

# OMISSION

Pages 4746 - 5299

*A. Ruth Baker*

SIGNATURE OF OPERATOR

Meeting No. 734

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

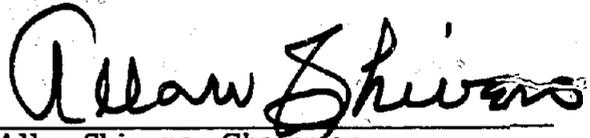
Pages 1 - 137

July 25, 1975

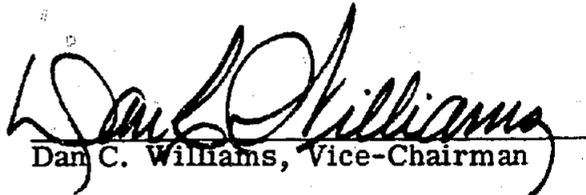
San Antonio, Texas

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 25, 1975) to be reflected in the Minutes.

Signed this the 25th day of July, 1975, A. D.



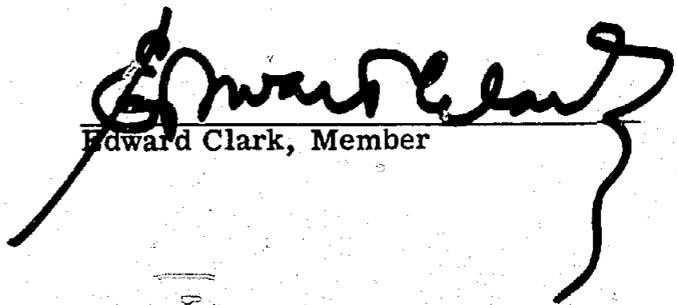
Allan Shivers, Chairman



Dan C. Williams, Vice-Chairman

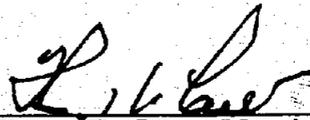


James E. Bauerle, D. D. S., Member

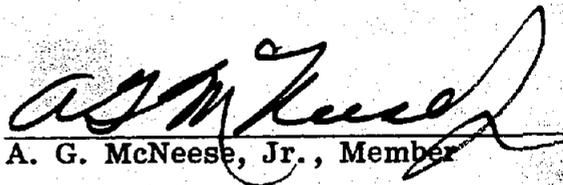


Edward Clark, Member

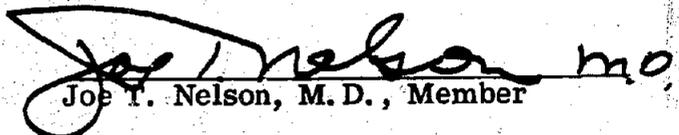
Mrs. Lyndon B. Johnson, Member



Thos. H. Law, Member



A. G. McNeese, Jr., Member



Joe Y. Nelson, M. D., Member



Walter G. Sterling, Member

## MEETING NO. 734

FRIDAY, JULY 25, 1975. --At 9:00 a. m. on Friday, July 25, 1975, the Board of Regents of The University of Texas System convened in regular session in Room 1.208-1.210 of the San Antonio Nursing School Building, 7403 Louis Pasteur Drive, San Antonio, Texas. Chairman Shivers called the meeting to order.

## ATTENDANCE. --

Present

Chairman Shivers, presiding  
 Vice-Chairman Williams  
 Regent Bauerle  
 Regent Clark  
 Regent Law  
 Regent McNeese  
 Regent Nelson  
 Regent Sterling

Absent

Regent (Mrs.) Johnson - excused\*

Secretary Thedford

Chancellor LeMaistre  
 Deputy Chancellor Walker

BOARD OF REGENTS: APPROVAL OF MINUTES OF REGULAR MEETING ON JUNE 5, 1975. --The Minutes of the last meeting of the Board of Regents of The University of Texas System held on June 5, 1975, which had been circulated to the members of the Board, were approved in the form distributed by Secretary Thedford upon motion of Regent Nelson, seconded by Regent Sterling. The official copy is recorded in the Permanent Minutes, Volume XXII, beginning with Page 4177.

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM PERMANENT UNIVERSITY FUND BONDS, NEW SERIES 1975: (1) RESOLUTION AUTHORIZING THE ISSUANCE OF BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM PERMANENT UNIVERSITY FUND BONDS, NEW SERIES 1975, IN THE AMOUNT OF \$14,000,000 AND AWARDING THE SALE OF THE BONDS TO FIRST CITY NATIONAL BANK OF HOUSTON, HOUSTON, TEXAS; (2) DESIGNATION OF THE CITIZENS NATIONAL BANK OF WACO, WACO, TEXAS, AND MORGAN GUARANTY TRUST COMPANY OF NEW YORK, NEW YORK, AND HARRIS TRUST AND SAVINGS BANK, CHICAGO, ILLINOIS, CO-PAYING AGENTS; and (3) AWARD OF CONTRACT TO PRINT THE BONDS TO HART GRAPHICS AND OFFICE CENTERS, INC., AUSTIN, TEXAS. --For the consideration of said bonds, the written RESOLUTION set out on Pages 3 - 13 was duly introduced

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\*Regent (Mrs.) Johnson was excused from the meeting because of a conflicting engagement.

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."

**NOES:** None

The adoption of this Resolution authorized issuance of Board of Regents of The University of Texas System Permanent University Fund Bonds, New Series 1975, in the amount of \$14,000,000 and awarded the sale of the bonds to First City National Bank of Houston, Houston, Texas, for the principal amount thereof and accrued interest to date of delivery plus a premium of \$98.00 (Page 13) at the interest rates reflected on Page 7. The effective interest rate is 5.792858 percent.

Upon motion of Regent Clark, seconded by Vice-Chairman Williams, the bid of The Citizens National Bank of Waco, Waco, Texas, to serve as Paying Agent for the Board of Regents of The University of Texas System Permanent University Fund Bonds, New Series 1975, in the amount of \$14,000,000 was accepted with Morgan Guaranty Trust Company of New York, New York, and Harris Trust and Savings Bank, Chicago, Illinois, designated Co-Paying Agents (Pages 8, 9). The Paying Agent will pay the Board of Regents the sum of \$2,000 to act as the agent.

The contract to print the Board of Regents of The University of Texas System Permanent University Fund Bonds, New Series 1975, in the amount of \$14,000,000 was awarded unanimously to Hart Graphics and Office Centers, Inc., 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 \$1,394, there being 2 interest rates.

7-25-75

4611

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 1975, IN THE AMOUNT OF \$14,000,000

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 Texas Constitution; and

WHEREAS, said Refunding Bonds, Series 1958, were 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 Section 18, Article VII of the Texas Constitution, 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

WHEREAS, Section 18, Article VII of the Texas Constitution provides 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, Series 1960, Series 1961, Series 1962, Series 1963, Series 1964, Series 1965, and Series 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

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, New Series 1973, and New Series 1974, in accordance therewith; and

WHEREAS, the Board has determined to authorize, issue, sell, and deliver another installment or issue of such subordinate lien parity New Series Bonds in the principal amount of \$14,000,000; 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 \$768,000,000.

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:

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 Texas 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 1975 Bonds" shall mean the New Series 1975 Bonds authorized in this Resolution, unless the context clearly indicates otherwise.

7-25-75

4613

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, pursuant to a resolution adopted on July 9, 1959.

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, pursuant to a resolution adopted on July 13, 1960.

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, pursuant to a resolution adopted on July 11, 1961.

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, pursuant to a resolution adopted on June 29, 1962.

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, pursuant to a resolution adopted on July 12, 1963.

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, pursuant to a resolution adopted on June 26, 1964.

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, pursuant to a resolution adopted on July 16, 1965.

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, pursuant to a resolution adopted on July 8, 1966.

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 Board of Regents of The University of Texas System Permanent University Fund Bonds, New Series 1967, dated July 1, 1967.

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.

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.

Board of Regents of The University of Texas System Permanent University Fund Bonds, New Series 1974, dated July 1, 1974, originally issued in the amount of \$11,000,000, pursuant to a resolution adopted on July 19, 1974.

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 1975", are hereby authorized to be issued and delivered in accordance with the Constitution and laws of the State of Texas in the principal amount of \$14,000,000 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, 1975, shall be in the denomination of \$5,000 EACH, shall be numbered consecutively from 1 THROUGH 2800, and shall mature serially on JULY 1 in each of the years, and in the amounts, respectively, as set forth in the following schedule:

<u>YEARS</u>	<u>AMOUNTS</u>	<u>YEARS</u>	<u>AMOUNTS</u>
1976	\$560,000	1986	\$700,000
1977	560,000	1987	700,000
1978	560,000	1988	770,000
1979	560,000	1989	770,000
1980	630,000	1990	770,000
1981	630,000	1991	770,000
1982	630,000	1992	840,000
1983	630,000	1993	840,000
1984	700,000	1994	840,000
1985	700,000	1995	840,000

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 1976 through 1993, 6.00%

maturities 1994 through 1995, 5.00%

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.

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 1975

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, 1976, 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 of this bond or proper interest

coupon, at The Citizens National Bank of Waco, Waco, Texas, or at the option of the bearer, at Morgan Guaranty Trust Company of New York, New York, New York, or at Harris Trust and Savings Bank, 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, 1975, issued in the principal amount of \$14,000,000 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, 1985, 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, 1990, with such premium to be reduced on and after JULY 1, 1990, 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 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 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.

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

XXXXXXXXXX  
Secretary

XXXXXXXXXX  
Chairman

FORM OF REGISTRATION CERTIFICATE

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO.

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

XXXXXXXXXX  
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 Citizens National Bank of Waco, Waco, Texas, or at the option of the bearer, at Morgan Guaranty Trust Company of New York, New York, New York, or at Harris Trust and Savings Bank, 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

7-25-75

4618

SYSTEM PERMANENT UNIVERSITY FUND BONDS, NEW SERIES 1975, DATED JULY 1, 1975, BOND NO. \_\_\_\_\_

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM

XXXXXXXXXX  
Secretary

XXXXXXXXXX  
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)

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 representatives, 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.

NAME OF REGISTERED OWNER	DATE OF REGISTRATION	SIGNATURE OF REGISTRAR
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

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 Board of Regents of The University of Texas System Permanent University Fund Bonds, New Series 1967, dated July 1, 1967, and that all conditions and requirements of said Section 11 have been or will be met prior to the delivery of the New Series 1975 Bonds herein authorized. The New Series 1975 Bonds and the New Series Outstanding Bonds are and shall be on a parity and in all respects of equal dignity.

(b) Pursuant to the provisions of the Amendments to Section 18 of Article VII of the Texas Constitution, approved by a vote of the people of Texas on November 6, 1956, and on November 8, 1966, the New Series 1975 Bonds, the New Series Outstanding Bonds, and any other New Series Additional Parity Bonds and Notes hereafter 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 Permanent University Fund Bonds, New Series 1967, 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 1975 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, 1975, and semiannually thereafter on or before May 15 and November 15 of each year while the New Series 1975 Bonds, or interest thereon, are outstanding and unpaid, the amount of interest or principal and interest which will become due on the New Series 1975 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 as principal and interest respectively mature, on or before November 15, 1975, and semiannually thereafter on or before May 15 and November 15 of each year while any of the New Series 1975 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 (when both are scheduled to accrue and mature) which will become due on the January 1 or July 1 next following.

(2) In the event New Series 1975 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 1975 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 1975 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 1975 Bonds and coupons, and shall furnish the Board with an appropriate certificate of destruction covering the New Series 1975 Bonds and coupons thus destroyed.

(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 1975 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 Sections 7 through 13, both inclusive, of the aforesaid resolution adopted June 16, 1967, authorizing the issuance of the Permanent University Fund Bonds, New Series 1967, are hereby referred to, adopted, and made applicable to the New Series 1975 Bonds authorized by this Resolution, for all purposes.

10. That after said New Series 1975 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 the Board covenants to and with the purchaser of the New Series 1975 Bonds that it will make no use of the proceeds of the New Series 1975 Bonds at any time throughout the term of this issue of New Series 1975 Bonds which, if such use had been reasonably expected on the date of delivery of the New Series 1975 Bonds to and payment for the New Series 1975 Bonds by the purchasers, would have caused the New Series 1975 Bonds to be arbitrage bonds within the meaning of Section 103(d) of the Internal Revenue Code of 1954, as amended, or

any regulations or rulings pertaining thereto; and by this covenant the Board is obligated to comply with the requirements of the aforesaid Section 103(d) and all applicable and pertinent Department of the Treasury regulations relating to arbitrage bonds. The Board further covenants that the proceeds of the New Series 1975 Bonds will not otherwise be used directly or indirectly so as to cause all or any part of the New Series 1975 Bonds to be or become arbitrage bonds within the meaning of the aforesaid Section 103(d), or any regulations or rulings pertaining thereto.

12. That it is hereby officially found and determined that the meeting at which this Resolution was adopted was open to the public, and public notice of the time, place, and purpose of said meeting was given, all as required by Vernon's Ann. Civ. St. Article 6252-17.

13. That said New Series 1975 Bonds are hereby sold and shall be delivered to a syndicate headed by First City National Bank of Houston, Houston, Texas, for the principal amount thereof and accrued interest to date of delivery, plus a premium of \$98.00.

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RECOGNITION OF STUDENT OFFICERS AND THE HONORABLE PRESTON SMITH. --Chairman Shivers recognized and welcomed the following students from various component institutions who attended the meeting:

The University of Texas at Arlington

Mr. Bill Eden, President of Student Congress

The University of Texas at Austin

Miss Carol Crabtree, President of Students' Association

Mr. Lyn Breeland, Vice-President of Students' Association

The University of Texas at Dallas

Mr. Richard Hoffman, representing the Student Congress

The University of Texas at El Paso

Mr. James Corral, President of Students' Association

Miss Diana Origel, Executive Vice-President of Students' Association

Chairman Shivers presented to the Board of Regents and to all in attendance at the meeting The Honorable Preston Smith, a former Lieutenant Governor and a former Governor of the State of Texas, who arrived near the close of the Buildings and Grounds Committee meeting. In response to Chairman Shivers' recognition, Governor Smith applauded the members of the Board of Regents for the manner in which they conduct the business of The University of Texas System.

RECESS. --The Board of Regents recessed at 9:05 a. m. to reconvene as soon as the Standing Committees had completed their meetings.

EXECUTIVE SESSION OF THE COMMITTEE OF THE WHOLE. --Immediately following the Open Session of the Committee of the Whole, the Board of Regents retired to Room 1.202-1.203 and convened as a Committee of the Whole in Executive Session pursuant to Article 6252-17, Sections 2(e), (f) and (g), Vernon's Civil Statutes to consider:

1. U. T. System: 1975-76 Operating Budgets
2. U. T. System: U. T. Foundation, Inc.
3. U. T. San Antonio: Archaeological Grant of Easement
4. U. T. Austin - Will C. Hogg Memorial Fund: Recommendation for Joinder in Oil and Gas Lease to Brownco, Inc., Covering Memorial Park in Houston, Harris County, Texas
5. U. T. System - Personnel Matters

RECONVENE. --Immediately after the meeting of the Executive Session of the Committee of the Whole (12:17 p. m.), the Board of Regents reconvened in Room 1.208-1.210 with the same attendance as at the earlier session to receive the reports of the Committees.

#### REPORTS OF STANDING COMMITTEES

(With the exception of the Executive Session of the Committee of the Whole, all standing committees had conducted their business in Open Session in Room 1.208-1.210, the same place at which the 9:00 a. m. session of the Board of Regents had been held.)

REPORT OF SYSTEM ADMINISTRATION COMMITTEE (Pages 14-19). -- Vice-Chairman Williams, Chairman of the System Administration Committee, submitted the following Report of the System Administration Committee (Pages 14-19 ) and moved its adoption, stating that all matters in this report were considered in open session. The report was adopted by unanimous vote:

#### Report

In open session this morning, the System Administration Committee approved the following recommendations by the Administration which had been circulated to members of the System Administration Committee since its last meeting on June 5, 1975. These recommendations are now submitted in this report for formal approval by the Board of Regents:

U. T. Arlington, U. T. Austin, Galveston Medical Branch, San Antonio Health Science Center (San Antonio Medical School) and University Cancer Center: Amendments to the 1974-75 Budgets (9-B-75 and 10-B-75). --It is recommended by the appropriate chief administrative officers, concurred in by System Administration, that the following amendments to the 1974-75 Budgets for The University of Texas at

Arlington, The University of Texas at Austin, The University of Texas Medical Branch at Galveston, The University of Texas Health Science Center at San Antonio (San Antonio Medical School) and The University of Texas System Cancer Center be approved (Pages 15 - 19):

The University of Texas at Arlington

<u>Item No. and Explanation</u>	<u>Present Status</u>	<u>Proposed Status</u>	<u>Effective Dates</u>
Auxiliary Enterprises - Bookstore			
Transfer of Funds	From: Bookstore Unappropriated Balance via Estimated Income	To: Bookstore - Wages	
Amount of Transfer	\$ 11,000	\$ 11,000	---

The University of Texas at Austin

<u>Item No. and Explanation</u>	<u>Present Status</u>	<u>Proposed Status</u>	<u>Effective Dates</u>
Auxiliary Enterprises - Jester Center Store			
Transfer of Funds	From: Jester Center Store - Unappropriated Balance via Estimated Income	To: Jester Center Store - Other Expenses	
Amount of Transfer	\$ 68,000	\$ 68,000	---
Auxiliary Enterprises - Student Government			
Transfer of Funds	From: Student Government - Unappropriated Balance via Optional Fee Income	To: Student Government - Other Operating Expenses	
Amount of Transfer	\$ 6,031	\$ 6,031	---
Auxiliary Enterprises - Division of Recreational Sports			
Transfer of Funds	From: Division of Recreational Sports - Unappropriated Balance via Estimated Income	To: Division of Recreational Sports - Other Expenses	
Amount of Transfer	\$ 1,230	\$ 1,230	---

Item No. and Explanation	Present Status	Proposed Status	Effective Dates
54. Auxiliary Enterprises - U. T. Austin Student Publications			
Transfer of Funds	From: U. T. Austin Student Publications - Unappropriated Balance via Estimated Income (The Daily Texan)	To: Budgeted Expense - Equipment	
Amount of Transfer	\$ 16,500	\$ 16,500	---
55. Auxiliary Enterprises - Intercollegiate Athletics for Women			
Transfer of Funds	From: Inter- collegiate Athletics for Women - Unappro- priated Balance via Estimated Income	To: Inter- collegiate Athletics for Women - Other Expenses	
Amount of Transfer	\$ 2,554	\$ 2,554	---
56. Auxiliary Enterprises - Intercollegiate Athletics for Men			
Transfer of Funds	From: Inter- collegiate Athletics for Men - Unappro- riated Balance	To: Inter- collegiate Athletics for Men - Other Expenses	
Amount of Transfer	\$ 21,550	\$ 21,550	---
57. Auxiliary Enterprises - Intercollegiate Athletics Dining Service			
Transfer of Funds	From: Inter- collegiate Athletics - Unappropriated Balance	To: Inter- collegiate Athletics - Dining Service - Salaries \$ 5,300 Other Operat- ing Expenses 29,700 <u>\$ 35,000</u>	
Amount of Transfer	\$ 35,000	<u>\$ 35,000</u>	---
58. Auxiliary Enterprises - Longhorn Band			
Transfer of Funds	From: Inter- collegiate Athletics - Unappropriated Balance \$ 30,000  Auxiliary Enterprises - Administration Unallocated <u>\$ 20,000</u>	To: Longhorn Band - Uniforms	
Amount of Transfer	<u>\$ 50,000</u>	\$ 50,000	---

In 1967 the Athletics Council loaned the Longhorn Band \$28,000 to purchase new uniforms and this sum was repaid by the Band in four equal installments bi-annually.

New uniforms at an approximate cost of \$50,000 are being ordered. The Vice-President for Business Affairs has assured the Band that \$20,000 from funds available to the President has been set aside for the purchase of new uniforms. The band is requesting approval of a loan from the Athletics Council of \$30,000 to be repaid bi-annually at a rate of \$7,500 in four installments. The first payment is to be in 1977.

59. Auxiliary Enterprises -  
The Texas Tavern (Texas  
Union) Budget for 1974-75

THE TEXAS UNION  
THE TEXAS TAVERN  
BUDGET 1974-75

<u>ESTIMATED INCOME</u>	<u>1974-75 BUDGET</u>
Beer	\$ 92,000
Wine	3,425
Distilled Spirits	25,200
Food	<u>55,650</u>
Total Estimated Income	<u>\$ 176,275</u>

<u>Item No. and Explanation</u>	<u>Present Status</u>	<u>Proposed Status</u>	<u>Effective Dates</u>
59. Auxiliary Enterprises - The Texas Tavern (Texas Union) Budget for 1974-75 (Continued)			

THE TEXAS UNION  
THE TEXAS TAVERN  
BUDGET 1974-75  
(Continued)

<u>BUDGETED EXPENSES</u>	<u>1974-75 BUDGET</u>
Salaries	\$ 9,075
Wages	<u>\$ 47,555</u>
Other Operating Expenses	
Cost of Beer	38,000
Cost of Wine	1,550
Cost of Distilled Spirits	6,500
Cost of Food	30,100
Supplies and Services	10,715
Utilities	5,000
Repairs	1,500
Miscellaneous	1,500
Benefits - OASI, WCI, UCS, Insurance	3,785
Tax - ABC	<u>12,063</u>
Sub-total	<u>\$ 110,713</u>
Total Budgeted Expenses	<u>\$ 167,343</u>
EXCESS INCOME OVER BUDGETED EXPENSES	\$ 8,932
Transfer from Reserve (Auxiliary Enterprises)	\$ 7,000
ESTIMATED BEGINNING BALANCE	<u>\$ -0-</u>
ESTIMATED ENDING BALANCE	<u>\$ 15,932</u>

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The University of Texas  
Medical Branch at Galveston

<u>Item No. and Explanation</u>	<u>Present Status</u>	<u>Proposed Status</u>	<u>Effective Dates</u>
3. Medical Branch Hospital Units			
Transfer of Funds	From: Unappropriated Balance via Estimated Income	To: University Hospitals -	
		Unit Management	\$ 73,400
		Emergency Room	1,000
		Surgical Operating Suite	200,000
		Central Supply	200,000
		Social Service	500
		Blood Bank	38,000
		Family Medicine	1,800
		Gastroenterology	
		Endoscopy Laboratory	750
		Infectious Disease Laboratory	5,000
		Nuclear Medicine Service	40,000
		Pharmacy	123,000
		Pulmonary Therapy Service	24,000
		Radiology Service	83,000
		Special Hematology Laboratory	9,000
		Housekeeping	39,100
		Laundry	18,000
		Chronic Home Dialysis Program	90,000
		Unallocated Appropriations - Hospitals	53,450
Amount of Transfer	\$1,000,000		<u>\$1,000,000</u>

The University of Texas  
Health Science Center at San Antonio

<u>Item No. and Explanation</u>	<u>Present Status</u>	<u>Proposed Status</u>	<u>Effective Dates</u>
<u>San Antonio Medical School</u>			
8. Carl J. Pauerstein (Tenure) Obstetrics and Gynecology	Professor	Professor	
Salary Rate	\$ 34,809	\$ 37,809	5/1/75
Source of Funds:			
Unallocated Salaries			

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<u>Item No. and Explanation</u>	<u>Present Status</u>	<u>Proposed Status</u>	<u>Effective Dates</u>
Auxiliary Enterprises - Bookstore			
Transfer of Funds	From: Bookstore Unappropriated Balance via Estimated Income	To: Bookstore - Salaries Purchase of Materials for Resale Unallocated	\$ 1,620  200,000 <u>38,051</u>
Amount of Transfer	\$239,671		<u>\$239,671</u>

The University of Texas System Cancer Center

<u>Item No. and Explanation</u>	<u>Present Status</u>	<u>Proposed Status</u>	<u>Effective Dates</u>
M. D. Anderson Hospital and Tumor Institute			
Transfer of Funds	From: Unappropriated Balance via Estimated Income	To: Patient Care Activities - Blood Bank - Maintenance & Operation \$ 250,000 Clinical Chemistry and Laboratory Medicine Services - Maintenance & Operation 150,000 Pharmacy - Maintenance & Operation 700,000 Diagnostic Radiology Service - Maintenance & Operation 200,000 Central Sterile Supply - Maintenance & Operation 100,000 General Services Housekeeping - Maintenance & Operation 100,000	
Amount of Transfer	\$1,500,000		<u>\$ 1,500,000</u>

REPORT OF ACADEMIC AND DEVELOPMENTAL AFFAIRS COMMITTEE (Pages 20-34). --In the absence of Committee Chairman (Mrs.) Johnson, Chairman Shivers conducted the business of the Academic and Developmental Affairs Committee and filed the following report, all actions of which had been taken in Open Session. Upon motion duly made and seconded, the report was adopted and the actions therein were ratified:

1. U. T. System: Chancellor's Docket No. 81 (Attachment No. 1) (Catalog Change). -- No exception was received to Chancellor's Docket No. 81 (Attachment No. 1). The Docket was approved in the form distributed by Secretary Thedford and is attached (Attachment No. 1) following Page 137 and made a part of these Minutes.

It is ordered that any item included in this Docket that is normally published in the catalogs of the various institutions be reflected in the first catalog published hereafter by the respective institution.

2. U. T. Arlington: Amendment to Student Community Constitution of Student Congress. -- Upon recommendation of President Nedderman, concurred in by Chancellor LeMaistre, the Student Community Constitution of the Student Congress at The University of Texas at Arlington was amended by deleting Article 2, Section 3, Subsection 3, and substituting in lieu thereof the following:

Article 2, Section 3, Subsection 3 -- No student shall represent more than one (1) constituency in any given term. In the event of a candidate who was elected to represent more than one constituency in a given term, the candidate must notify the President of Student Congress within 7 days which office he will represent and the vacancy created thereby shall be dealt with at the first Student Congress meeting following the election by a two-thirds vote of membership as to which of two options available to fill the vacancy will be implemented, namely

- (1) a popular election from within the constituency in question
- (2) appointment by the President of Student Congress

Whichever course of action is taken, the vacancy must be filled within thirty days of the election.

This amendment clarifies the procedure for filling a vacancy providing a student filed for and was elected to two positions during a student election.

3. U. T. Arlington: Medical Service Fee Authorized (S. B. No. 193, 64th Legislature, R. S.). -- Pursuant to authorization granted under Senate Bill No. 193, 64th Legislature, R. S., and upon recommendation of President Nedderman, as amended at the meeting, concurred in by System Administration, a Medical Service Fee of \$1.00 per semester credit hour, with a maximum of \$10.00 for each semester of the long session and for the twelve-week summer session and a maximum of \$5.00 for each of the six-week terms of the summer session was established at The University of Texas at Arlington effective with the Fall Semester 1975.

4. U. T. Arlington and U. T. Dallas (Cooperative Program); U. T. El Paso, and U. T. San Antonio: Request for Permission from Coordinating Board to Establish Off Campus Academic Programs. --

Prior to guidelines being established by the Coordinating Board, Texas College and University System for approval of off campus academic programs, the following off campus academic programs to be offered in the urban area where the respective components are located were approved with authorization to seek permission from the Coordinating Board, Texas College and University System to establish such programs:

- a. The University of Texas Downtown Center in Dallas  
and  
The University of Texas Downtown Center in Fort Worth

These centers for off campus academic programs of The University of Texas at Dallas and The University of Texas at Arlington are cooperative programs between the two institutions for graduate and upper level undergraduate instruction. It is estimated that each center will require about 10,000 square feet of space. Funds for leasing space and staffing courses in both of the centers are being requested in the appropriate accounts of each institution's 1975-76 Operating Budget being considered at this meeting.

- b. The University of Texas at El Paso Academic Courses at Fort Bliss

These courses at Fort Bliss in connection with The University of Texas at El Paso have been offered for many years and are taught by members of the regular faculty as a part of their normal workload.

- c. The University of Texas at San Antonio Off Campus Courses

These courses will be offered at:

- (1) the Institute of Texan Cultures and other facilities on Hemisfair Plaza,
- (2) the military bases in and around San Antonio, and
- (3) local facilities such as public schools when needs arise.

Funds for these programs are included in the appropriate accounts of the Institution's 1975-76 Operating Budget being considered at this meeting.

5. U. T. Austin (College of Pharmacy): Amendment to Model Affiliation Agreements for Pharmacy and Nursing Students to Include "Hold Harmless Clause"; and Affiliation Agreements for Clinical Training of Pharmacy Students with (a) Seton Medical Center, Austin, Texas; and (b) Valley Baptist Hospital, Harlingen, Texas. -- System Administration recommended and the Committee approved a revision of the model affiliation agreements for clinical training of pharmacy students, adopted on September 8, 1971, and for clinical training of nursing students, adopted on September 12, 1970. These model agreements were amended by deleting paragraph (7) and substituting in lieu thereof the following:

- (7) Insofar as the University is authorized by the Constitution and laws of the State of Texas, the University agrees to hold the Facility harmless from and against any and all liability resulting from the use of the Facility by the University. The University does not agree to hold the Facility harmless for the gross or willful negligence of the Facility, its officers, employees, or agents, or the actions of a third party over which the University has no supervision, control, or jurisdiction.

Following the approval of the revision, System Administration submitted affiliation agreements with Seton Medical Center, Austin, Texas, and Valley Baptist Hospital, Harlingen, Texas, both for the clinical training of pharmacy students at The University of Texas at Austin. These agreements conform to the model agreement approved by the Board of Regents on September 8, 1971, with the exception that they contain the "hold harmless clause" as set out above.

The agreements as set out on Pages 22 - 29 were approved, and the Chairman of the Board of Regents was authorized to execute each when it had been approved as to form by a University attorney and as to content by the Deputy Chancellor for Administration and the Assistant to the Chancellor for Academic Affairs:

- a. Agreement with Seton Medical Center, Austin, Texas (Pages 22 - 25):

AFFILIATION AGREEMENT

THE STATE OF TEXAS    X

COUNTY OF TRAVIS    X

This AGREEMENT is executed on \_\_\_\_\_, 1975, between the BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM, for and on behalf of the College of Pharmacy of The University of Texas at Austin, hereinafter sometimes referred to as "University" in this agreement, and SETON MEDICAL CENTER, hereinafter sometimes referred to as "Facility," WITNESSETH:

WHEREAS, it is agreed by the parties to be of mutual interest and advantage that the students and faculty of the University be given the opportunity to utilize the Facility as a clinical laboratory and for educational purposes:

NOW, THEREFORE, for and in consideration of the foregoing, and in further consideration of mutual benefits, the parties to this agreement agree as follows:

(1) The Facility will permit students of the University to engage in clinical pharmacy clerkships under the direct supervision and responsibility of the faculty of the University. The individual faculty members will be responsible to the liaison person designated by the Facility for all general arrangements relating to student clerkships.

(2) The number and distribution of students between the divisions of the Facility will be mutually agreed upon between the University and the Facility at the beginning of each semester.

(3) The period of assignment shall be during regular University academic sessions except in the instance of special arrangements, such as for workshop participants.

(4) The University will provide the Facility with the names of the students who are entitled to use the resources of the Facility under the terms of this agreement.

(5) Representatives of the University and the Facility shall meet as often as necessary to study the clerkship program and terms of this agreement and make such suggestions and changes as are needed.

(6) University personnel, faculty, and students will be subject to the rules and regulations established by the Facility for the division of the Facility to which they are assigned:

(A) the Facility will charge the University no fees for general supervision of clerkships provided for students;

- (B) students will be responsible for their own meals, laundry, and transportation to and from the Facility;
- (C) the University will be responsible for the student's health needs while in the performance of this agreement;
- (D) the Facility will not be charged for services performed by University personnel or students; and
- (E) University personnel, students, and faculty shall be responsible for their own expenses in case of injury, illness, or hospitalization.

(7) Insofar as the University is authorized by the Constitution and laws of the State of Texas, the University agrees to hold the Facility harmless from and against any and all liability resulting from the use of the Facility by the University. The University does not agree to hold the Facility harmless for the gross or willful negligence of the Facility, its officers, employees, or agents, or the actions of a third party over which the University has no supervision, control, or jurisdiction.

(8) The salaries and expenses of any instructors, supervisors, or other employees of the University will be paid by the University. The University agrees that members of its faculty will serve as consultants and on committees of the Facility when requested by the Facility.

(9) The Facility further agrees as follows:

- (A) to maintain the criteria for accreditation as established by the Joint Commission on Accreditation of Hospitals, or other appropriate accrediting agency;
- (B) to provide to the University the necessary space or facilities for conference and classroom areas for student teaching, as available;

- (C) to provide lounge and locker space for students of the University, as available;
- (D) to allow students and faculty members of the University to utilize the Facility's eating facilities, as available, at the students' and faculty's sole expense.

(10) This agreement is for a term of one year, and thereafter from year to year unless terminated by either party upon giving six months' advance notice to the other party by certified mail.

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

ATTEST:

BOARD OF REGENTS OF THE  
UNIVERSITY OF TEXAS SYSTEM

  
\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Chairman

ATTEST:

BOARD OF TRUSTEES  
SETON MEDICAL CENTER

\_\_\_\_\_  
Approved as to Form:

\_\_\_\_\_  
Chairman

Approved as to Content:

\_\_\_\_\_  
Hospital Attorney

\_\_\_\_\_  
Administrator

Approved as to Form:

Approved as to Content:

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

\_\_\_\_\_  
Deputy Chancellor  
for Administration

\_\_\_\_\_  
Assistant to the Chancellor  
for Academic Affairs

- b. Agreement with Valley Baptist Hospital, Harlingen, Texas (Pages 26 - 29):

AFFILIATION AGREEMENT

THE STATE OF TEXAS }  
COUNTY OF TRAVIS }

This AGREEMENT is executed on \_\_\_\_\_, 1975, between the BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM, for and on behalf of the College of Pharmacy of The University of Texas at Austin, hereinafter sometimes referred to as "University" in this agreement, and VALLEY BAPTIST HOSPITAL, HARLINGEN, TEXAS, hereinafter sometimes referred to as "Facility," WITNESSETH:

WHEREAS, it is agreed by the parties to be of mutual interest and advantage that the students and faculty of the University be given the opportunity to utilize the Facility as a practice laboratory and for educational purposes:

NOW, THEREFORE, for and in consideration of the foregoing, and in further consideration of mutual benefits, the parties to this agreement agree as follows:

(1) The Facility will permit students of the University to engage in clinical pharmacy clerkships under the direct supervision and responsibility of the faculty of the University. The individual faculty members will be responsible to the liaison person designated by the Facility for all general arrangements relating to student clerkships.

(2) The number and distribution of students between the divisions of the Facility will be mutually agreed upon between the University and the Facility at the beginning of each semester.

(3) The period of assignment shall be during regular University academic sessions except in the instance of special arrangements, such as for workshop participants.

(4) The University will provide the Facility with the names of the students who are entitled to use the resources of the Facility under the terms of this agreement.

(5) Representatives of the University and the Facility shall meet as often as necessary to study the clerkship program and terms of this agreement and make such suggestions and changes as are needed.

(6) University personnel, faculty, and students will be subject to the rules and regulations established by the Facility for the division of the Facility to which they are assigned:

(A) the Facility will charge the University no fees for general supervision of clerkships provided for students;

(B) students will be responsible for their own meals, laundry, and transportation to and from the Facility;

(C) the University will be responsible for the student's health needs while in the performance of this agreement;

(D) the Facility will not be charged for services performed by University personnel or students; and

(7) Insofar as the University is authorized by the Constitution and laws of the State of Texas, the University

agrees to hold the Facility harmless from and against any and all liability resulting from the use of the Facility by the University. The University does not agree to hold the Facility harmless for the gross or willful negligence of the Facility, its officers, employees, or agents, or the actions of a third party over which the University has no supervision, control, or jurisdiction.

(8) The salaries and expenses of any instructors, supervisors, or other employees of the University will be paid by the University. The University agrees that members of its faculty will serve as consultants and on committees of the Facility when requested by the Facility.

(9) The Facility further agrees as follows:

- (A) to maintain the criteria for accreditation as established by the Joint Commission on Accreditation of Hospitals, or other appropriate accrediting agency;
- (B) to provide to the University the necessary space or facilities for conference and classroom areas for student teaching, as available;
- (C) to provide lounge and locker space for students of the University, as available;
- (D) to allow students and faculty members of the University to utilize the Facility's eating facilities, as available, at the students' and faculty's sole expense.

(10) This agreement is for a term of one year, and thereafter from year to year unless terminated by either

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party upon giving six months' advance notice to the other party by certified mail.

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

ATTEST:

BOARD OF REGENTS OF THE  
UNIVERSITY OF TEXAS SYSTEM

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Chairman

ATTEST:

BOARD OF TRUSTEES  
VALLEY BAPTIST HOSPITAL

\_\_\_\_\_

\_\_\_\_\_  
Chairman

Approved as to Form:

Approved as to Content:

\_\_\_\_\_  
Hospital Attorney

\_\_\_\_\_  
Administrator

Approved as to Form:

Approved as to Content:

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

\_\_\_\_\_  
Deputy Chancellor  
for Administration

\_\_\_\_\_  
Assistant to the Chancellor  
for Academic Affairs

6. U. T. Austin: Appointment of (a) Professor Hans Baade to Hugh Lamar Stone Chair in Civil Law and (b) Professor William W. Gibson, Jr., to Albert Sidney Burleson Professorship in Law. -- Approval was given to the recommendation of President Rogers, concurred in by Chancellor LeMaistre, that the following appointments be made at The University of Texas at Austin effective with the Fall Term 1975:

- a. Professor Hans Baade to Hugh Lamar Stone Chair in Civil Law. This chair, established on October 24, 1964, was held by Carl Fulda until his death in January 1975.

Professor Baade, who currently holds the Albert Sidney Burleson Professorship, has an educational background in both Continental Europe and the United States and has published writings in German and English. He has served as editor of the publication, "Law and Contemporary Problems," and has been a member as well as chairman of the committee on regional meetings of the American Society of International Law. Professor Baade has built a reputation not only as a scholar and academician but also as a popular and respected classroom teacher.

This appointment is reflected in the 1975-76 Operating Budget being considered at this meeting (Page 467).

- b. Professor William W. Gibson, Jr., to Albert Sidney Burleson Professorship. This professorship was established on August 1, 1959.

Professor Gibson, current holder of the Sterling Holloway Grant for Research into Texas Real Property Law, received his B.A. and LL.B. degrees from The University of Texas. In Law School he was editor of the Texas Law Review and earned membership in the Order of the Coif. He currently serves on committees for the American Bar Association and the State Bar of Texas and is Faculty Adviser to the Texas Law Review.

Details of this appointment will be reflected in a future Docket.

7. U. T. Austin: Appearance of Miss Carol Crabtree, President of Students' Association, and Mr. Lyn Breeland, Vice-President of Students' Association; Withdrawal of Request by Mr. Neal Graham, President of Board of Operating Trustees for Student Publications, to Appear Before Board; Student Services Fee (Required); and Establishment of Student Medical Service Fee (S.B. No. 193, 64th Legislature, R.S.) Effective with 1975 Fall Semester. -- Though there was no recommendation on the Agenda for a change in funding of Student Government at The University of Texas at Austin, the officers of the Students' Association at U. T. Austin, Miss Carol Crabtree and Mr. Lyn Breeland, President and Vice-President respectively, appeared before the Board and requested that there be mandatory funding for Student Government and that the Student Services Fee (Required) include an allocation therefor for 1975-76.

Originally Mr. Neal Graham, President of the Board of Operating Trustees for Student Publications, had asked to appear before the Board to request mandatory funding for The Daily Texan; however, he deferred his request until later in order to give more time to the U. T. Austin administration for studying the merits of a required fee.

President Rogers did not recommend a change in funding for either Student Government or The Daily Texan for 1975-76 but she did remind the Regents that at the meeting held on March 14, 1975, she indicated she would appoint a committee to study long-range approaches to funding both Student Government and Student Publications.

Upon motion of Regent Nelson, seconded by Regent Law, the item was passed over temporarily. President Rogers was directed to appoint a committee to study funding of Student Government and The Daily Texan which will report back to her no later than February 1976. She was further directed to present the findings of the committee, together with her recommendation, to the Board of Regents as soon thereafter as possible.

Whereupon the Student Services Fee (Required) at The University of Texas at Austin was set at \$18.00 per semester and \$9.00 per six-week summer term with a proportionate fee of \$1.50 per semester credit hour for students taking between 1 and 11 semester credit hours effective with the Fall Semester 1975. The income from this fee was ordered budgeted to support:

- a. Student Health Center (in addition to Medical Service Fee)
- b. Students' Attorney
- c. Recreational Sports
- d. Shuttle Bus Service

A budget of this income to these 4 services is being considered at this meeting in the 1975-76 Operating Budget (Page 963 ).

Pursuant to authorization under Senate Bill No. 193, 64th Legislature, R.S., and upon recommendation of President Rogers, concurred in by System Administration, a Medical Service Fee of \$15.00 for each regular semester and \$7.50 for each six-week term of the summer session was established effective with the 1975 Fall Semester.

8. U. T. Dallas: Student Medical Service Fee (S. B. No. 193, 64th Legislature, R. S.), Student Use Fee (Section 55.16 of Texas Education Code as Amended) and Student Services Fee (Required) Effective with 1975 Fall Semester. -- Upon recommendation of President Jordan, concurred in by System Administration, the following mandatory fees were established for The University of Texas at Dallas effective with the 1975 Fall Semester:

- a. Student Medical Service Fee of \$15.00 for regular semester and for twelve-week summer session and \$7.50 for each six-week term of the summer session (Authorized by S. B. No. 193, 64th Legislature, R. S.).
- b. Student Use Fee of \$6.00 per semester credit hour for each regular semester, the twelve-week summer session and each of the six-week terms of the summer session (Authorized by Section 55.16 of the Texas Education Code as amended).
- c. Student Services Fee (Required) of \$2.50 per semester credit hour, not to exceed the statutory limit of \$30.00 for each regular semester or twelve-week summer session and not to exceed \$15.00 for each six-week term of the summer session. The income from this fee was ordered budgeted to support:
  - (1) Student Government
  - (2) Student Activities
  - (3) Student I. D. Cards
  - (4) Sports and Recreation
  - (5) College Activity Programs
  - (6) Arts and Humanities Program

A budget of this income to these services is being considered at this meeting in the 1975-76 Operating Budget (Page 142).

9. U. T. Dallas: Authorization to Seek Permission from Coordinating Board for Modifications of Administrative Structure. -- Approval was given to seek permission from the Coordinating Board, Texas College and University System to modify the administrative structure of The University of Texas at Dallas that was approved by the Coordinating Board on April 21, 1972, by eliminating the institute concept and creating the following schools with their respective teaching and research assignments:

a. School of Natural Sciences and Mathematics

Undergraduate Program in Dietetics and Nutrition

Undergraduate and Graduate Programs in Biology, Chemistry, Geosciences, Mathematics and Physics

Graduate Programs in Environmental Sciences,  
Industrial Biosciences and Science Education

Center for Energy Studies, Environmental Studies,  
Quantum Electronics and Space Sciences

b. School of Human Development

Undergraduate Programs in Psychology and Speech  
Pathology and Audiology

Undergraduate and Graduate Programs in Special  
Education

Graduate Programs in Communication Disorders  
and Human Development

Callier Center for Communication Disorders

c. School of Management and Administration

Undergraduate Program in Business and Public  
Administration

Graduate Programs in Management and Adminis-  
trative Sciences, Management Science, and  
International Management Studies

Center for Management Science

d. School of Social Sciences

Undergraduate Programs in Anthropology, Eco-  
nomics, Geography, Political Science and Sociology

Graduate Program in Political Economy

e. School of Arts and Humanities

Undergraduate Programs in Asian Studies, Classics,  
English, French, German, History, Music, Philosophy,  
Russian, Spanish, Theatre and Visual Arts

Graduate Program in Humanities

f. School of General Studies

Undergraduate and Graduate Programs in General  
Studies (By direction of the Coordinating Board, the  
Graduate Program in this school will, effective  
September 1, 1976, be known as the Graduate Program  
in Interdisciplinary Studies.)

It was noted that centers are to be created only in those instances where mission oriented (largely contract type) research or clinical activity is involved; other research (largely grant type) is to be carried on within the confines of the appropriate graduate programs.

10. U. T. Permian Basin: Policy Statement Authorizing Sale of Beer and Wine on Campus. -- Upon recommendation of President Cardozier, concurred in by Chancellor LeMaistre, the following policy statement authorizing the sale of beer and wine on the campus of The University of Texas of the Permian Basin was adopted. Vice-Chairman Williams voted "No":

"The University of Texas of the Permian Basin is authorized to sell wine and beer on campus and to take all necessary actions to meet this objective, including obtaining a beer and wine retailers permit. Beer and wine may be sold and served in the Student Lounge, Faculty Dining area, and other locations on campus considered appropriate by the President. It is understood that this permissive authority is contingent upon full compliance with all appropriate laws, ordinances, and administrative rules and regulations."

In presenting the recommendation, President Cardozier indicated that it would be necessary to request the City of Odessa to change its ordinance so as to allow The University of Texas of the Permian Basin to file for a permit with the Texas Alcoholic Beverage Commission.

11. U. T. Arlington, U. T. Austin, U. T. Dallas, U. T. El Paso and U. T. San Antonio: Enumeration of Catalog Changes Authorized by Action of This Committee. -- The following were authorized to be included in the first catalog of the respective institution published hereafter:

- a. U. T. Arlington: Medical Service Fee (Item 3, Page 20)
- b. U. T. Arlington, U. T. Dallas, U. T. El Paso and U. T. San Antonio: Off campus academic programs if approved by Coordinating Board (Item 4, Page 21)
- c. U. T. Austin: (Item 7, Page 31)
  - (1) Student Services Fee (Required)
  - (2) Medical Service Fee
- d. U. T. Dallas: (Item 8, Page 32)
  - (1) Student Medical Service Fee
  - (2) Student Use Fee
  - (3) Student Services Fee (Required)
- e. U. T. Dallas: Modification of administrative structure if approved by Coordinating Board (Item 9, Page 32)



Upon recommendation of President Nedderman and System Administration, the award of Alternates Nos. 4 and 5 to the contract with Frank J. Rooney, Inc., for the construction of the College of Engineering Laboratory Building and the Renovation of the Engineering Technology Building at U. T. Arlington, in the amount of \$42,700, was ratified. An additional appropriation of \$39,000 from Constitutional Tax Bond proceeds was approved.

3. U. T. Arlington - Remodeling of Hereford Student Union Building: Authorization for Project, Appointment of Jarvis-Putty-Jarvis, Inc., Dallas, Texas, Project Architect, and Appropriation Therefor. -- The need for more adequate, attractive and efficient facilities to serve the current student population of approximately 15,500 students and expected increases in the near future at The University of Texas at Arlington was reported by System Administration. The original structure and later additions to the Hereford Student Union Building were designed to accommodate a student enrollment of 10,000 to 12,000 students, and the four separate additions to the original building have created inefficient traffic patterns and space utilization.

To alleviate this need and based on the recommendations and material submitted by President Nedderman and System Administration, the Board of Regents:

- a. Authorized the Remodeling of Hereford Student Union Building at an estimated total project cost of \$1,200,000 and appointed Jarvis-Putty-Jarvis, Inc., Dallas, Texas, Project Architect for this remodeling with authorization to prepare preliminary plans and outline specifications for submission to the Board of Regents at a future meeting.
  - b. Appropriated \$15,000 from proceeds of Combined Fee Revenue Bonds for necessary fees and miscellaneous expenses through the preparation of preliminary plans and outline specifications.
  - c. System Administration was authorized to secure any other approvals for this project as may be necessary.
4. U. T. Arlington - University Bookstore: Authorization for Project, Appointment of Lawrence D. White & Associates, Fort Worth, Texas, Project Architect, and Appropriation Therefor. -- It was reported by System Administration that the University Bookstore at The University of Texas at Arlington, occupying approximately 17,352 square feet in the Hereford Student Union Building, is inadequate to serve the students' needs. The space it presently occupies is seriously needed in the remodeling of the Hereford Student Union Building (Item No. 3 above).

Upon recommendation of President Nedderman and System Administration, authorization was given for the construction of a 40,000 square foot facility in the Campus Center area to

house the University Bookstore at U. T. Arlington at an estimated total project cost of \$1,200,000. For this facility, the firm of Lawrence D. White & Associates, Fort Worth, Texas, was appointed Project Architect with authorization to prepare preliminary plans and outline specifications to be submitted to the Board of Regents for consideration at a future meeting.

An appropriation of \$15,000 from proceeds of Combined Fee Revenue Bonds for necessary topographic and foundation surveys, miscellaneous expenses and fees through the preparation of preliminary plans and outline specifications was approved.

System Administration was authorized to secure any other approvals for this project as may be necessary.

5. U. T. Arlington - Additional Parking Facilities: Ratification of Contract Award to Antlers Construction Company, Arlington, Texas. --System Administration reported that the U. T. Arlington Administration had awarded a contract to the low bidder, Antlers Construction Company, Arlington, Texas, for the construction of a parking lot at South Pecan Street and West Fourth Street at The University of Texas at Arlington. This parking lot is a part of the Additional Parking Facilities that were authorized at the Regents' meeting on February 1, 1974.

The contract award to Antlers Construction Company was ratified.

6. U. T. Austin - Printing and Press Building: Inscription on Plaque. -- Approval was given to the following inscription to be placed on the plaque of the Printing and Press Building at The University of Texas at Austin. This inscription follows the standard pattern approved by the Board of Regents at its meeting held October 1, 1966:

#### PRINTING AND PRESS BUILDING

1975

#### BOARD OF REGENTS

Allan Shivers, Chairman  
 Dan C. Williams, Vice-Chairman  
 James E. Bauerle, D. D. S.  
 Edward Clark  
 Mrs. Lyndon B. Johnson  
 Thos. H. Law  
 A. G. McNeese, Jr.  
 Joe T. Nelson, M. D.  
 Walter G. Sterling

Charles A. LeMaistre, M. D.,  
 Chancellor, The University  
 of Texas System  
 Lorene L. Rogers, President  
 ad interim, The University  
 of Texas at Austin

John E. Breen, Chairman,  
 Faculty Building Advisory  
 Committee, The University  
 of Texas at Austin

Barnes, Landes, Goodman, and  
 Youngblood, Project Architect  
 Ricks Construction Company,  
 Inc., Contractor

7. U. T. Austin - Relocation of Red River Street from 18th to 26th Streets: Report of Special Committee and Ratification of Action Regarding Negotiations with City of Austin on Costs for Sidewalks. --The Special Committee on Brackenridge Tract matters, which committee was authorized on December 13, 1974 (ratified on January 31, 1975) to enter into negotiations with the City of Austin with respect to the City's request for the University to contribute a part of the cost of sidewalks in connection with the relocation of Red River Street from 18th to 26th streets at The University of Texas at Austin, reported that it had approved a contribution of \$26,092.85 toward the cost of the wider and pebble-finished sidewalks that were not specified in the City's plans.

The report of the Special Committee was approved, and the action taken therein was ratified by unanimous vote.

8. U. T. Austin - Hal C. Weaver Power Plant - Expansion of Generating Capacity: (a) Award of Purchase Order for Condenser Tubes to Grant Supply Company, Houston, Texas, and (b) Award of Contract for Cooling Tower to Pritchard Products Division of Therma Technology, Inc., Tulsa, Oklahoma. -- At the Regents' meeting on June 14, 1974, approval was given for a total estimated project cost of \$4,500,000 for the Expansion of the Generating Capacity of the Hal C. Weaver Power Plant at The University of Texas at Austin which included the advance procurement of major items of equipment and auxiliary equipment and the installation thereof. On April 28, 1975, awards were ratified for the purchase of the Steam Turbine Generator and the Steam Condenser systems.

- a. In this connection, the bids for procurement of the copper condenser tubes were received, and authorization was given for U. T. Austin to issue a purchase order in the amount of \$78,784.50 for copper condenser tubes to the low bidder, Grant Supply Company, Houston, Texas.
- b. Also bids for the advance procurement of the Cooling Tower in the Expansion of the Generating Capacity of the Hal C. Weaver Power Plant at The University of Texas at Austin were considered. Attention was called to two separate proposals by Pritchard Products, each of which individually met the conditions in the call for bids and the specifications; however, the proposals were for two different acceptable products, the least costly of which would be to the University's economic advantage.

Upon recommendation of President Rogers and System Administration, a contract was awarded to the low bidder, Pritchard Products Division of Therma Technology, Inc., Tulsa, Oklahoma, in the amount of \$358,664 for the Cooling Tower. This contract award is within funds previously appropriated for the project.

9. U. T. Austin - Additional Tennis Facilities (North of 45th Street, Bounded by 51st Street and Guadalupe): Rejection of Bids and Authorization to Revise Final Plans and Readvertise for Bids. -- All bids received for the initial phase of the Additional Tennis Facilities (North of 45th Street, bounded by 51st Street and Guadalupe) at The University of Texas at Austin, authorized by the Board of Regents on March 14, 1975, (previously referred to as Expansion of Tennis Courts) exceeded the construction funds available within the \$75,000 previously approved and appropriated for this project. Evaluations were made by the Office of Facilities Planning and Construction which indicated that with some reductions in scope and other changes the construction cost for this project could be reduced to permit completion of the project within appropriated funds.

President Rogers and System Administration recommended:

- a. That all bids received on July 3, 1975, for the initial phase of the Additional Tennis Facilities at U. T. Austin be rejected and that the Office of Facilities Planning and Construction be instructed to revise the plans and specifications incorporating all practical cost reductions.
- b. That authorization be given to readvertise for bids to be submitted to the Board of Regents at a future meeting.

These recommendations were adopted.

10. U. T. Austin - Animal Resources Center: Award of Contract to Robert C. Gray Construction Company, Austin, Texas. -- For the Animal Resources Center to be constructed north of 26th Street on the east side of Speedway on the campus of The University of Texas at Austin, a construction contract was awarded to the low bidder, Robert C. Gray Construction Company, Austin, Texas, as follows. This project provides for approximately 50,500 gross square feet of finished space:

Base Bid	\$ 2,260,000
Add Alternates:	
No. 2 (Provide 3rd Level, Unfinished)	287,000
No. 3 (Finish 2nd Level, 3-story building)	258,000
No. 4 (Finish 3rd Level)	270,000
No. 7 (Provide two 3-Level Elevators)	84,000
Total Contract Award	<u>\$ 3,159,000</u>

Approval was given to increase the total project cost to \$3,571,734 to cover the building construction contract award, movable furnishings and equipment, air balancing, landscaping, fees and miscellaneous expenses. Both this contract and the revised total project cost are within funds previously appropriated for the Animal Resources Center, including Utilities Extension North of 26th Street and Widening of Speedway and 27th Streets.

11. U. T. Austin - Port Aransas Marine Institute: Renewal of Five-Year Extension of Easement (or "License") from U. S. Department of the Army for Use as Access Road. --Approval was given to renew for a five-year period the easement or "license" from the U. S. Department of the Army covering a piece of land 50 feet by 90 feet which provides a right-of-way for an access road from land owned by The University of Texas System to the site of the boat basin property at The University of Texas Marine Science Institute at Port Aransas. This easement was granted originally in May 1960 for five years and renewed thereafter at five-year intervals, expiring on March 31, 1975.

The Chairman of the Board of Regents was authorized to execute this document when it had been approved as to legal form by a University attorney and as to content by the Deputy Chancellor for Administration.

12. U. T. Dallas - Addition to Environmental Science Building: Award of Contracts for Furniture and Furnishings to Abel Contract Furniture and Equipment Company, Inc., Austin, Texas, and Central Distributing Company, San Antonio, Texas. --Upon recommendation of President Jordan and System Administration, contracts for furniture and furnishings for the Addition to the Environmental Science Building at The University of Texas at Dallas were awarded to the low bidders as follows:

Abel Contract Furniture and Equipment Company, Austin, Texas	
Base Proposal "A" (General Furniture)	\$ 2,046.00
Central Distributing Company, San Antonio, Texas	
Base Proposal "B" (Classroom Seating)	<u>37,281.28</u>
Total Contract Awards	<u>\$ 39,327.28</u>

The funds necessary to cover these contract awards are available in the previous appropriation for this project.

13. U. T. Dallas - Addition to Founders Building North (Phase III): Contract Award to Dal-Mac Construction Company, Richardson, Texas. --Upon recommendation of President Jordan and System Administration, a construction contract was awarded for the Addition to Founders Building North (Phase III) at The University of Texas at Dallas to the low bidder, Dal-Mac Construction Company, Richardson, Texas, as follows:

Base Bid	\$ 1,488,366
Add Alternate No. 1 (Finish 10,000 square feet of shelled space, second level dining)	<u>139,667</u>
Total Contract Award	<u>\$ 1,628,033</u>

This project covers approximately 26,000 gross square feet of finished space for expansion of food service, additional dining space, conference area and space for related functions of continuing education at The University of Texas at Dallas. The award for this building was made within previously appropriated project funds of \$2,100,000.

- 14. U. T. Dallas, U. T. Permian Basin and U. T. San Antonio - Thermal Energy Plants: Report of Special Committee to Approve the Amendments to Contracts with Win-Sam, Inc., Dallas, Texas, and Ratification of Action Therein. --The following report of the Special Committee to approve the amendments or the terms of renegotiated contracts with Win-Sam, Inc., Dallas, Texas, for the thermal energy plants at The University of Texas at Dallas, The University of Texas of the Permian Basin, and The University of Texas at San Antonio was received and the actions therein were ratified:



THE UNIVERSITY OF TEXAS SYSTEM  
Office of Facilities Planning and Construction  
210 WEST SIXTH STREET, AUSTIN, TEXAS 78701

TEL. NO.  
471-1517

July 3, 1975

To the Board of Regents of The University of Texas System:

The Special Committee appointed by the Board of Regents at its meeting held on June 5, 1975, has reviewed and approved the detailed terms of the renegotiated contracts between Win-Sam, Inc., and the Board of Regents for thermal energy services to be furnished at The University of Texas at Dallas, The University of Texas of the Permian Basin, and The University of Texas at San Antonio.

*R. S. Kristoferson*  
R. S. Kristoferson

*Graves W. Landrum*  
Graves W. Landrum

*E. D. Walker*  
E. D. Walker

*James E. Bauerle*  
James E. Bauerle

*Allan Shivers*  
Allan Shivers

Below are the amendments to the Proposal and Service Agreement between Win-Sam, Inc., Dallas, Texas, and the Board of Regents of The University of Texas System on behalf of (a) The University of Texas at Dallas, Dallas, Texas; (b) The University of Texas of the Permian Basin, Odessa, Texas, and (c) The University of Texas at San Antonio, San Antonio, Texas:

- a. Amendment to Proposal and Service Agreement with Win-Sam, Inc., on behalf of The University of Texas at Dallas (Pages 42 - 45):

AMENDMENT TO PROPOSAL AND SERVICE AGREEMENT

THIS AMENDMENT TO PROPOSAL AND SERVICE AGREEMENT (herein referred to as the "Amendment") made and entered into this 1st day of July, 1975 by and between WIN-SAM, INC., Dallas, Texas (hereinafter referred to as "Thermal Energy Contractor (TEC)", and THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM for the use and benefit of the University of Texas at Dallas, Dallas, Texas (hereinafter referred to as the "Board"),

WITNESSETH:

That on the 31st day of May, 1973 TEC and Board entered into a Proposal and Service Agreement (the "Agreement") pursuant to the terms of which a central energy plant system was constructed and services from such facilities are being provided supplying the chilled water and steam requirements of the buildings constituting the University of Texas at Dallas, Dallas, Texas; and that TEC and the Board are desirous of amending the Agreement in accordance with the terms and provisions hereof.

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

ARTICLE I - AMENDMENTS

A. Article IV C. Article IV C of the Agreement is hereby deleted in its entirety and the following Article IV C substituted therefor as follows:

"ARTICLE IV - RESPONSIBILITIES AND RIGHTS OF PARTIES

C. Right of Purchase. The Board shall have the option to purchase the plant from TEC on the dates and for the amounts indicated and terminate this contract as follows:

\$4,250,000.00 on September 1, 1977  
 \$3,868,000.00 on September 1, 1979  
 \$3,066,000.00 on September 1, 1984  
 \$2,427,000.00 on September 1, 1989  
 \$1,475,000.00 on September 1, 1994

At the Board's option, the Board may purchase the plant at any time after September 1, 1977 on the basis of a straight line pro-rata of elapsed days between the preceding and subsequent anniversary dates.

B. Article VII - Payment for Services. Article VII of the Agreement is hereby deleted in its entirety and the following Article VII substituted therefor as follows:

"ARTICLE VII - PAYMENT FOR SERVICES

A. Demand Charge: Board shall pay TEC a monthly demand charge which represents payment for relatively fixed costs (capital recovery, interest, profit, taxes, labor, insurance, etc.) as follows:

\$51,964.00 per month.

\$324.00 adjustment to the monthly demand charge for each full three percent change in the average cost of labor prevailing for manufacturing employees in the Dallas labor market for the month of December of each contract year from the average cost of labor prevailing for manufacturing employees in the Dallas labor market for December, 1973. The average cost of labor prevailing for manufacturing employees in the Dallas labor market shall be determined by reference to and in conformity with the index of Gross Average Hours and Earnings in the Dallas Metropolitan Area published by the Texas Employment Commission in cooperation with the United States Bureau of Labor Statistics.

B. Rate for Chilled Water: Board shall pay TEC a commodity charge which represents payment for variable costs (fuel, electricity, water, maintenance, repair, supplies, etc.) for producing furnishing and circulating chilled water, as follows:

\$0.01083 per ton hour for all ton hours per month.

One ton hour is defined as 12,000 BTU of energy.

Article VIA notwithstanding, payment for services shall begin only after delivery of chilled water has been directed in writing by the Board. In no event shall this payment for services be delayed longer than 90 days after the date specified in Article VIA, provided TEC is ready to deliver said services. Chilled water rates will be increased or, as the case may be, decreased from time to time as follows:

The maintenance and supplies adjustment shall be \$0.000021 per ton hour for each full three percent change in the average cost of labor prevailing for manufacturing employees in the Dallas labor market for the month of December of each contract year from the average cost of labor prevailing for manufacturing employees in the Dallas labor market for December, 1973. The average cost of labor prevailing for manufacturing employees in the Dallas labor market shall be determined by reference to and in conformity with the index of Gross Average Hours and Earnings in the Dallas Metropolitan Area published by the Texas Employment Commission in cooperation with the United States Bureau of Labor Statistics.

C. Rates for Steam: Board shall pay TEC a commodity charge which represents payment for variable costs for producing and furnishing steam to the delivery point, as follows:

\$0.51 per million BTU for all million BTU per month. Article VIA notwithstanding, payment for services shall begin only after delivery of steam has been directed in writing by the Board. In no event shall this payment for services be delayed longer than 90 days after the date specified in Article VIA, provided TEC is ready to deliver said services.

D. Tax Adjustment: An adjustment shall be made to reflect a change in taxes, other than income taxes, occasioned by a change in evaluation, percent assessment, change in tax rate or new taxes. Such adjustment shall be from the base of the first tax year of record under this Agreement. The documented annual increase shall be added to the monthly statement as twelve equal charges.

**E. Notice of Adjustment:** When proposing any adjustment to the rates as provided in this Article, TEC shall give written notice to Board of its computation of such adjustment not later than April 30 of that year. The adjustment shall become effective commencing with the beginning of the next succeeding fiscal year of the Board, which begins September 1.

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

**G. Renegotiation of Rate Schedules:** The above rate schedules are constructed on the premises that natural gas is the primary fuel and that fuel oil is the secondary fuel. It is agreed that secondary fuel will be used only for test purposes or during valid interruptions of primary fuel, as outlined in Article IXB, below. In the event that present primary and secondary fuels become unavailable or economically undesirable, the Board will entertain redesign and conversion of the central energy plant and renegotiation of the rates for chilled water and steam.

**H. Purchase and Payment of Utilities:** At the option of the Board, the purchase and payment of utilities (natural gas, electricity, water and secondary fuel) shall be made as specified herein under sub paragraphs (1) or (2).

(1) The Board shall purchase for and supply to TEC all primary fuel (Natural Gas), electrical energy, water and secondary fuel (No. 2 fuel oil) that is necessary and requisite for the efficient operation of the central plant system called for by the terms of this Agreement. The Board shall inform TEC in writing within three days following the end of each month during the term of this Agreement the amount or quantity of primary fuel (MMBTU), electrical energy (KWH) and water (Gals.) utilized and consumed by TEC in the central energy plant system. The board shall also advise TEC in writing within five days of delivery of the quantity and BTU value of all secondary fuel purchased and delivered to the fuel oil storage tank maintained by TEC. TEC shall meter the fuel oil in order to determine the quantity of secondary fuel consumed by TEC, if any, during each month of the term of this Agreement.

TEC shall account and deduct from each monthly Statement of Charges rendered to the Board under paragraph F of this Article an amount equal to the sum of (i) \$0.30 times the amount of primary fuel (expressed in MMBTU supplied and billed by the utility company and consumed by TEC in the central energy plant system during the preceding month and reported by the Board to TEC pursuant to paragraph H(1) above and (ii) \$0.01 times the amount of electrical energy (expressed in KWH) supplied and billed by the utility company and consumed by TEC in the central energy plant system during the preceding month and reported by the Board to TEC pursuant to paragraph H(1) above, and (iii) \$0.40 times the amount of water (expressed in thousand of gallons) supplied and billed by the utility company and consumed by TEC in the central energy plant system during the preceding month and reported by the Board to TEC pursuant to paragraph H(1) above, and (iv) \$0.30 times the amount of secondary fuel (expressed in millions of Btu's) consumed by TEC in the central energy plant system during the preceding month as revealed by TEC's meters. The conversion to increments of one million BTU shall be accomplished by using the average BTU content of the fuel oil in the storage tank.

(2) The total monthly charges based upon the rates set forth herein will be increased or decreased, as the case may be, as follows:

(a) By an amount equal to the increase or decrease in cost of electricity used in the production of steam and chilled

water for Board during the electric utility billing period immediately preceding the current month, from a base amount equal to the number of kilowatt hours (KWH) used priced at \$0.01 per KWH.

(b) By an amount equal to the increase or decrease in cost of fuels used in the production of chilled water and steam for Board during the primary fuel billing period immediately preceding the current month, from a base amount equal to the number MMBTU used priced at \$0.30 per MMBTU.

(c) By an amount equal to the increase or decrease in cost of water utilized in the production of steam and chilled water for Board during the water utility billing period immediately preceding the current month, from a base amount equal to the number of gallons used at \$0.40 per thousand gallons.

ARTICLE II - REIMBURSEMENT FOR UTILITY CHARGES

A. Payment to TEC. The Board shall reimburse TEC for all sums it has incurred for primary fuel in excess of \$0.30 per MCF, for electrical energy in excess of \$0.01 per KWH, and for water in excess of \$0.40 per thousand gallons from the commencement of central energy plant operation to the Effective Date of this Amendment as provided in Article IIIA hereof, and for the cost of secondary fuel held in the fuel oil storage tanks as of the effective date of this agreement.

ARTICLE III - EFFECTIVE DATE

A. Effective Date of this Amendment. This Amendment shall be effective the 1st day of July, 1975.

ARTICLE IV - RATIFICATION

A. Ratification of the Agreement. Except as amended, that certain Agreement dated May 31, 1973 between the parties shall remain in full force and effect and is hereby ratified and approved by the Board and TEC.

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

(SEAL)  
ATTEST:

\_\_\_\_\_  
John M. Mee, Assistant Secretary

ATTEST:

\_\_\_\_\_  
Secretary

APPROVED AS TO CONTENT:

\_\_\_\_\_  
D. Walker, Deputy Chancellor for Administration

WIN-SAM, INC.

By \_\_\_\_\_  
James M. Samis, President

BOARD OF REGENTS OF THE  
UNIVERSITY OF TEXAS SYSTEM

By \_\_\_\_\_  
Allan Shivers, Chairman

APPROVED AS TO LEGAL FORM:

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

APPROVED AS TO TECHNICAL FORM:

\_\_\_\_\_  
R. S. Kristoferson, Director, Office of Facilities Planning and Construction

- b. Amendment to Proposal and Service Agreement with Win-Sam, Inc., on behalf of The University of Texas of the Permian Basin (Pages 46 - 49):

AMENDMENT TO PROPOSAL AND SERVICE AGREEMENT

THIS AMENDMENT TO PROPOSAL AND SERVICE AGREEMENT (herein referred to as the "Amendment") made and entered into this 1st day of July, 1975 by and between WIN-SAM, INC., Dallas, Texas (hereinafter referred to as "Thermal Energy Contractor (TEC)", and THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM for the use and benefit of the University of Texas of the Permian Basin, Odessa, Texas (hereinafter referred to as the "Board"),

WITNESSETH:

That on the 31st day of May, 1973 TEC and Board entered into a Proposal and Service Agreement (the "Agreement") pursuant to the terms of which a central energy plant system was constructed and services from such facilities are being provided supplying the chilled water and steam requirements of the buildings constituting the University of Texas of the Permian Basin, Odessa, Texas; and that TEC and the Board are desirous of amending the Agreement in accordance with the terms and provisions hereof.

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

ARTICLE I - AMENDMENTS

A. Article IV C. Article IV C of the Agreement is hereby deleted in its entirety and the following Article IV C substituted therefor as follows:

ARTICLE IV - RESPONSIBILITIES AND RIGHTS OF PARTIES

C. Right of Purchase. The Board shall have the option to purchase the plant from TEC on the dates and for the amounts indicated and terminate this contract as follows:

\$3,443,648.00 on September 1, 1977  
 \$3,138,044.00 on September 1, 1979  
 \$2,570,902.00 on September 1, 1984  
 \$1,970,661.00 on September 1, 1989  
 \$1,172,324.00 on September 1, 1994.

At the Board's option, the Board may purchase the plant at any time after September 1, 1977 on the basis of a straight line pro-rata of elapsed days between the preceding and subsequent anniversary dates.

B. Article VII - Payment for Services. Article VII of the Agreement is hereby deleted in its entirety and the following Article VII substituted therefor as follows:

ARTICLE VII - PAYMENT FOR SERVICES

A. Demand Charge: Board shall pay TEC a monthly demand charge which represents payment for relatively fixed costs (capital recovery, interest, profit, taxes, labor, insurance, etc.) as follows:

\$47,009.00 per month.

\$304.00 adjustment to the monthly demand charge for each full three percent change in the state average cost of labor prevailing for manufacturing employees for the month of December of each contract

year from the state average cost of labor prevailing for manufacturing employees for December, 1973. The state average cost of labor prevailing for manufacturing employees shall be determined by reference to and in conformity with the index of Gross Average Hours and Earnings in the state published by the Texas Employment Commission in cooperation with the United States Bureau of Labor Statistics.

B. Rate for Chilled Water: Board shall pay TEC a commodity charge which represents payment for variable costs (fuel, electricity, water, maintenance, repair, supplies, etc.) for producing, furnishing and circulating chilled water, as follows:

\$0.01196 per ton hour for all ton hours per month.  
One ton hour is defined as 12,000 BTU of energy.

Article VIA notwithstanding, payment for services shall begin only after delivery of chilled water has been directed in writing by the Board. In no event shall this payment for services be delayed longer than 90 days after the date specified in Article VIA, provided TEC is ready to deliver said services. Chilled water rates will be increased or, as the case may be, decreased from time to time as follows:

The maintenance and supplies adjustment shall be \$0.000021 per ton hour for each full three percent change in the state average cost of labor prevailing for manufacturing employees for the month of December of each contract year from the state average cost of labor prevailing for manufacturing employees for December, 1973. The state average cost of labor prevailing for manufacturing employees shall be determined by reference to and in conformity with the index of Gross Average Hours and Earnings in the state published by the Texas Employment Commission in cooperation with the United States Bureau of Labor Statistics.

C. Rates for Steam: Board shall pay TEC a commodity charge which represents payment for variable costs for producing and furnishing steam to the delivery point, as follows:

\$0.55 per million BTU for all million BTU per month. Article VIA notwithstanding, payment for services shall begin only after delivery of steam has been directed in writing by the Board. In no event shall this payment for services be delayed longer than 90 days after the date specified in Article VIA, provided TEC is ready to deliver said services.

D. Tax Adjustment: An adjustment shall be made to reflect a change in taxes, other than income taxes, occasioned by a change in evaluation, percent assessment, change in tax rate or new taxes. Such adjustment shall be from the base of the first tax year of record under this Agreement. The documented annual increase shall be added to the monthly statement as twelve equal charges.

E. Notice of Adjustment: When proposing any adjustment to the rates as provided in this Article, TEC shall give written notice to Board of its computation of such adjustment not later than April 30 of that year. The adjustment shall become effective commencing with the beginning of the next succeeding fiscal year of the Board, which begins September 1.

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

G. Renegotiation of Rate Schedules: The above rate schedules are constructed on the premises that natural gas is the primary fuel and that fuel oil is the secondary fuel. It is agreed that secondary fuel will be used only for test purposes or during valid interruptions of primary fuel, as outlined in Article IXB, below. In the event

that present primary and secondary fuels become unavailable or economically undesirable, the Board will entertain redesign and conversion of the central energy plant and renegotiation of the rates for chilled water and steam.

H. Purchase and Payment of Utilities: At the option of the Board, the purchase and payment of utilities (natural gas, electricity, water and secondary fuel) shall be made as specified herein under sub paragraphs (1) or (2).

(1) The Board shall purchase for and supply to TEC all primary fuel (Natural Gas), electrical energy, water and secondary fuel (No. 2 fuel oil) that is necessary and requisite for the efficient operation of the central plant system called for by the terms of this Agreement. The Board shall inform TEC in writing within three days following the end of each month during the term of this Agreement the amount or quantity of primary fuel (MMBTU), electrical energy (KWH) and water (Gals.) utilized and consumed by TEC in the central energy plant system. The board shall also advise TEC in writing within five days of delivery of the quantity and BTU value of all secondary fuel purchased and delivered to the fuel oil storage tank maintained by TEC. TEC shall meter the fuel oil in order to determine the quantity of secondary fuel consumed by TEC, if any, during each month of the term of this Agreement.

TEC shall account and deduct from each monthly Statement of Charges rendered to the Board under paragraph F of this Article an amount equal to the sum of (i) \$0.30 times the amount of primary fuel (expressed in MMBTU supplied and billed by the utility company and consumed by TEC in the central energy plant system during the preceding month and reported by the Board to TEC pursuant to paragraph H(1) above and (ii) \$0.015 times the amount of electrical energy (expressed in KWH) supplied and billed by the utility company and consumed by TEC in the central energy plant system during the preceding month and reported by the Board to TEC pursuant to paragraph H(1) above, and (iii) \$0.50 times the amount of water (expressed in thousand of gallons) supplied and billed by the utility company and consumed by TEC in the central energy plant system during the preceding month and reported by the Board to TEC pursuant to paragraph H(1) above, and (iv) \$0.30 times the amount of secondary fuel (expressed in millions of Btu's) consumed by TEC in the central energy plant system during the preceding month as revealed by TEC's meters. The conversion to increments of one million BTU shall be accomplished by using the average BTU content of the fuel oil in the storage tank.

(2) The total monthly charges based upon the rates set forth herein will be increased or decreased, as the case may be, as follows:

(a) By an amount equal to the increase or decrease in cost of electricity used in the production of steam and chilled water for Board during the electric utility billing period immediately preceding the current month, from a base amount equal to the number of kilowatt hours (KWH) used priced at \$0.015 per KWH.

(b) By an amount equal to the increase or decrease in cost of fuels used in the production of chilled water and steam for Board during the primary fuel billing period immediately preceding the current month, from a base amount equal to the number MMBTU used priced at \$0.30 per MMBTU.

(c) By an amount equal to the increase or decrease in cost of water utilized in the production of steam and chilled water for Board during the water utility billing period immediately preceding the current month, from a base amount equal to the number of gallons used at \$0.50 per thousand gallons.

ARTICLE II - REIMBURSEMENT FOR UTILITY CHARGES

A. Payment to TEC. The Board shall reimburse TEC for all sums it has incurred for primary fuel in excess of \$0.30 per MMBTU and for electrical energy in excess of \$0.015 per KWH, and for water in excess of \$0.30 per thousand gallons from the commencement of central energy plant operation to the Effective Date of this Amendment as provided in Article IIIA hereof, and for the cost of secondary fuel held in the fuel oil storage tanks as of the effective date of this agreement.

ARTICLE III - EFFECTIVE DATE

A. Effective Date of this Amendment. This Amendment shall be effective the 1st day of July, 1975.

ARTICLE IV - RATIFICATION

A. Ratification of the Agreement. Except as herein amended, the Agreement dated May 31, 1973 between the parties shall remain in full force and effect and is hereby ratified and approved by the Board and TEC.

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

(SEAL)  
ATTEST:

WIN-SAM, INC.

\_\_\_\_\_  
John M. Mee, Assistant Secretary

By \_\_\_\_\_  
James M. Samis, President

ATTEST:

BOARD OF REGENTS OF THE  
UNIVERSITY OF TEXAS SYSTEM

\_\_\_\_\_  
Secretary

By \_\_\_\_\_  
Allan Shivers, Chairman

APPROVED AS TO CONTENT:

APPROVED AS TO LEGAL FORM:

\_\_\_\_\_  
Walker, Deputy Chancellor for  
Administration

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

APPROVED AS TO TECHNICAL FORM:

\_\_\_\_\_  
Kristoferson, Director, Office  
of Facilities Planning and Construction

- c. Amendment to Proposal and Service Agreement with Win-Sam, Inc., on behalf of The University of Texas at San Antonio (Pages 50 - 54 ):

AMENDMENT TO PROPOSAL AND SERVICE AGREEMENT

THIS AMENDMENT TO PROPOSAL AND SERVICE AGREEMENT (herein referred to as the "Amendment") made and entered into this 1st day of July, 1975 by and between WIN-SAM, INC., Dallas, Texas (hereinafter referred to as "Thermal Energy Contractor (TEC)", and THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM for the use and benefit of the University of Texas at San Antonio, San Antonio, Texas (hereinafter referred to as the "Board"),

WITNESSETH:

That on the 31st day of May, 1973 TEC and Board entered into a Proposal and Service Agreement (the "Agreement") pursuant to the terms of which a central energy plant system was constructed and services from such facilities are being provided supplying the chilled water and steam requirements of the buildings constituting the University of Texas at San Antonio, San Antonio, Texas; and that TEC and the Board are desirous of amending the Agreement in accordance with the terms and provisions hereof.

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

ARTICLE I - AMENDMENTS

A. Article IV C. Article IV C of the Agreement is hereby deleted in its entirety and the following Article IV C substituted therefor as follows:

ARTICLE IV - RESPONSIBILITIES AND RIGHTS OF PARTIES

C. Right of Purchase. The Board shall have the option to purchase the plant from TEC on the dates and for the amounts indicated and terminate this contract as follows:

\$3,815,000.00 on September 1, 1977  
 \$3,415,000.00 on September 1, 1979  
 \$2,900,000.00 on September 1, 1984  
 \$2,200,000.00 on September 1, 1989  
 \$1,248,000.00 on September 1, 1994.

At the Board's option, the Board may purchase the plant at any time after September 1, 1977 on the basis of a straight line pro-rata of elapsed days between the preceding and subsequent anniversary dates.

B. Article VII - Payment for Services. Article VII of the Agreement is hereby deleted in its entirety and the following Article VII substituted therefor as follows:

ARTICLE VII - PAYMENT FOR SERVICES

A. Demand Charge: Board shall pay TEC a monthly demand charge which represents payment for relatively fixed costs (capital recovery, interest, profit, taxes, labor, insurance, etc.) as follows:

\$49,931.00 per month.

\$300.00 adjustment to the monthly demand charge for each full three percent change in the average cost of labor prevailing for manufacturing employees in the San Antonio labor market for the month of December of each contract year from the average cost of

labor prevailing for manufacturing employees in the San Antonio labor market for December, 1973. The average cost of labor prevailing for manufacturing employees in the San Antonio labor market shall be determined by reference to and in conformity with the index of Gross Average Hours and Earnings in the San Antonio Metropolitan Area published by the Texas Employment Commission in cooperation with the United States Bureau of Labor Statistics.

B. Rate for Chilled Water: Board shall pay TEC a commodity charge which represents payment for variable costs (fuel, electricity, water, maintenance, repair, supplies, etc.) for producing furnishing and circulating chilled water, as follows:

\$0.00926 per ton hour for all ton hours per month.  
One ton hour is defined as 12,000 BTU of energy.

Article VIA notwithstanding, payment for services shall begin only after delivery of chilled water has been directed in writing by the Board. In no event shall this payment for services be delayed longer than 90 days after the date specified in Article VIA, provided TEC is ready to deliver said services. Chilled water rates will be increased or, as the case may be, decreased from time to time as follows:

The maintenance and supplies adjustment shall be \$0.000021 per ton hour for each full three percent change in the average cost of labor prevailing for manufacturing employees in the San Antonio labor market for the month of December of each contract year from the average cost of labor prevailing for manufacturing employees in the San Antonio labor market for December, 1973. The average cost of labor prevailing for manufacturing employees in the San Antonio labor market shall be determined by reference to and in conformity with the index of Gross Average Hours and Earnings in the San Antonio Metropolitan Area published by the Texas Employment Commission in cooperation with the United States Bureau of Labor Statistics.

C. Rates for Steam: Board shall pay TEC a commodity charge which represents payment for variable costs for producing and furnishing steam to the delivery point, as follows:

\$0.4997 per million BTU for all million BTU per month. Article VIA notwithstanding, payment for services shall begin only after delivery of steam has been directed in writing by the Board. In no event shall this payment for services be delayed longer than 90 days after the date specified in Article VIA, provided TEC is ready to deliver said services.

D. Tax Adjustment: An adjustment shall be made to reflect a change in taxes, other than income taxes, occasioned by a change in evaluation, percent assessment, change in tax rate or new taxes. Such adjustment shall be from the base of the first tax year of record under this Agreement. The documented annual increase shall be added to the monthly statement as twelve equal charges.

E. Notice of Adjustment: When proposing any adjustment to the rates as provided in this Article, TEC shall give written notice to Board of its computation of such adjustment not later than April 30 of that year. The adjustment shall become effective commencing with the beginning of the next succeeding fiscal year of the Board, which begins September 1.

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

G. Renegotiation of Rate Schedules: The above rate schedules are constructed on the premises that natural gas is the primary fuel and that fuel oil is the secondary fuel. It is agreed that secondary fuel will be used only for test purposes or during valid interruptions.

of primary fuel, as outlined in Article IXB, below. In the event that present primary and secondary fuels become unavailable or economically undesirable, the Board will entertain redesign and conversion of the central energy plant and renegotiation of the rates for chilled water and steam.

H. Purchase and Payment of Utilities: At the option of the Board, the purchase and payment of utilities (natural gas, electricity, water and secondary fuel) shall be made as specified herein under sub paragraphs (1) or (2).

(1) The Board shall purchase for and supply to TEC all primary fuel (Natural Gas), electrical energy, water and secondary fuel (No. 2 fuel oil) that is necessary and requisite for the efficient operation of the central plant system called for by the terms of this Agreement. The Board shall inform TEC in writing within three days following the end of each month during the term of this Agreement the amount or quantity of primary fuel (MMBTU), electrical energy (KWH) and water (Gals.) utilized and consumed by TEC in the central energy plant system. The board shall also advise TEC in writing within five days of delivery of the quantity and BTU value of all secondary fuel purchased and delivered to the fuel oil storage tank maintained by TEC. TEC shall meter the fuel oil in order to determine the quantity of secondary fuel consumed by TEC, if any, during each month of the term of this Agreement.

TEC shall account and deduct from each monthly Statement of Charges rendered to the Board under paragraph F of this Article an amount equal to the sum of (i) \$0.30 times the amount of primary fuel (expressed in MMBTU supplied and billed by the utility company and consumed by TEC in the central energy plant system during the preceding month and reported by the Board to TEC pursuant to paragraph H(1) above and (ii) \$0.01 times the amount of electrical energy (expressed in KWH) supplied and billed by the utility company and consumed by TEC in the central energy plant system during the preceding month and reported by the Board to TEC pursuant to paragraph H(1) above, and (iii) \$0.40 times the amount of water (expressed in thousand of gallons) supplied and billed by the utility company and consumed by TEC in the central energy plant system during the preceding month and reported by the Board to TEC pursuant to paragraph H(1) above, and (iv) \$0.30 times the amount of secondary fuel (expressed in millions of Btu's) consumed by TEC in the central energy plant system during the preceding month as revealed by TEC's meters. The conversion to increments of one million BTU shall be accomplished by using the average BTU content of the fuel oil in the storage tank.

(2) The total monthly charges based upon the rates set forth herein will be increased or decreased, as the case may be, as follows:

(a) By an amount equal to the increase or decrease in cost of electricity used in the production of steam and chilled water for Board during the electric utility billing period immediately preceding the current month, from a base amount equal to the number of kilowatt hours (KWH) used priced at \$0.01 per KWH.

(b) By an amount equal to the increase or decrease in cost of fuels used in the production of chilled water and steam for Board during the primary fuel billing period immediately preceding the current month, from a base amount equal to the number MMBTU used priced at \$0.30 per MMBTU.

(c) By an amount equal to the increase or decrease in cost of water utilized in the production of steam and chilled water for Board during the water utility billing period immediately preceding the current month, from a base amount equal to the number of gallons used at \$0.40 per thousand gallons.

ARTICLE II - REIMBURSEMENT FOR UTILITY CHARGES

A. Payment to TEC. The Board shall reimburse TEC for all sums it has incurred for primary fuel in excess of \$0.30 per MCF, for electrical energy in excess of \$0.01 per KWH, and for water in excess of \$0.40 per thousand gallons from the commencement of central energy plant operation to the Effective Date of this Amendment as provided in Article IIIA hereof, and for the cost of secondary fuel held in the fuel oil storage tanks as of the effective date of this agreement.

ARTICLE III - EFFECTIVE DATE

A. Effective Date of this Amendment. This Amendment shall be effective the 1st day of July, 1975.

ARTICLE IV - RATIFICATION

A. Ratification of the Agreement. Except as amended, that certain Agreement dated May 31, 1973 between the parties shall remain in full force and effect and is hereby ratified and approved by the Board and TEC.

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

WIN-SAM, INC.

By \_\_\_\_\_  
James M. Samis, President

(SEAL)  
ATTEST:

\_\_\_\_\_  
John M. Mee, Assistant Secretary

BOARD OF REGENTS OF THE  
UNIVERSITY OF TEXAS SYSTEM

By \_\_\_\_\_  
Allan Shivers, Chairman

ATTEST:

\_\_\_\_\_  
Secretary

APPROVED AS TO LEGAL FORM:

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

APPROVED AS TO CONTENT:

E. D. Walker, Deputy Chancellor for Administration

APPROVED AS TO TECHNICAL FORM:

R. S. Kristoferson, Director, Office of Facilities Planning and Construction

15. U. T. El Paso - Engineering-Science Complex: Award of Contracts for Furniture and Furnishings to Abel Contract Furniture and Equipment Company, Inc., Austin, Texas; Imperial Furniture Company, Inc., El Paso, Texas; American Desk Manufacturing Company, Temple, Texas; and Teaching Systems, Inc., Dallas, Texas. --Contract awards for furniture and furnishings for the Engineering-Science Complex at The University of Texas at El Paso were made to the low bidders as set out below upon recommendation of President Templeton and System Administration:

Abel Contract Furniture and Equipment Company, Inc., Austin, Texas

Base Proposal "A" (General Furniture)	\$ 264,462.12	
Base Proposal "C" (Stools)	<u>13,027.20</u>	\$ 277,489.32

Imperial Furniture Company, Inc., El Paso, Texas

Base Proposal "B" (Carpet)	<u>32,089.00</u>	32,089.00
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American Desk Manufacturing Company, Temple, Texas

Base Proposal "D" (Classroom Seating)	<u>27,737.12</u>	27,737.12
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Teaching Systems, Inc., Dallas, Texas

Base Proposal "E" (AV Carrels)	<u>89,637.76</u>	89,637.76
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Total Contract Awards		<u>\$ 426,953.20</u>
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It was noted that the funds necessary to cover these contract awards are available in the Furniture and Equipment Account for this project.

- 16. U. T. El Paso - Thermal Energy Plant: Report of Special Committee to Approve Amendments to Current Contract with Lone Star Energy Company and Ratification of Action Therein. --The following report was received from the Special Committee to renegotiate and approve amendments to the current contract with Lone Star Energy Company to provide thermal energy services for the campus of The University of Texas at El Paso including pass-through of costs due to escalation of prices for fuel and electricity, and the action therein was ratified:



THE UNIVERSITY OF TEXAS SYSTEM

Office of Facilities Planning and Construction

210 WEST SIXTH STREET, AUSTIN, TEXAS 78701

TEL. NO.  
471-1517

July 1, 1975

To the Board of Regents of  
The University of Texas System:

The Special Committee appointed by the Board of Regents at its meeting held on June 5, 1975, has reviewed and approved the detailed terms of a modification to the contract with Lone Star Energy Company to provide thermal energy services to the campus at U. T. El Paso, insofar as pass-through of costs due to escalation of prices for fuel, electricity, etc., is concerned.

At a later date, the Special Committee will submit a separate report concerning modifications of the same contract, as they relate to expansion of plant capacity to serve the northern part of the campus.

*Arleigh B. Templeton*  
Arleigh B. Templeton

*R. S. Kristoferson*  
R. S. Kristoferson

*Graves W. Landrum*  
Graves W. Landrum

*E. D. Walker*  
E. D. Walker

*James E. Bauerle*  
James E. Bauerle

*Allan Shivers*  
Allan Shivers

7-25-75

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The final version of the contract with Lone Star Energy Company will be reported at a future meeting.

The modifications referred to in the Special Committee's report are set out in the following interim letter amendment to the Customer Agreement, dated July 23, 1968 (Pages 56, 57):



Lone Star Energy  
Company

June 30, 1975

Graves Landrum  
Assistant Deputy Chancellor for Operations  
The University of Texas System  
P.O. Box 7969 UT Station  
Austin, Texas 78712

Dear Mr. Landrum:

Customer Agreement  
Dated July 23, 1968  
Between Board of Regents of the  
University of Texas System and  
Lone Star Energy Company, Successor  
to Central Energy Corporation of Dallas, Texas

Under terms of the captioned contract, Lone Star Energy Company furnishes chilled water and high temperature hot water service to the University of Texas El Paso, Texas from its central plant. The purpose of this letter agreement is to arrange for Board to reimburse Lone Star for fuel cost adjustments used in furnishing said service. In this connection, it is agreed as follows:

1. Fuel cost adjustment factors for a current month will be calculated as soon as all utility billings for the period have been received and will be added to the next months invoice. For greater accuracy and fairness and in view of rapidly changing utility rates, the cost adjustments will be applied to the thermal energy amounts delivered during each month corresponding to the utility billing for that month. Plant fuels include natural gas, fuel oil, electricity and water.
2. Labor and tax adjustments will be based on the previous month of December and previous year respectively.
3. The effective date of the agreement shall be January 1, 1975 and invoices subsequent to January 1, 1975 shall be

W. Collins, Jr.  
Director

Harwood Street  
Austin, Texas 75201  
214 741-3711



In this connection, upon recommendation of President Templeton and System Administration, authorization was given to increase the scope of work being done by Mechanical Consultants, Inc., the Project Engineer, for the Extension of Thermal (hot and chilled water lines) and Electrical Power Utilities to the North Portion of the U. T. El Paso campus by including preparation of final plans and specifications for the extension of electrical power to and the addition of air conditioning and heating systems in Memorial Gym and the building occupied by Globe Universal Services, Inc.

The Director of the Office of Facilities Planning and Construction was authorized after review of the final plans and specifications to advertise for bids to be presented to the Board of Regents for consideration at a later meeting.

18. U. T. Permian Basin - Water (Untreated) Sources: Approval of Final Plans and Specifications and Authorization to Advertise for Bids. -- Final plans and specifications for the Untreated Water Distribution System at The University of Texas of the Permian Basin prepared by the Project Engineer, Freese and Nichols, Consulting Engineers, Fort Worth, Texas, were approved as presented upon recommendation of President Cardozier and System Administration. The Office of Facilities Planning and Construction was authorized to advertise for bids for the project to be considered by the Board of Regents at a future meeting.

It was noted that the estimated total project cost for this project is \$650,000 of which \$38,216 had already been committed to pre-purchased pumping equipment authorized by the Board on January 31, 1975. The estimated total project cost for the remaining work included in these final plans and specifications is within the remaining appropriated balance of \$611,784.

19. U. T. San Antonio - Classroom and Office Building and Addition to Arts Building (Phase II Buildings): Authorization for Project and Appointment of Bartlett Cocke & Associates, San Antonio, Texas, Project Architect. -- System Administration reported that studies indicate The University of Texas at San Antonio will open in a crowded facility when freshmen and sophomores enter school in the Fall of 1976 (expected enrollment - 9,000). By 1980 the enrollment is anticipated to be 12,750, which will create severe space limitations unless additional facilities are constructed. The 64th Texas Legislature appropriated \$13,500,000 for a Phase II Buildings project at U. T. San Antonio.

Upon recommendation of President Flawn and System Administration, authorization was given for Phase II Buildings project consisting of a Classroom and Office Building and an Addition to the Arts Building at an estimated total project cost of \$13,500,000 to be funded from Legislative Appropriations.

Effective September 1, 1975, the firm of Bartlett Cocke & Associates, San Antonio, Texas, was appointed Project Architect with the understanding that the firm would associate with Frank M. Valdez, San Antonio, Texas. The Project Architect will prepare preliminary plans and outline specifications to be brought to the Board of Regents for consideration at a future meeting.

20. U. T. San Antonio - John Peace Library: Acceptance of Supplemental Grant No. 4-6-00635-0. --Supplemental Grant No. 4-6-00635-0 in the amount of \$561,637 was accepted from the U. S. Department of Health, Education and Welfare for assistance in the construction of the John Peace Library at The University of Texas at San Antonio. The acceptance of this supplemental grant makes a total of \$611,637 Title VII-A funds that have been received under Grant No. 4-6-00635-0.
21. U. T. San Antonio - Phase I Site Development (Including Parking Areas, Campus Entrance and Service Roads, Walks and Plazas, Outdoor Recreation Facilities, Landscaping, Etc.) - Second Segment: Award of Contract to Roma Construction Company, Mission Contractors, Inc., and W. L. Hoffman Company, Inc., a Joint Venture, San Antonio, Texas. --With respect to the Phase I Site Development (Including Parking Areas, Campus Entrance and Service Roads, Walks and Plazas, Outdoor Recreation Facilities, Landscaping, Etc.) and upon recommendation of President Flawn and System Administration, a contract was awarded for the Second Segment of Phase I to the low bidder, Roma Construction Company, Mission Contractors, Inc., and W. L. Hoffman Company, Inc., a Joint Venture, San Antonio, Texas, as follows:

Base Bid	\$ 3,022,000
Add Alternate No. 5 (exposed aggregate finish)	<u>9,500</u>
Total Contract Award	\$ <u>3,031,500</u>

This Second Segment of the Phase I Site Development provides northside parking for approximately 1,200 cars, access roads and campus lighting, and includes a necessary storm drainage system in the eastern section of the campus and surface paving of the Central Plaza and the North Paseo. The contract award and related project expenses are within funds previously appropriated for this project.

It was noted that in addition to this construction award, future site development work yet to be accomplished in connection with this project includes landscape planting, additional parking, and surface paving of the West Paseo; and outdoor recreation facilities if funds become available.

22. Dallas Health Science Center (Dallas Southwestern Medical School) - Remodeling of Cary Building: Authorization for Phases B, C and D. --On March 15, 1974, the final plans and specifications for Phases B, C and D of the Remodeling of the Cary Building at the Dallas Southwestern Medical School of The University of Texas Health Science Center at Dallas were approved, and bids submitted therefor on June 14, 1974, were rejected. The 64th Legislature appropriated \$2,500,000 to complete the remodeling of this building.

President Sprague and System Administration recommended, and the Buildings and Grounds Committee adopted, the following:

- a. That Phases B, C and D for the Remodeling of the Cary Building be reactivated.

- b. That the existing final plans be revised by the Office of Facilities Planning and Construction and the Project Architect, Harper, Kemp, Clutts and Parker, Dallas, Texas (formerly Harper and Kemp) and any necessary revisions to meet current requirements be made, and that the plans be presented to the Board of Regents for consideration at a later meeting.
  - c. That an estimated total project cost of \$2,500,000 from Legislative Appropriations for remodeling approximately 72,000 gross square feet of the Cary Building; Phases B, C and D, be approved.
23. Dallas Health Science Center - Landscaping, Irrigation and Site Development: Authorization for Project and Preparation of Final Plans for Phase I; Appointment of Committee to Approve Final Plans and Authorize Advertisement for Bids; and Appropriation Therefor. --System Administration reported that concurrent with the completion of the major facilities expansion at The University of Texas Health Science Center at Dallas, the Office of Facilities Planning and Construction and the Dallas Health Science Center Administration reviewed the approved master plan and prepared schematic plans for further phased development of the landscaping, irrigation systems and site improvements for the campus. Phase I of this development will include planting of trees, erosion control, regrading, sodding and installation of an irrigation system.

Upon recommendation of President Sprague and System Administration, the following were authorized:

- a. Phase I Landscaping, Irrigation and Site Development Project at an estimated project cost of \$150,000 with instruction to the Office of Facilities Planning and Construction to prepare final plans and specifications
- b. A Committee consisting of President Sprague, Director Kristoferson, Associate Deputy Chancellor Landrum, Deputy Chancellor Walker and Committee Chairman Bauerle to approve the final plans and authorize advertisement for bids
- c. An appropriation of \$150,000 from Dallas Health Science Center Unappropriated Plant Funds Account No. 729910
- d. System Administration to secure any other approvals for this project as may be necessary

- 24. Dallas Health Science Center - Thermal Energy Plant: Report of Special Committee to Review and Approve Contract with Lone Star Energy Company and Ratification of Action Therein. --The following report of the Special Committee to review and approve the terms of the renegotiated contract with Lone Star Energy Company for the Thermal Energy Plant at The University of Texas Health Science Center at Dallas was approved and the action therein was ratified:



THE UNIVERSITY OF TEXAS SYSTEM

Office of Facilities Planning and Construction

210 WEST SIXTH STREET, AUSTIN, TEXAS 78701

TEL. NO.  
471-1517

July 1, 1975

To the Board of Regents of  
The University of Texas System:

The Special Committee appointed at the Board of Regents' meeting held on June 5, 1975 has reviewed and approved a contract modification pertaining to the pass-through of costs due to escalation of prices for thermal services provided by Lone Star Energy Company to the Health Science Center at Dallas.

At a later date, the Special Committee will submit a separate report concerning contract modifications related to expansion of the thermal energy plant at the Health Science Center at Dallas.

*Julius E. Weeks*  
Julius E. Weeks

*R. S. Kristoferson*  
R. S. Kristoferson

*Graves W. Landrum*  
Graves W. Landrum

*E. D. Walker*  
E. D. Walker

*Dan C. Williams*  
Dan C. Williams

*James E. Bauerle*  
James E. Bauerle

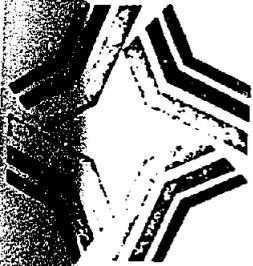
*Allan Shivers*  
Allan Shivers

7-25-75

4670

The final version of the contract with Lone Star Energy Company will be reported at a future meeting.

The modifications referred to in the Special Committee's report are set out in the following interim letter amendment to the Customer Agreement, dated June 8, 1970 (Pages 62, 63):



Lone Star Energy  
Company

June 30, 1975

Mr. Graves Landrum  
Assistant Deputy Chancellor for Operations  
The University of Texas System  
P.O. Box 7969 UT Station  
Austin, Texas 78712

Dear Mr. Landrum:

Service Agreement  
Dated June 8, 1970  
Between Board of Regents of the  
University of Texas System and  
Lone Star Energy Company

Under terms of the captioned contract, Lone Star Energy Company furnishes chilled water and steam service to the University of Texas Health Science Center Dallas, Texas (formerly Southwestern Medical School) from its central plant. The purpose of this letter agreement is to provide for current reimbursement for fuel, labor and tax cost adjustments used in furnishing said service. In this connection, it is agreed as follows:

1. Fuel cost adjustment factors for a current month will be calculated as soon as all utility billing for the period has been received and will be added to the next month's invoice. For greater accuracy and fairness and in view of rapidly changing utility rates, the cost adjustments will be applied to the thermal energy amounts delivered during each month corresponding to the utility billing for that month. Plant fuels include natural gas, fuel oil, electricity and water.
2. Labor and tax adjustments will be based on the previous month of December and previous year respectively.
3. The effective date of this letter agreement shall be January 1, 1975 and invoices subsequent to January 1, 1975.

W. Collins, Jr.  
Director

1000 Harwood Street  
Dallas, Texas 75201  
214 741-3711

7-25-75

4671

shall be adjusted to reflect the above.

- 4. In addition, earned but uncollected 1973-74 escalations shall be invoiced and paid in one sum. 1974 escalations will be determined using 1974 chilled water and steam usage.

If you are in agreement with the above, please execute this letter agreement return one copy.

Very truly yours,  
Lone Star Energy Company

*W. A. Collins, Jr.*  
W. A. Collins, Jr.

In  
File

TEST

BOARD OF REGENTS OF THE  
UNIVERSITY OF TEXAS SYSTEM

*[Signature]*  
Board of Regents of  
The University of Texas System

By *[Signature]*  
Allan Shivers, Chairman

TEST

LONE STAR ENERGY COMPANY

*[Signature]*  
Asst. Corporate Secretary

By *[Signature]*  
R. B. Williams  
Senior Vice President

APPROVED AS TO FORM

APPROVED AS TO CONTENT

*[Signature]*  
University Attorney  
The University of Texas System

By *[Signature]*  
E. D. Walker  
Deputy Chancellor for Administration  
The University of Texas System

- 25. Galveston Medical Branch (Galveston Hospitals) - Ambulatory Care Center: Authorization for Agreement with Medical Planning Associates, Malibu, California, for Feasibility Study and Report. --Upon recommendation of President Levin and System Administration, Dr. Levin and System Administration were authorized to negotiate an agreement with Medical Planning Associates, Malibu, California, consultants, to make a feasibility study for an Ambulatory Care Center at The University of Texas Medical Branch at Galveston and to submit a report and recommendations with respect thereto. For the services of Medical Planning Associates, a fee not to exceed \$50,000 was authorized from Medical Branch Unexpended Plant Funds.

26. Houston Health Science Center (Houston Medical School) - Phase II Building: Award of Contracts for Furniture and Furnishings to Rockford Furniture Associates, Austin, Texas; Abel Contract Furniture and Equipment Company, Inc., Austin, Texas; Austin Metal Products Company, Inc., Austin, Texas; Educational and Institutional Cooperative Service, Inc., Dallas, Texas; Finger Office Furniture, Houston, Texas; Central Distributing Company, San Antonio, Texas; San Antonio Floor Finishers, Inc., San Antonio, Texas; Library Bureau of Sperry Univac. Division of Sperry Rand Corporation, Houston, Texas; Bennett Printing Company, Dallas, Texas; LouverDrape, Inc., Houston, Texas; and Meracle Service Company, Missouri City, Texas; (Error in Bid of Finger Office Furniture, Houston, Texas, Base Bid "A"). --System Administration reported that in tabulating the bids for the furniture and furnishings for the Phase II Building at the Houston Medical School of The University of Texas Health Science Center at Houston it was apparent that a possible error had been made in the bid submitted by Finger Office Furniture, Houston, Texas, for Base Bid "A" (Systems Furniture),\* and that Finger Office Furniture alleged an error and had requested to be relieved of its obligation, without penalty, to fulfill the contract for this base bid. The Office of Facilities Planning and Construction agreed that an error was made.

Upon the recommendation of President Berry and System Administration, Finger Office Furniture was relieved of its obligation, without penalty, to fulfill the contract for Base Bid "A," and contracts for the furniture and furnishings for the Phase II Building at the Houston Medical School were awarded as set out below to the low bidders (excluding Finger Office Furniture as to Base Bid "A"):

Rockford Furniture Associates, Austin, Texas Base Bid "A" (Systems Furniture)*		\$ 165,620.43
Abel Contract Furniture and Equipment Company, Inc., Austin, Texas Base Bid "B" (Desks and Files)		137,458.25
Austin Metal Products Company, Inc., Austin, Texas Base Bid "C" (Bookcases)		34,743.45
Educational and Institutional Cooperative Service, Inc., Dallas, Texas Base Bid "D" (Office Chairs)		41,960.57
Finger Office Furniture, Houston, Texas Base Bid "E" (General Office Furniture)	\$120,998.52	
Base Bid "L" (Personal Storage Units)	52,545.54	173,544.06
Central Distributing Company, San Antonio, Texas Base Bid "F" (Classroom Furniture)		56,427.12
San Antonio Floor Finishers, Inc., San Antonio, Texas Base Bid "G" (Carpet)		123,920.00

\*This is the title that industry uses.

Library Bureau of Sperry Univac, Division  
of Sperry Rand Corporation, Houston,  
Texas

Base Bid "H" (Library Stacks) 5,687.00

Bennett Printing Company, Dallas, Texas  
Base Bid "J" (Pull Up Chairs)

144,674.22

LouverDrape, Inc., Houston, Texas  
Base Bid "K" (Venetian Blinds)

35,378.00

Meracle Service Company, Missouri City,  
Texas

Base Bid "M" (Installation) 38,808.00

Total Contract Awards \$ 958,221.10

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

27. Houston Health Science Center (Houston Medical School) - Phase III Building: Award of Contract to Spaw-Glass, Inc., Houston, Texas. -- Subject to the approval of the federal granting agency, a contract was awarded to the low bidder, Spaw-Glass, Inc., Houston, Texas, as set out below for the construction of the Phase III Building at the Houston Medical School of The University of Texas Health Science Center at Houston. This Phase III Building of approximately 346,295 gross square feet will provide additional facilities needed to accommodate an entering class of 200 Students at the Houston Medical School:

Base Bid \$ 14,778,000

Additive Alternates

No. 1 (Completion of a portion of sixth floor)	266,000
No. 2 (Completion of remainder of sixth floor)	477,000
No. 3 (Completion of a portion of seventh floor)	323,000
No. 4 (Completion of remainder of seventh floor)	438,000
No. 5 (Completion of penthouse recreational areas)	347,000

Total Contract Award \$ 16,629,000

It was noted that this construction award and related project costs are within funds previously appropriated.

28. San Antonio Health Science Center (San Antonio Medical School and San Antonio Dental School) - Phase I Expansion: Authorization to Increase Scope (Phases II and III); Appointment of Bartlett Cocke & Associates, San Antonio, Texas, Project Architect; and Appropriation Therefor. --Upon the recommendation of President Harrison and System Administration, the Buildings and Grounds Committee:

- a. Authorized the existing final plans for The Phase I Expansion of The University of Texas Health Science Center at San Antonio to be incorporated into the plans for Phases II and III Expansion so that a single

set of construction documents, to be identified as the "Expansion of The University of Texas Health Science Center at San Antonio," could be prepared.

- b. Authorized increasing the scope of the project to approximately 170,000 square feet at an estimated total project cost of \$16,964,758, to be funded as follows:

- |   |               |
|---|---------------|
| (1) Carry-over into the current biennium from Legislative Appropriation of the 1973-75 biennium | \$ 2,000,000  |
| (2) Legislative Appropriation to become available September 1, 1975                             | \$ 14,964,758 |

Phase I expansion will provide approximately 45,000 square feet of space at the fifth level of the existing San Antonio Medical School Building.

Phase II expansion will provide approximately 100,000 square feet at the fifth, sixth and seventh levels of the Clinical Science Wing of the existing San Antonio Medical School Building.

Phase III expansion will provide approximately 25,000 square feet at the fifth level of the San Antonio Dental School Building which is contiguous to the San Antonio Medical School Building.

- c. Appointed the firm of Bartlett Cocke & Associates, San Antonio, Texas, Project Architect with the understanding that the firm would associate with the firm of Phelps & Simmons & Garza, San Antonio, Texas.
- d. Authorized the Project Architect to prepare preliminary plans and specifications to be submitted to the Board of Regents at a future meeting.
- e. Appropriated for this project an additional sum of \$14,964,758, when the Legislative Appropriation becomes available September 1, 1975, \$2,000,000 having previously been appropriated.

29. San Antonio Health Science Center - Thermal Energy Plant (Here-  
tofore Called Central Energy Plant): Report of Special Committee  
to Approve Revised Contract with Lone Star Energy Company and  
Ratification of Action Therein. --The following report of the  
Special Committee to review and approve the terms of the renegot-  
iated contracts with Lone Star Energy Company for thermal

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energy services at The University of Texas Health Science Center at San Antonio was received, and the actions therein were ratified:



THE UNIVERSITY OF TEXAS SYSTEM

Office of Facilities Planning and Construction

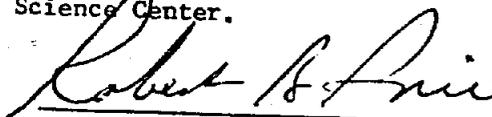
210 WEST SIXTH STREET, AUSTIN, TEXAS 78701

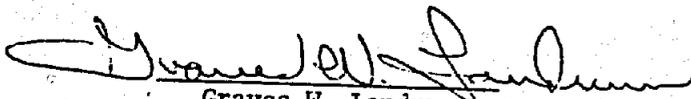
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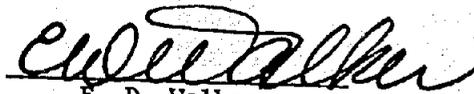
June 12, 1975

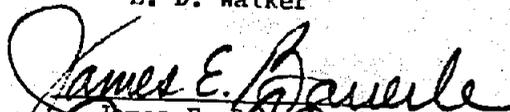
To the Board of Regents of  
The University of Texas System

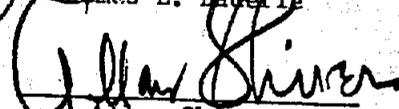
The Special Committee appointed at the Regents' Meeting held on December 13, 1974, has reviewed and approved new revised contracts between Lone Star Energy Company and the Board of Regents, the Bexar County Hospital District, and the Veterans Administration for thermal energy services to be provided by the thermal energy plant located on the campus of the San Antonio Health Science Center.

  
Robert B. Price

  
Graves W. Landrum

  
E. D. Walker

  
James E. Beverle

  
Allan Shivers

When the final revised contract between the Board of Regents and Lone Star Energy Company is consummated, it will be spread upon the Minutes.

30. University Cancer Center (M. D. Anderson) - Environmental Science Park at Smithville (Buescher Division): Approval of Final Plans for Initial Facility and Authorization to Advertise for Bids. -- The final plans and specifications for the Initial Facility at the Environmental Science Park at Smithville (Buescher Division) of The University of Texas System Cancer Center (M. D. Anderson) prepared by the Project Architect, Kenneth E. Bentsen Associates, Houston, Texas, were approved subject to final review. These plans and specifications provide for facilities of approximately 29,800 gross square feet at an estimated total project cost of \$2,500,000.

The Director of the Office of Facilities Planning and Construction was authorized to advertise for bids subject to all granting agency clearances. The bids will be presented to the Board of Regents for consideration at a future meeting.

REPORT OF LAND AND INVESTMENT COMMITTEE (Pages 68 - 80). -- The following report of the Land and Investment Committee was submitted by Committee Chairman Clark, who stated that all actions had been taken in open session. Upon motion duly made and seconded, the report was adopted and the actions therein were ratified:

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 and 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

1. Report on Clearance of Monies to Permanent University Fund and Available University Fund. --The following report with respect to monies cleared by the General Land Office to the Permanent University Fund and Available University Fund for the current fiscal year through June 1975 was received from the Auditor, Auditing Oil and Gas Production and made a part of this Committee's report:

<u>Permanent University Fund</u> Royalty	<u>May, 1975</u>	<u>June 1975</u>	<u>Cumulative This Fiscal Year</u>	<u>Cumulative Preceding Fiscal Year (Averaged)</u>
Oil	\$3,514,233.37	\$1,418,844.22	\$23,629,052.58	\$19,968,864.00
Gas - Regular	306,773.48	711,172.69	14,619,482.41	7,087,215.70
- F. P. C.	- 0 -	- 0 -	139,405.32	18.50
- Market Value Settlements	750,099.22	897,020.39	8,154,579.49	79,000.00
Water	24,463.70	14,376.71	100,138.10	167,431.70
Salt Brine	1,956.02	2,158.35	17,477.59	17,259.70
Rental on Mineral Leases	- 0 -	983.35	329,949.59	372,241.10
Rental on Water Contracts	10,100.00	4,680.00	19,139.43	63,069.60
Rental on Brine Contracts	- 0 -	100.00	300.00	166.60
Amendments and Extensions of Mineral Leases	7,207.89	12,013.15	112,994.25	220,581.40
Bonuses, Mineral Lease Sales, (actual)	4,614,833.68	3,061,348.86	47,122,518.76	27,975,848.30
Total, Permanent University Fund	4,614,833.68	3,061,348.86	7,816,000.00	11,124,800.00
<u>Available University Fund</u>			54,938,518.76	39,100,648.30
Rental on Easements	2,925.00	19,768.16	165,107.54	252,098.50
Interest on Easements and Royalty	113.93	134.95	19,365.37	2,383.90
Correction Fees-Easements	- 0 -	- 0 -	- 0 -	- 0 -
Transfer and Relinquishment Fees	214.17	419.62	5,107.15	5,329.90
Total, Available University Fund	3,253.10	20,322.73	189,580.06	259,812.30
Total, Permanent and Available University Funds	<u>\$4,618,086.78</u>	<u>\$3,081,671.59</u>	<u>\$55,128,098.82</u>	<u>\$39,360,460.60</u>

Oil and Gas Development - June 30, 1975

Acres Under Lease	728,258
Number of Producing Acres	334,044
Number of Producing Leases	1,484

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2. Permanent University Fund: Approved Stock List. --In compliance **4678** with the Regents' Rules and Regulations, Part Two, Chapter IX, Section 2.61, and upon the recommendation of Associate Deputy Chancellor Lobb, the following list of companies whose stocks are considered suitable for purchase or retention was approved. This list replaces the stock list approved on April 23, 1971:

AEROSPACE

Boeing Company (The)  
McDonnell Douglas Corporation  
Rockwell International Corporation

AIR TRANSPORT

Delta Air Lines, Inc.  
Emery Air Freight Corporation

APPAREL - TEXTILE

Burlington Industries, Inc.  
Simplicity Pattern Company, Inc.

AUTOMOTIVE

Bendix Corporation (The)  
Borg-Warner Corporation  
Champion Spark Plug Company  
Eaton Corporation  
Ford Motor Company  
General Motors Corporation  
Genuine Parts Company  
Libbey-Owens-Ford Company  
Monroe Auto Equipment Company  
Timken Company (The)

BANK & FINANCE

BankAmerica Corporation  
Bankers Trust New York Corporation  
Beneficial Corporation  
C.I.T. Financial Corporation  
Chase Manhattan Corporation  
Chemical New York Corporation  
Citicorp  
Continental Illinois Corporation  
Crocker National Corporation  
Federal National Mortgage Association  
First Bank System, Inc.  
First Chicago Corporation  
First National Boston Corporation  
First Pennsylvania Corporation  
Florida National Banks of Florida, Inc.  
Heller (Walter E.) International Corporation  
Household Finance Corporation  
Manufacturers Hanover Corporation  
Marine Midland Banks, Inc.  
Mellon National Corporation  
Morgan (J.P.) & Company, Inc.  
NCNB Corporation  
Northwest Bancorporation  
Pittsburgh National Corporation

Bank & Finance - (Cont'd)

Security Pacific Corporation  
Southeast Bancorporation, Inc.  
Valley National Bank of Arizona  
Wachovia Corporation (The)  
Wells Fargo & Company  
Western Bancorporation

BUILDING MATERIAL

Armstrong Cork Company  
Boise Cascade Corporation  
Carrier Corporation  
Champion International Corporation  
Georgia-Pacific Corporation  
Ideal Basic Industries, Inc.  
Jim Walter Corporation  
Johns-Manville Corporation  
Lone Star Industries, Inc.  
Masco Corporation  
Masonite Corporation  
Otis Elevator Company  
Owens-Corning Fiberglas Corporation  
Potlatch Corporation  
Trane Company (The)  
United States Gypsum Company  
Weyerhaeuser Company

CHEMICAL

Air Products & Chemicals, Inc.  
Allied Chemical Corporation  
American Cyanamid Company  
Big Three Industries, Inc.  
Celanese Corporation  
Diamond Shamrock Corporation  
Dow Chemical Company (The)  
E. I. du Pont de Nemours & Company  
Freeport Minerals Company  
Grace (W.R.) & Company  
Hercules Incorporated  
Monsanto Company  
PPG Industries, Inc.  
Rohm & Haas Company  
Stauffer Chemical Company  
Union Carbide Corporation

COSMETICS

Avon Products, Inc.  
Chesebrough-Pond's Inc.  
Gillette Company (The)  
Revlon, Inc.

DRUG & MEDICAL SUPPLIES

Abbott Laboratories  
 American Home Products Corporation  
 American Hospital Supply Company  
 Baxter Laboratories, Inc.  
 Becton, Dickinson & Company  
 Bristol-Myers Company  
 Johnson & Johnson  
 Eli Lilly & Company  
 Merck & Company, Inc.  
 Pfizer Inc.  
 Richardson-Merrell Inc.  
 Robins (A.H.) Company, Inc.  
 Rorer-Amchem, Inc.  
 Schering-Plough Corporation  
 Searle (G.D.) & Company  
 SmithKline Corporation  
 Squibb Corporation  
 Sterling Drug Inc.  
 Upjohn Company (The)  
 Warner-Lambert Company

EDUCATION & ENTERTAINMENT

American Broadcasting Company, Inc.  
 AMF Incorporated  
 CBS Incorporated  
 Disney (Walt) Productions  
 Donnelley (R.R.) & Sons Company  
 Dun & Bradstreet Companies, Inc.  
 Harcourt Brace Jovanovich, Inc.  
 McGraw-Hill, Inc.  
 Time Incorporated  
 Times Mirror Company (The)

ELECTRIC EQUIPMENT

Emerson Electric Company  
 General Electric Company  
 Reliance Electric Company  
 Square D Company  
 Sunbeam Corporation  
 Thomas & Betts Corporation  
 Westinghouse Electric Corporation  
 Whirlpool Corporation

ELECTRONIC INSTRUMENTS

AMP Incorporated  
 Foxboro Company (The)  
 General Signal Corporation  
 Hewlett-Packard Company  
 Honeywell, Inc.  
 International Telephone & Telegraph Corporation  
 Motorola, Inc.  
 RCA Corporation  
 Texas Instruments Inc.  
 Zenith Radio Corporation

FOOD, BEVERAGE & SOAP

Archer-Daniels-Midland Company  
 Beatrice Foods Company  
 Borden, Inc.  
 CPC International, Inc.  
 Campbell Soup Company  
 Central Soya Company, Inc.  
 Coca-Cola Company (The)  
 Colgate-Palmolive Company  
 Consolidated Foods Corporation  
 Dr Pepper Company  
 Esmark, Inc.  
 General Foods Corporation  
 General Mills, Inc.  
 Heinz (H.J.) Company  
 Heublein, Inc.  
 Kellogg Company  
 Kraftco Corporation  
 Nabisco, Inc.  
 Norton Simon, Inc.  
 PepsiCo, Inc.  
 Philip Morris Inc.  
 Pillsbury Company (The)  
 Procter & Gamble Company (The)  
 Ralston Purina Company  
 Reynolds (R.J.) Industries, Inc.  
 Schlitz (Jos.) Brewing Company  
 Standard Brands Inc.

INSURANCE

Aetna Life & Casualty Company  
 American General Insurance Company  
 American National Financial Corp.  
 Capital Holding Corporation  
 Chubb Corporation (The)  
 Colonial Penn Group, Inc.  
 Combined Insurance Company of America  
 Connecticut General Insurance Corporation  
 Continental Corporation (The)  
 Crum & Forster  
 Farmers Group, Inc.  
 Farmers New World Life Insurance  
 Government Employees Insurance Company  
 Government Employees Life Insurance Company  
 INA Corporation  
 Jefferson-Pilot Corporation  
 Lincoln National Corporation  
 Marlennan Corporation  
 Safeco Corporation  
 St. Paul Companies, Inc.  
 Southwestern Life Corporation  
 Travelers Corporation (The)  
 United States Fidelity & Guaranty Co.  
 USLIFE Corporation

MACHINERY

Black & Decker Manufacturing Company (The)  
 Briggs & Stratton Corporation  
 Bucyrus-Erie Company  
 Caterpillar Tractor Company  
 Clark Equipment Company  
 Cooper Industries, Inc.  
 Deere & Company  
 Gardner-Denver Company  
 Ingersoll-Rand Company  
 Joy Manufacturing Company  
 Pullman Inc.  
 Warner & Swasey Company (The)

METALS & MINING

Aluminum Company of America  
 AMAX Inc.  
 Armco Steel Corporation  
 ASARCO Incorporated  
 Bethlehem Steel Corporation  
 Kennecott Copper Corporation  
 Newmont Mining Corporation  
 Phelps Dodge Corporation  
 St. Joe Minerals Corporation  
 United States Steel Corporation  
 Utah International Incorporated

MISCELLANEOUS

ARA Services, Incorporated  
 Corning Glass Works  
 Franklin Mint Corporation  
 International Flavors & Fragrances Inc.  
 Minnesota Mining & Manufacturing Company  
 Southern Natural Resources, Inc.

OFFICE EQUIPMENT

Burroughs Corporation  
 International Business Machines Corporation  
 NCR Corporation  
 Sperry Rand Corporation  
 Xerox Corporation

OIL

Atlantic Richfield Company  
 Baker Oil Tools, Inc.  
 Continental Oil Company  
 Dresser Industries, Inc.  
 Exxon Corporation  
 Getty Oil Company  
 Gulf Oil Corporation  
 Halliburton Company  
 Kerr-McGee Corporation

Oil - (Cont'd)

Louisiana Land & Exploration Company (The)  
 Marathon Oil Company  
 McDermott (J. Ray) & Company, Inc.  
 Mobil Oil Corporation  
 Phillips Petroleum Company  
 Santa Fe International Corporation  
 Shell Oil Company  
 Standard Oil Company of California  
 Standard Oil Company (Indiana)  
 Standard Oil of Ohio Company (The)  
 Texaco Inc.  
 Union Oil Company of California

PAPER & CONTAINERS

American Can Company  
 Continental Can Company, Inc.  
 Crown Zellerbach Corporation  
 Great Northern Nekoosa Corporation  
 Hammermill Paper Company  
 Hoerner-Waldorf Corporation  
 International Paper Company  
 Kimberly-Clark Corporation  
 Mead Corporation (The)  
 Owens-Illinois, Inc.  
 St. Regis Paper Company  
 Scott Paper Company  
 Union Camp Corporation  
 Westvaco Corporation

PHOTOGRAPHIC

Eastman Kodak Company  
 Polaroid Corporation

PUBLIC UTILITIES

Allegheny Power System, Inc.  
 American Natural Gas Company  
 American Telephone & Telegraph Company  
 Baltimore Gas & Electric Company  
 Carolina Power and Light Company  
 Central Louisiana Electric Company, Inc.  
 Central & South West Corporation  
 Central Telephone & Utilities Corporation  
 Cleveland Electric Illuminating Company (The)  
 Commonwealth Edison Company  
 Continental Telephone Corporation  
 Duke Power Company  
 Florida Power & Light Company  
 General Telephone & Electronics Corporation  
 Gulf States Utilities Company

Public Utilities - (Cont'd)

Hawaiian Electric Company, Inc.  
 Houston Lighting & Power Company  
 Houston Natural Gas Corporation  
 Idaho Power Company  
 Kansas Power and Light Company (The)  
 Lone Star Gas Company  
 Middle South Utilities, Inc.  
 Montana Power Company (The)  
 Northern Indiana Public Service Company  
 Northern States Power Company (Minn.)  
 Oklahoma Gas & Electric Company  
 Pacific Gas & Electric Company  
 Pacific Power & Light Company  
 Public Service Company of Colorado  
 Public Service Company of Indiana, Inc.  
 Rochester Telephone Corporation  
 Southern California Edison Company  
 Southern Company (The)  
 Southwestern Public Service Company  
 Tampa Electric Company  
 Tenneco Inc.  
 Texas Eastern Transmission Corporation  
 Texas Utilities Company  
 United Telecommunications, Inc.  
 Wisconsin Electric Power Company

RUBBER

Firestone Tire & Rubber Company (The)  
 Goodyear Tire & Rubber Company (The)

RAIL - MISCELLANEOUS TRANSPORTATION

ACF Industries, Inc.  
 Burlington Northern Inc.  
 Consolidated Freightways, Inc.  
 General American Transportation Corporation  
 Santa Fe Industries, Inc.  
 Union Pacific Corporation

RETAIL TRADE

Associated Dry Goods Corporation  
 Carter Hawley Hale Stores, Inc.  
 Federated Department Stores, Inc.  
 Gordon Jewelry Corporation  
 Kresge (S.S.) Company  
 Marcor Inc.  
 Marshall Field & Company  
 May Department Stores Company (The)  
 Melville Shoe Corporation  
 Penney (J.C.) Company, Inc.  
 Safeway Stores, Inc.  
 Sears, Roebuck & Company  
 Southland Corporation (The)  
 Winn-Dixie Stores, Inc.  
 Zale Corporation

B. LAND MATTERS

Easements and Surface Leases Nos. 3966-3984, Material Source Permit Nos. 482-486, Water Contract No. 154 and Amendment to Surface Lease No. 3012. -- Easements and Surface Leases Nos. 3966-3984, Material Source Permits Nos. 482-486, Water Contract No. 154 and Amendment to Surface Lease No. 3012 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. Payment has been received in advance unless otherwise indicated, and each document is on the University's standard form and is at the standard rate:

a. Easements and Surface Leases Nos. 3966 - 3984

No.	Company	Type of Permit	County	Location (Block#)	Distance or Area	Period	Consideration
3966	El Paso Natural Gas Company	Surface Lease (cathodic protection unit site)	Hudspeth	J	Less than one acre	5/1/75-4/30/85	\$ 100.00 (full)
3967	Atlantic Richfield Company (renewal of 2121)	Pipe Line	Andrews	4	160 rds. 3 inch	9/1/75-8/31/85	160.00
3968	Allied Chemical Corporation (renewal of 2036)	Pipe Line	Upton	3, 58	1,848.48 rds. 8 & 10 inch	8/1/75-7/31/85	3,234.84
3969	Pioneer Natural Gas Company (renewal of 2047)	Surface Lease (residential site)	Andrews	14	4 acres	9/1/75-8/31/85	1,200.00 (full)
3970	Pioneer Natural Gas Company (renewal of 2048)	Pipe Line	Andrews	3, 7, 8, 14	3,970 rds. 8-5/8 inch	9/1/75-8/31/85	6,947.50
3971	Phillips Petroleum Company	Pipe Line	Martin	7	190.06 rds. 4 1/2 inch	5/1/75-4/30/85	190.06
3972	Phillips Petroleum Company (renewal of 2118)	Surface Lease (booster station site)	Andrews	11	4.05 acres	6/1/75-5/31/85	1,215.00 (full)
3973	Phillips Petroleum Company (renewal of 2050)	Pipe Line	Andrews	5, 9, 10	188.1 rds. 3 1/2 inch 131.5 rds. 6-5/8 inch	6/1/75-5/31/85	418.23

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Land Matters - Continued--

No.	Company	Type of Permit	County	Location (Block#)	Distance or Area	Period	Consideration
3974	Phillips Petroleum Company	Pipe Line	Andrews	14	228.12 rds. 4½ inch	12/1/74- 11/30/84	\$ 228.12
3975	Stuckey's, Inc. (renewal of 2022)	Surface Lease (business site right-of-way for ingress and egress)	Ward	16	16.54' x 300'	5/1/75- 4/30/76*	150.00 (annually)
3976	R. S. Meroney (renewal of 2037)	Surface Lease (welding shop site)	Reagan	11	200' x 200'	8/1/75- 7/31/76*	300.00 (annually)
3977	El Paso Natural Gas Company	Pipe Line	Andrews	1	61.57 rds. 4½ inch	6/1/75- 5/31/85	100.00
3978	Texasgulf Inc.	Pipe Line	Pecos	24, 26	823.77 rds. 14 inch	7/1/75- 5/30/85	2,141.82
3979	El Paso Natural Gas Company	Surface Lease (cathodic protection unit site)	Hudspeth	H	Less than one acre	5/1/75- 4/30/85	100.00 (full)
3980	Texaco Inc. (renewal of 2055)	Surface Lease (salt water disposal contract)	Ward	18	one acre	7/9/75- 7/8/76**	400.00 (annually)
3981	Exxon Corporation (renewal of 3118)	Surface Lease (salt water disposal contract)	Ward	16	one acre	6/1/75- 5/31/76**	800.00 (annually)

\*Renewable from year to year, but not to exceed a total of ten years.  
 \*\*Renewable from year to year, but not to exceed a total of five years.

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Land Matters - Continued

No.	Company	Type of Permit	County	Location (Block#)	Distance or Area	Period	Consideration
3982	Hytech Energy Corporation (renewal of 3153)	Surface Lease (salt water disposal contract)	Reagan	2	one acre	8/15/75- 8/14/76**	\$ 400.00 (annually)
3983	Saxon Oil Company	Surface Lease (storage site)	Reagan	11	300' x 300'	7/1/75- 6/30/76*	500.00 (annually)
3984	Cardinal Chemical, Inc. (renewal of 2042)	Surface Lease (oil field equipment)	Reagan	11	5.7 acres	8/1/75- 7/31/76*	1,000.00 (annually)

\*Renewable from year to year, but not to exceed a total of ten years.  
 \*\*Renewable from year to year, but not to exceed a total of five years.

b. Material Source Permit Nos. 482 - 486

No.	Grantee	County	Location	Quantity	Consideration
482	Charles Howard General Contractor	Irion	Block 53	2,425 cubic yards caliche	\$ 727.50
483	W. A. "Bill" Farmer Construction Company	Andrews	Block 1	2,000 cubic yards caliche	600.00
484	Evert H. McDougal	Crane	Block 31	1,182 cubic yards sand	354.60
485	Machen Contracting, Inc.	Ward	Block 16	600 cubic yards chat	180.00
					<b>4684</b>

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Land Matters - Continued -

No.	Grantee	County	Location	Quantity	Consideration
486	Tripp Construction Company	Andrews	Block 1	2,300 cubic yards caliche	\$ 690.00

c. Water Contract No. 154

No.	Grantee	County	Location	Period	Consideration
154	Atlantic Richfield Company (renewal of 41)	Crane	Block 31	7/15/75 - 7/14/80	\$ 1,600.00*

\*The annual rental shall be \$1.00 per acre per year (\$1,600.00). The royalty shall be ten cents per each 1,000 gallons of water produced, but in no event shall the royalty be less than ten cents per acre per month.

d. Amendment to Surface Lease No. 3012

No.	Grantee	County	Location	Area	Period	Consideration
3012	Lower Valley Oil Company Inc.	El Paso	Block L	one acre*	11/1/69- 10/31/89	\$ *

\*Original lease covered an area of 150' x 300' or 45,000 square feet with annual rental of \$900.00 per year for first five years; \$1,200.00 per year for second five years; \$1,500.00 per year for the third five years and \$1,800.00 per year for the last five years. Lease description to be amended to include a total area of 300' x 300' or 90,000 square feet with the rental to be increased to \$2,400.00 per year for the second five years; \$3,000.00 per year for the third five years and \$3,600.00 per year for the last five years. Amendment effective 8/1/75.

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TRUST AND SPECIAL FUNDS

## A. GIFTS, BEQUESTS AND ESTATES

1. U. T. Austin: Acceptance of Bequest Under Will of George Moses Knebel for Carolyn G. and G. Moses Knebel Teaching Fund (Geology Foundation Fund). --Upon recommendation of System Administration a bequest of \$25,000 under the Will of George Moses Knebel for the Carolyn G. and G. Moses Knebel Teaching Fund at The University of Texas at Austin was accepted with gratitude. This fund was established earlier by Mr. and Mrs. Knebel (Geology Foundation Fund) and amounted to approximately \$37,000 before this bequest. It is used for teaching awards in the Department of Geological Sciences.

Mr. Knebel was a distinguished graduate of the University in geology and a resident of Austin at the time of his death last November (1974).

2. U. T. Austin: Acceptance of Bequest Under Will of Grace Madeline Maverick. --A bequest under the Will of Mrs. Grace Madeline Maverick, San Antonio, Texas, was accepted with gratitude. Mrs. Maverick left her entire estate after payment of claims and costs of administration for the benefit of The University of Texas at Austin. The pertinent provision of Mrs. Maverick's Will is as follows:

"I hereby give, devise and bequeath the entire balance, remainder and residue of my estate, real, personal and mixed, wheresoever located or situated, to the Board of Regents of the University of Texas, Austin, Texas, and their successors in office, to be used and employed for the advancement of education of the University of Texas in Austin, Texas, in such manner and for such purposes as such Board of Regents may, from time to time, deem wise, fit, proper and expedient."

The Frost National Bank of San Antonio, Texas, Independent Executor of the estate, estimates that the bequest will amount to approximately \$200,000. A complete report will be made when the estate is finally settled.

Regent Law suggested that the funds from this bequest be used for Effectiveness in Teaching at U. T. Austin since the provisions of Mrs. Maverick's Will did not specify a particular purpose for the use of the bequest. Committee Chairman Clark indicated he would determine any particular interests of Mrs. Maverick from the Executor of her estate and would certainly pursue Regent Law's suggestion with President Rogers and the Administration.

3. University Cancer Center (M. D. Anderson): Report on Bequest of Ruth Harriet Ainsworth and Establishment of The Ruth Harriet Ainsworth Cancer Research Professorship in Developmental Therapeutics. --Associate Deputy Chancellor Lobb reported that the bequest of Ruth Harriet Ainsworth, accepted by the Board of Regents on September 11, 1972, amounts to approximately \$330,000.

Approval was given to establish The Ruth Harriet Ainsworth Cancer Research Professorship in Developmental Therapeutics at M. D. Anderson of The University of Texas System Cancer Center to be funded from this bequest.

4. University Cancer Center (M. D. Anderson): Acceptance of Real Property in Highlands County, Florida, from Mrs. Lillie A. Johnson and M. G. & Lillie A. Johnson Foundation, Inc. --Upon recommendation of Chancellor LeMaistre, President Clark and Associate Deputy Chancellor Lobb, the Board of Regents of The University of Texas System as Trustee of the University Cancer Foundation accepted with deep appreciation the following for the use and benefit of M. D. Anderson of The University of Texas System Cancer Center:

- a. Deed of Gift of undivided one-half interest in the 1458.08 acres of land in Highlands County, Florida, from Mrs. Lillie A. Johnson
- b. Deed of Gift of the other undivided one-half interest in the same 1458.08 acres of land in Highlands County, Florida, from the M. G. & Lillie A. Johnson Foundation, Inc.

5. University Cancer Center (M. D. Anderson): Acceptance of Bequest Under Will of Jane Mary Hill and Authorized Use Thereof. --Upon recommendation of President Clark, joined by System Administration, a \$1,052.03 bequest under the Will of the late Mrs. Jane Mary Hill of Houston, Texas, was accepted with gratitude. The fund is to be used for cancer research at M. D. Anderson of The University of Texas System Cancer Center.

It was noted that Mrs. Hill's bequest was reported in connection with a bequest from her late husband, Walter C. Hill, in the Minutes of the meeting of the Board of Regents held on March 14, 1975; however, at that time the exact amount had not been determined.

6. University Cancer Center (M. D. Anderson): Report on Status of Hubert L. Stringer Trust and Establishment of Hubert L. Stringer Professorship. --System Administration reported (1) that there had been received for M. D. Anderson from the Hubert L. Stringer Trust \$150,617.23, and (2) that the First-Wichita National Bank of Wichita Falls, Texas, Co-Trustee of the Trust, had estimated the annual income distributions, which will be added to the endowment of a professorship, would average \$50,000.

Upon recommendation of President Clark, joined by System Administration, the Hubert L. Stringer Professorship at M. D. Anderson of The University of Texas System Cancer Center was established. This Professorship is to be endowed with receipts from the Hubert L. Stringer Trust (accepted by the Board of Regents on June 5, 1975), subject to periodic review by the Administration with appropriate recommendations to the Board of Regents and a final review upon the termination of the Trust fifteen years hence.

#### B. REAL ESTATE MATTERS

1. U. T. El Paso - Josephine Clardy Fox Fund: Acceptance of Offer of Rodolfo Saucedo, El Paso, Texas, to Purchase Property at 5110-20 Alameda Street, El Paso, Texas. --Upon recommendation of Associate Deputy Chancellor Lobb, approval was given to accept the offer of Mr. Rodolfo Saucedo, El Paso, Texas, to purchase the property located at 5110-20 Alameda Street, El Paso, Texas (Josephine Clardy Fox Fund) for a total consideration of \$71,000, payable as follows:
  - a. \$8,000 cash upon closing
  - b. Note secured by Deed of Trust in the amount of \$63,000 payable \$4,000 cash on or before four months from date of closing with the balance payable in monthly installments over a 12 year period with interest at 9% per year
2. U. T. El Paso - Josephine Clardy Fox Fund: Renewal of Lease with Allright Auto Parks, Inc. (Formerly Allright Parking El Paso, Inc.) at 222 South Oregon Street, El Paso, Texas. --Approval was given to renew the parking lot lease with Allright Auto Parks, Inc. (formerly Allright Parking El Paso, Inc.) covering property located at 222 South Oregon Street, El Paso, El Paso County, Texas, for a term of two years commencing August 1, 1975, and ending July 31, 1977, at a rental rate of \$400 per month payable in advance.

#### OTHER MATTERS

PUF and Trust and Special Funds: Report of Securities Transactions for the Months of April and May 1975. --The Report of Securities Transactions for Permanent University Fund and for Trust and Special Funds for April and May 1975, submitted by the Office of Investments, Trusts and Lands, was received. It is attached (Attachment No. 2) following Page N-10 of Attachment No. 1 and made a part of these Minutes.

REPORT OF MEDICAL AFFAIRS COMMITTEE (Pages 81 - 99 )  
 Committee Chairman Nelson filed the following report of the Medical  
 Affairs Committee which committee had transacted all of its business  
 in Open Session. The report was adopted and the actions therein  
 were ratified:

Report

1. U. T. San Antonio, San Antonio Health Science Center, and System Nursing School: Affiliation Agreement with Easter Seal Society for Crippled Children and Adults of Bexar County, Inc., San Antonio, Texas, for Developing Cooperative Educational Programs. -- Upon recommendation of Presidents Willman, Harrison and Flawn, concurred in by Chancellor LeMaistre, the following affiliation agreement between the Board of Regents (for and on behalf of The University of Texas Health Science Center at San Antonio, The University of Texas at San Antonio and The University of Texas School of Nursing at San Antonio) and the Board of Directors of the Easter Seal Society for Crippled Children and Adults of Bexar County, Inc., was approved.

After approving the agreement, the Board delegated to the institutional heads the authority to develop additional affiliation agreements setting forth the nature of clinical experiences should definitive clinical training programs for health science students be developed as a result of this agreement.

The Chairman of the Board of Regents was authorized to execute the agreement after it had been signed by a member of the Board of Directors of the Easter Seal Society for Crippled Children and Adults of Bexar County, Inc., and had been approved as to form by a University attorney and as to content by the Deputy Chancellor for Administration and the Assistant to the Chancellor for Health Affairs:

AFFILIATION AGREEMENT

THE STATE OF TEXAS X

COUNTY OF BEXAR X

This AGREEMENT is executed on \_\_\_\_\_, 1975,  
 between the BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM,  
 for and on behalf of The University of Texas Health Science  
 Center at San Antonio, The University of Texas at San Antonio,  
 and The University of Texas School of Nursing at San Antonio,  
 sometimes herein referred to as "University," and the BOARD  
 OF DIRECTORS OF THE EASTER SEAL SOCIETY FOR CRIPPLED CHILDREN  
 AND ADULTS OF BEXAR COUNTY, INC., sometimes herein referred  
 to as "Society," WITNESSETH:

WHEREAS, the objective of the Society is to provide the community with a quality resource for a comprehensive rehabilitative out-patient program consisting of speech therapy, occupational therapy, physical therapy, social services, psychological services, pre-school deaf education program, a learning disabilities program, audiological services and vocational training services, and expanded transportation services; and

WHEREAS, the faculty of the University is engaged in quality education, research, and patient care, and also engaged in undergraduate and graduate education and intern and residency training in the fields of medicine, dentistry, nursing, allied health, and special education; and

WHEREAS, both parties agree that it will be advantageous for each to enter into this agreement of affiliation and cooperation;

NOW, THEREFORE, for and in consideration of the mutual benefits, the University and the Society hereby agree as follows:

(1) The purpose of this agreement is to establish a framework for developing cooperative educational programs between the University and the Society. It is agreed that the initiative for a working relationship will be vested in the administrative heads of the University component institutions involved in this agreement and the Executive Director of the Society.

(2) It is understood that the professional and technical staff of the Society will consist only of qualified persons nominated in accordance with Society Bylaws and approved by its Board of Directors.

(3) It is understood that this agreement does not preclude other agreements or arrangements between the parties to this affiliation and with other institutions.

(4) (A) If any provision of this agreement becomes unsatisfactory to either party, a joint committee shall be appointed by the Executive Director of the Society and the administrative heads of the University component institutions involved in this agreement to discuss and resolve differences. Recommendations from this committee will be considered by the appropriate governing boards of each institution if necessary.

(B) This agreement shall commence on the date of execution and shall be for a term of one year and continue thereafter from year to year unless terminated by either party on ninety days' written notice to the other. Except under unusual conditions, such notice shall be submitted as early as possible before the beginning of a clinical education period or academic year.

(C) 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 amendment.

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

ATTEST:

Secretary

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM

Chairman

ATTEST:

Secretary

BOARD OF DIRECTORS OF THE EASTER SEAL SOCIETY FOR CRIPPLED CHILDREN AND ADULTS OF BEXAR COUNTY, INC.

Director

Approved as to Form:

Approved as to Content:

University Attorney

Deputy Chancellor for Administration

Assistant to the Chancellor for Health Affairs

2. Dallas Health Science Center (Dallas Southwestern Medical School), Galveston Medical Branch (Galveston Medical School), Houston Health Science Center (Houston Medical School), and San Antonio Health Science Center (San Antonio Medical School): (a) Authorization to Contract with Coordinating Board for Fifth Pathway Program for Foreign Medical Students (Under Provisions of Rider to S.B. No. 52, 64th Legislature, R.S.); (b) Approval of Procedure for Fifth Pathway Programs in Texas Medical Schools and (c) Designation of Medical and Dental Application Center to Process Fifth Pathway Applicants and Authorization of Application Fee (H.B. No. 768, 64th Legislature, R.S.). -- The Fifth Pathway Program, which provides an opportunity for students of foreign medical schools to become eligible for licensure to practice medicine in Texas following the successful completion of certain additional clinical education and related examinations, was authorized by House Bill No. 768, 64th Legislature, R.S. and funded by Senate Bill No. 52, 64th Legislature, R.S. The rider provision, as set forth below, relates to the use of the \$750,000 in funds:

"The funds appropriated in item 12 to the Coordinating Board for clinical training of foreign medical school students shall not exceed \$25,000 per student actually enrolled in the year of clinical training. The Coordinating Board may contract with any Texas Medical School to provide the clinical training for the foreign medical school students. However, none of the funds appropriated under item 12 to the Coordinating Board for the Fifth Pathway Program may ever be used for any purpose other than contracting with Texas medical schools to provide for the clinical training of foreign medical school students who are bona fide Texas residents only, as defined by Chapter 61, Subchapter D, Section 61.091 of the Texas Education Code, who have completed the didactic work in a foreign medical school."

In order to participate in the Fifth Pathway Program, the Board of Regents approved the recommendations of Presidents Berry, Harrison, Levin and Sprague, concurred in by Chancellor LeMaistre, and in so doing:

- a. Authorized The University of Texas System to contract with the Coordinating Board, Texas College and University System under the provisions of the rider to Senate Bill No. 52, 64th Legislature, R.S., after such contract had been approved as to form by a University attorney and as to content by the Deputy Chancellor for Administration.
- b. Approved the Procedures for Fifth Pathway Programs in Texas as set forth on Pages 85 - 86. These procedures were developed cooperatively by all Texas medical schools. They contain the requirements and standards to which all schools have agreed for the administration of the program.

- c. Authorized the Medical and Dental Application Center
- (1) to act as the central application and processing office for all fifth pathway applicants to The University of Texas System medical schools and
  - (2) to assess a \$25 application fee which will cover consideration at the four University of Texas System medical schools.

PROCEDURES FOR FIFTH PATHWAY PROGRAMS

IN TEXAS MEDICAL SCHOOLS

Admission Requirements

The following rules and regulations shall be applied to applicants from foreign medical schools to Fifth Pathway Programs in Texas medical schools. An applicant, to be considered for admission to a Texas medical school, must:

1. Have completed, in a United States college or university, undergraduate premedical work of the quality acceptable for matriculation in an accredited United States medical school;
2. Have completed satisfactorily all didactic work required for graduation by a foreign medical school recognized by the World Health Organization;
3. Have passed Part I of the National Board Examination and each of the component subjects in the examination;
4. Be a bona fide resident of the State of Texas, as defined in the Coordinating Board, Texas College and University System's Rules and Regulations for Determining Residence Status;
5. Be approved for admission into a Fifth Pathway Program by one of the medical schools. The process of admission will be carried out by the established Admissions Committees. Applicants are required to provide all necessary records to the school.

Evaluation

A Fifth Pathway participant will be considered to have completed satisfactorily the supervised year of clinical training when he or she:

1. Completes each of the required clinical rotations or clerkships with a passing grade rendered by the departmental faculty of the Texas medical school in which the trainee is enrolled, or in such manner as is used in grading regularly enrolled students;

2. Passes at the conclusion of the year of supervised clinical training Part II of the National Board Examination and each of its component subjects, and/or any other examination acceptable to the medical school for purposes of evaluating the student's completion of the clinical training program.

The standards for a passing grade in each of the rotations or clerkships shall be the same standards applied to regularly enrolled students in the medical school.

#### Other Stipulations

1. All tuition and fees paid by regularly enrolled medical school students shall be paid by each student admitted to the Fifth Pathway Program, and each student admitted to the program shall have all rights and privileges granted to regularly enrolled students.
2. A Doctor of Medicine degree will not be granted to the Fifth Pathway student by the Texas medical school in which he or she is enrolled as a result of completing the special supervised academic year of clinical training. A document shall be signed by the applicant prior to entry into the Fifth Pathway Program, indicating the student's understanding of this stipulation.
3. Upon satisfactory completion of the special supervised academic year of clinical training and after passing the required examination or examinations, the Fifth Pathway trainee shall be awarded a statement by the appropriate Texas medical school certifying satisfactory completion of the prescribed training.
4. Training to be completed shall consist of curricular and clinical areas prescribed by the specific medical school.
5. Participating Texas medical schools shall not be required to accept responsibility for placement of the Fifth Pathway trainees in internships or residencies, or for their future licensure to practice medicine in the State of Texas or elsewhere.

It was ordered that the next catalog published at the Dallas Health Science Center, the Houston Health Science Center, the Galveston Medical Branch and the San Antonio Health Science Center be amended to reflect this program.

3. Galveston Medical Branch (Galveston Allied Health Sciences School):  
Affiliation Agreements with (a) Galveston Independent School District,  
Galveston, Texas; (b) Clear Lake Hospital, Webster, Texas; (c) Med-  
ical Center del Oro Hospital, Houston, Texas; (d) Nacogdoches  
Medical Center, Nacogdoches, Texas; and (e) Hendrick Memorial  
Hospital, Abilene, Texas, for the Clinical Training of Allied Health  
Students. --Chancellor LeMaistre presented the recommendation of  
President Levin that the following affiliation agreements for the  
clinical training of allied health students at The University of Texas

Medical Branch at Galveston be approved. These agreements are based on the model agreement approved by the Board of Regents on March 6, 1970:

<u>Clinical Facility</u>	<u>Location</u>	<u>Specialty</u>
Galveston Independent School District	Galveston	Occupational Therapy
Clear Lake Hospital	Webster	Medical Record Administration
Medical Center del Oro Hospital	Houston	Medical Record Administration
Nacogdoches Medical Center	Nacogdoches	Medical Record Administration
Hendrick Memorial Hospital	Abilene	Physical Therapy

These agreements were amended by incorporating in each the "hold harmless clause." The agreements as amended were approved with authorization to the Chairman of the Board of Regents to execute the documents when they had been approved as to form by a University attorney and as to content by the Deputy Chancellor for Administration and the Assistant to the Chancellor for Health Affairs.

The model agreement approved by the Board of Regents on March 6, 1970 was amended by incorporating the "hold harmless clause." Committee Chairman Nelson requested that a copy of the model agreement as amended be included in the supporting material for the September 1975 meeting.

4. University Cancer Center: Amendments to the Bylaws of the Board of Visitors of the University Cancer Foundation. -- Upon recommendation of President Clark and the Board of Visitors of the University Cancer Foundation, concurred in by Chancellor LeMaistre, the Bylaws of the Board of Visitors of the University Cancer Foundation of The University of Texas System Cancer Center were amended by:

- (a) inserting the official name of the component (that is substitute "University Cancer Center" for "M. D. Anderson Hospital and Tumor Institute" or "Anderson Hospital-Institute") wherever it appears in the Bylaws, except in paragraph 6.1 in which the term University of Texas M. D. Anderson Hospital and Tumor Institute is used in direct reference to a regental action of November 7, 1957 and the subsequent direct quotations from the minutes of that meeting.

- (b) deleting Sections 2.2 and 2.3 of Article II, Section 3.1 of Article III, Sections 4.1 and 4.6 of Article IV and Section 6.1 of Article VI and substituting in lieu thereof the following:

Article II. Membership

Section 2.2 Members. The Board of Visitors shall consist of not more than 25 members, plus ex-officio members including the President and Officers of the University Cancer Center and the Chancellor of The University of Texas System. Members are expected to attend meetings and actively to support the programs of the University Cancer Center and the University Cancer Foundation.

Section 2.3 Honorary Members. In addition to such regular members, there may be Honorary members who have rendered distinguished prior service to the University Cancer Center and the University Cancer Foundation and who have been elected to membership by the Board of Visitors upon the recommendation of the President. Honorary members shall be invited to all meetings of the Board but shall not be entitled to vote. They shall serve in this capacity for three years from the date of appointment and may be reappointed on a year-to-year basis thereafter, as recommended by the Membership Committee.

Article III. Meetings

Section 3.1 Frequency. Meetings of the Board of Visitors shall occur at least two times each year, preferably in the Spring and Fall. When practical and appropriate, a meeting may coincide with a meeting of the Board of Regents. Other meetings shall be held upon special call of the Chairman or the President.

Article IV.

Section 4.1 Officers. The Officers of the Board of Visitors shall consist of a Chairman, a Vice-Chairman, a Secretary, and a representative to The University of Texas System Advisory Committee which oversees private-fund development and foundations operating within the System. All such officers shall be regular members of the Board of Visitors and shall be nominated by the Membership Committee and elected to one year terms by majority vote of the regular

members. In no case may an officer's term exceed his term as member of the Board of Visitors. In addition there may be an Assistant Secretary designated by the President from the staff of the University Cancer Center. It is expected that all officers shall reside in the general area of Houston, Texas.

## Section 4.6

Other Committees. There shall be other committees, named and appointed by the Chairman as deemed necessary and appropriate, to assist the Board in the following areas:

## Article VI.

## Definitions

## Section 6.1

Definitions, as used herein--  
 "University Cancer Center" means The University of Texas System Cancer Center, which includes M. D. Anderson Hospital and Tumor Institute, the Environmental Science Park, and when construction is complete, the Lutheran Hospital Pavilion-Marshall G. and Lillie A. Johnson Building, the new multi-specialty Clinic, and the Interdenominational M. D. Anderson-Lutheran Chapel and the Freeman-Dunn Sanctuary.

For the record, the Bylaws as amended are set out below (Pages 89 - 93):

## BYLAWS OF THE BOARD OF VISITORS

## ARTICLE I

## Nature and Purposes

- 1.1 Nature. The Board of Visitors is an appointive board within the organizational structure of the University Cancer Center and the University Cancer Foundation, which assists the President, and upon request, the Board of Regents in an advisory capacity. The operation, conduct, and control of the University Cancer Center is by statute vested in the President, and the ultimate responsibility of the University Cancer Center is by statute vested in the Board of Regents. The Board of Visitors' role is one of harmonious cooperation with the President and the Regents in their designated activities.
- 1.2 Purpose. The purpose of the Board of Visitors is to further the mission of the University Cancer Center and the objectives of the University Cancer Foundation by all available means, with emphasis upon public relations, and financial assistance through encouraging gifts, grants, donations and bequests.

The Board of Visitors shall also constitute a development board dedicated to its own unique interests, and through the President and the Board of Regents, shall be responsible for all private-fund development for the University Cancer Center. It shall determine its own development needs and shall direct the formulation of plans and the promotion of support for its program.

## ARTICLE II.

## Membership

- 2.1 Qualifications. The membership of the Board of Visitors shall consist of persons especially interested in the accomplishment of the mission of the University Cancer Center and the attainment of the objectives of the University Cancer Foundation.
- 2.2 Members. The Board of Visitors shall consist of not more than 25 members, plus ex-officio members including the President and Officers of the University Cancer Center and the Chancellor of The University of Texas System. Members are expected to attend meetings and actively to support the programs of the University Cancer Center and the University Cancer Foundation.
- 2.3 Honorary Members. In addition to such Regular Members, there may be Honorary Members who have rendered distinguished prior service to the University Cancer Center and the University Cancer Foundation and who have been elected to membership by the Board of Visitors upon the recommendation of the President. Honorary Members shall be invited to all meetings of the Board but shall not be entitled to vote. They shall serve in this capacity for three years from the date of appointment and may be reappointed on a year to year basis thereafter, as recommended by the Membership Committee.
- 2.4 Appointment. Members of the Board of Visitors shall be appointed by the Board of Regents upon recommendation of the President.
- 2.5 Terms. Members of the Board of Visitors shall be appointed for three year terms. No person shall serve for longer than two consecutive terms, provided that special exception may be made by the Board of Regents in instances where a member has rendered distinguished services to the University Cancer Center and the University Cancer Foundation. The terms of Regular Members shall be staggered so that approximately one-third of the members shall serve for the fiscal year beginning September 1, 1971, one-third shall serve for two years beginning on the same date, and one-third shall serve for three years beginning on the same date. Lots will be drawn immediately after September 1, 1971, to determine the remaining terms of members of the Board already serving as such.
- 2.6 Resignation and Removal. Any member may resign at any time by written letter to the Chairman of the Board of Visitors and the President, addressed c/o the University Cancer Center. Any member of the Board of Visitors may be removed at any time by a vote of a majority of the Board of Visitors.
- 2.7 Voting. Each member of the Board of Visitors shall have one vote on all matters coming before such Board.
- 2.8 Associate Members. The Board of Visitors may, without the necessity of confirmation of the Board of Regents, select and appoint as Associate Members of the Board not more than 100 persons interested in the mission of the University Cancer Center and the attainment of the objectives of the University Cancer Foundation. Their duties shall be to assist the Board of Visitors in the discharge of its responsibilities, including private fund development for the University Cancer Center. Associates shall be invited to attend, without vote, one or more meetings of the Board of Visitors each year. They shall serve for one year from the date of appointment and may be reappointed on a year to year basis. Procedure for selecting and appointing Associates shall conform to applicable resolutions of the Board of Visitors adopted at one or more of its regular meetings.

## ARTICLE III.

## Meetings

- 3.1 Frequency. Meetings of the Board of Visitors shall occur at least two times each year, preferably in the Spring and Fall. When practical and appropriate, a meeting may coincide with a meeting of the Board of Regents. Other meetings shall be held upon special call of the Chairman or the President.
- 3.2 Notices. Notices of meetings shall be issued to the membership as early as feasible, and in any event, at least fourteen days preceding the date of the proposed meeting. Special meetings may be called by the President or the Chairman through telephone notice given at least three days in advance.
- 3.3 Place. Meetings shall be held at a location within the State of Texas or elsewhere as specified in the notice of meeting.
- 3.4 Quorum. Forty per cent of the Regular Members shall constitute a quorum qualified to take action as the Board of Visitors. The vote of a majority of those present shall constitute the decision and the action of the Board of Visitors.

## ARTICLE IV.

## Officers and Committees

- 4.1 Officers. The officers of the Board of Visitors shall consist of a Chairman, a Vice Chairman, a Secretary, and a representative to The University of Texas System Advisory Committee which oversees private-fund development and foundations operating within the System. All such officers shall be Regular Members of the Board of Visitors and shall be nominated by the Membership Committee and elected to one year terms by majority vote of the Regular Members of the Board. In no case may an officer's term exceed his term as Member of the Board of Visitors. In addition there may be an Assistant Secretary designated by the President from the staff of the University Cancer Center. It is expected that all officers shall reside in the general area of Houston, Texas.
- 4.2 Duties. It shall be the duty of the Chairman to plan and organize the affairs and meetings of the Board of Visitors in cooperation with the President, so that maximum accomplishments may be achieved; to study the activities, common needs and programs of the University Cancer Center and the University Cancer Foundation, so that periodic reports and recommendations may be made to the Board of Visitors; he shall preside at all meetings of the Board of Visitors. The Vice Chairman shall perform the duties of the Chairman in his absence or during his disability. The Secretary shall cause notices of all meetings to be issued, cause minutes of all meetings to be kept in a permanent form, and cause all reports required of the Board of Visitors to be prepared. All officers shall perform such additional duties as may be assigned to them by the Board of Visitors from time to time.
- 4.3 Vacancies. In the event of the death, resignation, disability or removal of any officer, the President shall be authorized to make interim appointments until the next meeting of the Board of Visitors.

- 4.4 Executive Committee. There shall be an Executive Committee, composed of those members, resident in Houston, who have been nominated thereto by the Membership Committee with the advice and consent of the President, and elected by the Board of Visitors. The members thereof shall hold office for one year and until their successors are elected and have qualified. The Executive Committee, subject to such limitations as the Board of Visitors shall establish from time to time, shall have and may exercise all of the authority of the Board of Visitors, except that such committee shall have no powers (a) in areas withdrawn from its scope of authority by the Board of Visitors, (b) to elect or appoint directors, officers or members of any committee, (c) to alter, amend, or repeal these bylaws, or any resolutions of the Board of Visitors, or (d) take any action contrary or inimical to any resolutions of the directors, resolutions of the Board of Regents, or any determination of the President. Meetings of the Executive Committee shall be held at such time and place as the Chairman or the President may determine. Three days telephonic notice of meetings of the Executive Committee shall be required, and a majority of the members of the committee shall constitute a quorum for the transaction of business. Minutes of all such meetings shall be kept and shall be presented to the Board of Visitors at its next meeting for approval or disapproval. If time permits, members of the Board of Visitors, non-resident in Houston, shall be invited to Executive Committee meetings and, when present, may participate fully in the deliberations of the Executive Committee, including voting on any question submitted for vote.
- 4.5 Membership Committee. There shall be a Membership Committee consisting of three members of the Board of Visitors nominated by the Chairman with the advice and consent of the President and elected by the Board of Visitors. Members thereof shall hold office for one year and until the successors are elected and qualified. It shall be the duty of the Membership Committee to (a) recommend to the Board of Visitors the names of prospective new members of the Board of Visitors, (b) to make such examination of persons suggested by individual members of the Board of Visitors, or otherwise as may be necessary in order to make such recommendations, and (c) in cooperation with the President and the Chairman, to make nominations with respect to new officers and new members of the Executive Committee. The Membership Committee shall approve and recommend as prospective new members of the Board of Visitors, (1) only persons who have, or who give evidence of having, a special interest in the furtherance of the mission of the University Cancer Center and the University Cancer Foundation, and (2) only persons who, by profession, avocation, proclivities and residence, will tend to give to the Board of Visitors the broadest possible representation of the whole spectrum of social, cultural and financial characteristics of the people of the State of Texas.
- 4.6 Other Committees. There shall be other committees, named and appointed by the Chairman as deemed necessary and appropriate, to assist the Board in the following areas:
- a. Study total development needs of the University Cancer Center.
  - b. Coordinate and formulate plans and actively promote support for both current and long-range programs to meet the developmental needs of the University Cancer Center.
  - c. Develop gift possibilities not related to predetermined projects.
  - d. Make periodic reports to the President on the plans and programs of the developmental aspects of the University Cancer Center, including collection and dissemination of information regarding gifts and endowments.

## ARTICLE V.

## Amendments

- 5.1 Changes. These bylaws may from time to time be added to, changed, altered, amended or repealed (a) by the affirmative vote of at least a majority of the whole Board of Visitors after affirmative recommendation by the President; (b) by affirmative action of the Board of Regents.

## ARTICLE VI.

## Definitions

- 6.1 Definitions. As used herein --

"Regents" or "Board of Regents" means the Board of Regents of The University of Texas System serving at the particular time;

"University Cancer Center" means The University of Texas System Cancer Center, which includes M. D. Anderson Hospital and Tumor Institute, The Environmental Science Park, and when construction is complete, The Lutheran Hospital Pavilion-Marshall G. and Lillie A. Johnson Building, the new multi-specialty Clinic, and the interdenominational M. D. Anderson-Lutheran Chapel and The Freeman-Dunn Sanctuary.

"President" means the President of The University of Texas System Cancer Center; and

"Mission of the University Cancer Center" means, as set out in the institutional plan for The University of Texas M. D. Anderson Hospital and Tumor Institute, approved on November 7, 1957, by the Board of Regents, following:

"Section A. The mission of the Anderson Hospital shall be:

- "1. Research activities. The instigation, conduct, sponsorship and espousal of investigations and research designated to increase the knowledge of mankind relating to the causes, occurrence, treatment, relief, cure and prevention of neoplastic and allied diseases.
- "2. Educational activities. The dissemination to students, the medical and related professions, and the public, of information concerning the occurrence, causes, treatment, relief, cure and prevention of neoplastic and allied diseases, including affiliation with, and participation in, all appropriate teaching functions of The University of Texas.
- "3. Patient care activities. The admission of patients having or suspected of having a neoplastic or allied disease, for the purpose of diagnosing, observing, treating, curing and preventing such conditions."

"Section B. Integration of activities. Notwithstanding the separate enumeration of the activities of the Anderson Hospital in this Article Two, such activities shall be coordinated so that the knowledge gained in the pursuit of one activity shall be brought to bear in the performance of all other activities."

5. University Cancer Center (M. D. Anderson): Affiliation Agreement with University of Houston College of Pharmacy for Clinical Training of Pharmacy Students. --The proposed affiliation agreement between the Board of Regents of The University of Texas System, for and on behalf of M. D. Anderson Hospital and Tumor Institute of The University of Texas System Cancer Center, and the University of Houston College of Pharmacy, for the clinical training of pharmacy students was corrected by inserting an inadvertent typographical omission in Section (4) and by adding the following to Section (5):

"The University does not agree to hold the Facility harmless for the gross or willful negligence of the Facility, its officers, employees, or agents, or the actions of a third party over which the University has no supervision, control, or jurisdiction."

This agreement as corrected and amended was approved and is set out below (Pages 94 - 98). The Chairman of the Board of Regents was authorized to execute this agreement when it had been signed by representatives of the University of Houston and approved as to form by a University attorney and as to content by the Deputy Chancellor for Administration and the Assistant to the Chancellor for Health Affairs.

#### AFFILIATION AGREEMENT

THE STATE OF TEXAS X

COUNTY OF HARRIS X

This AGREEMENT is entered into on this \_\_\_\_\_ day of \_\_\_\_\_, 1975, between the BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM, for and on behalf of The University of Texas System Cancer Center M. D. Anderson Hospital and Tumor Institute, hereinafter sometimes referred to as "Hospital," and the University of Houston College of Pharmacy, hereinafter sometimes referred to as "College,"

WITNESSETH:

WHEREAS, it is agreed by the parties to be of mutual interest and advantage that the students and faculty of the College be given the opportunity to utilize the facilities of the Hospital to provide practical experience for students in the Clinical Pharmacy Program of the College in order to develop a better clinically oriented pharmacist:

NOW, THEREFORE, in consideration of these mutual benefits, the parties to this agreement agree as follows:

(1) The Hospital will permit students of the College to obtain experience in clinical pharmacy within their facility under the direct supervision and responsibility of the faculty of the College. A designated faculty member will be responsible to the Chief of Pharmacy Services or other liaison person designated by the Hospital for the pharmacy related activities of students while in the facility.

(2) The faculty of the College will assume responsibility for the selection and assignment of students to the learning experiences. The period of time for each student's clinical experience, the number and distribution of students within the Hospital and their assigned functions will be mutually agreed upon between the Hospital and the College at the beginning of each semester. Adequate faculty supervision (initially proposed ratio of 1:4) will be provided by the College for the number of students assigned to the Hospital.

(3) While in the Hospital, students and faculty members will conduct themselves in accordance with the rules and regulations of The University of Texas System Cancer Center M. D. Anderson Hospital and Tumor Institute. The Hospital will retain full responsibility for the care of patients and will 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. The privacy of the patients and confidentiality of the Hospital medical records will be maintained.

(4) The Hospital will charge the College no fees for training opportunities to be afforded students. The Hospital will not\* be responsible for student uniforms, meals,

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\*"Not" was added to conform to amended agreement.

laundry, and transportation to and from the facility. Neither the College nor the Hospital will be responsible for the students health needs while in the performance of this agreement and neither party assumes any responsibility in this regard. No professional liability insurance costs are to be assumed by the Hospital for either students or faculty. The Hospital will not be charged for services performed by College faculty or students.

(5) Insofar as the College is authorized by the Constitution and laws of the State of Texas, the College agrees to hold the Hospital harmless from and against any and all liability resulting from the use of the Hospital by the College. The College does not agree to hold the Hospital harmless for the gross or willful negligence of the Hospital, its officers, employees, or agents, or the actions of a third party over which the College has no supervision, control or jurisdiction.\*

(6) The salaries and expenses of any faculty member or other employee of the College assigned to the Hospital will be paid by the College.

(7) Upon request of the Hospital, the College will withdraw immediately from this program any participant whose performance is detrimental to the patient care program or general operation of the Hospital.

(8) Both parties agree that a productive and harmonious relationship between the two institutions depends upon maintaining effective channels of communication. The parties anticipate that routine matters will be handled and decided mutually through continuous contacts at the departmental level. However, both the Hospital and College shall

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\*This sentence was added to conform to amended agreement.

designate two representatives who shall meet every four months, and more frequently if necessary, to review and discuss overall relationships and policies and other matters of common concern.

(9) If any aspect of this agreement becomes unsatisfactory, the representatives designated in Paragraph eight (8) hereof shall be responsible for discussing and resolving the questions involved. If a change in the agreement is necessary, the aforesaid representatives shall make recommendations to the authorities in each institution. If problems develop that are sufficiently serious and cannot be resolved, dissolution of the agreement may be indicated. In the event of such a dissolution, notice must be given by the party requesting such dissolution at least six months prior to the effective date of the dissolution unless a shorter period of time is mutually agreeable to the parties.

(10) 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 amendment.

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

ATTEST:

BOARD OF REGENTS OF THE  
UNIVERSITY OF TEXAS SYSTEM

Secretary

Chairman

ATTEST:

UNIVERSITY OF HOUSTON

Secretary

Executive Vice President and  
Dean of Faculties

7-25-75

4706

ATTEST:

COLLEGE OF PHARMACY

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Dean

Approved as to Form:

Approved as to Content:

\_\_\_\_\_  
University Attorney (Houston) Deputy Chancellor for Administration

\_\_\_\_\_  
University Attorney (Texas) Assistant to the Chancellor for Health Affairs

6. System Nursing School (Austin Nursing School): Amendment to Affiliation Agreement with Bergstrom Air Force Base. --Approval was given to the amendment to the affiliation agreement between the Board of Regents of The University of Texas System, for and on behalf of The University of Texas System School of Nursing, and the USAF Hospital, Bergstrom Air Force Base, Austin, Texas, on Page 99. The initial agreement was entered into in September 1972 and was renewed on March 14, 1975.

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

7-25-75

4707

AMENDMENT

This agreement between the Board of Regents of The University of Texas System, for and on behalf of The University of Texas System Nursing School, and the USAF Hospital, Bergstrom (TAC) Bergstrom Air Force Base, WITNESSETH:

1. It is hereby agreed that the agreement entered into by the parties on September 21, 1972, and which has by mutual consent been extended to September 20, 1975, should be amended and the same is hereby amended as follows:

Delete Section (14)(A) in the agreement dated September 21, 1972, and substitute therefor a new Section (14)(A) to read:

(14)(A) This agreement is for a term of one year and shall continue thereafter from year to year for one-year periods unless sooner terminated by either party upon the giving of six months advance written notice to the other party.

2. Except as provided herein, the parties agree that the September 21, 1972, agreement shall remain in full force and effect.

EXECUTED by the parties this \_\_\_\_\_ day of \_\_\_\_\_, 1975.

USAF HOSPITAL, BERGSTROM (TAC)  
Bergstrom AFB, Texas

By [Signature]  
Commander

ATTEST:

BOARD OF REGENTS OF THE UNIVERSITY  
OF TEXAS SYSTEM

Secretary \_\_\_\_\_

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

Approved as to Form:

[Signature]  
University Attorney

Approved as to Content:

[Signature]  
Deputy Chancellor for  
Administration

[Signature]  
Assistant to the Chancellor  
for Health Affairs

COMMITTEE OF THE WHOLE - OPEN SESSION  
(Pages 100 - 114 )

The following Report of the Open Session of the Committee of the Whole was adopted by unanimous vote:

BOARD OF REGENTS - REGENTS' RULES AND REGULATIONS, PART TWO: AMENDMENTS TO (1) CHAPTER I, SECTION 5 (POLICY AGAINST DISCRIMINATION) and (2) CHAPTER X, SECTION 9 (TEXAS UNION). -- The following amendments to Part Two of the Regents' Rules and Regulations were adopted to be effective immediately:

1. Section 5 of Chapter I of Part Two of the Regents' Rules and Regulations was deleted, and the following was substituted in lieu thereof:

Policy Against Discrimination. -- No person shall, on the basis of race, color, national origin, religion or sex, be excluded from participation in, be denied the benefits of, or be subject to discrimination under, any program or activity sponsored or conducted by The University of Texas System or any of its component institutions.

2. Section 9 of Chapter X of Part Two of the Regents' Rules and Regulations was deleted, and the following was substituted in lieu thereof:

The Texas Union (The University of Texas at Austin)

- 9.1 Subject to all relevant provisions of the Rules and Regulations of the Board of Regents and the rules and regulations of The University of Texas at Austin, the Board of Directors of the Texas Union shall recommend to the President of The University of Texas at Austin rules, regulations, and procedures regarding the operation and use of the Texas Union, shall review the Texas Union Budget, shall advise the President in the appointment of the Union Director and shall be involved in the future development of the Texas Union. The Texas Union is designed to provide facilities, services and programs for the students, faculty and staff of The University of Texas at Austin, including the coordination of beneficial co-curricular activities of students and faculty members, programs for intellectual, social, cultural and recreational development, for the promotion of genuine democracy, for the cultivation of a more intelligent interest in and deeper affection for The University of Texas at Austin.
- 9.2 The Board of Directors of the Texas Union shall consist of nine voting members: Six students and three faculty members. The Dean of Students, or his/her delegate, the Secretary of the Board of Directors, and the Union Director shall be ex officio members without vote.
- 9.21 The faculty members shall be appointed by the President for three-year overlapping terms, one to be appointed each year. New faculty member appointments shall become effective on May first of each year.

- 9.22 The six student members of the Board shall be as follows: The President of the Students' Association, the Coordinator of the Texas Union Program Council, and four other students to be appointed for two-year overlapping terms. The four non-ex officio student members shall be registered for at least six semester hours during each long session semester of service and shall be selected as follows: A public announcement of Union Board vacancies shall be published in THE DAILY TEXAN and an interview process shall be conducted by the Executive Officers of the Students' Association, or by the appropriate committee of the Students' Association. Appointments shall be ratified by a 2/3 vote of the Student Senate. New student appointments shall become effective on May first of each year.
- 9.3 The officers of the Board of Directors of the Texas Union shall be as follows: Chairman; Vice-Chairman; Secretary; and Union Director. The Chairman shall be elected each year from the student membership of the Board of Directors by the voting members of the Board. In order to qualify for election as Chairman, a student shall have at least one year's experience on either the Texas Union Program Council or the Board of Directors. The Vice-Chairman shall be the President of the Students' Association, and the Secretary and the Union Director shall be elected by the voting members of the Board of Directors. The officers of the Board of Directors shall perform the usual duties of their respective offices.
- 9.31 The Chairman shall be elected each year to serve a term to extend from the first official Board meeting of the Fall Semester until May 15th.
- 9.32 An Interim Chairman shall be elected each year to serve a term from May 15th until the first official Board meeting of the following Fall Semester. The Interim Chairman shall have the same qualifications as the Chairman.
- 9.4 The Board of Directors may, at its discretion, authorize any three voting members of the Board to serve as an executive committee acting for the Board of Directors between meetings, but only during the period from May 15th until the first day of registration for the fall semester, or during official UT semester break or holiday periods. All actions taken by the Executive Committee are subject to later ratification by the Board of Directors.
- 9.5 At least two copies of the minutes of all meetings of the Board of Directors and the Executive Committee shall be delivered promptly to the President of The University of Texas at Austin. No budget or budget amendment adopted by the Board of Directors of the Texas Union, or of any committee or subcommittee of such Board, shall have any force or effect until such budget or budget amendment has been approved by the Board of Regents.

- 9.6 No expenditure shall be made by the Board of Directors of the Texas Union, unless it is made in accordance with and pursuant to a budget item which has previously been adopted by the Board of Directors of the Texas Union and approved by the Board of Regents.
- 9.7 Within ninety days following the close of each fiscal year of the Texas Union, there shall be furnished to the President of The University of Texas at Austin for distribution to the Deputy Chancellor, to the members of the Board of Regents, to the Secretary to the Board of Regents, and to such other members of the administration as the President of The University of Texas at Austin may direct, at least 15 copies of a complete audit of the fiscal affairs of the Texas Union during the preceding fiscal year.
- 9.8 The Board of Directors of the Texas Union shall meet at least once a month during each Long Session, setting its own date for meetings, formulating its own rules of procedure, setting up and appointing such committees as it may deem necessary and desirable for the proper use of the facilities of the Union Building, and exercising all powers not specifically assigned herein.
- 9.9 The Union Director shall serve as chief executive official in the Union Building. The Board of Directors of the Texas Union shall recommend annually on June 1 through the President of The University of Texas at Austin to the Deputy Chancellor and the Board of Regents the appointment of the Union Director. His term of service shall extend from September 1 through the following August 31. The Union Director shall have the responsibility for the day-to-day operation of the Union Building and its programs or activities. He shall be charged with coordinating the various functions of the Building and the interests of the various groups served by the Building. The Union Director shall consult with the Texas Union Board of Directors regarding the appointment of appropriate staff members. He shall employ, supervise, and direct the work of all subordinate employees. The Union Director shall be a member of all committees without vote. On May 1 annually he shall make a complete report to the Board of Directors of the Texas Union covering the activities in the Union Building. The report shall be transmitted through the President of The University of Texas at Austin to the Deputy Chancellor, to the Board of Regents, to the Secretary to the Board of Regents, and to such other members of the administration as the President of The University of Texas at Austin may direct. The Union Director shall perform such additional services as may be required by the Board of Directors and approved by the Board of Regents.
- 9.10 While various parts and facilities of the Union Building are reserved primarily for the general use of students and faculty, provision is made by extending the use of portions of the Building to special groups for their exclusive use when this

can be done in such manner as not to interfere with the regular program of the Union, and in such cases a rental price may be charged. However, when persons, groups, or organizations officially designated by the President of The University of Texas at Austin, by the Deputy Chancellor, or by the Board of Regents as guests of the University desire to use the facilities of the Union, such privilege shall be granted and shall be granted without cost to the guest group. It is understood, of course, that all requests for the use of the facilities of the Union shall be subject to the principle that prior reservations will be respected, and for that reason requests for the use of the Building or any part of it should be made as early as possible.

- 9.11 Notwithstanding any other provision of this section, every action of the Board of Directors of the Texas Union, and every action of any committee or subcommittee of such board, shall be reviewed by the President of The University of Texas at Austin and the President of The University of Texas at Austin may approve, reverse, or modify each such action. After reviewing the minutes of the Board of Directors, the President of The University of Texas at Austin shall deliver to the Deputy Chancellor two copies of such minutes and a copy of the action, if any, taken by the President with regard to the approval, modification, or reversal of any action of the Board of Directors. Nothing in this section shall be deemed to limit or restrict the authority of the Board of Regents.

**U. T. SYSTEM: AMENDMENT OF POLICY GOVERNING ENDOWMENT OF ACADEMIC POSITIONS.** --The policy regarding the endowment of academic positions last amended on January 26, 1973, was amended (1) by establishing a Visiting Professorship and (2) by increasing from \$10,000 to \$20,000 the minimum endowment required for an Endowed Lectureship.

The policy as amended is set forth below:

1. No endowment will be established or announced and no appointment made to an endowed academic position without prior approval by the Board of Regents.
2. No negotiations or commitments implying the establishment of the endowment of an academic position will be undertaken by any faculty member or other officer of the University until the proposal has been formally approved by the head of the component institution.
3. Recommendations to the Regents concerning acceptance of gifts for endowment of academic positions will be made through the Deputy Chancellor in the dockets of the several institutions or System Administration or in special reports by the Deputy Chancellor to the Regents.

Before the final action of the Board, such recommendations will be referred to the Land and Investment Committee as to fiscal arrangements and to the Academic and Developmental Affairs Committee as to policy.

4. Four categories of endowed and named academic positions will be established: Chairs, Professorships, Visiting Professorships, and Lectureships.
- a. **Endowed Chairs.** The endowed chair will be established with a minimum of \$500,000 or the equivalent in annual contributions arranged according to agreements recommended by the Deputy Chancellor and approved by the Board. Grants of \$400,000 already under contractual agreement for the future, bequests included in wills made prior to this date and other prior bona fide arrangements for \$400,000 endowment of chairs are excepted in this regulation. The University will pay from University Funds such amounts as are necessary to set the salary of the occupant at a level commensurate with his record, experience, and position in the faculty. The endowment will be used both for salary supplementation and for other professional support of the holder of the chair, including assistance in his research.
  - b. **Endowed Professorships.** The endowed professorship will be established with a minimum of \$100,000 or the equivalent in annual contributions arranged according to agreements recommended by the Deputy Chancellor and approved by the Board. Income from endowment will be used chiefly to supplement the salary of the occupant of the professorship but will be available for other professional support, including assistance in his research.
  - c. **Visiting Professorships.** The endowment of the visiting professorship specifies that such positions must be funded with a minimum endowment of \$50,000. Such appointments will be given to distinguished scholars who are in temporary residence at the component while participating in planned academic programs.
  - d. **Endowed Lectureships.** The endowed lectureship will be established with a minimum of \$20,000 and within a range of \$20,000 and \$100,000, with the provision that all such lectureships for which bona fide arrangements are in negotiation are excluded from this regulation. The lectureship will be considered a temporary appointment, usually given to a visiting scholar during temporary residence at the institution where the lectureship is established. Other emoluments for such visiting lectureships may be provided the visiting scholar through regular budgetary procedures, but no visiting lecturer will be remunerated from two or more lectureship endowments.

U. T. AUSTIN - WAIVER OF REGENTS' RULES AND REGULATIONS, PART ONE, CHAPTER III, SECTION 1.84 (VISITING ASSOCIATE PROFESSOR AND VISITING PROFESSOR): TO PERMIT THE RE-EMPLOYMENT OF (1) DR. SANAT BASU AND (2) DR. DAMION BAYON. -- Upon the recommendation of President Rogers, concurred in by Chancellor LeMaistre, Section 1.84, Chapter III, of Part One of the Regents' Rules and Regulations was waived to permit the following appointments at The University of Texas at Austin:

1. Appointment of Dr. Sanat Basu, Visiting Associate Professor of Computer Sciences in the Department of Computer Sciences, for 1975-76 academic year.
2. Appointment of Dr. Damion Bayon, Visiting Professor in the Institute of Latin American Studies, for 1975-76 year. This will be Professor Bayon's third and final year as a visiting professor.

U. T. AUSTIN - BRACKENRIDGE TRACT: (1) RATIFICATION OF REPORT RELATING TO EMPLOYMENT OF CONSULTANT AND AUTHORIZATION TO INVITE BIDS FROM OPERATORS OF FOOD SUPERMARKETS FOR LEASE OF 2.697 ACRES (117,485 SQUARE FEET), SOUTHEAST CORNER OF EXPOSITION BOULEVARD AND LAKE AUSTIN BOULEVARD, AUSTIN, TEXAS; (2) REPORT OF BIDS AND AWARD OF LEASE TO SAFEWAY STORES, INCORPORATED SUBJECT TO THE UNIVERSITY OBTAINING PROPER ZONING; AND (3) EMPLOYMENT OF HENRY S. MILLER COMPANY FOR IMPROVEMENTS LEASE WITH SAFEWAY STORES, INCORPORATED. -- (1) The following report relating to the employment of a consultant and the invitation for bids from operators of food supermarkets for the lease of 2.697 acres (117,485 square feet), located on the southeast corner of Exposition Boulevard and Lake Austin Boulevard, Austin, Texas, was ratified. (The report was approved at the meeting held on June 5, 1975, but was not listed on the agenda as provided by Article 6252-17, V. T. C. S. Hence it was resubmitted for ratification.)

#### Report

Pursuant to authorization at the Regents' meeting on March 14, 1975, relating to the 2.697 acre tract, southeast corner of Exposition Boulevard and Lake Austin Boulevard, Austin, Texas (Brackenridge Tract), Regent Clark reported that the firm of Henry S. Miller Company of Dallas, Texas, had been employed as a real estate consultant on the matter of leasing this property to a food supermarket and a lease form had been prepared. Regent Clark further reported that this tract of land had formerly been referred to as the approximately 2.81 tract; however, it has been resurveyed and there are 2.697 acres or 117,485 square feet.

After due consideration, Regent Clark recommended that invitations to bid on the lease of this tract be mailed to all prospective bidders who operate food supermarkets in the Austin area. This recommendation was approved by unanimous vote, and the results of the bids will be reported to the Board of Regents for consideration at its meeting on July 25, 1975.

(2) The results of the bids were received. Subject to the University obtaining proper zoning of this tract (bounded by Lake Austin Boulevard, Exposition Boulevard, West 8th Street and Newnan Drive) to permit the operation of a supermarket, the proposal of Safeway Stores, Incorporated, submitted on the University's Ground Lease form, was accepted. This lease is for a 20 year primary term and is non-cancellable by Safeway for the 20 year primary term. Safeway Stores, Incorporated will pay a monthly rent of \$5,083.33 for 4 years; at the end of the fourth year the lease rental is to be increased by 2.51% annually and is to be compounded at that rate for each year during the remainder of the 20 year primary lease term and for each of the two ten year option periods. The lease is a net lease with Safeway paying all items of expenses including utilities, taxes and maintenance.

(3) The Special Committee on Matters Relating to Brackenridge Tract was authorized to negotiate financing of the improvements for Safeway, and the U. T. System was authorized to employ the firm of Henry S. Miller Company to work with and advise the staff in drawing up an Improvements Lease with Safeway Stores, Incorporated.

U. T. AUSTIN (MARINE SCIENCE INSTITUTE) AND GALVESTON MEDICAL BRANCH (MARINE BIOMEDICAL INSTITUTE): REDESIGNATION OF MARINE BIOMEDICAL INSTITUTE NATIONAL ADVISORY COMMITTEE TO BE NATIONAL ADVISORY COMMITTEE TO THE MARINE BIOMEDICAL INSTITUTE AND THE MARINE SCIENCE INSTITUTE. --The present Marine Biomedical Institute National Advisory Committee was designated the National Advisory Committee to the Marine Biomedical Institute of The University of Texas Medical Branch at Galveston and the Marine Science Institute of The University of Texas at Austin. This committee is used as a technical and scientific advisory panel to the administration and staff of the Marine Biomedical Institute of the Galveston Medical Branch and the Marine Science Institute of U. T. Austin.

GALVESTON MEDICAL BRANCH: AUTHORIZATION TO ACQUIRE THE U. S. CUSTOMS HOUSE BUILDING AND SITE IN GALVESTON, GALVESTON COUNTY, TEXAS. --With respect to the acquisition of the U. S. Customs House Building and site in Galveston, Galveston County, Texas, the following resolution was adopted:

#### RESOLUTION

WHEREAS, Certain real property owned by the United States of America consisting of Block 677 in the City of Galveston, Galveston County, Texas between 17th and 18th Streets and Avenue A and Avenue B (Strand), and being 260 feet N-S and 300 feet E-W, and known as the U. S. Customs House Building and Site in Galveston, has been declared surplus and may be available for disposal by the Secretary of Health, Education, and Welfare;

WHEREAS, The University of Texas Medical Branch at Galveston is in need of said property and can utilize same for health and educational use;

WHEREAS, It is the desire of the Board of Regents of The University of Texas System, the governing authority of The University of Texas Medical Branch at Galveston, to submit an application to the United States Government for acquisition of the property or a portion thereof, under the provisions of Section 203 (k) (1) of the Federal Property and Administrative Services Act of 1949 (63 Stat. 377) as Amended, and regulations and procedures promulgated thereunder; now, therefore, be it

RESOLVED, By the Board of Regents of The University of Texas System that William C. Levin, M.D., President of The University of Texas Medical Branch at Galveston, be and he is hereby designated as the proper official of said Board by whom negotiations for such acquisitions are to be prosecuted; he is hereby duly authorized to do any and all things necessary and proper to procure acquisition of, and to accept, the property approved for transfer by the Department of Health, Education, and Welfare. The designated official will sign all documents pertaining to the acquisition of the property and he or his successor in function will sign annual utilization reports which will be required by the Deed; be it further

RESOLVED, That The University of Texas Medical Branch at Galveston is ready, willing and able, and is hereby authorized to commence the proposed program within a period of time prescribed by the regulations of the Department of Health, Education, and Welfare; to pay all external administrative expenses incident to the transfer of said property; to assume the expense of commencing and operating the proposed program; and to assume immediate care and maintenance thereof upon transfer; and, be it further

RESOLVED, That three certified copies of this Resolution be furnished to the Assistant Regional Director for Surplus Property Utilization, Department of Health, Education, and Welfare as evidence of the official action of the Board of Regents of The University of Texas System in authorizing the application for, and acquisition of said property.

IN TESTIMONY WHEREOF we hereunto sign our names and attach the seal of said institution for it and in its behalf this \_\_\_\_\_ day of July, 1975.

ATTEST:

BOARD OF REGENTS OF THE  
UNIVERSITY OF TEXAS SYSTEM

\_\_\_\_\_  
Secretary

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

HOUSTON HEALTH SCIENCE CENTER: AUTHORITY TO ACCEPT GRANT WITH EXCLUSIVE LICENSE IN PATENTABLE INVENTIONS FROM GENERAL FOODS CORPORATION (COMPLIANCE WITH REGENTS' RULES AND REGULATIONS, PART TWO, CHAPTER IV, SUBSECTION 2.425). --The following grant from General Foods Corporation to Dr. James C. Boudreau of the Graduate School of Biomedical Sciences at The University of Texas Health Science Center at Houston providing for an exclusive license to any patentable inventions resulting therefrom was approved. This grant complies with Regents' Rules and Regulations, Part Two, Chapter IV, Subsection 2.425.

Authorization was given to accept the grant agreement set out below, and authority was given to Deputy Chancellor Walker to execute the agreement when it had been approved as to form by a University attorney:

GENERAL FOODS CORPORATION / 250 North Street, White Plains, N. Y. 10625

May 22, 1975

Graduate School of Biomedical Sciences  
The University of Texas  
c/o Dr. James C. Boudreau  
420 Lamar Fleming Blvd.  
Houston, Texas 77025

Gentlemen:

This agreement covers canine gustation studies sponsored by General Foods Corporation and grants to General Foods certain patent rights based on earlier and continuing work by Dr. James C. Boudreau relating to feline gustation.

Attached hereto as Exhibit A is the protocol for the study to be performed for General Foods by the Graduate School of Biomedical Sciences at Houston of the University of Texas (hereinafter referred to as the "Contractor") under the direction of Dr. James C. Boudreau. The study is entitled "Neurophysiological Analysis of Canine Gustation."

This study is approved subject to the following terms and conditions:

1. This agreement represents the only contract between General Foods and the Contractor relating to the indicated subject matter. Specifically, this agreement replaces and cancels any other agreement, whether written or oral, relating to this subject matter.
2. The study began on April 1, 1974 and will continue through at least March 31, 1977. Thereafter the study can be renewed by mutual agreement of the parties. All work under this study, including receipt and acceptance by General Foods of all reports, will be completed by March 31, 1977.
3. The total cost to General Foods for completion of the study will be ONE HUNDRED AND FIVE THOUSAND DOLLARS (\$105,000.00). Payments to the Contractor totaling SEVENTY THOUSAND DOLLARS (\$70,000.00) have been made. A last payment of THIRTY FIVE THOUSAND DOLLARS (\$35,000.00) is due on April 1, 1976. Costs for continued studies, should they continue beyond March 31, 1977, will be negotiated at the time of agreement.

The Contractor or Dr. Boudreau may publish the results of this research in any recognized technical periodical. However, because much of the information developed during the research could have an impact on the business interests and proprietary rights of General Foods, no such results shall be published less than ninety (90) days after such results have been presented to General Foods. To facilitate an orderly review of the results, Dr. Boudreau agrees to summarize the results achieved and any significant conclusions which he can draw therefrom at least every six months. Dr. Boudreau further agrees that he will not, under any circumstances, except as may be required by law, identify General Foods, explicitly or implicitly, as being in any way connected with this research. Moreover, Dr. Boudreau agrees to refrain from any reference in any publication to any process or product employed by General Foods. Dr. Boudreau the Contractor further agree that any information of any kind transferred from General Foods to Dr. Boudreau or his associates, agents, employees or contractors, or any of the agents, employees or contractors, of the Contractor, shall be kept in confidence and shall not be disclosed by them to others without the written consent of General Foods.

It is understood that the Contractor and Dr. Boudreau are independent contractors under this agreement and shall bear all responsibility for the proper and safe performance of all work and services called for by or incidental to this agreement. The Contractor and Dr. Boudreau agree to maintain sufficient insurance to assure their ability to meet any liabilities which they may encounter during their performance of this agreement. Such insurance shall include Workman's Compensation, Comprehensive General Liability and Comprehensive Automobile Liability. However, such insurance shall not relieve Dr. Boudreau or the Contractor from any liability which they may encounter during the performance of this agreement.

It is General Foods policy that no member of the organization is to enter into any understanding, written or oral, for treating as confidential, information disclosed by outsiders except by prior approval of the President. Accordingly, any information or disclosures regarding the above, or any other matter, made to General Foods shall be on a non-confidential basis and General Foods shall be free to use said information and disclosures without any liability whatsoever except under the patent laws of the United States.

Dr. Boudreau and the Contractor hereby advise General Foods and hereby warrant that they are free to enter into this agreement with General Foods and to advise, counsel and perform the work as herein provided. Dr. Boudreau and the Contractor specifically advise and warrant that they are not presently performing, nor will they during the term of this agreement perform, any work for any other party which conflicts with the interests of General Foods in the study of canine gustation. General Foods has been made aware of a grant by the National Institute of Neurological Diseases and Stroke for studies entitled "Information processing the Auditory System" and a grant from the National Science Foundation for studies entitled "Neurophysiological Analysis of Sensory systems of the Facial Nerve"; and General Foods is satisfied that they present no conflict. Dr. Boudreau and the Contractor further agree in this regard to hold General Foods harmless from any liabilities or damages which may be charged against General Foods due to such a conflict of interests. They further agree not to disclose or reveal to General Foods any trade secrets which they do not have the free and complete right to disclose to General Foods and which General Foods is not free to use without liability of any kind or General

Foods use of which would result in violation of any patents, known to them without advising General Foods of such patent. They further agree to indemnify and hold General Foods harmless for any claim or claims arising from any use by General Foods of information which in any way violates any agreement they have or may have had in the past with any other person, firm or organization of any kind.

The implementation of this agreement will be carried out in strict compliance with all Federal and State laws regarding discrimination in employment. Specifically, the parties shall not discriminate by reason of race, color, creed, national origin or sex. Unless this contract is exempt by rules and regulations of the Secretary of Labor issued pursuant to Section 202 Executive Order 11246, there is incorporated herein by reference paragraph 1-7 of the contract clause set forth in the Executive Order 11246, attached hereto as Exhibit B.

The research provided for by this agreement relates to an area in which General Foods has done, and continues to do, active research regarding the use of palatability modifiers in animal foods. General Foods has several patent applications on file and in preparation, and several Memoranda of Invention relating to this area of research for which General Foods shall maintain sole title. It is possible, however, that further, distinct inventions may result from the work provided for under this contract. In the investigation of the Canine Gustatory System a great many chemical compounds, both natural and artificial, will be tested on taste neurons. A small number of these compounds, because they optimally stimulate and are most free of adverse side effects, will be suggested to General Foods for use as flavors in dog food. These compounds will be tested behaviorally by General Foods to determine their effectiveness as dog food flavors. Within a reasonable period of time, the most effective of these compounds will be considered by General Foods for patentability, and patent applications will be filed for those thought patentable. In the event that Dr. Boudreau, or any of his employees or agents, or any of the employees or agents of General Foods or the Contractor shall, as a result of the studies relating to canine gustation make any inventions, the following provisions shall be determinative of the rights and equities of the Contractor, Dr. Boudreau and General Foods.

Additionally, where Dr. Boudreau or any of his employees or agents, or any of the employees or agents of the Contractor or General Foods shall, as a result of any studies on cats under the aforementioned government grants, make any invention relating to feline gustation, the following patent provisions shall be determinative of the rights and equities of the Contractor, Dr. Boudreau and General Foods. It is understood, however, that any inventions relating to feline gustation which may result from the aforementioned government grants will create rights to the inventions in the U.S. Government, and that the following provisions will apply only where the U.S. Government has indicated in writing that Dr. Boudreau or the Contractor is free to grant such rights.

**PATENT PROVISIONS:**

- (a) Where any invention is conceived by Dr. Boudreau or his employees or agents, or the Contractor or its employees or agents, with or without inventive contribution on the part of any employee of General Foods, the Contractor shall have title to any patent applications defining the

inventions. General Foods shall be granted an exclusive license, with the right but not the obligation to grant sublicenses, for the life of any patents resulting from the inventions. In the event that the invention is commercialized and a product is prepared and distributed under the patent, the parties shall negotiate a reasonable royalty rate payable to the Contractor. The royalty rate shall bear a reasonable relationship to the incremental value added to the product as improved by the invention and to the inventive contribution on the part of each party and shall in no event exceed 1% of net sales revenue for the product. In the event that General Foods elects not to utilize the invention or distribute such a product, General Foods may relinquish the license by letter addressed to the University of Texas indicating such intent and stating that the royalty will no longer be paid. The Contractor shall thereafter be free to seek other licensees of the patent but shall offer to General Foods the right of first refusal to meet the terms offered by any other prospective licensee and to again become licensed under the patent.

- (b) Where an invention is the sole invention of any employee of General Foods, General Foods shall own full title to the invention, including any patent rights which may be involved. Applications on such inventions that include research data developed and provided by the Contractor shall be referred to the Contractor for examination, by its patent counsel, to confirm General Foods full title.
  - (c) In the event that more than one patent is issued, General Foods shall have the rights to all patents as indicated but will in no event be subjected to payment of a royalty in excess of 1% of net sales revenue for the product employing the invention.
  - (d) General Foods shall have the right to and will actively seek protection on any new, useful and unobvious inventions, regardless of inventorship. General Foods will assume all costs directly related to securing such patent protection. The Contractor and Dr. Boudreau shall cooperate with General Foods in preparing and prosecuting patent applications and in securing other means of protecting the inventions.
  - (e) General Foods shall have the right under its exclusive license agreement to enforce the patent by suing infringers in its own name. Any recovery by General Foods by such litigation will be the sole property of General Foods except to the extent that the Contractor has been requested and has agreed before commencement of the suit to share in the cost of litigation, in which case the recovery will be applied to the participants according to their agreed-upon percentage participation.
10. The research for the year starting April 1, 1976, provided for by this agreement, but not the other obligations set forth herein, can be terminated by either party with notice in writing to the other party before March 1, 1976. In the event of termination, the payments will be adjusted, based on actual services rendered, if the amount paid by General Foods exceeds the proportional value thereof.

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This contract is not assignable without the mutual written consent of the Contractor and General Foods.

Please indicate your agreement to the above, including the attached Exhibits A\*and B\*, by signing and returning to us the enclosed duplicate original of this letter.

Yours truly,

GENERAL FOODS CORPORATION

By [Signature] Date 11/16/75

Title [Signature]

AGREE TO AND ACCEPTED

By \_\_\_\_\_ Date \_\_\_\_\_

Title \_\_\_\_\_

By \_\_\_\_\_ Date \_\_\_\_\_

Title \_\_\_\_\_

Subject

UNIVERSITY CANCER CENTER (ENVIRONMENTAL SCIENCE PARK): ACCEPTANCE OF 373.99 ACRES OF LAND (CAMP SWIFT) IN BASTROP COUNTY, TEXAS (PRESENTLY UNDER LEASE). --Approval was given to accept from the State Department of Health 373.99 acres of land in Bastrop County, Texas (Camp Swift property) for the benefit and use of The University of Texas System Cancer Center. This land, presently under lease from the State Department of Health, is designated "University of Texas System Environmental Science Park." The deed of conveyance is subject to the provisions of the lease agreement which reserves to the State Department of Health the right of biomedical units to use such facilities.

The Chairman of the Board of Regents was authorized to execute any and all instruments necessary to complete this transmittal including an acceptance of the above stated conditions after such instruments had been approved as to content by the Deputy Chancellor for Administration and as to form by a University attorney.

\*Exhibits A and B are with the fully executed document.

**UNIVERSITY CANCER CENTER (M. D. ANDERSON): AUTHORIZATION FOR ADDITIONAL INPATIENT FACILITIES IN HERMANN HOSPITAL.** -- Pending completion of the current expansion program at the M. D. Anderson Hospital and Tumor Institute in Houston, there is an acute shortage of inpatient care facilities in the existing M. D. Anderson Hospital. Investigations made by the administrations at M. D. Anderson Hospital and Hermann Hospital indicate that modifications can be made in a nursing unit at Hermann Hospital to provide increased inpatient care facilities for interim use until the current M. D. Anderson expansion program and authorized remodeling are completed.

Upon recommendation of President Clark, concurred in by Chancellor LeMaistre, the Board of Regents:

- a. Authorized location of additional inpatient facilities for M. D. Anderson Hospital and Tumor Institute in Hermann Hospital through the modification and equipping of an existing nursing unit at a cost of approximately \$100,000, and such costs to be borne by Hermann Hospital and reimbursed by M. D. Anderson Hospital from grant funds and unrestricted gift funds; and
- b. Approved the closing of a 20 bed unit for the department of Developmental Therapeutics, currently operated by M. D. Anderson at the Center Pavilion Hospital, since increased patient care facilities can be provided in Hermann Hospital.

**SCHEDULED MEETINGS.** --The following meetings of the Board of Regents have been scheduled:

September 12, 1975, in Austin  
 October 24, 1975, in Austin  
 December 12, 1975, in Houston

**UNIVERSITY CANCER CENTER (M. D. ANDERSON): AUTHORIZATION FOR DR. ROBERT D. MORETON TO SERVE AS MEMBER AND CHAIRMAN OF TEXAS BOARD OF HEALTH RESOURCES (DUAL POSITION -- SECTION 40, ARTICLE XVI, TEXAS CONSTITUTION).** --The following resolution was authorized:

RESOLUTION

WHEREAS, Dr. Robert D. Moreton, Vice-President for Professional and Public Affairs, The University of Texas M. D. Anderson Hospital and Tumor Institute at Houston, has been appointed by the Governor of the State of Texas to serve as member and chairman of the Texas Board of Health Resources; and

WHEREAS, The Board of Regents of The University of Texas System finds that the service of Dr. Robert D. Moreton as a member and chairman of the Texas Board of Health Resources is not in conflict with the duties and responsibilities of his employment by The University of Texas System, and further finds that the service of Dr. Robert D. Moreton as a member and chairman of the Texas Board of Health Resources is and will continue to be a benefit and advantage to The University of Texas System and the State of Texas; now, therefore, be it

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RESOLVED by the Board of Regents of The University of Texas System, acting pursuant to its delegated legislative authority:

1. That the said Dr. Robert D. Moreton be, and hereby is, authorized by the Board of Regents to serve as member and chairman of the Texas Board of Health Resources until such time as he no longer has an opportunity to do so or until the authorization conferred by this Resolution is revoked by the Board of Regents;

2. That the said Dr. Robert D. Moreton be, and hereby is, authorized by the Board of Regents to serve as member and chairman of the Texas Board of Health Resources in addition to all other duties and responsibilities that have been or may hereafter be assigned to or required of him by the Board of Regents.

IN TESTIMONY WHEREOF we hereunto sign our names and attach the seal of said institution for it and in its behalf this \_\_\_\_ day of July, 1975.

ATTEST:

BOARD OF REGENTS OF THE  
UNIVERSITY OF TEXAS SYSTEM

Secretary

Chairman

COMMITTEE OF THE WHOLE - EXECUTIVE SESSION  
(Pages 114 - 135)

Chairman Shivers pursuant to Article 6252-17, Sections 2(e), (f) and (g), Vernon's Civil Statutes reported on the following items that had been discussed in Executive Session of the Committee of the Whole and called for consideration of those requiring action:

U. T. SYSTEM: ADOPTION OF 1975-76 OPERATING BUDGETS INCLUDING AUXILIARY ENTERPRISES, GRANTS AND GOVERNMENT FUNDS,

**RESTRICTED CURRENT FUNDS, AND MEDICAL SERVICES RESEARCH DEVELOPMENT PROGRAMS; AVAILABILITY TO PRESS.** --By unanimous vote, the proposed 1975-76 Operating Budgets for The University of Texas System (listed below) were adopted with authorization to System Administration to make any errata corrections. These budgets are a part of the Minutes of this meeting, and the official copy of each is in bound Volume XXX entitled Annual Budgets for 1975-76.

System Administration and Available University Fund  
 The University of Texas at Arlington  
 The University of Texas at Austin  
 The University of Texas at Dallas  
 The University of Texas at El Paso  
 The University of Texas of the Permian Basin  
 The University of Texas at San Antonio  
 The University of Texas Health Science Center at Dallas  
 The University of Texas Medical Branch at Galveston  
 The University of Texas Health Science Center at Houston  
 The University of Texas Health Science Center at San Antonio  
 The University of Texas System Cancer Center  
 The University of Texas System School of Nursing

These budgets include auxiliary Enterprises, Grants and Government Funds, and Restricted Current Funds. The budgets for the medical installations include the Medical Services Research Development Programs. The rules governing these Operating Budgets are included on pink sheets in each of the bound copies.

Chairman Shivers announced to the Press that on Monday morning, July 28, a copy of the Operating Budgets for The University of Texas System will be available in the Conference Room of O. Henry Hall and arrangements to see the budgets can be made with Mr. Frank Graydon, Budget Director.

**U. T. SYSTEM: INCREASE IN MEMBERSHIP OF BOARD OF DIRECTORS, THE UNIVERSITY OF TEXAS FOUNDATION, INC.** --Upon motion of Regent Law, seconded by Regent Sterling, the membership of the Board of Directors of The University of Texas Foundation, Inc., was increased to a maximum of 25 and the bylaws were changed to conform thereto. Regent Nelson voted "No."

**U. T. AUSTIN - WILL C. HOGG MEMORIAL FUND: JOINDER WITH MISS IMA HOGG, MRS. ALICE NICHOLSON HANSZEN, MRS. MARGARET WELLS MARKUS AND THE CITY OF HOUSTON IN OIL AND GAS LEASE TO BROWCO, INC., COVERING MEMORIAL PARK IN HOUSTON, HARRIS COUNTY, TEXAS, SUBJECT TO ATTORNEY GENERAL'S APPROVAL AS TO LEGAL FORM.** --Subject to approval by the Attorney General as to legal form, the request of Browco, Inc., for the Board of Regents to join with Miss Ima Hogg, Mrs. Alice Nicholson Hanszen and Mrs. Margaret Wells Markus (each of whom holds 1/8th royalty interest) and the City of Houston (who owns 1/2 royalty interest) in an oil and gas lease to Browco, Inc., covering Memorial Park in Houston, Harris County, Texas, was authorized under the following terms:

Term - One year and as long thereafter as oil and gas are being produced in paying quantities or drilling or reworking operations are being conducted in accordance with the lease terms.

Bonus - None. Lessee obligated to drill two wells to a depth of at least 9,000 feet, the first of such wells to be commenced within 180 days and the second of such wells to be commenced within 120 days after the completion or abandonment of the first well.

Royalty - Lessor to reserve a royalty on oil and gas of 25% until such time as lessee has recovered out of its working interest the total cost expended in drilling, testing, completing, equipping or plugging and abandoning all wells drilled on the leased premises as well as the cost of operating any producing wells at which time the royalty reserved to lessor shall be increased from 25% to 40%. Royalties are to be divided as follows:

City of Houston	1/2
*Ima Hogg	1/8
*Alice Nicholson Hanszen	1/8
*Margaret Wells Markus	1/8
Board of Regents of The University of Texas System, Trustee	1/8

Use of Surface - Lessee after consultation with the City of Houston shall designate two drilling sites of a maximum size of two acres. If production is obtained, lessee shall have the option to select four additional drill sites not to exceed two acres, each at such locations as are determined by the lessee and the City of Houston Parks Department. All drilling and other operations on the leased premises shall be conducted in a manner to comply with all existing statutes, laws, rules and regulations and ordinances adopted by governmental authority having jurisdiction in order that same may cause a minimum of interference to park operations, park environment and the enjoyment and use of the park by the public.

Assignment - Rights of the lessee shall not be assigned without the written consent of lessor.

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\*The Hogg family has agreed to assign its royalty interest to the City of Houston with any funds realized by the City from its interest or the interest assigned to it by the Hogg family to be devoted exclusively to the improvement and maintenance of public parks in the City of Houston and the acquisition of additional park land. The interest of Margaret Wells Markus and 1/2 of the interest of Alice Nicholson Hanszen is a life income interest only and upon their deaths the remainder shall vest in the Board of Regents of The University of Texas System, Trustee.

The Chairman of the Board of Regents was authorized to execute the oil and gas lease and any and all instruments necessary to consummate this transaction when they had been approved as to content by the Deputy Chancellor and as to legal form by the Attorney General.

It was noted that Miss Hogg, Mrs. Hanszen and Mrs. Markus have already executed the lease agreement and that the City of Houston has agreed in principle to the proposed lease and the Houston City Council's approval is expected at an early date.

This item will be listed on the agenda at the meeting on September 12, 1975, for ratification.

**U. T. SAN ANTONIO: ACCEPTANCE FROM B. K. JOHNSON OF ARCHEOLOGICAL GRANT IN FORM OF EASEMENT ON 5,866.46 ACRES OF LAND, "MAGNUM RANCH," ZAVALA COUNTY, TEXAS. --** An archeological grant from Mr. B. K. Johnson of San Antonio, Texas, in the nature of an easement over, upon, across and beneath the "Magnum Ranch," consisting of 5,866.46 acres of land in Zavala County, Texas, was accepted for the benefit of The University of Texas at San Antonio. This grant authorizes the University to utilize the land for archeological pursuits and purposes for a period of ten years.

The Chairman of the Board of Regents was authorized to execute the appropriate document after the same had been approved as to content by the Deputy Chancellor and as to form by a University attorney. The Chairman was further authorized to do any and all things necessary to consummate this transaction.

**U. T. SYSTEM: ADMINISTRATIVE REORGANIZATION AND AMENDMENTS TO REGENTS' RULES AND REGULATIONS, PARTS ONE AND TWO TO CONFORM THERETO; SPECIAL COMMITTEE AUTHORIZED TO SUBMIT AT SEPTEMBER MEETING ADDITIONAL AMENDMENTS RELATING THERETO IF NEEDED. --**Chairman Shivers reported that Chancellor LeMaistre had written a letter requesting, and stating the necessity for, a reorganization of the Administration. The Board of Regents agreed with Chancellor LeMaistre, and a reorganization of the Administration of The University of Texas System was approved effective immediately.

Mr. E. D. Walker, currently Deputy Chancellor for Administration, was named Deputy Chancellor. He will report to the Chancellor. All other officers of System Administration will report to the Deputy Chancellor except the Executive Assistant to the Chancellor and the Director for Development. These two officers will report to the Chancellor.

The Deputy Chancellor will direct the day-to-day operations of the U. T. System and will have direct contact with the Presidents of the component institutions while the Chancellor will become more involved in education policy concerns at the community, state, regional and national levels and will concentrate on education policy matters internal to the University. The Chancellor and the Deputy Chancellor will work in close cooperation on all matters.

To accomplish this reorganization, the Regents' Rules and Regulations, Parts One and Two, were amended as set out on Pages 118 - 135.

1. Amend Chapter II of Part One of the Regents' Rules and Regulations to read as follows:

CHAPTER II

ADMINISTRATION

Sec. 1 General Provisions.

- 1.1 The "System Administration" is the administration of The University of Texas System.
- 1.2 Component Institutions.  
The University of Texas System is composed of those institutions assigned by the Constitution or by the Legislature to be governed by the Board of Regents of The University of Texas System.
- 1.3 Location.  
The System Administration shall be based at Austin, to benefit from the proximity of state agencies and to take advantage of economies made possible by share use of personnel and facilities with The University of Texas at Austin. System Administration officers shall travel to the other component institutions as their administrative responsibilities require.

Sec. 2 Officers of System Administration.

- 2.1 Chancellor Emeritus.  
The authority to bestow the title of Chancellor Emeritus shall rest with the Board of Regents, and an individual holding this title shall receive such salary and emoluments as are determined by the Board. This title shall be held at the pleasure of the Board of Regents. The Chancellor Emeritus shall have such duties and responsibilities as may be delegated or assigned to him by the Board of Regents and in these matters he shall report directly to the Board.
- 2.2 Principal Officers.  
The Chancellor is the chief executive and administrative officer of The University of Texas System. The other principal executive and administrative officer of System Administration is the Deputy Chancellor.
- 2.3 Administrative Officers.  
The other administrative officers of The University of Texas System are the Executive Assistant to the Chancellor; the Director for Development; Associate Deputy Chancellor for Academic Affairs; the Associate Deputy Chancellor for Health Affairs; the Associate Deputy Chancellor for Investments, Trusts and Lands; the Associate Deputy Chancellor for Operations; the Director for Information; the Director for Public Affairs; the Comptroller; the Director of Facilities Planning and Construction; the Budget Director; the General Counsel for The University of Texas System; the System Personnel Director; the Director of Accounting; the Director of Police; and the Director for Special Services.
- 2.4 Appointment and Tenure of Administrative Officers.  
2.41 The Chancellor of The University of Texas System shall be elected by the affirmative vote of a majority of the Regents in office. The Chancellor shall hold office without fixed term, subject to the pleasure of the Board of Regents.

2.42 The Deputy Chancellor, the Executive Assistant to the Chancellor, and the Director for Development shall each be appointed by the Board of Regents after nomination by the Chancellor. Each of such officers shall hold office without fixed term, subject to the pleasure of the Chancellor, whose actions concerning such officers are subject to review and approval by the Board of Regents.

2.43 All other administrative officers of The University of Texas System shall be appointed by the Board of Regents after nomination by the Deputy Chancellor. Officers so appointed shall not have tenure by virtue of their respective administrative offices. They shall hold office without fixed term, subject to the pleasure of the Deputy Chancellor. His actions concerning administrative officers are in turn subject to review and approval by the Board of Regents.

2.5 Staff and Line Functions of Officers Other than the Chancellor, Deputy Chancellor, Executive Assistant to the Chancellor and Director for Development.

2.51 Staff Function. Each officer of System Administration, other than the Chancellor, the Deputy Chancellor, the Executive Assistant to the Chancellor, and the Director for Development, shall be responsible for planning and policy formulation in his particular field and shall serve as adviser in his area to the Deputy Chancellor.

In addition, with the knowledge of the Deputy Chancellor, he shall advise and consult with other members of System Administration and with the officials of the component institutions in his particular area of responsibility.

2.52 Duties. Such officers of System Administration shall have such duties as shall be assigned to them by the Deputy Chancellor, and as his personal representatives, they may be assigned specific executive responsibilities for carrying out administrative policies.

Sec. 3 Administrative Authority, Duties and Responsibilities of Officers of System Administration.

3.1 Chancellor.  
The Chancellor is the chief executive officer of The University of Texas System. In the areas of development, general policy, and general academic planning for The University of Texas System and its component institutions, the Chancellor, by delegation from the Board of Regents, is authorized to exercise or to delegate all of the power and authority possessed by the Board of Regents in the governance of the institutions composing The University of Texas System. The Chancellor reports to and is responsible to the Board of Regents.

3.2 Executive Assistant to the Chancellor.  
The Executive Assistant to the Chancellor is an administrative officer of The University of Texas System, and is the principal assistant to the Chancellor in the administration of the responsibilities of the Office of the Chancellor. In this regard, the duties of the position include, but are not limited to:

3.21 Coordination of all matters between the Office of the Chancellor and the activities and functions in the Office of the Deputy Chancellor.

- 3.22 Coordination of all matters between the Office of the Chancellor and the Office of the Secretary to the Board of Regents.
- 3.23 Ongoing evaluation and coordination of the internal administrative procedures and supporting staff of the Office of the Chancellor.
- 3.24 Such other duties and responsibilities as may be directed by the Chancellor.

3.3 Director for Development.

The Director for Development is an administrative officer of The University of Texas System.

3.3(1) In carrying out his duties and responsibilities he:

3.3(1)(1) Serves as executive officer for The University of Texas System Advisory Council.

3.3(1)(2) Acts under the authority delegated by the Chancellor for private fund development for The University of Texas System.

3.3(1)(3) Coordinates policies and activities involving internal foundations and University-related external foundations.

3.3(1)(4) Coordinates and cooperates with the chief administrative officers of the component institutions in development programs.

3.3(1)(5) Coordinates efforts of component institution officials to create a favorable climate for philanthropic support among various constituencies, including alumni, foundations, business and industry, associations, parents of students, friends and benefactors.

3.3(1)(6) Advises component institution administrative officials, deans, and directors on projects involving private gift support, suggests possible granting agencies or benefactors, and assists when needed in the preparation of grant proposals and their presentation.

3.3(1)(7) Administers procedures for the preparation of gift records, gift processing, gift acknowledgments, and gift dockets for the Board of Regents.

3.3(2) The Director for Development reports to and is responsible to the Chancellor.

3.4 Deputy Chancellor.

The Deputy Chancellor is the other principal executive and administrative officer of The University of Texas System. The chief administrative officer of each component institution in the System, acting in a line capacity for the operation of his institution, reports to and is responsible to the Deputy Chancellor, and, through the Deputy Chancellor and the Chancellor, to the Board of Regents.

3.41 By delegation from the Chancellor, the Deputy Chancellor is the chief executive and administrative officer for the day-to-day administrative operations of The University of Texas System and its component institutions. He shall:

3.41(1) Act as agent of the Board of Regents in implementing policies of the Board.

- 3.41(2) Present to the Board of Regents nominations for all officers of System Administration (other than Chancellor, the Executive Assistant to the Chancellor, the Director for Development, and the Deputy Chancellor) and component institutions as provided in these Rules and Regulations.
- 3.41(3) With the aid and advice of the Board of Regents, represent The University of Texas System with the Legislature, the Coordinating Board, Texas College and University System, and other state and federal agencies.
- 3.41(4) Conduct periodic review of the organization of The University of Texas System and its component institutions. In light of this review, he shall report to the Board of Regents recommendations for changes in organization, assignments, and procedures.
- 3.41(5) Normally act through the chief administrative officer regarding the affairs of any component institution of The University of Texas System; however, he shall not be precluded from any direct participation and communication with faculty members and groups.
- 3.41(6) Approve and submit for the meetings of the Board of Regents all recommendations to the Secretary to the Board of Regents for consideration by the Chairman of the Board, with a copy to the Chancellor.
- 3.41(7) Recommend annual operating budgets and biennial legislative submissions of each component institution of The University of Texas System.
- 3.41(8) Develop and implement programs for the most efficient management of personnel and resources.
- 3.41(9) Develop and implement programs of long-range planning for physical facilities and financial resources.
- 3.41(10) Through the System Administration and the staff of the component institutions develop training programs for personnel in the nonacademic areas.
- 3.41(11) Plan and implement programs for uniform business systems development and management.
- 3.41(12) Have direct administrative authority and responsibility for efficient functioning of the following officers and operations:
- 3.41(12)(1) Associate Deputy Chancellor for Academic Affairs
- 3.41(12)(2) Associate Deputy Chancellor for Health Affairs

- 3.41(12)(3) Associate Deputy Chancellor for Investments, Trusts and Lands
- 3.41(12)(4) Associate Deputy Chancellor for Operations
- 3.41(12)(5) Director for Information
- 3.41(12)(6) Director for Public Affairs
- 3.41(12)(7) Comptroller
- 3.41(12)(8) Director of Facilities Planning and Construction
- 3.41(12)(9) Budget Director
- 3.41(12)(10) General Counsel, The University of Texas System
- 3.41(12)(11) Director of Police
- 3.41(12)(12) System Personnel Director
- 3.41(12)(13) Director for Special Services
- 3.41(12)(14) Director of Accounting of The University of Texas at Austin (with respect to System Administration activities)
- 3.41(12)(15) Business Administrative Operations of the Component Institutions (coordination of activities)
- 3.41(13) In the absence of the Chancellor, or in the event of his inability to act, the Deputy Chancellor shall discharge the duties and responsibilities of the Chancellor.
- 3.42 The Deputy Chancellor reports to and is responsible to the Chancellor.
- 3.43 The Academic Affairs Council. The Academic Affairs Council is composed of the Deputy Chancellor and the chief administrative officers of all component institutions of The University of Texas System. The Deputy Chancellor shall serve as the permanent chairman, and the Council shall review academic planning, operational procedures, development activities, and other matters of general concern to the several component institutions.
- 3.44 University Council. The University Council is composed of the Deputy Chancellor, the Associate Deputy Chancellor for Academic Affairs, and the chief administrative officers of the general academic institutions of The University of Texas System. The Deputy Chancellor shall serve as the Council's permanent chairman and shall conduct regular meetings to review common problems of planning, development, and operation of the several institutions represented.
- 3.45 Health Affairs Council. The Health Affairs Council is composed of the Deputy Chancellor, the Associate Deputy Chancellor for Health Affairs, and the chief administrative officers of the component institutions of The University of Texas System concerned directly with health affairs. The Deputy Chancellor acts as the Council's permanent chairman and shall conduct regular meetings to review common problems of planning, development, and operation of the several institutions represented.

- 3.46 Business Management Council. The Business Management Council advises the Deputy Chancellor in the areas of budgeting, business management, data processing, physical plant operations, planning, construction, and accounting systems development. The Council is composed of the chief business officers and the Deputy Chancellor (the Chairman), who prepares the agenda.
- 3.5 Associate Deputy Chancellor for Academic Affairs. The Associate Deputy Chancellor for Academic Affairs (general academic institutions) is an administrative officer of The University of Texas System.
- 3.51 Subject to delegation by the Deputy Chancellor, the Associate Deputy Chancellor for Academic Affairs has the general assignment of effective coordination of the general academic institutions. Specifically, he:
- 3.51(1) Submits to the Deputy Chancellor recommendations on The University of Texas System programs in education, research, and public service, including general plans and operations of general academic institutions.
- 3.51(2) Reviews and makes recommendations on proposals from the general academic institutions requiring action by the Deputy Chancellor.
- 3.51(3) Prepares and submits to the Deputy Chancellor long-range and immediate academic plans.
- 3.51(4) Pursuant to governing policies, recommends to the Deputy Chancellor upon the annual operating budget requests submitted by each general academic institution.
- 3.51(5) Recommends to the Deputy Chancellor legislative appropriation requests (and policies for the development of such requests) to be submitted by The University of Texas System on behalf of the general academic institutions.
- 3.51(6) Processes all academic matters for the System institutions, both health and academic, with the Coordinating Board, and coordinates other academic matters directed to the Coordinating Board.
- 3.52 The Associate Deputy Chancellor for Academic Affairs reports to and is responsible to the Deputy Chancellor.
- 3.6 Associate Deputy Chancellor for Health Affairs. The Associate Deputy Chancellor for Health Affairs is an administrative officer of The University of Texas System.
- 3.61 Subject to delegation by the Deputy Chancellor, the Associate Deputy Chancellor for Health Affairs has the general assignment of effective coordination of those component institutions concerned primarily with health sciences. Specifically, he:
- 3.61(1) Submits to the Deputy Chancellor recommendations on The University of Texas System programs on health science education, research, and public service, including general plans and operations of the biomedical institutions.

- 3.61(2) Reviews and makes recommendations on proposals from the biomedical institutions requiring action by the Deputy Chancellor.
- 3.61(3) Prepares and submits to the Deputy Chancellor long-range and immediate academic plans.
- 3.61(4) Pursuant to governing policies, recommends to the Deputy Chancellor upon the annual operating budget requests submitted by each biomedical institution.
- 3.61(5) Recommends to the Deputy Chancellor legislative appropriation requests (and policies for the development of such requests) to be submitted by The University of Texas System on behalf of the biomedical institutions.
- 3.62 The Associate Deputy Chancellor for Health Affairs reports to and is responsible to the Deputy Chancellor.

3.7 Associate Deputy Chancellor for Investments, Trusts and Lands.

The Associate Deputy Chancellor for Investments, Trusts and Lands is an administrative officer of The University of Texas System.

- 3.71 Subject to delegation by the Deputy Chancellor, the Associate Deputy Chancellor for Investments, Trusts and Lands implements, when they are approved by the Board of Regents, policies and actions with respect to:
  - 3.71(1) The investment, management, and administration of all endowment funds belonging to The University of Texas System and its component institutions, including the Permanent University Fund, the Available Fund, and all trust and special funds.
  - 3.71(2) The management and administration of the surface of all endowment lands and real estate belonging to The University of Texas System and its component institutions, including the West Texas Lands and all trust properties.
  - 3.71(3) The management and administration of oil, gas, and other mineral exploration and production on all endowment lands and real estate belonging to The University of Texas System and its component institutions, including the West Texas Lands and all trust properties.
  - 3.71(4) The issuance, management, and payment of all bonds and other evidences of indebtedness issued by the Board of Regents for The University of Texas System and its component institutions.
  - 3.71(5) Working closely with the Board for Lease of University Lands in the discharge of its duties and responsibilities.

- 3.71(6) Presenting to the Board of Regents through the Deputy Chancellor periodic reports of the status and prospect of funds for which he has responsibility and that will be available for expenditure by The University of Texas System and its component institutions.
- 3.71(7) Consulting with the Executive Associate for Economic Affairs with respect to the development of long-range plans for the development and management of the economic resources of The University of Texas System and its component institutions.
- 3.71(8) Supervising the proper operation of the following budgeted activities:  
 Office of Investments, Trusts and Lands  
 Board for Lease - University Lands;  
 Auditing Oil and Gas Production;  
 University Lands - Geology and Surveying;  
 Oil Field Supervision and Geophysical Exploration;  
 University Lands - Surface Leasing.
- 3.72 The Associate Deputy Chancellor for Investments, Trusts and Lands reports to and is responsible to the Deputy Chancellor.
- 3.8 Associate Deputy Chancellor for Operations.  
 The Associate Deputy Chancellor for Operations is an administrative officer of The University of Texas System.
- 3.81 Subject to delegation by the Deputy Chancellor, the Associate Deputy Chancellor for Operations is responsible for:
- 3.81(1) Supervising and coordinating the acquisition of all real property at the component institutions.
- 3.81(2) Representing the Deputy Chancellor at all meetings of:  
 Committee of Governing Boards;  
 Council of College Presidents;  
 Coordinating Board;  
 TASSCUBO;  
 Texas Association of Classroom Teachers; and  
 such other organizations as the Chancellor or Deputy Chancellor may designate.
- 3.81(3) Direct responsibility for the management of the System-wide insurance programs, including approval of all policies, such programs to include:  
 Fire and Extended Coverage;  
 Liability;  
 Health;  
 Life;  
 Accidental Death and Dismemberment;  
 Income Replacement; and  
 Retirement.
- 3.81(4) Special assignments, as delegated or assigned by the Deputy Chancellor.
- 3.82 The Associate Deputy Chancellor for Operations reports to and is responsible to the Deputy Chancellor.

3.9 Director for Information.

The Director for Information is an administrative officer of The University of Texas System.

3.91 Subject to delegation by the Deputy Chancellor, the Director for Information:

- 3.91(1) Has direct responsibility for communications about activities of the Board of Regents and The University of Texas System Administration.
- 3.91(2) Has the responsibility of coordinating news releases and other public information emanating from the component institutions, which involve the Board of Regents, and System Administration.
- 3.91(3) Coordinates and serves as liaison to any person or persons who serve as consultants to The University of Texas System administration in the area of media relations and public information dissemination.
- 3.91(4) Develops a format for the presentation of information about System and/or component institutions to the general public.
- 3.91(5) Makes recommendations to the Deputy Chancellor regarding budget requests and staffing requirements for the public information services of the component institutions.
- 3.91(6) Performs such other duties and assignments as may be delegated to him by the Deputy Chancellor.

3.92 The Director for Information reports to and is responsible to the Deputy Chancellor.

3.10 Director for Public Affairs.

The Director for Public Affairs is an administrative officer of The University of Texas System.

3.10(1) Subject to delegation by the Deputy Chancellor, the Director for Public Affairs shall:

- 3.10(1)(1) On the direction of the Deputy Chancellor represent The University of Texas System in its relations with federal agencies, the Texas Legislature, and state and municipal agencies.
- 3.10(1)(2) Advise the Deputy Chancellor on relations with the Congress and federal agencies, the Legislature, and state agencies.
- 3.10(1)(3) Inform appropriate administrative officers of current and long-range developments on the national level and the state level, which may affect The University of Texas System and its component institutions.
- 3.10(1)(4) Maintain and distribute information on federal and state programs, which will assure continuous and prompt action by The University of Texas System on applications and communications to federal and state agencies and offices.

- 3.10(1)(5) Advise the appropriate officials of the component institutions with regard to available federal and state programs and facilitate their participation therein.
- 3.10(2) The Director for Public Affairs reports to and is responsible to the Deputy Chancellor; provided, however, that with regard to legislative matters, the Director for Public Affairs shall work with and under the direction of the Chairman of the Board of Regents or his delegate.
- 3.11 Director of Facilities Planning and Construction.  
The Director of Facilities Planning and Construction is an administrative officer of The University of Texas System.
- 3.11(1) Subject to delegation by the Deputy Chancellor, the Director:
- 3.11(1)(1) Has direct supervisory responsibility over the administration and general supervision of any new building construction and initial equipping thereof costing in excess of \$5,000; any inside or outside repairs, remodeling, rehabilitation, new construction of improvements other than building, or campus planning costing \$50,000 or more; any preliminary planning, feasibility studies, or investigations which are estimated to ultimately develop into one of the above projects at any component institution of The University of Texas System; and over consultation, advise and work with the architects and engineers employed by the Board of Regents, subject to the terms and conditions of the contracts with those architects and engineers.
- 3.11(1)(2) Serves as ex officio member of all faculty building committees at the component institutions.
- 3.11(1)(3) Prepares and executes all documents relating to the acquisition and the use of funds received from the federal government and state agencies in connection with construction grant awards.
- 3.11(1)(4) Coordinates the preparation of and approves all grant applications on approved construction projects filed with governmental agencies.
- 3.11(1)(5) Coordinates the development of and maintains master plans for all component institutions, including but not limited to land utilization, utility, and landscape plans.
- 3.11(1)(6) Develops standards for maintenance of all physical facilities at component institutions.
- 3.11(1)(7) Has direct responsibility for negotiation and approval of all utility contracts.
- 3.11(2) The Director of Facilities Planning and Construction reports to and is responsible to the Deputy Chancellor.

3.12 Comptroller.

The Comptroller is an administrative officer of The University of Texas System.

3.12(1) Subject to delegation by the Deputy Chancellor, the Comptroller formulates and recommends procedures to be followed in the business operations of The University of Texas System for:

- 3.12(1)(1) Accounting, auditing and reporting, and expenditure control.
  - 3.12(1)(2) Receipt, disbursement, and custody of moneys.
  - 3.12(1)(3) Procurement and purchasing.
  - 3.12(1)(4) Management of auxiliary service enterprises.
  - 3.12(1)(5) Data processing systems--including prior approval of equipment acquisitions by purchase or lease.
  - 3.12(1)(6) Accounting and business system development.
  - 3.12(1)(7) Accounting records, forms, procedures, and financial reports, including format for such reports.
  - 3.12(1)(8) Terms of depository agreements with banks.
  - 3.12(1)(9) Lease contracts for building space.
  - 3.12(1)(10) Approval of the business aspects and overhead rates in research and other contracts with outside agencies.
  - 3.12(1)(11) Supervision of post auditing at each component institution.
- 3.12(2) The Comptroller is responsible as joint custodian with the Director of Accounting of The University of Texas at Austin for securities owned by The University of Texas System funds that are not on deposit in the State Treasury.
- 3.12(3) The Comptroller reports to and is responsible to the Deputy Chancellor.

3.13 Budget Director.

The Budget Director is an administrative officer of The University of Texas System.

3.13(1) The Budget Director's primary responsibilities are to plan and develop systems and procedures for uniform budget preparation, budget control, and financial reporting.

3.13(2) Subject to delegation by the Deputy Chancellor, the Budget Director:

- 3.13(2)(1) Formulates procedures governing the preparation and review of all budgets and development of effective methods of presenting approved budgets to appropriate agencies.
- 3.13(2)(2) Recommends procedures to be followed, including format, schedules of budget preparation, and effective review of budgets.
- 3.13(2)(3) Prepares budget-writing instructions.
- 3.13(2)(4) Conducts budget and other related research studies.
- 3.13(2)(5) Plans systems and procedures for budgetary control and financial reporting.
- 3.13(2)(6) Controls and supervises distribution of all budgets, and processes and approves (as delegated) interim budget changes.

- 3.13(2)(7) Prepares periodic budgetary, financial, and special reports, as appropriate.
- 3.13(2)(8) Serves as liaison with the staff of the Legislative Budget Board, the Governor's Budget Office, and the Coordinating Board, Texas College and University System.
- 3.13(3) The Budget Director reports to and is responsible to the Deputy Chancellor.

3.14 General Counsel for The University of Texas System.  
The General Counsel for The University of Texas System is an administrative officer of The University of Texas System.

- 3.14(1) Subject to delegation by the Deputy Chancellor, the General Counsel for The University of Texas System is responsible for:
  - 3.14(1)(1) Administering and supervising all legal matters affecting The University of Texas System.
  - 3.14(1)(2) Delegating to staff members responsibility for the administration and general supervision of certain legal matters, the scheduling of work loads, and the assignment by subject of legal problems to staff members.
  - 3.14(1)(3) Approving as to form all contracts and agreements.
  - 3.14(1)(4) Approving as to form all amendments to the Regents' Rules and Regulations.
  - 3.14(1)(5) Approving as to both form and content all Institutional Handbooks of Operating Procedures, whether finally approved or not, and all amendments to such handbooks.
  - 3.14(1)(6) Drafting all legislation that has been approved by the Board of Regents or that has been requested by any officer of System Administration for submission to the Board of Regents for approval.
  - 3.14(1)(7) Working in cooperation with the Attorney General of the State of Texas, as well as legal counsel engaged in private practice or in practice for any agency of the State.
  - 3.14(1)(8) Any other legal matters delegated by the Deputy Chancellor.
- 3.14(2) The General Counsel for The University of Texas System reports to and is responsible to the Deputy Chancellor.

3.15 System Personnel Director.

The System Personnel Director is an administrative officer of The University of Texas System.

- 3.15(1) The System Personnel Director's primary responsibility is to plan, develop, and coordinate System-wide personnel policies and procedures. Subject to delegation by the Deputy Chancellor, the System Personnel Director:
  - 3.15(1)(1) Acts as liaison between component institution personnel officers and the System offices regarding all personnel matters related to classified personnel, administrative staff, and certain matters relating to teaching and/or academic personnel.

- 3.15(1)(2) Advises the System Officers and makes recommendations concerning development of methods and procedures designed to maximize the effectiveness of System Personnel Programs.
  - 3.15(1)(3) Reviews and recommends all classified personnel pay plans for each component institution, including the establishment of proper classifications and pay scales consistent with needs and System-wide policies and procedures.
  - 3.15(1)(4) Reviews and recommends the Personnel Office budgets for each component institution.
  - 3.15(1)(5) Directs administration of the System Personnel Office, including the Workmen's Compensation Insurance section.
  - 3.15(1)(6) Reviews and recommends to System Officers any rules and regulations or changes thereto that, after proper consultation with officers of component institutions, are considered beneficial or necessary for the proper administration of the System-wide Personnel Program.
  - 3.15(1)(7) Establishes Employee Development and Training Programs for all component institutions, including particularly Supervisory Training Programs.
  - 3.15(1)(8) Formulates policies and procedures concerning labor relations and employer-employee relationships.
  - 3.15(1)(9) Assists in establishing Personnel Data Systems and proper practices and procedures concerning the personnel records of all employees.
  - 3.15(1)(10) Conducts System-wide Wage and Salary Research Studies and formulates data for proper implementation of personnel pay programs.
  - 3.15(1)(11) In consultation with the personnel offices of the component institutions, develops and maintains a System-wide personnel pay plan with uniform titles and account numbers.
- 3.15(2) The System Personnel Director reports to and is responsible to the Deputy Chancellor.

3.16 Director of Accounting of The University of Texas at Austin.

The Director of Accounting of The University of Texas at Austin is the accounting officer for both The University of Texas at Austin and for System Administration.

3.16(1) Subject to delegation by the Deputy Chancellor, he shall:

- 3.16(1)(1) Have responsibility for custody, accounting, and reporting of all funds handled by the Director of Accounting's Office for the component institutions outside of Austin, and for System Administration, the Permanent University Fund, the Available University Fund, and trust and special funds.

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- 3.16(1)(2) Have custodianship with the Comptroller of securities owned by The University of Texas System funds that are not on deposit in the State Treasury.
- 3.16(1)(3) Maintain a full and complete set of records that accurately reflect the balances and transactions of all financial and property accounts of The University of Texas System (as contrasted with such accounts of the component institutions).
- 3.16(2) With respect to System Administration matters, the Director of Accounting of The University of Texas at Austin reports to and is responsible to the Deputy Chancellor. With respect to other matters, he reports to the appropriate officers of The University of Texas at Austin.
- 3.17 Director of Police.  
The Director of Police is an administrative officer of The University of Texas System.
- 3.17(1) Subject to delegation by the Deputy Chancellor, the Director of Police is responsible for:
- 3.17(1)(1) Recommending qualifications for police personnel at the component institutions of The University of Texas System.
- 3.17(1)(2) Recommending the organizational structure for police departments at the component institutions of The University of Texas System.
- 3.17(1)(3) Establishing a uniform training program for System police, including basic in-service training and seminars, establishment of a program for supervision and coordination of on-the-job training at each component institution of The University of Texas System, and developing of new training techniques.
- 3.17(1)(4) Conducting The University of Texas System training in accordance with the standards of the Texas Commission on Law Enforcement Officer Standards and Education, in order to maintain accreditation with this state agency.
- 3.17(1)(5) Maintaining liaison with the Director of Training, Texas Department of Public Safety, and the Coordinator of Training, Federal Bureau of Investigation, and being aware of new training techniques, procedures, programs, and equipment.
- 3.17(1)(6) Establishing a uniform reporting and record system for police departments at the component institutions of The University of Texas System.
- 3.17(1)(7) Conducting periodic surveys of the police departments of the component institutions and evaluating their performance as police agencies.
- 3.17(1)(8) Submitting periodic reports to the Deputy Chancellor concerning the operations of the police departments of the component institutions of The University of Texas System.
- 3.17(2) The Director of Police reports to and is responsible to the Deputy Chancellor.

4 Chief Administrative Officers of Component Institutions.

- 4.1 The Chancellor shall appoint the chief administrative officer of each component institution, as defined in this section, after receiving the prior approval of the Board of Regents. The Chancellor shall be assisted in making his appointment by a Selection Committee made up of the Chancellor, who serves as Chairman, the Deputy Chancellor, the Associate Deputy Chancellors for Academic Affairs and for Health Affairs, a minimum of two Regents, three chief administrative officers from the U. T. System appointed by the Chairman of the Board of Regents, and such other persons as the Chairman of the Board of Regents may deem appropriate. The availability of candidates and their interest in the position will be determined by this Selection Committee. The Chancellor will ordinarily authorize the establishment of a component institution advisory committee consisting of faculty and students at the institution to consult with the Selection Committee. This faculty-student committee may, in accordance with a schedule set by the Chancellor, suggest persons who should be considered by the Selection Committee and individual members of that Committee. The Selection Committee shall be free to seek such additional consultation with the faculty and students as it deems appropriate.
- 4.2 Each chief administrative officer reports to and is responsible to the Deputy Chancellor, and he serves without fixed term, subject to the pleasure of the Deputy Chancellor, but the Deputy Chancellor's actions concerning such chief administrative officers are subject to review and approval by the Board of Regents.
- 4.3 Within the policies and regulations of the Board of Regents, and under the supervision and direction of the Deputy Chancellor, the chief administrative officer has general authority and responsibility for the administration of that institution.
- 4.31 Specifically, the Chief Administrative Officer is expected, with the appropriate participation of the staff, to:
- 4.31(1) Develop and administer plans and policies for the program, organization, and operation of the institution.
  - 4.31(2) Interpret The University of Texas System policy to the staff, and interpret the institution's program and needs to the Deputy Chancellor and to the public.
  - 4.31(3) Develop and administer policies relating to students, where applicable, to the proper management of services to patients.
  - 4.31(4) Recommend appropriate operating budgets and supervise expenditures under approved budgets.
  - 4.31(5) Nominate all members of the faculty and staff, maintain efficient personnel programs, and recommend staff members for promotion, retention, or dismissal for cause.
  - 4.31(6) Insure efficient management of business affairs and physical property; recommend additions and alterations to the physical plant.

- 4.31(7) Serve as presiding officer at official meetings of faculty and staff of the institution, and as ex officio member of each college or school faculty (if any) within the institution.
- 4.31(8) Appoint all faculty, staff, and student committees.
- 4.31(9) Cause to be prepared and submitted to the Deputy Chancellor the rules and regulations for the governance of the institution. When such rules and regulations have been finally approved by the Deputy Chancellor, they shall thereafter constitute the Handbook of Operating Procedures for that institution. Provided, however, that whether or not finally approved by the Deputy Chancellor, any rule or regulation in any such institutional Handbook of Operating Procedures that is in conflict with any rule or regulation in the Regents' Rules and Regulations, is null and void and has no effect, and whenever any such conflict is detected, the Deputy Chancellor and the Chief Administrative Officer of the component institution shall immediately make such amendments to the institutional Handbook of Operating Procedures as may be necessary to eliminate such conflict.
- 4.31(10) Assume initiative in developing long-range plans for the program and physical facilities of the institution.
- 4.31(11) Assume active leadership in developing private fund support for the institution in accordance with policies and procedures established in the Regents' Rules and Regulations.

5 Appointment of Other Administrative Officers.

- 5.1 The Board of Regents shall delegate to the Chancellor, the Chancellor shall delegate to the Deputy Chancellor, and the Deputy Chancellor shall delegate to the chief administrative officer of each component institution, the responsibility for the appointment of all other administrative officers of each component institution, and their primary operating units, including vice-presidents, deans, and directors, after obtaining prior approval of the Deputy Chancellor for each such appointment.
- 5.2 The chief administrative officer of each component institution is responsible for the appointment of department chairmen and/or department heads.
- 5.3 The Board of Regents endorses the principle of reasonable faculty and student consultation in the selection of administrative officers of the component institutions, and the primary operating units, and expects the chief administrative officer, as he deems appropriate, to consult in the selection process with representatives

of the faculty and student body. However, the chief administrative officer of the component institution is responsible for executing the duties of his office and consequently shall not be bound by nominations to key administrative positions in his office by campus selection committees in making his nominations to the Deputy Chancellor. Such advice and consultation as he may seek or be given shall not be binding upon his nominations for appointments to positions in the echelon immediately below his position.

6 Interinstitutional Programs.

6.1 Advisory Council on Marine-Related Affairs.

6.11 The Council shall be chaired by the Deputy Chancellor (or his delegate) and membership shall consist of the Deputy Chancellor, the Associate Deputy Chancellor for Academic Affairs, the Associate Deputy Chancellor for Health Affairs, and two persons from each of the following component institutions appointed by the respective chief administrative officers: U. T. Austin, U. T. Dallas, Galveston Medical Branch, and San Antonio Health Science Center. Additional U. T. System component institutions may be appointed to membership on the Council by the Deputy Chancellor upon demonstration that they have substantive and ongoing programs in marine-related programs. The Chairman shall call meetings of the Council as required.

6.12 The Council is charged with advising the Academic Affairs Council in the development of coordinated marine programs within the U. T. System institutions to maximize the efficient utilization of facilities, staff, and faculties and to serve most effectively the needs of students and the public. The Advisory Council on Marine-Related Affairs will advise the Academic Affairs Council on marine affairs in the U. T. System including degree programs, research activities, and the construction and conversion of facilities related to the oceans and the coastal areas of Texas.

6.2 Advisory Council on Allied Health Programs.

6.21 The Council shall be chaired by the Deputy Chancellor (or his delegate) and membership shall consist of the Deputy Chancellor, the Associate Deputy Chancellor for Health Affairs, the Associate Deputy Chancellor for Academic Affairs, and one person from each of the following component institutions appointed by the respective chief administrative officers: U. T. Arlington, U. T. Austin, U. T. Dallas, U. T. El Paso, U. T. Permian Basin, U. T. San Antonio, Dallas Health Science Center, Galveston Medical Branch, Houston Health Science Center, San Antonio Health Science Center, and System Nursing School. The Deputy Chancellor may add other component institutions to the Council as he deems appropriate. The Chairman shall call meetings of the Council as required and may appoint such special study committees as are appropriate to the work of the Council.

6.22 The Council is charged with advising the Academic Affairs Council in the development of coordinated allied health programs within the U. T. System to maximize the efficient utilization of facilities, staff, and faculties and to provide the health manpower needs of the State.

2. Amend Section 5.22 of Chapter I of Part One of the Regents' Rules and Regulations to read as follows:

"5.22 The Agenda. Under the direction of the Chairman of the Board, the Secretary shall prepare and distribute the Agenda and the Material Supporting the Agenda for all meetings of the Board and its committees."

3. Amend Section 5.23 of Chapter I of Part One of the Regents' Rules and Regulations to read as follows:

"5.23 Minutes. The Secretary shall record, prepare, and index the official Minutes of the Board and shall distribute copies thereof, including the annual budgets, to members of the Board and to other persons on the approved list. The official copy of the Minutes shall be kept in the Office of the Secretary and certified excerpts from these Minutes shall be prepared by the Secretary."

4. Amend Sections 8.6, 8.7 and 8.8 of Chapter I, Chapters III through VI, inclusive, and Chapters VIII and IX of Part One of the Regents' Rules and Regulations and Chapters I through XI, inclusive, of Part Two of the Regents' Rules and Regulations:

- (a) by striking therefrom the words "Deputy Chancellor for Administration" wherever they appear and substituting therefor the words "Deputy Chancellor";
- (b) by striking therefrom the word "Chancellor" wherever it appears and substituting therefor the words "Deputy Chancellor";
- (c) by authorizing and directing the Secretary to the Board of Regents to make such editorial changes in the Regents' Rules and Regulations as are necessary to conform the Rules and Regulations with the administrative reorganization that is provided for in the new Chapter II of Part One that is adopted and set out in Amendment No. 1, above; and
- (d) by further authorizing and directing a committee composed of the Chairman of the Board, the Chancellor, and the Deputy Chancellor to present to the Board of Regents at its next meeting recommendations for such further amendment of the Regents' Rules and Regulations as may be necessary to effectuate and clarify the administrative reorganization outlined and accomplished in the foregoing four amendments to the Rules and Regulations.

## REPORTS OF SPECIAL COMMITTEES

REPORT OF COMMITTEE FOR SANTA RITA AWARD (SELECTION OF JOHN H. FREEMAN): RATIFIED. --The following report was approved at the meeting on June 5, 1975. However, it was not listed on the Agenda and was resubmitted and ratified at this meeting:

## Report

On behalf of the Committee for the Santa Rita Award, Committee Chairman Clark reported that upon recommendation of Dr. R. Lee Clark, President of The University of Texas System Cancer Center, and Dr. Charles A. Berry, President of The University of Texas Health Science Center at Houston, Mr. John H. Freeman had been unanimously selected to receive the Award.

Committee Chairman Clark suggested that Regent McNeese notify Mr. Freeman immediately that he had been designated to receive the Santa Rita Award. It was further suggested by Committee Chairman Clark that the Award be given to Mr. Freeman when the Board of Regents meets in Houston, which is tentatively scheduled for December 12, 1975.

REPORT OF SPECIAL COMMITTEE ON MATTERS RELATING TO BRACKENRIDGE TRACT AND MATTERS WITH CITY COUNCIL: RELATING TO RELOCATION OF RED RIVER STREET BETWEEN 18TH AND 38TH STREETS AND AUTHORIZATION TO INSTITUTE CONDEMNATION PROCEEDINGS IF NECESSARY. -- The following report of the Special Committee on Matters Relating to Brackenridge Tract and Matters with City Council was received:

## Report

The Board of Regents at its meeting on December 7, 1973, approved an Agreement with the City of Austin to relocate a part or parts of Red River Street from 18th Street to 38th Street including the acquisition, where necessary, of the required eighty foot right-of-way for the relocated Red River Street by the Board of Regents. The Board of Regents further authorized the University Administration to employ appraisers necessary to the acquisition of such right-of-way and upon completion of the appraisals to proceed with the acquisition of such right-of-way.

In certain situations, negotiations with the owner or owners of tracts or parcels of land included within the eighty foot right-of-way to be acquired for the relocated Red River Street may fail and result in no agreement being reached with such owner or owners as to the value of and damages

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to the land to be acquired. In this connection, the Special Committee recommends that the Board of Regents:

- a. Determine that all of the tracts or parcels of land required for the relocation of Red River Street are needed for the use of The University of Texas System.
- b. Authorize the University Administration in those situations where negotiations of the purchase of any tract or parcel of land within said eighty foot right-of-way have failed to request the Attorney General of Texas to file proceedings in eminent domain pursuant to Chapter 253, Acts 59th Legislature, Regular Session, 1965, and to prosecute same to final judgment in order that the Board of Regents may obtain fee simple title to any tract or parcel of land included within said eighty foot right-of-way for the relocated Red River Street, and that possession of any such tract or parcel of land be obtained at the earliest possible time.

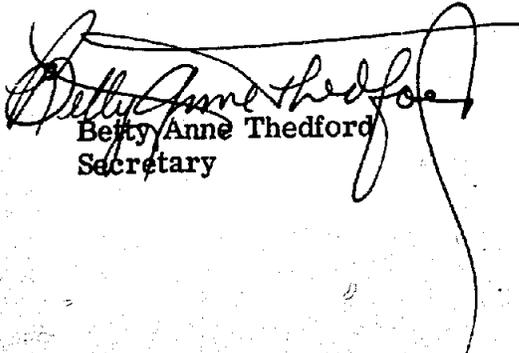
Upon motion of Regent Sterling, seconded by Regent Nelson, the report was adopted by unanimous vote.

#### REPORT OF BOARD FOR LEASE OF UNIVERSITY LANDS

Vice-Chairman Williams announced that the Board for Lease of University Lands would hold its Sixty-Fourth Public Auction of Oil and Gas Leases in the Commodore Perry Building at 10:00 a. m. on Friday, October 10, 1975.

ADJOURNMENT. --There being no further business the meeting was duly adjourned at 12:25 p. m.

August 5, 1975

  
Betty Anne Thedford  
Secretary