpended Plant Funds -	
		Diagnostic Radiology Equipment	\$ 250,000
		Special Equipment	200,000
		Clinical Laboratory Equipment	150,000
		Cobalt Sources	75,000
		Physical Plant Repairs	175,000
Amount of Transfer	\$ 850,000		<u>\$ 850,000</u>

M. D. Anderson

Jordan U. Gutterman  
(Non-tenure)  
Developmental  
Therapeutics

Assistant Internist  
and Assistant Professor  
of Internal Medicine

Assistant Internist  
and Assistant Professor  
of Internal Medicine

Salary Rate                      \$ 21,000                      \$ 25,000                      6/1/74

Source of Funds:  
NIH Career  
Development Award

Dr. Gutterman has received a Research Career Development Award for five years of support in the amount of \$25,000 for the first year beginning June 1, 1974.

Edward H. Munger  
Laundry

Laundry Manager

Laundry Manager

Salary Rate                      \$ 16,400                      \$ 18,500                      7/1/74

Source of Funds:  
Reserve for  
Professional Salaries

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REPORT OF ACADEMIC AND DEVELOPEMENTAL AFFAIRS COMMITTEE (Pages 24-25). --In filing the Report of the Academic and Developmental Affairs Committee, Committee Chairman Johnson stated that all actions of the Academic and Developmental Affairs Committee were taken in open session. She moved that the following report be adopted and the actions therein ratified. The motion prevailed by unanimous vote:

1. U. T. System: Chancellor's Docket No. 73 (Attachment No. 1). -- There was not submitted any exception to Chancellor's Docket No. 73, and without objection this Docket including revised Pages C-4, C-5 and HH-9, all of which had been distributed by the Secretary prior to the meeting, was approved. The Docket (Attachment No. 1) is attached following Page 63 and made a part of these Minutes.
2. U. T. Arlington and U. T. Dallas: Authorization to Request Permission from Coordinating Board to Establish Joint Graduate Programs in Humanities for Master of Arts, Master of Arts in Teaching and Doctor of Philosophy Degrees. --Approval was given to seek permission from the Coordinating Board, Texas College and University System to establish at The University of Texas at Arlington and The University of Texas at Dallas joint graduate programs in Humanities leading to Master of Arts, Master of Arts in Teaching and Doctor of Philosophy degrees. If approved by the Coordinating Board, each institution will be responsible for the following tracks:

U. T. Arlington  
Linguistics  
Languages  
Literature

U. T. Dallas  
History of Ideas  
Esthetic Studies  
Comparative Literature

It was noted that this joint program will allow maximum use of resources in both institutions in several disciplinary areas.

3. U. T. Austin: Authorization to Request Permission from Coordinating Board to Establish Graduate Program in Arts Administration Within Degree of Master of Fine Arts. --Approval was given to request permission from the Coordinating Board, Texas College and University System to establish at The University of Texas at Austin within the degree of Master of Fine Arts a Graduate Program in Arts Administration.

As a matter of information, it was pointed out that there are no other programs in the nation which focus specifically towards administration of the arts in colleges and universities. This program will prepare graduate students for administration of organizations which are for art, theatre, music, opera, and dance. This degree will be within the Graduate School of the College of Fine Arts and will be administered by a graduate studies committee appointed by the Vice-President and Dean of Graduate Studies. It was further pointed out that no new faculty, library acquisitions, or additional facilities will be required to implement this program.

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4. U. T. Dallas: Establishment of The President's Associates of The University of Texas at Dallas for Private Fund Development Purposes. --President Jordan's request, concurred in by Chancellor LeMaistre, to establish a new donor group to be known as "The President's Associates of The University of Texas at Dallas" was approved. The plan for this organization, as approved, follows:

- I. NAME: The President's Associates of The University of Texas at Dallas
- II. PURPOSE: To form an organization of concerned friends of The University of Texas at Dallas who can be recognized for their support of the President in the work of developing the University.
- III. QUALIFICATIONS FOR MEMBERSHIP
- A. An annual unrestricted gift to The University of Texas at Dallas of \$500 or more.
- B. Membership may be held by an individual, jointly by husband and wife, or by a foundation or corporation.
- C. A corporation gift marking an individual's qualifying gift will apply toward qualifying the individual for membership.
- D. The matching gift does not qualify a corporation for membership.

Committee Chairman Johnson noted that this group is similar to ones already organized at U. T. Austin, U. T. Permian Basin and U. T. San Antonio.

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REPORT OF BUILDINGS AND GROUNDS COMMITTEE (Pages 26-39). -- Committee Chairman Erwin filed the following Report of the Buildings and Grounds Committee, stating that all actions had been taken in open session. Upon motion duly made and seconded, the report was adopted and the actions therein ratified by unanimous vote.

1. U. T. Arlington - Fine Arts Building: Approval of Inscription on Plaque. -- Approval was given to the plaque as set out below to be placed on the Fine Arts Building at The University of Texas at Arlington. This inscription follows the standard pattern approved by the Board of Regents at its meeting held on October 1, 1966:

## FINE ARTS BUILDING

1972

## BOARD OF REGENTS

John Peace, Chairman  
 Frank N. Ikard, Vice-Chairman  
 Frank C. Erwin, Jr.  
 Jenkins Garrett  
 Mrs. Lyndon B. Johnson  
 Joe M. Kilgore  
 A. G. McNeese, Jr.  
 Joe T. Nelson, M.D.  
 Dan C. Williams

Charles A. LeMaistre, M.D.,  
 Chancellor, The University  
 of Texas System  
 Frank Harrison, President,  
 The University of Texas  
 at Arlington

Parker-Croston Associates and  
 Paul C. Wharton and Associates,  
 Project Architect  
 Cadenhead Construction Company  
 Inc., Contractor

2. U. T. Arlington - Fine Arts Building: Music Hall Designated Earl D. Irons Recital Hall. -- Upon recommendation of President Nedderman, concurred in by System Administration, the Music Hall in the Fine Arts Building at The University of Texas at Arlington was named Earl D. Irons Recital Hall in honor of Colonel Earl D. Irons. Colonel Irons was a professor for a long time in the Music Department.
3. U. T. Arlington - Renovation of Engineering Technology Building: Approval of Preliminary Plans and Specifications. -- The preliminary plans and specifications, prepared by Lawrence D. White and Associates, Project Architect, for the Renovation of the Engineering Technology Building at The University of Texas at Arlington were approved. The estimated total cost of this project is \$2,300,000 which has been previously appropriated. The Project Architect was authorized to prepare final plans and specifications for consideration by the Board of Regents at a future meeting.

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4. U. T. Arlington - Renovation of Preston Hall and Ransom Hall: Approval of Preliminary Plans and Specifications. --For the Renovation of Preston Hall and Ransom Hall at The University of Texas at Arlington, preliminary plans and specifications were approved. These plans and specifications have been prepared by the Project Architect, Preston M. Geren and Associates, at an estimated total project cost of \$950,000 which has been appropriated. The Project Architect was authorized to prepare final plans and specifications for consideration by the Board of Regents at a future meeting.
5. U. T. Austin - Printing and Press Building: Approval of Preliminary Plans and Specifications. --System Administration reported that the Project Architect, Barnes Landes Goodman and Youngblood, for the Printing and Press Building at The University of Texas at Austin had completed the preliminary plans and specifications for the project. These plans and specifications, covering approximately 80,000 square feet, at a total project cost of \$3,150,000 were approved. This building is to be located east of IH-35 and in the general area of the Central Purchasing, Vouchering, Receiving, and Delivery Building and Disch-Falk Field. The Project Architect was authorized to prepare final plans and specifications for consideration by the Board of Regents at a future meeting.
6. U. T. Austin - Texas Union (West): Committee Appointed to Approve Final Plans and Specifications, Advertise for Bids and Award Contract for Remodeling. --It was reported that the Project Architect, Jessen Associates, Inc., for the remodeling of Texas Union (West) at The University of Texas at Austin was in the process of completing the final plans and specifications therefor. In order to expedite the project schedule, System Administration recommended and the Buildings and Grounds Committee approved the appointment of a committee to approve the final plans and specifications, advertise for bids and award a construction contract within the \$3,500,000 which had been previously appropriated for Texas Union expansion. The following were named to the committee:
- Union Director Shirley Perry  
Vice-President Colvin  
Director Kristoferson  
Deputy Chancellor Walker  
Committee Chairman Erwin  
Board Chairman McNeese
7. U. T. Austin - Women's Gymnasium: Waiver of Regents' Rules and Regulations, Part One to Designate Women's Gymnasium "Anna Hiss Gymnasium." --Section I, Chapter VIII, Part One of the Regents' Rules and Regulations was waived, and the Women's Gymnasium at The University of Texas at Austin was designated Anna Hiss Gymnasium. Miss Hiss, deceased January 28, 1972, served as Director of Physical Training for Women at U. T. Austin for 36 years. She was a distinguished faculty member and administrator and upon her retirement was named Professor Emeritus. This action was upon recommendation of the U. T. Austin Faculty Building Advisory Committee and President Spurr, concurred in by System Administration.

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8. U. T. Austin - East Campus Parking Lots: Initial Parking Facility Authorized and John C. Robinson, Jr., Austin, Texas, Landscape Architect, Appointed for Preparation of Final Plans and Specifications. --Authorization was given to construct an Initial Parking Facility in the East Campus area of The University of Texas at Austin at an estimated total project cost of \$656,000 which has been previously appropriated. This lot is to be in the area adjacent to Disch-Falk Field south of the recently authorized Printing and Press Building bounded by IH-35 on the west.

John C. Robinson, Jr., Austin, Texas, was appointed Landscape Architect with authorization to prepare final plans and specifications to be as simple as possible and hopefully at reduced costs to be considered by the Board of Regents at a future meeting.

9. U. T. Austin - Continuation of West Campus Landscaping (from 25th Street to 27th Street on Guadalupe): Letter from Representative Senfronia Thompson and Committee Chairman Erwin's Response (Including Statement Relating to Achievement Scholarship Program for Culturally and Economically Disadvantaged Group); and Authorization for and Appointment of Committee to Approve Final Plans and Specifications, Advertise for Bids and Award Contract. --Committee Chairman Erwin reported that with respect to landscaping development along the Guadalupe perimeter of the campus of The University of Texas at Austin, Chairman McNeese and the other members of the Board of Regents had received a letter from Representative Senfronia Thompson complaining about this project.

This recommendation, Committee Chairman Erwin continued, involves the completion of the landscape development from 25th Street to 27th Street and the widening of Guadalupe. He reviewed step by step the development of this project and the plans for this phase:

(a) An agreement was negotiated with the City of Austin that the City pay for widening the street and the University secure the right-of-way, which the University has completed. It is contemplated the City will widen the street in the summer of 1974.

(b) An agreement was negotiated with Mrs. Lem Scarborough, who owns the property just south of 27th Street, for the land necessary for the widening adjacent to her property if the University would cut off the end of the Carriage House and restore it so that it would not look like it had been cut off. This has been done.

(c) The project includes the installation of additional lighting on the parking lot at 26th and Guadalupe Street and lighting along the street from 26th to 27th, widening sidewalks, and completion of the definition of the campus boundary from the Littlefield Memorial on 21st Street west to Guadalupe, north on Guadalupe to 24th Street and, the last phase, to 27th Street.



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Referring to Representative Thompson's communication, Committee Chairman Erwin said the letter was "not unanticipated" since Representative Thompson had voted against the University in everything that had come before the Legislature. In Representative Thompson's communication, she complained that "needy students" are a much higher priority than this project. In response thereto, Committee Chairman Erwin said that as far as her complaints are concerned:

(a) The money available for this project under the old and the proposed new constitution is not available for operating expenses of the University or for scholarships for the minority, and

(b) The Board of Regents has appropriated funds for the culturally and economically disadvantaged Texas high school graduates and President Spurr has added to the Achievement Scholarship Fund \$100,000, making available \$200,000 for minority scholarships. Furthermore, certain members of the Board of Regents (including Regent Erwin himself) have gone to several high schools and recruited a fine group of qualified black and brown students to enter the University in the fall of 1974. (See Page 62 for a related statement by Chancellor LeMaistre.)

Following the comments of Committee Chairman Erwin, the Buildings and Grounds Committee approved the project at an estimated total project cost of \$375,000. In order to expedite the matter, a committee was authorized to approve the final plans presently being prepared by the Office of Facilities Planning and Construction and to advertise for bids and award a contract within the funds previously appropriated for the West Campus Landscaping. The following were named to the committee:

Vice-President Colvin  
 Director Kristoferson  
 Deputy Chancellor Walker  
 Committee Chairman Erwin  
 Board Chairman McNeese

10. U. T. Austin - McDonald Observatory at Mount Locke: Water Supply Facility, Award of Contract to Key Enterprises, Inc., Odessa, Texas, and Additional Appropriation Therefor. --  
 In accordance with authorization by the Board of Regents at its meeting on February 1, 1974, a committee consisting of President Spurr, Deputy Chancellor Walker, Committee Chairman Erwin and Regents Bauerle and Shivers approved the final plans and specifications for a water supply system for The University of Texas McDonald Observatory at Mount Locke of The University of Texas at Austin. In compliance with the authorization, the Office of Facilities Planning and Construction advertised for bids and reported the results. Whereupon, a construction contract was awarded for a Water Supply Facility at the McDonald Observatory to the low bidder, Key Enterprises, Inc., Odessa, Texas, in the amount of \$220,503.69.

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A total project cost of \$326,918 was authorized for the contract award, fees and miscellaneous expenses, and an additional appropriation in the amount of \$76,918 from the Available University Fund was authorized. Funds in the amount of \$250,000 had been previously appropriated for this project.

It was noted that this included a water line from the wells on the McIvor Ranch to Mount Locke.

11. U. T. Dallas - Cecil H. Green Center, Erik Jonsson Center, Eugene McDermott Library: Award of Contracts for Furniture and Furnishings to Rockford Furniture Associates, Austin, Texas, Sperry Remington Library Bureau Division of Sperry Rand Corporation, Dallas, Texas, Abel Contract Furniture and Equipment Company, Inc., Austin, Texas, and Dallas Office Supply Company, a Division of Clarke and Courts, Inc., Dallas, Texas. --Upon recommendation of President Jordan, concurred in by System Administration, contracts for furniture and furnishings for the Cecil H. Green Center, Erik Jonsson Center and Eugene McDermott Library at The University of Texas at Dallas were awarded to the low bidders as set out below:

Rockford Furniture Associates  
Austin, Texas

Base Bid "A" (General Office  
Furnishings) \$ 589,030.31

Alternates to Base Bid "A"  
(Change in Chairs in Certain  
Areas)

No. 1 - Add	\$ 3,238.20
No. 2 - Deduct	-11,322.00
No. 3 - Add	3,022.70
No. 5 - Add	<u>11,830.62</u>

+6,769.52

Alternates - Add

Base Bid "A" \$ 595,799.83

Base Bid "D" (Classroom Seating) \$ 85,445.10

Total Contract Award to  
Rockford Furniture Associates \$ 681,244.93

Sperry Remington Library Bureau  
Division of Sperry Rand  
Corporation, Dallas, Texas  
Base Bid "B" (Steel Bookstacks)

\$ 126,624.50

Total Contract Award \$ 126,624.50

Abel Contract Furniture and Equipment  
Company, Inc., Austin, Texas  
Base Bid "C" (Custom Library  
Furniture)

\$ 133,317.85

Total Contract Award \$ 133,317.85

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Dallas Office Supply Company, a  
Division of Clarke and Courts,  
Inc., Dallas, Texas  
Base Bid "E" (Lockers)

\$ 34,604.80

Total Contract Award

\$ 34,604.80

Total of Contracts Awarded

\$ 975,792.08

In view of the fact that no bids were received on Base Bid "F" (Music Instrument Lockers), the U. T. Dallas Administration had decided to use an alternate method for storing musical instruments.

The funds necessary to cover these contract awards are available in the Furniture and Equipment Account for the project.

12. U. T. Permian Basin - Water (Untreated) Sources: Appointment of Committee to Negotiate and Finalize Agreement with City of Odessa and Colorado River Municipal Water District for Water Supply and to Approve Preliminary Plans and Specifications for Untreated Water Distribution System. --Committee Chairman Erwin advised that in connection with the needs for untreated water on The University of Texas of the Permian Basin campus, he, Regent Clark and Deputy Chancellor Walker had conferred with the authorities of the City of Odessa and the Colorado River Municipal Water District with respect to a water tap into a 33 inch pipeline north of the campus. This proposed water tap would supply untreated water for the purpose of irrigation of the campus at approximately half of standard rates charged to commercial users. The Project Engineer, Freese and Nichols, Consulting Engineers of Fort Worth, Texas, is in the process of preparing preliminary plans and specifications to provide the supply line water tap, limited surface storage for water and a main untreated water distribution loop at an estimated total project cost of \$650,000 which has been previously appropriated.

Upon recommendation of System Administration, a committee, consisting of Director Kristoferson, Assistant Deputy Chancellor Landrum, Deputy Chancellor Walker, Regent Clark, Committee Chairman Erwin and Board Chairman McNeese, was appointed to continue the negotiations and finalize the agreement with the City of Odessa and the Colorado River Municipal Water District for the water supply prior to completion of project plans. This same committee was authorized to approve the preliminary plans and specifications for the Untreated Water Distribution System at U. T. Permian Basin within previously appropriated funds.

Chairman McNeese on February 1, 1974, was authorized to execute an agreement with the City of Odessa for this purpose when the instrument had been approved as to content by Deputy Chancellor Walker and as to form by University Attorney William R. Long, III; and at this meeting authorization was extended to execute the necessary agreements with the City of Odessa for the water supply prior to completion of the project plans.

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The final plans and specifications for this water supply will be submitted to the Board of Regents for consideration at a future meeting.

13. U. T. Permian Basin: Authorization for Additional Drainage Facilities and for Completion of Campus Roads and Paving; Freese, Nichols and Esmond, Odessa, Texas, Named Project Engineer; and Committee Appointed to Finalize Agreement with City of Odessa and County of Ector for Local Participation in Drainage Facilities Project, to Approve Final Plans and Specifications and to Advertise for Bids. --It was reported that in connection with the construction of the Phase I Building Project at The University of Texas of the Permian Basin, the initial construction contract provided for an open drainage ditch system across the southern part of the campus (customary way in West Texas and particularly in Odessa). Increased municipal growth in the area surrounding the campus has intensified drainage requirements both in the adjacent city and county areas and through the U. T. Permian Basin campus and initial engineering studies indicated the need for an improved drainage system at an estimated total project cost of \$700,000. It is suggested that local participation in the amount of one-half of the estimated total cost of this drainage system is equitable.

It was further reported that in the initial Phase I Project only curbs, gutters and compacted base were provided and that paving of the surface was omitted until the heavy construction work was completed. The final paving with 1-1/2 inch asphaltic concrete surfacing on the existing campus roads, two parking areas and the construction of the North Loop Road is estimated to cost \$224,000 and it is suggested that this work should be done at this time.

Upon recommendation of System Administration, the Buildings and Grounds Committee unanimously authorized the following:

- a. The additional drainage facilities on the campus of The University of Texas of the Permian Basin with University participation within a limitation of the previously appropriated funds of \$350,000
- b. The completion of campus roads and paving on the campus of The University of Texas of the Permian Basin at an estimated total project cost of \$224,000
- c. The appointment of the firm of Freese, Nichols and Esmond of Odessa, Texas, Project Engineer with authorization for preparation of final plans and specifications at an estimated total project cost of \$700,000 for additional drainage facilities and \$224,000 for campus roads and paving
- d. The appointment of a committee consisting of Director Kristoferson, Assistant Deputy Chancellor Landrum, Deputy Chancellor Walker, Regent Clark, Committee Chairman Erwin and Board Chairman McNeese:
  - (1) to finalize an agreement for local participation in the costs of the additional drainage facilities project and

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(2) to approve the final plans for both the drainage facilities and the campus roads and paving and authorize the advertisement for bids which will be brought to the Board of Regents for consideration at a future meeting

e. Chairman McNeese was authorized to execute an agreement on the drainage facilities after the instrument has been approved as to content by Deputy Chancellor Walker and as to legal form by a University attorney

14. U. T. San Antonio: Award of Contract to San Antonio Floor Finishers, Inc., San Antonio, Texas, for Carpeting Phase I Buildings (Physical Plant Building, Physical Education Building, Humanities-Business Building, Arts Building, Library-Administration Building and Science-Education Building). --System Administration reported that of the bids received for carpeting the Phase I Buildings (Physical Plant Building, Physical Education Building, Humanities-Business Building, Arts Building, Library-Administration Building and Science-Education Building) at The University of Texas at San Antonio, the low bidder was San Antonio Floor Finishers, Inc., San Antonio, Texas. Whereupon, a contract for this project was awarded to San Antonio Floor Finishers, Inc., San Antonio, Texas, as follows:

Base Bid "A"	\$ 349,085
Add Alternate No. 1 (substitute wool carpet in certain areas)	<u>2,882</u>
Total Contract Award	<u>\$ 351,967</u>

It was noted that the necessary funds to cover this contract award are available in the Furniture and Equipment Account for this project.

15. U. T. San Antonio - Additional Science Facilities and Small Animal Quarters: Authorization for Project and for Final Plans and Specifications. --Committee Chairman Erwin reported President Flawn had advised System Administration that as the date approaches for opening the new campus of The University of Texas at San Antonio, it has become clear that there is an urgent requirement for approximately 22,000 additional square feet of facilities in which to teach science. It is likely that the Science-Education Building will not be completed when the school opens and if it is there will not be sufficient space to support the teaching program. Upon the recommendation of President Flawn and System Administration, the Buildings and Grounds Committee authorized the construction of two 10,000 square foot buildings, one devoted to biology and the other to chemistry and physics, and one 2,000 square foot building for small animal quarters at a total estimated project cost of \$800,000 which had been previously appropriated.

It was noted that these new facilities will be erected similar to the Library Surge Building and the Warehouse Building on a site close to those buildings in the northwest portion of the campus.

The Office of Facilities Planning and Construction was authorized with necessary consultant services to prepare final plans and specifications to be considered by the Board of Regents at a later meeting.

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16. U. T. San Antonio - Phase I Site Development (Including Parking Areas, Campus Entrance and Service Roads, Walks and Plazas, Outdoor Recreation Facilities, Landscaping, Etc.): Appointment of Committee to Award Contract. --It was reported by Committee Chairman Erwin that it is anticipated buildings for upper level students at The University of Texas at San Antonio will be completed by September 1975 and that it is recommended Phase I Site Development (Including Parking Areas, Campus Entrance and Service Roads, Walks and Plazas, Outdoor Recreation Facilities, Landscaping, Etc.) on the campus at U. T. San Antonio be contracted for since it will take about nine months at least to complete.

Since the Office of Facilities Planning and Construction has scheduled a bid date in early September and since the next meeting of the Board of Regents is September 20, 1974, it was recommended by President Flawn and System Administration that in order to expedite the project a committee be appointed to award the contract between meetings of the Board of Regents. A committee, consisting of President Flawn, Director Kristoferson, Deputy Chancellor Walker, Committee Chairman Erwin and Board Chairman McNeese, was appointed.

17. Dallas Health Science Center (Dallas Southwestern Medical School) - Faculty Center in Fred F. Florence Bioinformation Center: Award of Contract to Howard U. Freeman, Inc., Irving, Texas. --Upon recommendation of President Sprague, concurred in by System Administration, a construction contract in the amount of \$243,167 was awarded to Howard U. Freeman, Inc., low bidder, for the interior construction completion of approximately 10,000 gross square feet of shelled-in space in the Fred F. Florence Bioinformation Center for the Faculty Center at the Dallas Southwestern Medical School of The University of Texas Health Science Center at Dallas.

A total project cost of \$310,000 which had been previously appropriated was authorized to cover the recommended construction contract award, movable furnishings and equipment, air balancing, fees and miscellaneous expenses.

18. Dallas Health Science Center (Dallas Southwestern Medical School) - Harry S. Moss Clinical Science Building: Award of Contract to La Roe Building Company, Inc., Terrell, Texas, and Additional Appropriation Therefor. --Committee Chairman Erwin reminded the Committee that the bids for the construction of the Harry S. Moss Clinical Science Building at the Dallas Southwestern Medical School of The University of Texas Health Science Center at Dallas were reported to the Board of Regents on June 14 and were substantially higher than final construction cost estimate and that action was delayed at that time on the award of the contract until this meeting (July 19) with the hope that funds from other sources could be found.

In connection with finding other funds, the Board of Regents on June 14 authorized the transfer of unexpended funds for the remodeling of the Cary Building to this project and since June 14 the Administration of the Dallas Health Science Center had, had a commitment of an additional \$500,000 gift and had allocated \$600,000

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from Unexpended Plant Funds to complete the project. Also since June 14, negotiations had been carried on with the low bidder that effected cost reductions in the amount of \$193,295 without substantially affecting the academic program or impairing the quality of the building.

Upon recommendation of President Sprague, concurred in by System Administration, a construction contract for the Harry S. Moss Clinical Science Building at the Dallas Southwestern Medical School of The University of Texas Health Science Center at Dallas was awarded to the low bidder, La Roe Building Company, Inc., Terrell, Texas, as follows:

Base Bid		\$ 11,444,000
Deduct Alternate No. 4 (Landscape)	\$ 50,000	
Less Negotiated Reductions	<u>143,295</u>	<u>-193,295</u>
Total Contract Award		\$ <u>11,250,705</u>

The total project cost was revised from \$9,300,000 to \$12,842,536 to cover the construction contract award, furniture and equipment, air balancing, construction scheduling, fees and miscellaneous expenses and funding was made available as follows:

Private Gifts (Mrs. Moss)	\$ 500,000
Unexpended Plant Funds - Dallas Health Science Center	600,000
Transfer from Project No. 303-102 - Remodeling of Cary Building	1,632,154
Proceeds from Permanent University Fund Bonds (\$9,300,000 previously appropriated)	<u>10,110,382</u>
	<u>\$ 12,842,536</u>

It was understood that the Administration of the Dallas Health Science Center will obtain gifts or grants or provide funds over the next three year period to complete the Remodeling of the Cary Building and no Permanent University Fund Bond proceeds will be used to fund that project.

19. Dallas Health Science Center - Greenhouse: (1) Authorization (2) Final Plans and Specifications Ordered (3) Completion of Project and (4) Appropriation Therefor. -- President Sprague reported through System Administration that the extensive landscaping at The University of Texas Health Science Center at Dallas has made the cost prohibitive to purchase the required volume of plantings from a commercial source. It is deemed that it would be more economical and more advantageous to the Dallas Health Science Center to construct a greenhouse for the growth and protection of the necessary variety and volume of landscape plantings.

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Upon recommendation of President Sprague, concurred in by System Administration, authorization was given to the Dallas Health Science Center Physical Plant Department to prepare the final plans and complete construction with their own forces or by contract services, in consultation with the Office of Facilities Planning and Construction, as needed, for a greenhouse in the vicinity of the Physical Plant buildings at an estimated total project cost of \$35,000.

For this project \$35,000 was appropriated from the Unexpended Plant Funds Balances at Dallas Health Science Center.

20. Galveston Medical Branch (Marine Biomedical Institute) - Completion of Third Floor: Approval of Final Plans and Specifications, Authorization to Advertise for Bids, Appointment of Committee to Award Contract and Additional Appropriation. --For the completion of the third floor of the Marine Biomedical Institute at The University of Texas Medical Branch at Galveston, the final plans and specifications were approved. These plans and specifications had been prepared by the Project Architect, Louis Lloyd Oliver and Tibor Beerman, and provide for approximately 13,000 gross square feet of shelled space at an estimated total project cost of \$340,000 to include one-half the cost of a mural to be executed on the first floor of the building to recognize the type of work that will be done there and to memorialize Dr. W. Maurice Ewing, deceased, who from July 1, 1972 to May 4, 1974, was Director of the Marine Biomedical Institute. The other one-half cost of this mural will be paid by the Harry L. and Grace Doherty Charitable Foundation, Inc., of New York which has made many grants to the Galveston Marine Biomedical Institute. This space is to house a library, offices and laboratories for the immediate needs of the Marine Biomedical Institute.

An appropriation of \$40,000 was authorized from Permanent University Fund Bond proceeds to pay one-half the cost of the mural on the first floor; the remaining \$300,000 had been previously appropriated.

The Director of the Office of Facilities Planning and Construction was authorized to advertise for bids subject to final review, and a committee was appointed to award a construction contract within the previously appropriated funds. The committee appointed consists of:

President Blocker  
 Director Kristoferson  
 Deputy Chancellor Walker  
 Committee Chairman Erwin  
 Board Chairman McNeese

21. Houston Health Science Center (Houston Medical School) - Phase III Development: Status Report on Application for Federal Grant and Appointment of Committee to Accept Grant, If Offered, and to Notify Contractor Procedure to Follow. --Committee Chairman Erwin reviewed the background facts relating to the Houston Medical School of The University of Texas Health Science Center at Houston stating that in 1971 the State Legislature authorized the Board of Regents to issue 150 million dollars worth of Tuition Revenue Bonds to construct several new campuses which the Legislature authorized in 1969 (general academic facilities of



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U. T. Dallas, U. T. San Antonio, U. T. Permian Basin, Houston Medical School, San Antonio Dental School and the San Antonio and El Paso Nursing Schools). The Board of Regents issued 125 million dollars worth of these bonds and now has under construction buildings which will take care of all these campuses when completed except the Houston Medical School. The Houston Medical School was the last campus to be developed, and the money supply was exhausted before completion of this campus. However, there had been completed on the campus Phase I (John Freeman Building) and there is now under construction a second building (referred to as Phase II Building) but the contract for this building was only for one-half of the space because of lack of funds. An application for a grant of \$6,000,000 for the completion of the second half of this building has been made to the Federal Government but no formal notice has been received. If this building is completed it will allow the Houston Medical School to take 200 students.

Since the next meeting of the Board of Regents will not be until September, a committee (consisting of Assistant Deputy Chancellor Landrum, Deputy Chancellor Walker, Committee Chairman Erwin, Regent Nelson and Board Chairman McNeese) was appointed with authority to accept the Federal Grant, if offered. If the grant is not offered, the committee will be authorized to consider alternate methods to complete the construction of the second half of the Phase II Building which half of the building is referred to as Phase III of the development of the Houston Medical School. This same committee was instructed to keep the contractor (Blount Brothers Corporation, Houston, Texas) for the Phase II Building informed as to what procedure should be followed with respect to the completion of the project and make a full report at the Regents' meeting on September 20, 1974.

22. San Antonio Health Science Center - Covered Equipment Storage Area: (1) Approval of Project, (2) Authorization for Final Plans and Specifications, (3) Completion of Project and (4) Appropriation Therefor. --Because Physical Plant Shop spaces of The University of Texas Health Science Center at San Antonio are becoming overcrowded with grounds maintenance equipment and other items of bulk storage which could easily be stored in less elaborate space, a covered storage area was authorized constructed in the Physical Plant Service Yard at an estimated total project cost of \$22,000. This storage area should cover about 1600 square feet. The Physical Plant Department of the San Antonio Health Science Center was authorized to prepare final plans and specifications and complete construction of this facility with its own force or by contract services in consultation with the Office of Facilities Planning and Construction as needed.

The sum of \$22,000 from Account 636-9000-8400 - Unexpended Plant Funds (Local Funds) at San Antonio Health Science Center was appropriated for this project.

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23. San Antonio Health Science Center (San Antonio Dental School) - San Antonio Dental School Building: Award of Contracts to Rockford Furniture Associates, Austin, Texas, Educational and Institutional Cooperative Service, Inc., Dallas, Texas, and William Lowell, Inc., Avon Lake, Ohio, for Furniture and Furnishings. --For furniture and furnishings of the San Antonio Dental School Building at the San Antonio Dental School of The University of Texas Health Science Center at San Antonio contracts were awarded to the low responsive bidders as set out below;

Rockford Furniture Associates,  
Austin, Texas

Base Bid "A" (General Office Furniture) \$ 516,943.45

Base Bid "B" (Classroom Seating) 32,922.56

Total Contract Award to Rockford Furniture Associates \$ 549,866.01

Educational and Institutional Cooperative Service, Inc., Dallas, Texas  
Base Bid "C" (Carpet)

\$ 4,992.30

Total Contract Award 4,992.30

William Lowell, Inc., Avon Lake Ohio  
Base Bid "D" (Stools)

\$ 131,126.19

Total Contract Award 131,126.19

Total of Contracts Awarded \$ 685,984.50

The funds necessary to cover these contract awards are available in the Furniture and Equipment Account for this project.

24. San Antonio Health Science Center (San Antonio Dental School) - Cafeteria and Other Support Facilities: Authorization for Project and Appointment of Bartlett Cocke and Associates, Inc., and Phelps and Simmons and Associates, San Antonio, Texas, Project Architect. --President Harrison reported through System Administration that with the completion of the Dental School, the School of Nursing and the expansion of the Medical School at The University of Texas Health Science Center at San Antonio additional support facilities are essential to meet the daily operating requirements of the Center. The Bexar County Hospital presently provides the only cafeteria facility for the San Antonio Health Science Center and while this facility is considered excellent it is being overtaxed by current use. To accommodate the increasing needs at the San Antonio Health Science Center, upon recommendation of President Harrison, concurred in by System Administration, the construction of a satellite Cafeteria facility, to be served by the Bexar County Hospital kitchen, and additional support facilities for BioEngineering, General Services and University Police at the San Antonio Dental School of The University of Texas Health Science Center at San Antonio were authorized at a total project cost of \$1,200,000 which had been previously appropriated.

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The firms of Bartlett Cocke and Associates, Inc., and Phelps and Simmons and Associates, San Antonio, Texas, were appointed Project Architect with authorization to prepare preliminary plans and specifications for consideration by the Board of Regents at a future meeting.

25. University Cancer Center (M. D. Anderson) - Environmental Science Park at Smithville - Completion of Two Metal Buildings: Appointment of Committee to Award Construction Contract and Additional Appropriation for Project. --System Administration reported that pursuant to authorization, bids had been called for on the completion of the two metal buildings at the Environmental Science Park at Smithville for M. D. Anderson of The University of Texas System Cancer Center but that the bids would come in between the July and September meetings of the Board of Regents.

Upon the recommendation of President Clark and System Administration, a committee was appointed to award a construction contract within funds appropriated for this project. The committee consists of President Clark, Director Kristoferson, Deputy Chancellor Walker, Committee Chairman Erwin and Board Chairman McNeese.

The total project cost was increased from \$575,000 to \$700,000, and an additional appropriation of \$541,000 from M. D. Anderson Accounts as set out below was authorized:

No. 106751 - Plant Funds Unappropriated	\$	316,000
Surplus		
No. 112676 - Veterinarian Services	\$	225,000

It was noted that these two buildings are actually located in an area of the Environmental Science Park that has been at times referred to as the Camp Swift Division.

26. U. T. San Antonio: Status of Phase I Buildings. --Having completed the agenda of the Buildings and Grounds Committee, Committee Chairman Erwin reported briefly on the status of the construction of the Phase I Buildings of The University of Texas at San Antonio. The negotiations with the contractor and the subcontractors looking to some settlement of the disputes and hoping to accelerate completion of the project had broken down. Both Regents Bauerle and Clark had been in on the negotiations, and agreed there is not anything that can be recommended to the Board. Not all of the buildings will be completed in time to be used in September 1975. However, it is thought possibly and likely that buildings necessary for the accomodation of junior, senior and graduate classes will be completed, barring inclement weather or strikes of some kind. Construction is presently shutdown because of a strike, but hopefully it will be over soon. If some of the buildings can be put to use in September 1975, it is contemplated that the graduate students can be moved to the campus and junior and seniors can be enrolled in 1975 and freshmen and sophomores in 1976.

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REPORT OF MEDICAL AFFAIRS COMMITTEE (Pages 40-43). --  
The following Report of the Medical Affairs Committee was presented  
by Committee Chairman Nelson. The report was adopted and the actions  
therein, all taken in open session, were ratified by unanimous vote:

1. U. T. System: Memorandum of Understanding with Veterans Administration Center, Temple, Texas. -- To replace the agreement between the Veterans Administration Center, Temple, Texas, and the Board of Regents of The University of Texas System that terminated on June 30, 1974, the following Memorandum of Understanding was authorized. The Chairman of the Board of Regents was authorized to execute the agreement when it had been approved as to content by the Deputy Chancellor for Administration and the Assistant to the Chancellor for Health Affairs and as to form by a University attorney:

## MEMORANDUM OF UNDERSTANDING

BETWEEN

THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM

AND

VETERANS ADMINISTRATION CENTER, TEMPLE, TEXAS

This memorandum of understanding is executed on \_\_\_\_\_, 197\_\_, between the Veterans Administration Center, Temple, Texas and the Board of Regents of The University of Texas System for the purposes of education and training.

The Veterans Administration retains full responsibility for the care of patients, including all administrative and professional functions relating thereto. The University of Texas System accepts advisory responsibility for the clinical portion of the program conducted at the Veterans Administration Center.

The University of Texas System agrees:

1. To be responsible for the educational program of students assigned to the hospital; and for selection and assignment of students in accord with agreed-to schedules and work assignments.
2. To provide necessary assurance or evidence of acceptable health levels of and liability insurance coverage for assigned students and instructors.
3. To be responsible for the proper conduct of students and instructors during their tours of duty at the VA Center, as governed by the rules and regulations of the VA.
4. To the provision that it does not and will not discriminate against any employee or applicant for employment or registration in the course of study because of race, color, creed, sex, or national origin.

The Veterans Administration Center agrees:

1. To provide, insofar as possible, laboratory and practicum instruction and facilities to the students during the agreed-to tours of rotation.
2. To provide necessary orientation, administrative guides and procedures, and other media deemed essential to the conduct of the work experience.

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3. To maintain administrative and professional supervision of students insofar as their presence affects the operation of the hospital and/or the direct or indirect care of patients.

Mutual Terms:

1. Acceptable schedules and work assignments developed will not interfere with the primary mission of the Center.
2. Instructors and hospital staff supervisors will evaluate performance in accordance with published curricula guidelines.
3. An annual review of programs and policies will be made.
4. The criteria contained in M-3, part II, will apply in carrying out the provisions of this agreement.
5. Either party may terminate this Memorandum of Understanding upon notice to the other six months in advance of the next training experience.
6. It is understood and agreed that the parties to this agreement may revise or modify this agreement by written amendment when both parties agree to such an amendment.

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

ATTEST:

BOARD OF REGENTS OF THE  
UNIVERSITY OF TEXAS SYSTEM

BETTY ANNE THEDFORD, SECRETARY  
Board of Regents of  
The University of Texas System

BY

A.G. M. NEESE, JR., CHAIRMAN  
Board of Regents of  
The University of Texas System  
VETERANS ADMINISTRATION CENTER  
TEMPLE, TEXAS

BY

V. J. BELLA, Director

APPROVED AS TO FORM:

Linnice Woodruff  
University Attorney

APPROVED AS TO CONTENT:

E. J. Bell  
Deputy Chancellor for Administration

H. H. Kinley  
Assistant to the Chancellor for  
Health Affairs

It was explained that the Veterans Administration Center receives limited usage and it is generally restricted to allied health students from Dallas and from Galveston.

2. Galveston Medical Branch (Galveston Allied Health Sciences School): Affiliation Agreements for Clinical Training of Allied Health Students with (a) Goodwill Industries of Houston, Galveston Division, Galveston, (b) Gulf Coast Regional Mental Health Mental Retardation Center, Galveston, (c) Matagorda General Hospital, Bay City, (d) Rockglen Hospital, Houston,

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(e) Amarillo Hospital District, Amarillo, and (f) Easter Seal Society for Crippled Children and Adults of Hidalgo County, McAllen. --Based on the standard affiliation agreement approved by the Board of Regents on March 6, 1970, and in accordance with the processing procedure approved on July 30, 1971, the following agreements for the clinical training of allied health students at the Galveston Allied Health Sciences School of The University of Texas Medical Branch at Galveston were approved:

<u>Clinical Facility</u>	<u>Location</u>	<u>Specialty</u>
(a) Goodwill Industries of Houston, Galveston Division	Galveston	Occupational Therapy
(b) Gulf Coast Regional Mental Health Mental Retardation Center	Galveston	Occupational Therapy
(c) Matagorda General Hospital	Bay City	Medical Record Administration
(d) Rockglen Hospital	Houston	Medical Record Administration
(e) Amarillo Hospital District	Amarillo	Medical Record Administration
(f) Easter Seal Society for Crippled Children and Adults of Hidalgo County	McAllen	Physical Therapy

The Chairman of the Board of Regents was authorized to execute each of these agreements when it had been approved as to form by a University attorney and as to content by the Assistant to the Chancellor for Health Affairs and the Deputy Chancellor for Administration.

3. Houston Health Science Center (Graduate School of Biomedical Sciences and Speech and Hearing Institute): Authorization to Request Permission from Coordinating Board for Program Leading to Master of Science Degree in Language Sciences. -- Authorization was given to request permission from the Coordinating Board, Texas College and University System to establish at the Graduate School of Biomedical Sciences of The University of Texas Health Science Center at Houston a program leading to a Master of Science degree in Language Sciences. The academic work of this program will be carried on within the Speech and Hearing Institute, but the degree will be awarded by the Graduate School of Biomedical Sciences.

Committee Chairman Nelson commented that this is a fine program. It is designed to qualify its graduates to meet the Texas Education Agency's certification requirements for Early Childhood Specialists.

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4. San Antonio Health Science Center (Graduate School of Biomedical Sciences): Authorization to Request Permission from Coordinating Board for Program Leading to Master of Arts and Doctor of Philosophy Degrees in Physiology. --A recommendation was received from President Harrison, concurred in by Chancellor LeMaistre, that authorization be given to request permission from the Coordinating Board, Texas College and University System to establish at the Graduate School of Biomedical Sciences of The University of Texas Health Science Center at San Antonio a program leading to a Master of Arts and Doctor of Philosophy degrees in Physiology.

Committee Chairman Nelson said that both internal and external reviews had been conducted by qualified individuals on this proposed program. He further stated that resources are available at the San Antonio Health Science Center and that no additional funds are needed for the establishment of this program. The recommendation as proposed was adopted by unanimous vote.

REPORT OF LAND AND INVESTMENT COMMITTEE (Pages 43-50). -- Committee Chairman Garrett was called out of the meeting for a brief period; and at his request, Chairman McNeese filed the following Report of the Land and Investment Committee and moved that the actions therein, all of which were taken in open session, be ratified. This motion was duly seconded and unanimously prevailed:

Though the Chairman of the Board of Regents has authority to execute any document authorized by the Board, either the Associate Deputy Chancellor for Investments, Trusts and Lands or the Deputy Chancellor for Administration may execute, unless otherwise indicated in the report, all necessary instruments authorized in this report that relate to real estate or mineral interests held or controlled by the Board of Regents as a part of the Permanent University Fund or as a part of any Trust or Special Fund when each has been approved as to form by a University attorney and as to content by an appropriate official.

A. INVESTMENT MATTERS

Report on Clearances of Monies to Permanent University Fund and Available University Fund.--For the current fiscal year through May 1974, the Auditor, Auditing Oil and Gas Production submitted the following report with respect to monies cleared by the General Land Office to the Permanent University Fund and the Available University Fund:

	<u>May, 1974</u>	<u>Cumulative This Fiscal Year</u>	<u>Cumulative Preceding Fiscal Year (Averaged)</u>
<b>Permanent University Fund</b>			
Royalty			
Oil	\$1,964,043.28	\$16,295,080.38	\$11,360,581.02
Gas - Regular	445,967.73	3,864,165.33	2,837,190.60
- F. P. C.	- 0 -	20.20	30,729.51
Water	22,913.84	114,971.94	98,214.84
Salt Brine	1,453.31	15,256.13	10,387.08
Rental on Mineral Leases	1,279.15	236,030.93	333,785.43
Rental on Water Contracts	100.00	38,943.51	10,531.08
Rental on Brine Contracts	- 0 -	200.00	74.97
Amendments and Extensions of Mineral Leases	- 0 -	73,680.52	698,119.74
	<u>2,435,757.31</u>	<u>20,638,348.94</u>	<u>15,379,614.27</u>
Bonuses, Mineral Lease Sales, (actual)	- 0 -	11,124,800.00	6,035,200.00
Total, Permanent University Fund	<u>2,435,757.31</u>	<u>31,763,148.94</u>	<u>21,414,814.27</u>
 <b>Available University Fund</b>			
Rental on Easements	2,725.07	164,785.84	85,234.14
Interest on Easements and Royalty	153.50	2,618.95	3,935.16
Correction Fees-Easements	- 0 -	- 0 -	- 0 -
Transfer and Relinquishment Fees	789.51	4,950.58	2,840.13
Total, Available University Fund	<u>3,668.08</u>	<u>172,355.37</u>	<u>92,009.43</u>
Total, Permanent and Available University Funds	<u>\$2,439,425.39</u>	<u>\$31,935,504.31</u>	<u>\$21,506,823.70</u>

Oil and Gas Development - May 31, 1974

Acreage Under Lease	640,871
Number of Producing Acres	324,473
Number of Producing Leases	1,436

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Easements and Surface Leases Nos. 3751-3778 and Material Source Permit No. 451.--Easements and Surface Leases Nos. 3751-3778 and Material Source Permit No. 451 were approved as set out below. All are within the policies of the Board of Regents and all have been approved as to form by a University attorney and as to content by an appropriate official.

Easements and Surface Leases Nos. 3751-3778

Payment has been received in advance unless otherwise indicated on each of the easements and surface leases which are on the University's standard forms and are at the standard rates.

No.	Company	Type of Permit	County	Location (Block#)	Distance or Area	Period	Consideration
3751	Amoco Production Company (renewal of 1905)	Pipe Line	Andrews	5	764.5 rds. 2-7/8 inch	6/1/74- 5/31/84	\$ 573.38
3752	Oasis Pipe Line Company	Pipe Line	Pecos	19	1,151.63 rds. 12 inch	5/1/74- 4/30/84	2,648.75
3753	Oasis Pipe Line Company	Pipe Line	Ward	17, 18	2,233.75 rds. 16 inch	5/1/74- 4/30/84	5,137.63
3754	Oasis Pipe Line Company	Pipe Line	Winkler	21	232.12 rds. 6 inch	5/1/74- 4/30/84	348.18
3755	ARCO Pipe Line Company	Surface Lease (cathodic protection unit site)	Crane	30	less than 1/2 acre	5/8/74- 5/7/84	75.00 (full)
3756	Texaco, Inc. (renewal of 1911)	Pipe Line	Andrews	5	128.8 rds. 4 1/2 inch	8/1/74- 7/31/84	96.60
3757	El Paso Natural Gas Company (renewal of 1969)	Surface Lease (cathodic protection unit site)	Crane	30	less than one acre	12/1/74 11/30/84	75.00 (full)

Land Matters - Continued--

No.	Company	Type of Permit	County	Location (Block#)	Distance or Area	Period	Consideration
3758	Western Outdoor Advertising Company	Surface Lease (road sign site)	Ward	16	300' x 50'	7/1/74-6/30/75*	\$ 100.00 (annually)
3759	Texas Electric Service Company	Power Line	Andrews	9	2,569.78 rds. transmission construction	1/1/75-12/31/84	2,955.25
3760	El Paso Natural Gas Company (renewal of 1975)	Pipe Line	Andrews	9	5.273 rds. 4½ inch	12/1/74-11/30/84	75.00 (min.)
3761	El Paso Natural Gas Company	Surface Lease (cathodic protection unit site)	Hudspeth	L	less than ½ acre	6/1/74-5/31/84	75.00 (full)
3762	Northern Natural Gas Company	Pipe Line	Reagan	9, 58	900.72 rds. 12-3/8 inch 354.61 rds. 10-3/8 inch 330.08 rds. 6-5/8 inch	7/1/74-6/30/84	3,098.70
3763	Exxon Pipeline Company (renewal of 2218)	Pipe Line	Andrews	9	16.27 rds. 4½ inch	6/1/74-5/31/84	75.00 (min.)
3764	Amoco Production Company (renewal of 1883)	Pipe Line	Andrews	13	175.76 rds. 6-5/8 inch	7/1/74-6/30/84	263.64

\*Renewable from year to year, but not to exceed a period of ten (10) years.

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Land Matters - Continued--

No.	Company	Type of Permit	County	Location (Block#)	Distance or Area	Period	Consideration
3765	Mobil Oil Corporation	Pipe Line	Crane	30	72.6 rds. 6 inch	7/1/74- 6/30/84	\$ 108.90
3766	Mobil Pipe Line Company (renewal of 1918)	Pipe Line	Crane	30, 31	4,186.24 rds. 8 inch	8/1/74- 7/31/84	6,279.36
3767	Oasis Pipe Line Company	Surface Lease (plant site)	Pecos	19	340' x 384.4'	5/1/74- 4/30/84	750.00 (full)
3768	Delhi Gas Pipeline Corporation	Pipe Line	Ward	17	37.21 rds. 6-5/8 inch	6/1/74- 5/31/84	75.00 (min.)
3769	Transwestern Pipeline Company	Pipe Line	Winkler	21	1,558.61 rds. 10 inch	6/1/74- 5/31/84	2,337.91
3770	Mobil Pipe Line Company (renewal of 2003)	Pipe Line	Andrews	4, 13	251.29 rds. 4 inch	8/1/74- 7/31/84	188.47
3771	Exxon Corporation	Surface Lease (salt water disposal site)	Andrews	9	one acre	7/1/74- 6/30/75*	400.00 (annually)
3772	Texas-New Mexico Pipe Line Company (renewal of 1884)	Pipe Line	Andrews	12, 14	333 rds. 2-3/8 inch 1,513 rds. 6-5/8 inch	9/1/74- 8/31/84	2,519.25
3773	Texas-New Mexico Pipe Line Company (renewal of 1970)	Pipe Line	Crane	30	47.7 rds. 4 1/2 inch	10/1/74- 9/30/84	75.00 (min.)

\*Renewable from year to year, but not to exceed a period of five (5) years.

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Land Matters - Continued--

No.	Company	Type of Permit	County	Location (Block#)	Distance or Area	Period	Consideration
3774	Texas-New Mexico Pipe Line Company (renewal of 1940)	Pipe Line	Crane	30	234 rds. 4½ inch	9/1/74- 8/31/84	\$ 175.50
3775	Texas-New Mexico Pipe Line Company (renewal of 1882)	Pipe Line	Crockett	30, 31	3,003 rds. 6-5/8 inch	9/1/74- 8/31/84	4,504.50
3776	Texas Electric Service Company (renewal of 1924)	Power Line	Andrews	1, 2, 13	108 rds. single pole	8/1/74- 7/31/84	75.60
3777	Texas Electric Service Company	Power Line	Crane	30, 31	408.12 rds. single pole	8/1/74- 7/31/84	285.68
3778	Texas Electric Service Company	Power Line	Andrews	4, 8, 9, 12, 13	1,012.23 rds. single pole	8/1/74- 7/31/84	708.56

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Material Source Permit No. 451

No.	Grantee	County	Location	Quantity	Consideration
451	George R. Bentley Construction Company	Schleicher	Block 53	445 cubic yards caliche	\$ 133.50

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2. PUF: Highway Right-of-Way Easement No. 3779 and Amendment to Highway Right-of-Way Easement No. 1455 (Sections 24 and 25 and Section 1, Block L, El Paso County, Texas) to County of El Paso. --Upon the request of the Commissioner's Court of El Paso County, Texas, in order that the present Fabens-Carlsbad cutoff road may be realigned, Highway Right-of-Way Easement No. 3779 was granted to the County of El Paso. This easement is located in Sections 24 and 25, Block L, University Lands, El Paso County, Texas.

Also, Highway Right-of-Way Easement No. 1455 granted to the County of El Paso was authorized amended in order that F. M. 793 from the intersection of Interstate 10 to the Fabens Townsite could be widened. This easement will cover an additional strip of land approximately 4/5ths of a mile in length by 50 feet in width out of Sections 1 and 24, Block L, University Lands, El Paso County, Texas.

The County of El Paso has agreed to pave the whole roadway through the University property.

3. PUF: Request for Surface Lease No. 3780, Section 2, Block L, University Lands, El Paso County, Texas, to Gail Surratt and Jack Strickland (Commercial Purposes) Postponed. --The request of Mr. Gail Surratt and Mr. Jack Strickland of Fabens, Texas, for a surface lease (No. 3780) covering 10 acres out of Section 2, Block L, University Lands, El Paso County, Texas, was postponed until the September 20, 1974 meeting.

## II. TRUST AND SPECIAL FUNDS

### A. GIFTS, BEQUESTS AND ESTATES

U. T. Austin: Establishment of E. W. Doty Endowed Lectureship in Fine Arts. --From the Fine Arts Advisory Council of the College of Fine Arts of The University of Texas at Austin, \$32,000 plus an additional pledge of \$8,000 were received and the E. W. Doty Endowed Lectureship in Fine Arts was established in accordance with Regental policy. Only the income from the account established for this lectureship will be used.

It was noted that this lectureship is in honor of E. W. Doty, who established the College of Fine Arts at U. T. Austin in 1928 and who served as its dean until 1972 when he returned to full-time teaching.

### B. REAL ESTATE MATTERS

1. U. T. Austin - Tom Slick Memorial Trust: Oil and Gas Lease to Special Services Co. of Midland, Texas, 1.093 Mineral Acres Out of Labor 14, League 294, Lynn County School Land, Gaines County, Texas. --Upon the recommendation of the Associate Deputy Chancellor for Investments, Trusts and Lands, approval was given for a lease agreement with Special Services Co. of Midland, Texas, on 1.093 mineral acres of land held by the Board of Regents for the Tom Slick Memorial Trust. The Board of Regents' interest is described as 1/16 of 17.5/177.12 in the minerals under 177.12 acres out of Labor 14, League 294, Lynn

County School Land in Gaines County, Texas. The lease agreement provides for a primary term of 5 years rather than 3 years as recommended, \$50 per acre bonus, \$1 per acre annual delay rental and 3/16 royalty. It was noted that Special Services Co. of Midland, Texas, formerly held a lease on this acreage which expired without production.

2. U. T. El Paso - Josephine Clardy Fox Fund: Assignment of Lease from Sun Country Broadcasting Company, Inc., d/b/a Radio KINT to Taber Broadcasting Company, Inc., on Land and Improvements at 5300 El Paso Drive, El Paso, Texas. --Approval was given to assign the lease from Sun Country Broadcasting Company, Inc., d/b/a Radio KINT to Taber Broadcasting Company, Inc., El Paso, Texas, covering the land and improvements located at 5300 El Paso Drive, El Paso, Texas (Josephine Clardy Fox Fund) subject to final approval of the Federal Communications Commission, Washington, D. C. This lease provided for a monthly rental of \$700 and will expire on November 30, 1980. The original lease was executed on November 30, 1970.

### C. BOND MATTERS

U. T. System - Revenue Bonds for the Various Component Institutions of The University of Texas System: Appointment of Committee to Explore the Amount of Revenue Bonds Permitted Under Existing Resolutions and Report to a Called Meeting of the Board; and Appointment of McCall, Parkhurst & Horton, Bond Counsel, and Sam Maclin, Bond Consultant. --Regent Erwin reported that a study had been conducted indicating that escalation in construction costs in the past year amounts to an estimated \$36,000,000. To provide a portion of the funds necessary to complete the construction projects which have been authorized for the various component institutions of The University of Texas System, Chairman McNeese was authorized to appoint a committee to explore with the administration, bond counsel and bond consultant the amount of bonds that may be issued within the next few months in order to proceed with planned construction without increasing the charges to students; said committee to report back to the Board its findings to a special meeting of the Board of Regents to be called by the Chairman. After the committee determines the amount of money that can be available for construction, the Board of Regents can establish a priority list of buildings.

In response thereto, Chairman McNeese named the following committee: Chairman McNeese (as Chairman of the Committee), Regent Erwin, Regent Garrett, Deputy Chancellor Walker and Assistant Deputy Chancellor Landrum.

The firm of McCall, Parkhurst & Horton was employed as Bond Counsel and Sam Maclin was employed as Bond Consultant to work with the committee.

### III. OTHER MATTERS

PUF and Trust and Special Funds: Report of Securities Transactions for the Month of May 1974. --The Report of Securities Transactions for Permanent University Fund and for Trust and Special Funds for May 1974, submitted by the Office of Investments, Trusts and Lands, was received. It is attached (Attachment No. 2) following Page N-22 of Attachment No. 1 and made a part of these Minutes.

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COMMITTEE OF THE WHOLE

EXECUTIVE SESSION ITEMS

(Pages 51, 52)

Before filing the Report of the Committee of the Whole, Chairman McNeese reported that all items referred to the Committee of the Whole had been considered in open session with the exception of:

1. U. T. System: Acquisition of Real Property in Houston, Harris County, Texas (Authorized by H. B. 287, Acts of the 60th Legislature, Regular Session, 1967) known as the "Prudential Building"
2. U. T. Austin (Balcones Research Center): Acquisition of Property and Appropriation Therefor

He stated that these items were discussed in Executive Session and asked the Board to consider them at this time:

U. T. SYSTEM: ACQUISITION OF REAL PROPERTY IN HOUSTON, HARRIS COUNTY, TEXAS (AUTHORIZED BY H. B. 287, ACTS OF THE 60TH LEGISLATURE, REGULAR SESSION, 1967) KNOWN AS THE "PRUDENTIAL BUILDING". -- Upon motion duly made and seconded, the following resolution was adopted by unanimous vote:

RESOLUTION

WHEREAS, The University of Texas Cancer Foundation, Inc., and the Board of Regents of The University of Texas System submitted a letter proposal to the Prudential Insurance Company of America to purchase that certain real property, together with the improvements located thereon, described as 22.4 acres more or less out of the P. W. Rose Survey, Harris County, Texas, known as the "Prudential Building," which proposal was duly accepted by the Prudential Insurance Company of America, and

WHEREAS, The University of Texas Cancer Foundation, Inc., the Board of Regents of The University of Texas System and the Prudential Insurance Company of America duly executed a formal Agreement of Purchase upon the terms and conditions set out in said Agreement of Purchase reference to which is here made for all purposes;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Regents of The University of Texas System does hereby in all things ratify and confirm the execution of said letter proposal and formal Agreement of Purchase by the Chairman of the Board on behalf of the Board of Regents of The University of Texas System, and

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BE IT FURTHER RESOLVED by the Board of Regents of The University of Texas System that it is hereby authorized to purchase from The University of Texas Cancer Foundation, Inc., the above described real property and improvements known as the "Prudential Building" subject to the Purchase Money Note and Deed of Trust Lien executed by The University of Texas Cancer Foundation, Inc., in favor of the Prudential Insurance Company of America, and

BE IT FURTHER RESOLVED that the Chairman of the Board of Regents be and is hereby authorized to take any and all necessary action to consummate the purchase of the Prudential Building property in order to vest title in said property and improvements in the Board of Regents of The University of Texas System.

U. T. AUSTIN - BALCONES RESEARCH CENTER: RATIFICATION OF CONTRACT OF SALE FROM BERTON HOCHFELD, ET AL, 82.68 ACRE TRACT, JAMES ROGERS SURVEY, ABSTRACT NO. 19, TRAVIS COUNTY, TEXAS, AND FUNDS THEREFOR. --The purchase of an 82.68 acre tract out of the James Rogers Survey, Abstract No. 19, Travis County, Texas, for a total cash consideration of \$950,000 was authorized by unanimous vote, and the Contract of Sale executed by E. D. Walker, Deputy Chancellor for Administration, was ratified.

For the purchase of this land, \$950,000 was advanced from the Available University Fund with the understanding that a portion of this sum will be repaid from the proceeds of sale of approximately 50 acres of land out of the Balcones Research Center tract to the Texas Highway Commission for the extension of MoPac Boulevard and the West Loop.

The land acquired is to be used for educational and research purposes of the Balcones Research Center of The University of Texas at Austin. It will provide access from that portion of the Balcones Research Center lying west of the Missouri Pacific Railroad right-of-way to U. S. Highway 183 and will provide additional frontage for the Balcones Research Center on the proposed extension of the MoPac Boulevard and the West Loop. Within the next few years, rights-of-way will be acquired by the Texas Highway Commission through the Balcones Research Center.



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REPORT OF THE COMMITTEE OF THE WHOLE  
(Pages 53-63 )

Chairman McNeese filed the following Report of the Committee of the Whole. All items had been considered and all actions had been taken in open session:

BOARD OF REGENTS: LEASE AGREEMENT WITH THE UNIVERSITY OF TEXAS FOUNDATION, INC., FOR KING AIRE A-100 TURBO-PROP., REG. NO. 9050-V. --Regent Shivers reported that he had renegotiated the lease agreement between the Board of Regents of The University of Texas System and The University of Texas Foundation, Inc., for the lease of the King Aire A-100 Turbo-Prop., Reg. No. 9050-V, and submitted the following agreement. Upon motion of Regent Shivers, seconded by Vice-Chairman Williams, this agreement was approved and the Chairman of the Board was authorized to execute the document which had already been approved by Deputy Chancellor Walker as to content and Attorney Gibson as to form:

AIRCRAFT LEASE AGREEMENT

This lease agreement between The University of Texas Foundation, Inc., a Texas non-profit corporation of Austin, Travis County, Texas, hereinafter called Lessor, and the Board of Regents of The University of Texas System, hereinafter called Lessee, WITNESSETH:

For and in consideration of the mutual promises, conditions, and obligations expressed herein, Lessor and Lessee agree as follows:

1. Property Leased. Lessor hereby leases to Lessee for the sole use and benefit of The University of Texas System one passenger aircraft described as a Beechcraft King Aire A-100 turbo-prop, manufacturer's serial number B-91, with all equipment and accessories attached thereto or used in connection therewith.

2. Lease Term; Rental; Renewal; Cancellation. The term of this lease shall be for the period beginning with the execution of this agreement and extending through August 31, 1979. Rental for the leased aircraft shall be Fifty (\$50.00) Dollars per month payable by Lessee to Lessor on or before the tenth (10th) day of each successive month beginning with

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the month following the execution of this agreement. Lessee shall have the option to renew this lease for a period of Five (5) Years by giving notice to Lessor on or before July 31, 1979. Lessor or Lessee shall have the right to cancel this lease agreement upon at least Thirty (30) Days written notice to the other party.

3. Location of Aircraft. Lessee shall maintain the leased aircraft in Austin, Travis County, Texas, at Browning Aerial Service or such other private aircraft facility as may be mutually agreed upon in writing by Lessor and Lessee. Lessor or its duly authorized agent or representative shall have the right to inspect the leased aircraft at any reasonable time, either on land or aloft.

4. Maintenance; Repair; and Operation. Lessee covenants and agrees to maintain and keep the leased aircraft and all components thereof in good order and repair, in accordance with the requirements of the Federal Aviation Administration or any other governmental authority, and within a reasonable time replace in or on such aircraft any and all parts, equipment, appliances, instruments or accessories which may be worn out, lost, destroyed or otherwise rendered unsatisfactory or unavailable for use in or on aircraft, which replacements shall be in good operating condition and have a value, utility and quality at least equal to that which the property replaced had and shall be free and clear of all liens and encumbrances at the time affixed to the aircraft. Lessee shall be responsible for all overhaul on the leased aircraft whenever deemed necessary and as may be required by the Federal Aviation Administration or any other governmental authority during the term of this lease, and all engine overhaul, inspection, and maintenance service. All cost and expenses for operation, maintenance and repair of the leased aircraft shall be paid by Lessee.

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5. Pilots. Lessee covenants and agrees to permit the leased aircraft to be operated only by pilots who are duly licensed and hold current, effective certificates issued by the appropriate regulatory agency. Pilots employed to operate the leased aircraft shall be the employees and servants of Lessee and shall be paid by Lessee. Their flight experience shall conform to the minimums set forth in the insurance policy.

6. Taxes; Licenses; Permits; Fees. Lessee covenants and agrees to pay all taxes and fees levied or imposed by any national, state, or local law or any airport authority during the term of this lease. Lessee further covenants and agrees to obtain and pay for all licenses and permits required by any national, state, or local law or any airport authority in connection with the operation of the leased aircraft during the term of this lease.

7. Insurance. (a) During the term of the lease or any extension thereof, Lessee covenants and agrees, at its own expense, to keep the leased aircraft insured with companies acceptable to Lessor against the following losses and hazards arising out of or in connection with the operation of the leased aircraft:

- (1). loss or damage to the hull in the amount of \$525,000.00, including a loss payable clause that names Lessor;
- (2). personal injury, death or property damage in the amount of \$20,000,000.00, with admitted liability of \$50,000.00 per seat and naming both Lessor and Lessee as insureds.

(b) The amount of hull insurance set out in ¶7(a)(1) above shall be adjusted in subsequent years in such amounts as will reflect the appraised value of the aircraft.

(c) In the event of less than total damage to the hull, Lessor agrees to use the proceeds from the insurance collected

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as a result of such damage to repair the aircraft in such a manner as will place the aircraft in good operating condition, but only up to the amount of such proceeds shall be expended by Lessor.

(d) Lessor shall have the right to inspect such policies at reasonable times and to demand proof of payment of premiums.

8. Sale or Total Damage of Aircraft. In the event that Lessor should sell the leased aircraft, or there shall be a total loss of the hull, after observing all other provisions of this agreement, Lessor shall make payable to Lessee all sale or insurance proceeds of such sale or loss of hull as a gift by The University of Texas Foundation, Inc., to The University of Texas System.

9. Restrictions. Lessee covenants and agrees that leased aircraft shall not be operated at any time during the existence of any known defect which makes such aircraft unsafe for operation or when in the opinion of the pilot existing weather conditions make operation of the aircraft unsafe. Lessee shall be solely responsible for all fines, penalties, or forfeitures arising out of the violation of any national, state, or local law or regulation.

10. Return of Aircraft. Lessee covenants and agrees to return the leased aircraft at the expiration of this lease to the Lessor, at such place as shall be designated by Lessor, in the same operating order, repair, condition and appearance as when received, excepting only for reasonable wear and tear, and damage by any cause covered by collectible insurance.

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IN WITNESS WHEREOF, Lessor and Lessee have signed  
and executed this lease for the consideration expressed herein  
this 17<sup>th</sup> day of July, 1974.

ATTEST: THE UNIVERSITY OF TEXAS FOUNDATION, INC.  
LESSOR

By: [Signature] Secretary  
By: [Signature] Gene M. Woodfin, President

ATTEST: THE BOARD OF REGENTS OF THE UNIVERSITY  
OF TEXAS SYSTEM  
LESSEE

By: [Signature] BETTY ANNE THIEDFORD, Secretary  
Board of Regents  
The University of Texas System  
By: [Signature] A. G. McNeese, Jr., Chairman

APPROVED AS TO FORM: APPROVED AS TO CONTENT:

By: [Signature] University  
Attorney  
By: [Signature] Deputy Chancellor for  
Administration

U. T. SYSTEM: APPOINTMENT OF COMMITTEE TO AWARD CONTRACT FOR SYSTEM-WIDE FIRE AND EXTENDED COVERAGE INSURANCE ON BUILDINGS AND CONTENTS COVERED BY BOND ISSUES. --The current System-Wide Fire and Extended Coverage Insurance on buildings and contents covered by bond issues (pursuant to S. C. R. 102, 62nd Leg., R. S., 1971) with St. Paul Fire and Marine Insurance Company expires on September 24, 1974.

Deputy Chancellor Walker reported that the sound insurable value of buildings to be covered is \$231,555,785 and the book value of contents of buildings at August 31, 1973, was \$57,133,353 making a net insurable value of \$288,689,138. The bond resolutions contain covenants calling for Fire and Extended Coverage Insurance on the buildings and contents up to this amount. Proposals have been sent out to selected companies that meet the following qualifications as shown in Best's Insurance Guide for 1973: (a) General Policy Holder's Rating: A+ (b) Financial Rating: AAAAA (c) Policy Holder's Surplus: \$30,000,000 or more.

These proposals will be received on July 29, 1974, and the proposed request calls for a three year premium quote based on an 80% coinsurance basis and also on a 90% coinsurance basis.

Upon the suggestion of Regent Garrett and others, System Administration was requested to investigate the desirability of issuing an addendum to the outstanding invitations for proposals increasing the \$100,000 deductible feature of the insurance coverage.

Upon recommendation of System Administration, a committee (consisting of Comptroller Anderson, Assistant Deputy Chancellor for Operations

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Landrum, Deputy Chancellor Walker, Regent Erwin and Board Chairman McNeese) was appointed to review the proposals and to award a contract for the period September 24, 1974 through September 23, 1977, either on an 80% or 90% coinsurance basis.

U. T. SYSTEM - NOMINEES TO DEVELOPMENT BOARDS AND COUNCILS: (1) U. T. ARLINGTON: DEVELOPMENT BOARD, GRADUATE SCHOOL OF SOCIAL WORK AND COLLEGE OF BUSINESS ADMINISTRATION ADVISORY COUNCILS; (2) U. T. AUSTIN: DEVELOPMENT BOARD, ARCHITECTURE FOUNDATION, ARTS AND SCIENCES FOUNDATION (HUMANITIES, NATURAL SCIENCES, SOCIAL AND BEHAVIORAL SCIENCES, GENERAL AND COMPARATIVE STUDIES) BUSINESS ADMINISTRATION FOUNDATION, COMMUNICATION FOUNDATION, ENGINEERING FOUNDATION, FINE ARTS FOUNDATION, GEOLOGY FOUNDATION, GRADUATE SCHOOL OF LIBRARY SCIENCE FOUNDATION, PHARMACEUTICAL FOUNDATION, SOCIAL WORK FOUNDATION AND McDONALD OBSERVATORY ADVISORY COUNCILS; (3) U. T. DALLAS DEVELOPMENT BOARD; (4) U. T. EL PASO DEVELOPMENT BOARD; (5) GALVESTON MEDICAL BRANCH DEVELOPMENT BOARD; (6) UNIVERSITY CANCER CENTER BOARD OF VISITORS OF UNIVERSITY CANCER FOUNDATION; AND (7) SYSTEM NURSING SCHOOL DEVELOPMENT BOARD. --Membership was authorized for and nominees were designated to the following development boards and advisory councils, and the names of those accepting the appointments together with the authorized membership of each organization will be reported for the record as soon as the acceptances have been received:

(1) The University of Texas at Arlington

Development Board  
 Graduate School of Social Work  
 Advisory Council  
 College of Business Administration  
 Advisory Council

(2) The University of Texas at Austin

Development Board  
 School of Architecture Foundation  
 Advisory Council  
 Arts and Sciences Foundation  
 Advisory Councils  
 (a) The College of Humanities  
 Advisory Council  
 (b) The College of Natural Sciences  
 Advisory Council  
 (c) The College of Social and Behavioral  
 Sciences Advisory Council  
 (d) The Division of General and Compara-  
 tive Studies Advisory Council  
 College of Business Administration  
 Foundation Advisory Council  
 School of Communication Foundation  
 Advisory Council  
 College of Engineering Foundation  
 Advisory Council  
 College of Fine Arts Foundation  
 Advisory Council  
 Geology Foundation Advisory Council  
 Graduate School of Library Science  
 Foundation Advisory Council

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Pharmaceutical Foundation Advisory  
Council  
Social Work Foundation Advisory  
Council  
McDonald Observatory Advisory Council

- (3) The University of Texas at Dallas  
Development Board
- (4) The University of Texas at El Paso  
Development Board
- (5) The University of Texas Medical Branch at Galveston  
Development Board
- (6) The University of Texas System Cancer Center  
Board of Visitors of University  
Cancer Foundation
- (7) The University of Texas System School of Nursing  
Development Board

U. T. SYSTEM: TRANSFERS BETWEEN ITEMS OF H. B. NO. 139, R. S., 1973 (SECTION 20, ARTICLE IV). --Since there is not another meeting of the Board of Regents scheduled for the remainder of 1973-74, unanimous approval was given to authorize Deputy Chancellor Walker to designate the accounts and amounts to effect year end closings, adjustments and transfers for the fiscal year ending August 31, 1974, pursuant to Section 20 of Article IV of H. B. No. 139, R. S., 1973 (Chapter 659 of the General and Special Laws, R. S., 1973).

U. T. AUSTIN: WAIVER OF REGENTS' RULES AND REGULATIONS, PART ONE, CHAPTER III, SECTIONS 5.3 AND 5.32 ON SEPTEMBER 14, 1973, WITH REGARD TO MRS. LESLIE GALLERY AMENDED. -- Sections 5.3 and 5.32 of Chapter III of Part One of the Regents' Rules and Regulations were waived on September 14, 1973, to permit the employment of Mrs. Leslie Gallery to a two year part-time appointment as an Assistant Professor in the School of Architecture of The University of Texas at Austin.

Upon the recommendation of President Spurr, concurred in by Chancellor LeMaistre, this waiver was extended to permit the full-time appointment of Mrs. Leslie Gallery for the academic year 1974-75 with the understanding that (1) Dr. Gallery as Associate Dean will not during 1974-75 participate in any discussion or determination related to his wife's appointment status; and (2) if, after 1974-75, Dr. Gallery continues as Associate Dean or in a similar administrative position in the School of Architecture Mrs. Gallery will not be considered for reappointment to the faculty. If he does not occupy such a position, reappointment of Mrs. Gallery will be considered on the merits of the case as any other faculty appointment.

Regent Erwin voted "No," explaining that his vote was not because of the person involved but as a matter of principle.

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U. T. ARLINGTON AND U. T. EL PASO: STUDENT SERVICES FEE (REQUIRED) 1974-75. --Regent Erwin reminded the Regents that the Attorney General had only recently released Opinion No. 824A with respect to Student Services Fee and had authorized the governing boards to set compulsory student services fees to give relief to graduate students and other students taking a lesser number of semester hours than full-time students. Pursuant to this Opinion, President Nedderman and President Templeton had recommended that the Student Services Fee (Required) for 1974-75 at their respective institutions be as follows:

<u>Institution</u>	<u>Student Services Fee (Required)</u>
U. T. Arlington	\$2.50 per semester credit hour, not to exceed a total of \$30.00
U. T. El Paso	\$2.50 per semester credit hour, not to exceed a total of \$30.00

Regent Erwin stated that this recommendation was not on the agenda because of the brief time that had elapsed since the modification of the Attorney General's Opinion, and could not be finally considered at this meeting but that it was truly an emergency item in order that plans for fall registration at the two institutions could be made. The agenda for the Regents' meeting had been filed with the Secretary of State pursuant to H. B. No. 3, 63rd Leg., R. S., 1973, before this recommendation was submitted.

Approval was given to the Student Services Fee (Required) for 1974-75 for U. T. Arlington and U. T. El Paso as recommended by President Nedderman and President Templeton, respectively, with the understanding that at the Regents' meeting on September 20, 1974, this item would be submitted for ratification.

HOUSTON HEALTH SCIENCE CENTER (HOUSTON MEDICAL SCHOOL): 1974-75 OPERATING BUDGET FOR SELECTED RESIDENTS. --Upon the recommendation of President Berry, the salaries for selected residents for teaching services of the Houston Medical School at The University of Texas Health Science Center at Houston that were ordered deleted from the 1974-75 Operating Budget at the June 1974 meeting of the Board of Regents were transferred to an unallocated instructional salaries account.

It was fully understood that should a decision be made to compensate selected residents for teaching services, such compensation would be in full compliance with the regental policy of February 1, 1974, and would be subject to regental review and approval as such compensation is processed by a Request for Budget Change and reported in the docket.

ITEMS FOR THE RECORD: (1) U. T. SYSTEM ADMINISTRATIVE ORGANIZATION CHART AND (2) GALVESTON MEDICAL BRANCH (GALVESTON MEDICAL SCHOOL) PROFESSORSHIPS. --The following items were ratified and ordered incorporated in the Minutes of July 19, 1974:

1. U. T. System: Chart of Administrative Organization, September 1, 1974. --The Committee of the Whole received the Administrative Organization Chart of The University of Texas System effective September 1, 1974. It is on Page 61.



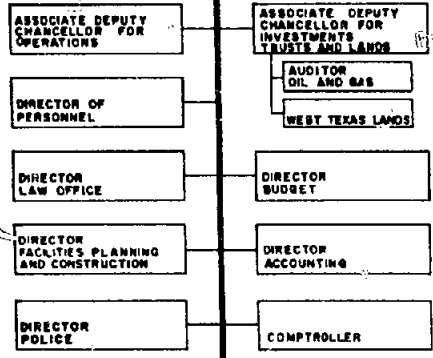
BOARD OF REGENTS

EMERITUS



SYSTEM ADVISORY COMMITTEE

DEPUTY CHANCELLOR FOR ADMINISTRATION



BUSINESS MANAGEMENT COUNCIL

- UT HEALTH SCIENCE CENTER AT DALLAS
  - UT SOUTHWESTERN MEDICAL SCHOOL AT DALLAS
  - UT GRAD SCHOOL OF BIOMEDICAL SCIENCES AT DALLAS
  - UT SCHOOL OF ALLIED HEALTH SCIENCES AT DALLAS
- UT MEDICAL BRANCH AT GALVESTON
  - UT MEDICAL SCHOOL AT GALVESTON
  - UT GRAD SCHOOL OF BIOMEDICAL SCIENCES AT GALV
  - UT SCHOOL OF ALLIED HEALTH SCIENCES AT GALV
  - UT MARINE BIOMEDICAL INSTITUTE AT GALVESTON
  - UT HOSPITALS AT GALVESTON
- UT HEALTH SCIENCE CENTER AT HOUSTON
  - UT MEDICAL SCHOOL AT HOUSTON
  - UT DENTAL BRANCH AT HOUSTON
  - UT GRAD SCHOOL OF BIOMEDICAL SCIENCES AT HOUSTON
  - UT SCHOOL OF ALLIED HEALTH SCIENCES AT HOUSTON
  - UT SCHOOL OF PUBLIC HEALTH AT HOUSTON
  - UT SPEECH AND HEARING INSTITUTE AT HOUSTON
- UT HEALTH SCIENCE CENTER AT SAN ANTONIO
  - UT MEDICAL SCHOOL AT SAN ANTONIO
  - UT DENTAL SCHOOL AT SAN ANTONIO
  - UT GRAD SCHOOL OF BIOMEDICAL SCIENCES AT SA
  - UT SCHOOL OF ALLIED HEALTH SCIENCES AT SA
- UT SYSTEM CANCER CENTER
  - UT MD ANDERSON HOSPITAL AND TUMOR INST AT HOUSTON
  - UT ENVIRONMENTAL SCIENCE PARK AT SMITHVILLE
- UT SYSTEM SCHOOL OF NURSING
  - UT SCHOOL OF NURSING AT AUSTIN
  - UT SCHOOL OF NURSING AT EL PASO
  - UT SCHOOL OF NURSING AT FORT WORTH
  - UT SCHOOL OF NURSING AT GALVESTON
  - UT SCHOOL OF NURSING AT HOUSTON
  - UT SCHOOL OF NURSING AT SAN ANTONIO

SYSTEM WIDE COORDINATION



- UT ARLINGTON
- UT INSTITUTE OF URBAN STUDIES
- UT AUSTIN
  - UT MARINE SCIENCE INSTITUTE
  - UT DONALD OBSERVATORY
- UT DALLAS
- UT EL PASO
- UT PERMIAN BASIN
- UT SAN ANTONIO
  - U.T. INSTITUTE OF TEXAN CULTURES

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2. Galveston Medical Branch (Galveston Medical School): Ratification of Establishment of Edward Randall, Jr., and Raymond L. Gregory Professorships in Medicine. --The Edward Randall, Jr. Professorship in Medicine and the Raymond L. Gregory Professorship in Medicine at the Galveston Medical School of The University of Texas Medical Branch at Galveston were informally established on June 1, 1973, pending completion of fiscal details. President Blocker reported that full funding for both of these professorships had been received. The establishment of these professorships was ratified and in all things confirmed.

U. T. AUSTIN - BRACKENRIDGE TRACT: REPORT OF REGENT SHIVERS WITH RESPECT TO LEGAL INSTRUMENTS AUTHORIZED BY BOARD OF REGENTS AND CITY OF AUSTIN. --Chairman McNeese recognized Regent Shivers who said that though the item was not listed on the agenda, he would like to report that W. R. Long, III, Trust Officer, had advised him all documents that had been authorized jointly by the Board of Regents and the City of Austin upon recommendation of their respective Special Committees had been approved by the administrative officials authorized to conduct negotiations for both parties, and had been executed by the City of Austin. These documents were authorized in the Minutes of Regents' meetings on December 7, 1973 and February 1, 1974.

At that point, Regent Erwin commented that he was concerned about the fact that the City of Austin had neither appropriated the money nor awarded the contracts for the construction of Red River Street as relocated from 18th Street to 26th Street. After a detailed discussion, it was the consensus that the execution of the documents relating to the Red River Street project and the Municipal Golf Course be held in abeyance until Regent Shivers had an opportunity to discuss the matter with Mayor Butler, but that all of the other documents be executed by the Chairman of the Board of Regents.

As the documents are fully executed, they will be reported as items for the record.

U. T. AUSTIN: COMMENTS OF CHANCELLOR LEMAISTRE RE ACHIEVEMENT SCHOLARSHIP PROGRAM FOR CULTURALLY AND ECONOMICALLY DISADVANTAGED STUDENTS. At the conclusion of the meeting of the Committee of the Whole, Chancellor LeMaistre was recognized and stated that in relation to the comments by Regent Erwin on the Achievement Scholarship Program (Page 29 ) he wished to release the following statement:

"It was announced publicly on July 18, 1974, that an \$83,791 Special Services Grant from the U. S. Department of Health, Education and Welfare will be made available for disadvantaged students at The University of Texas at Austin for the fiscal year 1975. This Special Services Grant will enable the Division of Student Affairs at The University of Texas to better coordinate and expand academic support services to economically disadvantaged undergraduate students during the coming school year. This program will be administered through the Dean of Students, Dr. Ronald Brown.

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"This federal grant for disadvantaged students is the end product of visits with Dr. C. V. Galbreath, Director of Postsecondary Education, Region VI, of the Department of HEW, and Mr. Walter Mason on February 12, 1974, by John Fasolino of the U. T. System offices and a further meeting on February 21 by System officials and U. T. Austin officials with Dr. Galbreath and his staff.

"Mr. Fasolino advises today, July 19, that Mr. Mason and Dr. Galbreath continue to be enthusiastic about the program begun by the Board of Regents and U. T. Austin and that the prospects for increasing the amount of federal participation substantially are very good in subsequent years as are the prospects for extending federal participation for at least three years."

Adoption of Report. --Upon a motion made and seconded, the foregoing report was unanimously adopted.

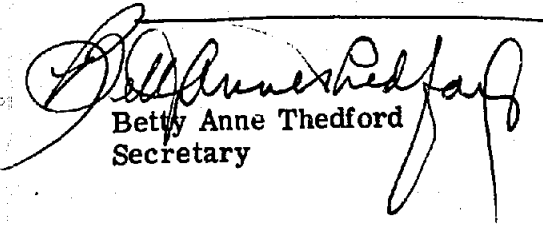
#### OTHER MATTERS

EXPRESSION OF APPRECIATION BY PRESIDENT BLOCKER. --President Blocker was recognized and said that this would be his last meeting to attend of the Board of Regents of The University of Texas System in the capacity of President of The University of Texas Medical Branch at Galveston. (President Blocker will become President Emeritus on September 1, 1974.) He expressed to the Board of Regents his personal appreciation and also appreciation for the interest that had been manifested by the Regents in the Galveston Medical Branch.

INTRODUCTION OF STUDENT REPRESENTATIVES. --The Chief Administrative Officers were asked to introduce student representatives from their respective institutions who were in attendance at the meeting. President Nedderman introduced the following students from The University of Texas at Arlington:

Mindi Ledbetter, Editor of the Summer Shorthorn  
(Student Newspaper)  
Marianne Krueger, Photographer of the Summer Shorthorn  
Drew Etter, Vice-President of the Student Congress  
Schauna Payne, Recording Secretary of the Student Congress  
Mike Green, Member of the Student Congress  
Royce West, President of the Student Congress

ADJOURNMENT. --There being no further business, the meeting was duly adjourned at 12:00 noon.

  
Betty Anne Thedford  
Secretary

July 25, 1974