

CITY OF ALAMO HEIGHTS  
CITY COUNCIL  
March 09, 2026

A regular meeting of the City Council of the City of Alamo Heights, Texas was held at the Council Chamber, located at 6116 Broadway, San Antonio, Texas, at 5:30 p.m. on Monday, March 09, 2026. Staff and meeting attendees were welcomed in the Council Chamber.

Composing a quorum were:  
Mayor Albert Honigblum  
Mayor Pro Tem Trey Jacobson  
Councilmember Karl P. Baker  
Councilmember Blake M. Bonner  
Councilmember Lynda Billa Burke

Also attending were:  
City Manager Buddy Kuhn  
Assistant City Manager Phillip Laney  
City Attorneys Frank Garza  
City Secretary Elsa T. Robles  
Finance Director Kristine Horton  
Police Chief Rick Pruitt  
Deputy Police Chief Cindy Pruitt  
Deputy Fire Chief Justin Herbert  
Public Works Director Frank Orta  
Community Development Services Director Lety Hernandez  
Community Development Services Senior Planner Tyler Brewer

Not attending:  
Councilmember Lawson Jessee  
Assistant to City Manager Jennifer Reyna  
Fire Chief Allen Ottmers

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Mayor Albert Honigblum opened the meeting at 5:30 p.m.

\* \* \*

Item # 1 Proclamation – In recognition of American Red Cross Month

Mayor Honigblum welcomed members of the Red Cross team and read a proclamation in honor of Red Cross Month. He thanked the organization and volunteers for supporting those in need during difficult times.

Greater San Antonio Chapter Board Chair Vanessa Vasquez shared some information and thanked the Mayor and City Council for recognizing March as Red Cross Month.

City Manager Buddy Kuhn added he personally experienced their responsiveness while working in the fire department. The Red Cross never hesitated to step in when called upon to help when all was lost due to fire or natural disasters.

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*Item # 2      Approval of Minutes*

Mayor Honigblum asked the City Council for a motion on the February 23, 2026 City Council meeting minutes. Councilmember Lynda Billa Burke moved to approve the minutes as presented. The motion was seconded by Councilmember Blake M. Bonner and passed by a 4-0 vote.

\* \* \*

*Item # 3      Announcements*

Mayor Honigblum read the following caption.

**a.      8th Annual AH09 5K Fun Run & Pet Adoption, April 11, 2026**

City Secretary Elsa T. Robles stated she was announcing the upcoming 8th Annual Alamo Heights 5K Fun Run and Pet Adoption scheduled for Saturday, April 11, 2026 at 8:00 a.m. Ms. Robles added these are a great success every year and proceeds go to support the Alamo Heights Animal Care Service Department. Registration fee is \$25 until March 31st and \$30 beginning on April 1st.

**b.      4th Annual Ben Dash 5K, March 21, 2026**

Community Development Services Department Director Lety Hernandez announced the 4<sup>th</sup> Annual Ben Dash 5K event on March 21st starting at 4:00 p.m. They will use the same route as in previous years.

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*Item # 4      Citizens to be Heard*

Mr. Jay Collins, resident, stated he had concerns with the noise ordinance adopted the previous year. He asked Council to review the extended hours for lawn service which are as noisy as construction/contractor services. He suggested they stop at 5:00 p.m.

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Consent Agenda

*Item # 5*      Mayor Honigblum asked Council to consider the following consent agenda item.

**Architectural Review Board Case No. 1014F, a request of Peter DeWitt, applicant, on behalf of Ty Richardson, owner, for the significance review of the existing main structure and compatibility review of the proposed design located at 280 Tuxedo Ave in order to demolish or encapsulate approximately 36% of the existing street façade facing north and remove or encapsulate 100% of the roof and construct additions to the existing single-family residence.**

Mayor Pro Tem Trey Jacobson moved to approve ARB Case No. 1014F as presented. The motion was seconded by Councilmember Billa Burke and passed by a 4-0 vote.

*Item # 6*      Mayor Honigblum asked Council to consider the following consent agenda item.

**RESOLUTION NO. 2026R - 234**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ALAMO HEIGHTS, TEXAS ADOPTING THE CITY OF ALAMO HEIGHTS INVESTMENT POLICY AS REQUIRED BY TEXAS PUBLIC FUNDS INVESTMENT ACT AND DESIGNATING INVESTMENT OFFICERS FOR THE CITY; AND SETTING AN EFFECTIVE DATE.**

Mayor Pro Tem Jacobson moved to approve Resolution No. 2026R – 234 as presented. The motion was seconded by Councilmember Billa Burke and passed by a 4-0 vote.

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Items for Individual Consideration

Item # 7 Mayor Honigblum read the following caption.

**Public Hearing. A request from the City of Alamo Heights for abatement of substandard building located at 221 Claywell.**

Assistant City Manager Phillip Laney stated this was regarding a substandard building abatement for 221 Claywell. He informed City Council on the unsanitary and dangerous conditions of the home which poses an immediate hazard to the occupants, and it is not habitable. The structure is occupied but the resident is not currently in the home. He continued and stated staff requests authority to ensure that the home is vacated, cleaned, and repaired per the City's substandard building section of the Code of Ordinances in Chapter 5.

Mr. Laney provided background information and stated on February 9, 2026, the resident contacted EMS seeking medical assistance. First responders entered the home and found its interior had significant trash and debris. There was a small trail to access limited portions of the home, and it contained noxious smells. On February 17, 2026, an inspection was conducted by AHFD, contracted building inspector, contracted health inspector & support by AHPD. They found significant trash & debris, pooled raw sewage, no running water or water meter, and evidence of hoarding behavior. All concluded the property poses a serious health and safety concern and qualifies as substandard building.

Staff has been in contact with the resident and their family who have been forthcoming and accommodating to want to address the abatement needs that are present in the home and get the home cleaned up to make it habitable.

Mr. Laney explained Chapter 5 Buildings, Article XI: Substandard Buildings which outlines substandard building declaration and all City-initiated abatement efforts to include:

- Notice to resident of public hearing
- Declaration of substandard building
- Order to vacate
- Order to secure structure
- Order to abate trash, debris & biowaste
- Order to inspect structure after abatement

Mr. Laney stated the action requested is consistent with City's interest in preserving the

community's health, safety, and welfare and utilizing tools available to address such safety risks. He added staff coordinated with AH Fire Department, AH Police Department, Community Development, Contracted Building Official, Contracted Health Inspector, Municipal Court Judge, City Attorney, and City Manager on this item.

In closing, Mr. Laney stated there is no anticipated expenses associated with the declaration of the substandard building for 221 Claywell. However, if there are any abatement costs that the city incurs/pays, a notice of lien would be filed on the property to recover those costs. He reiterated staff has been working with the property owner and their family who have expressed a desire to lead the abatement efforts.

Mayor Honigblum opened the public hearing at 5:45 p.m. With no one to speak on the item, Mayor Honigblum closed the public hearing at 5:46 p.m.

*Item # 8* Mayor Honigblum read the following caption.

**Discussion and possible action on request submitted by the City of Alamo Heights for abatement of substandard building located at 221 Claywell.**

Councilmember Bonner questioned the lack of running water in the home. Mr. Laney stated staff was not aware the water meter had been removed and was overlooked.

Mayor Honigblum asked if staff was providing a timeline for the abatement process to begin and conclude. Mr. Laney noted the proposed motion stated they would need to start within 30 days, but recognized the abatement process would likely take several weeks and added the City desires to see some progress being made.

Mr. Kuhn agreed the abatement would take more than 30 days, but there would have to be significant progress during that time. He stated staff would ensure to expedite needed permits for anticipated dumpsters, and provide water for cleaning efforts.

AHPD Detective Jeffery Nugent addressed the City Council and stated the resident's family is currently seeking a company to help with the clean-up efforts. He noted the home has plumbing issues and may become an issue to provide water.

Mr. Kuhn stated the purpose for seeking Council's approval is to allow the City to step in should abatement efforts stall on the property owner's side. It will provide authority for staff to move forward and clean the home up for the benefit of the neighborhood.

City Attorney Frank J. Garza explained the city's code requires the abatement to commence within 30 days; however, the code does not provide a deadline for the abatement efforts. As long as the city sees substantial improvement in the cleaning progress of the home, the extension continues until it's completed. He added this would be determined administratively and would not have to come back to City Council.

Mr. Laney commented the order to vacate will ensure the home is secure and have limited access by only authorized individuals.

Mayor Pro Tem Jacobson suggested the family seek pest control services as part of the abatement process.

Mayor Pro Tem Jacobson moved to approve request to declare the property at 221 Claywell a substandard building, and order that the structure is vacated by any occupants, order that it is secured from unauthorized individuals, order that the property commence abated of trash and debris within 30 days by the owner, and order that the structure is inspected after abatement. If abatement does not occur, the City reserves the right to conduct any necessary abatement and recover the costs by filing a notice of lien upon the property. The motion was seconded by Councilmember Billa Burke and passed by a 4-0 vote.

*Item # 9* Mayor Honigblum read the following caption.

**Discussion and possible action on the financial plan for the Utility Fund.**

Mr. Laney staff seeks Council direction regarding the financial planning of the Utility Fund. He stated Council had previously authorized a contract to assist with water and sewer rate recommendations.

Mr. Laney stated the Utility Fund is a self-supporting enterprise fund, paid for by water and sewer rates, which pay for the city's operations, infrastructure improvements, and debt service. The financial plan under review is part of contracted water & sewer rate study, and staff is seeking direction from the Council on expense prioritizations and the associated rate structures that would be included in our water rates moving forward.

In January 2026, Willdan Financial Services contracted to assess utility rates and make recommendations for future rate adjustments. As enterprise fund, Utility Fund rates influenced by operating and capital expenses. In addition, City's Bond Counsel provided estimate on debt capacity available through fund: \$10.3M. The total estimated need over 5 years is approximately \$22.9M.

Mr. Laney explained the \$10.3M would be a Certificate of Obligation (CO), influenced by the fact that overall, the city current water and sewer revenues are down. The rates have been increased incrementally the last couple of years, but the consumption has been less due to the drought. He stated the city's fund balance is low due to out-of-pocket expenditures for capital improvements.

Mr. Laney continued and stated if Council decides to proceed the \$10.3M debit issuance, the interest rate would be at 4.15%. The principal would be \$10.3M, \$5.3M in interest with a total cost of \$15.6M over 20 years. He stated the existing debt service is \$162K through FY 2027 and annual net debt service increase of approximately \$627K. He reviewed the payment schedule stating each year the payment would be \$790K, about \$630K more than what the city has paid the last couple of years.

Mr. Laney reviewed the city's projected capital improvements needs over the next 5 years (2026-2030) totaling \$22.9M.

- Water main relocation/yard piping - \$6.0M
- Water meter replacement - \$2.4M
- Water & sewer lines at lower Broadway - \$10.4M
- Olmos sewer main replacement - \$1.1M
- Sewer improvements - \$2.2M
- Vehicles & equipment replaced - \$0.5M

Mr. Laney provide Council options to consider for expensing the \$10.3M.

- Option 1 – Active Projects (In negotiations, out to bid, or in design)
  - Water main relocation/yard piping (bid due late March) - \$6.0M
  - Water meter replacement (to Council in April) - \$2.4M
  - Olmos sewer main replacement (bid due May) - \$1.1M
- Option 2 – Lower Broadway water & sewer - \$10.4M
  - Undetermined timeline; TxDOT authorization required
  - If not funded from debt issuance, alternative option possible

Mr. Laney stated staff has been in ongoing conversations with TxDOT regarding their timeline for improvements on Lower Broadway; however, that is still unknown. He stated an alternative option for Lower Broadway water and sewer replacement is to use portion of 2021 bond for Austin Hwy/Lower Broadway Improvement Project – approximately \$16M balance. Per the Bond Counsel, the City has to be comfortable taking the position that the Lower Broadway water/sewer project falls within scope of purpose language approved by voters and included in bond ordinance. He stated there could be risks such as an impact with the rating agencies and the city would have to explain this would be a legitimate use of the funds.

Mr. Laney continued and reviewed the Utility Fund fee structure and how it is calculated. He reiterated staff is seeking direction on expenditures or consensus to proceed with debt issuance of \$10.3M to pay for some capital project needs. He presented some options for consideration.

- Option 1 – Current Projects
  - Water meters, water relocation/yard piping, sewer main
- Option 2 – Lower Broadway water & sewer (debt issuance)
  - \$10.4 million
- Option 3 – Lower Broadway water & sewer (2021 Bond proceeds)

Staff also seeks direction on revenues.

- Adjust user rate structure
  - Higher base fee, steeper rate escalation between use categories, etc.

Mr. Laney noted Council action is consistent with the City's interest in maximizing resident investment in water/wastewater systems and developing a viable financial plan for Utility Fund. He added staff coordinated with the Finance Director, Public Works Director, Bond Counsel & Financial Counselor – Hilltop Securities, City Attorney, and City Manager on this initiative.

Mr. Laney stated there is no authorized financial transaction proposed with this item and this item is intended to identify capital improvement and revenue rate structure priorities for future Council consideration. He commented financing would take about 4 months.

Mr. Kuhn agreed and stated if Council decided to move forward, staff would request authorization as soon as possible at an upcoming meeting. He noted interest rates would not be locked in until the debt issuance is done. He commented staff needed to identify Council's priorities to help plan for these project costs. Depending on what option they chose come April, staff would have firmer prices.

Mayor Pro Tem Jacobson shared concerns with the city undercharging for water usage and suggested this be factored into the rate study.

Councilmember Bonner wanted to ensure the city did not borrow more money than needed and did not want to borrow money now for projects two years down the road.

Councilmember Baker commented on using the \$16M earned interest from the 2021 Bond proceeds was not within the scope of the bond language or the intent of the public when passed. He also suggested adding a forecast of potential revenues to the rate study.

Mr. Kuhn answered it was the bond counsel's opinion; the funds could be used if the City Council were comfortable doing so. He added it was allowable under the law to use those procedures; the bond language would support this as long as it could be explained to Standard & Poor's (S&P) rating agency.

Mayor Honigblum stated with the uncertainty of Lower Broadway water/sewer project, he hoped Council that could approve staff to move forward with bidding and securing contracts for Option 1. Councilmember Baker and Mayor Pro Tem Jacobson concurred.

After a lengthy discussion, Council unanimously agreed to move forward with Option 1 and focus on active projects. Mr. Kuhn stated staff now had clear direction on how to proceed with the Utility Fund financial plan. He anticipated staff presenting the bond language in April and noted perhaps the interest rates will come down and open more capacity for the City to borrow.

*Item # 10* Mayor Honigblum read the following caption.

**Discussion and possible action to consider a Resolution authorizing approval for the City Manager to negotiate and execute agreements to procure additional water rights.**

Mr. Kuhn stated this item was in response to Council's desire to look for other water sources for the city. The City's sole potable groundwater source, Edwards Aquifer Authority (EAA), regulates usage and enacts restrictions when capacity is low due to drought or usage. Currently, the aquifer is about a foot above Stage 5 restrictions. He added in 2023 and 2025, the city's water system exceeded revised authorized amount of water. The City's currently owned water capacity is 2,822 Acre Feet (AF). In 2023 & 2025 drought stages reduced authorized water use by 35.8% and 39.1% in Stages 3-5 respectively.

The EAA exclusively provides the City with potable groundwater and provides water to 2.5 million people in 8 counties, including all of Bexar County. The City is mandated to follow EAA guidelines on pumping capacity and restrictions when necessary.

Mr. Kuhn stated Council's direction was to research either the purchase and or lease options for additional water rights in lieu of paying fines. Staff researched and found the current purchase option is \$13,000 to \$15,000 per AF which is not economically feasible. Lease rates start at \$425 per AF. Mr. Kuhn shared the current EAA penalty rate is \$400 per AF, with cost escalated significantly from December 2025 due to worsening drought. The City paid \$125 per AF in 2023 and \$175 per AF in 2025. He reiterated the current fee is \$425 per AF, but the EAA is considering implementing higher fees at April 2026 board meeting.

Mr. Kuhn stated three permit holders were contacted. The current available option is a 5-year lease, 2026-2030, with a 3-year opt out. It also includes a built-in escalation factor where, with 90-to180-day notice, City would have right of first refusal for years 4 and 5. The fees are unknown for years 4 and 5 as the lessor was reluctant to provide given the uncertainty of the market and pending increase in EAA fine rates.

Mr. Kuhn explained the lease payment options are 50% due at execution of lease and 50% 6 months later. The leased amount available is from 400AF to 800AF and leased amount is also subject to EAA management fees which are currently at \$97/AF. He stated the offer is valid until 03/31/2026. The additional water rights still subject to reduction.

Leasing an additional 800 AF provides 3,622 AF total on the city’s permit; 2800 owned and 800 leased. As an example, a 40% reduction for an entire year reduces available amount to 2173.2, if in 40% reduction for 12 months – Stage 4. Historically, the city’s max was pumped in 2022 (non-reduction year) 2,133.1 AF. At least an additional 800 AF leased is needed to be close to the maximum ever pumped by the city – considered at Stage 4 for 12 months. With multiple new large-scale developments being proposed, this will strain already tight supplies.

Mr. Kuhn stated if Council desires to move forward, a Resolution will be forthcoming and is consistent with City’s agreement with Edwards Aquifer Authority to abide by pumping restrictions during drought periods. He added sub-lease agreements are more cost effective than paying for fines/penalties imposed by EAA.

Staff coordinated with the City Attorney, City Manager, Mayor Honigblum and Councilmembers Jessee and Jacobson on this item.

Mr. Kuhn stated the available funds from the Drought Surcharge Fee could be a potential funding source. The total collected since 2024 - \$720K, total YTD expenses (CY 2025 lease) - \$92,400, and available, uncommitted funds - \$627,600. He reviewed the average monthly proceeds by drought stage: Stage 2 (3 months) - \$7,500, Stage 3 (9 months) - \$29,000, Stage 4 (12 months) - \$34,500.

Mr. Kuhn stated the Drought Surcharge Fee was created in 2024 to charge extra water fee to high-use users and noted fees are charged on use above minimum threshold and escalate with higher drought stages. These proceeds are set aside in an investment fund for Council to determine how they are spent. He reviewed the following chart.

<b>Monthly Groundwater Use Surcharge Fees Above Consumption Threshold</b>						
<b>Account Type</b>	<b>Consumption In Cubic Feet (cf)</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Stage 4</b>	<b>Stage 5</b>
<b>Residential</b>	<b>2,500 or more</b>	<b>\$0.25</b>	<b>\$0.50</b>	<b>\$1.25</b>	<b>\$2.00</b>	<b>\$3.00</b>
<b>Commercial &amp; Multi-Family</b>	<b>3,500 or more</b>	<b>\$0.25</b>	<b>\$0.50</b>	<b>\$1.25</b>	<b>\$2.00</b>	<b>\$3.00</b>
<b>Institutional</b>	<b>10,000 or more</b>	<b>\$0.25</b>	<b>\$0.50</b>	<b>\$1.25</b>	<b>\$2.00</b>	<b>\$3.00</b>
<b>Irrigation</b>	<b>1,000 or more</b>	<b>\$0.25</b>	<b>\$0.50</b>	<b>\$1.25</b>	<b>\$2.00</b>	<b>\$3.00</b>

Another funding source option would be to add a \$5 monthly fee for all residents.

- 3,205 accounts @ \$5 per month = \$16,025 / month
- Annually = \$192,300

Council could elect to reduce or eliminate when conditions improve, if desired. These funds could also be used to purchase additional water rights in the future should purchase costs be reduced.

Mr. Kuhn reviewed the fiscal impact for the city to lease 800 AF and to lease 400 AF respectively.

Year	Cost Per Year	AF Amount	Total lease Amount	EAA Mgmt. Fee	Total
2026	\$425 / AF	X 800	\$340,000	+ \$97/AF	\$417,600
2027	\$475 / AF	X 800	\$380,000	+ \$97/AF	\$457,600
2028	\$525 / AF	X 800	\$420,000	+ \$97/AF	\$497,600
2029*					
2030*					

Year	Cost Per Year	AF Amount	Total lease Amount	EAA Mgmt. Fee	Total
2026	\$425 / AF	X 400	\$170,000	+ \$97/AF	\$208,800
2027	\$475 / AF	X 400	\$190,000	+ \$97/AF	\$228,800
2028	\$525 / AF	X 400	\$210,000	+ \$97/AF	\$248,800
2029*					
2030*					

Mr. Kuhn reviewed potential costs for leasing either 800 or 400 AF. If leasing 800 AF for years 1-3, including a \$97/AF EAA management fee, total cost - \$1,372,800. If leasing 400 AF for years 1-3, including \$97/AF EAA management fee, total cost - \$686,400. He noted the penalty fee for over pumping is unknown at this time. Mr. Kuhn provided an example, and stated, for 2025 the 260 AF, the city leased at the current \$400, would be \$104,000 for the base, plus \$97 an acre foot, for a total of \$129,220 currently. He noted the cheaper option is to pay the penalty, but the EAA's mission is to conserve water which is why they are considering raising the penalty fee.

In closing, Mr. Kuhn reiterated that, per Council's direction, he explored options for additional water and summarized by saying it is not feasible for the city to buy water since it has doubled in cost, and would cost millions of dollars the city does not have. There are three different permit holders that would lease an equal amount of water if Council so desired.

Mayor Pro Tem Jacobson stated he was not in favor of entering into a lease agreement that the city may not be able to pay for. He suggested Council table this idea until there was a better understanding about the market, the EAA's actions on potential penalty increase, and a better plan to help fund additional water rights either by a water resource fee or other means.

Mayor Honigblum thanked Mr. Kuhn and Mr. Laney for putting this presentation together and stated he recognized this was high level information but wanted staff to present this to get Council's thoughts and questions. He noted the EAA would likely discuss and consider increasing the penalty fee at their April 10th meeting and city staff would have more concrete information then. He added this item came about because several cities have been running out of water and he wanted to be proactive should a crisis like this affect Alamo Heights.

Councilmember Baker clarified the city can still lease rights up until January 31st of next year retroactively which is what the city has done in the past and remains an option going forward. He did not agree with moving forward with water leasing at this time. He commented if the city cannot afford to buy water, then it cannot afford to lease water long-term either. He suggested Council look at this as a long-term strategy on how to deal with this, but there may be a short-term need to lease water for this 2026 given the drought situation.

Mr. Kuhn shared he had asked the permit holders for a one-year lease; however, they were not interested because there is too much volatility in it right now.

Councilmember Bonner suggested leasing water from SAWS. Mayor Honigblum shared that SAWS was not willing to lease water at this time due to the uncertainty of the EAA fines and with certainty of the drought.

After some discussion, Mayor Pro Tem Jacobson moved to table the item until the next Council meeting for further discussion. The motion was seconded by Councilmember Billa Burke and passed by a 4-0 vote.

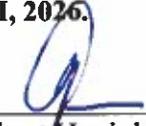
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With no further business to consider, Councilmember Bonner moved to adjourn the meeting at 7:18 p.m. The motion was seconded by Mayor Pro Tem Jacobson and passed by 4-0 vote.

**PASSED AND APPROVED THIS 23<sup>rd</sup> DAY OF MARCH, 2026.**

  
Elsa T. Robles, TRMC  
City Secretary



  
Albert Honigblum  
Mayor