

Los Angeles, California, had made the best offer covering the City of Austin for public liability and property damage on a payroll basis. The Council instructed the Manager to look further into the matter and place such insurance where he thought same would be to the best interests of the City.

City Manager Johnson laid before the Council a letter he had received from H. D. Crosby & Company of San Antonio, offering for sale a City of Austin \$5000.00 bond due in 1930. The Council instructed the City Manager to ascertain the lowest price at which said bond could be bought.

Councilman Reed moved that the recommendation made by the City Manager with regard to water, light, power and sewer concessions to be made St. Edward's College and other schools outside the city limits not operating for private gain, same being a one and one-third rate for water, light and power, and a refund of 33-1/3% of the sewer charge as fixed by ordinance, be approved. Motion prevailed by the following vote: Ayes, Mayor McFadden, Councilmen Barker Mueller, Pannell, and Reed, 5; nays, none.

City Manager laid before the Council a request of the Penn Field Motor Company for a refund on water used in the event of fires. After a discussion of the same, the Council agreed that same should not be granted.

The report of the United Charities Association for the month of September 1926, was read and ordered filed.

The City Manager laid before the Council the matter of exempting the following institutions from taxation:

Scottish Rite Dormitory;  
Newman Hall;  
Kirby Hall;  
Grace Hall;  
Texas Bible Chair;  
University Y. M. C. A.

Action upon the matter was deferred, pending the advice of the City Attorney as to the legal phases of same.

Councilman Barker moved that the Council adjourn. Motion prevailed by the following vote: Ayes, Mayor McFadden, Councilmen Barker, Mueller, Pannell, and Reed, 5; nays, none.

The Council then adjourned.

*O. W. McFadden*  
Mayor.

Attest: *Lillian McKellar*  
City Clerk

**SPECIAL MEETING OF THE CITY COUNCIL:**

Austin, Texas, October 20, 1926.

The Council was called to order by the Mayor. Roll call showed the following members present: Mayor McFadden, Councilmen Barker, Mueller, Pannell, and Reed; absent, none.

The Mayor stated that the meeting was called for the purpose of hearing Mr. W. B. Head, Chairman of the Board of Directors of the Texas Power & Light Company, in the matter of the proposal of the Texas Power & Light Company to furnish electrical energy to the City of Austin.

Mr. Head submitted the following communication:

"Austin, Texas, October 20, 1926.

"To the City Council of the  
City of Austin,  
Austin, Texas.

Gentlemen:

After protracted negotiations, the Texas Power & Light Company, on the 22nd day of June, 1926, submitted to your predecessors its Proposal, in writing, wherein it agreed to acquire the rights of the Austin Dam, Inc., and to reconstruct the Dam and Hydro Electric Generating Station on the Colorado River; to extend its central transmission line to the City of Austin, and to supply the City with such electric power and energy as it might require in the operation of its distribution system, upon the condition that the City Council pass an ordinance, a draft of which accompanied the Proposal, fixing the respective rights and liabilities of the Company and the City, provided that said Ordinance be approved by a majority of the qualified voters at an election held for that purpose.

As you are aware, this Proposal was accepted, the Ordinance passed, and the election called for the 31st day of July, 1926.

Soon after the passage of the Ordinance, the terms of office of the members of the Council, to whom the Proposal was submitted, expired, and you, as their successors, qualified and became the duly constituted Council of the City of Austin.

For reasons that need not now be discussed, you will recall that soon after your inauguration the Proposal of the Texas Power & Light Company was withdrawn, and the Ordinance repealed, with the understanding that the matter should again become the subject of negotiation and that if an agreement was reached, a new Ordinance would be passed, consummating such agreement.

I am authorized by the Texas Power & Light Company to reopen those negotiations and to submit for your consideration its original Proposal, with certain modifications, rendered necessary by conditions which have arisen since the Proposal was made and the Ordinance repealed.

The modifications are as follows:

1. Section 19 of the original Ordinance provided that at the expiration of twenty-five years after completion of the Dam, the City should have the right, upon payment to the Company of a sum equivalent to fifty per cent (50%) of all sums expended by it in the acquisition of the rights of the Austin Dam, Inc. and in the reconstruction of the Dam and Hydro Electric Station, and additions and betterments thereto, of terminating all right, title or interest that the Company had therein; but that if such payment was not made, such rights, titles and interests should vest in the Texas Power & Light Company and its assigns, for an additional period of twenty-five years; and that, upon expiration of such period, and without such payment, all such rights, privileges and interests should revert to, and become the absolute property of the City of Austin.

At the time the original Proposal was made, the Texas Power & Light Company was in position to finance such expenditures without the necessity of funding the same, but conditions have so changed that this has become impracticable, and it finds that with such provision in the contract, no part of the expenditures required could be funded, which would impose heavy financial burdens upon the Company, as well as its patrons.

The Company has been advised by its Attorneys that under the City Charter and Chapter 44 of the Special Laws enacted by the Legislature of 1911, without amendment, the City would be without authority to sell, lease or dispose of said Dam and Hydro Electric Generating Station. In these circumstances, in lieu of the provisions of Section 19 referred to above, the Company now proposes that the City Charter be so amended as to authorize the City Council to modify Section 19 so as to provide:

That after the expiration of twenty-five years from the completion of said Dam, and after reasonable notice to the Company, the City shall have the right, upon reimbursement to the Company of all sums expended by it in the acquisition of the rights and properties of the Austin Dam, Inc., and in the rehabilitation, reconstruction, etc. of said Dam and Hydro Electric Generating Station, and all additions and betterments thereto, including the sum paid in cash by the Company to the City at the time of its acceptance of said Ordinance, of terminating all right, title or interest that the Company has, or might have, therein. That if the City shall not exercise such right, and shall not make such reimbursement during the twenty-five year period, at the expiration thereof, the absolute right and title in and to said Dam, Dam Site, Hydro Electric Station, and all riparian rights now owned by the City, shall vest in and become the property of the Texas Power & Light Company, and its assigns. That the Texas Power & Light Company shall pay to the City of Austin contemporaneously with the acceptance of a proper ordinance, consummating such agreement, the sum of \$ \_\_\_\_\_ in cash, to be used by the City for such purposes, and in such manner as it may see fit, but to be returned to the Company in the event the City shall exercise its right to terminate said contract, after the expiration of twenty-five years.

2. That Section 4 of said Ordinance be so modified as to provide that if for any reason after expending the \$250,000.00 specified, the Company shall unreasonably fail or refuse to complete said Dam and Hydro Electric Generating Station, at the present site or within four miles up the River therefrom, all right, title and interest that it has in and to said Dam

shall terminate, and the agreement to supply electric power and energy to the City of Austin shall be cancelled, and all parties shall be released and discharged from any and all obligations and liabilities imposed by the Ordinance

3. That the definition of the word "cost", appearing in Section 15, be so amended as to make it certain that all of the elements of cost to the Texas Power & Light Company of manufacture and supply of electric power and energy to the City of Austin be included.

4. Certain typographical errors should be corrected, and certain obscure and ambiguous provisions should be made certain, to which your attention will be directed later.

Respectfully submitted,

TEXAS POWER & LIGHT COMPANY

By (Sgd) W. B. Head

Chairman of the Board.

After a lengthy discussion of the above matter, the same was referred to the committee appointed by the Mayor, composed of Ben M. Barker, Chairman, A. C. Baldwin, James H. Hart, V. H. Pannell, and Jno. B. Pope, for further study and report back to the Council.

The Council then adjourned.

*O. W. McFadden*  
Mayor

Attest:

*Hallie McEllen*  
City Clerk

REGULAR MEETING OF THE CITY COUNCIL:

Austin, Texas, October 21, 1926.

The Council was called to order by the Mayor. Roll call showed the following members present: Mayor McFadden, Councilmen Barker, Mueller, Pannell, and Reed, 5; absent, none.

Members of the Austin Insurance Exchange, composed of A. H. Osburn, President, Chas. Wicker, Howard Bull and others, filed a protest with the Council against the awarding of an automobile insurance policy to an out-of-town concern. The committee were given a hearing, but no action was taken by the Council.

B. A. Cox, representing the Texas Employers' Insurance Association, and Brown Robbins were heard with reference to Workmen's Compensation Insurance. The matter was referred to the City Manager.  
representing the Woodward Body Works,  
Sam Sparks requested that the Council reconsider its action to discontinue allowing a rebate for water used for fire purposes at Penn Field, and also the placing of a sewer charge on Penn Field. The matter was deferred for further consideration.

Miss Casis and Miss Ione Spears appeared before the Council with reference to taxes on lot owned by the University Y. W. C. A., requesting a remission of taxes for the years 1920 to 1925, inclusive. The matter was deferred for further consideration.

Judge Chas. A. Wilcox and Dr. W. F. Bryan, representing the Board of Stewards of the First Methodist Church, appeared before the Council and requested an adjustment of the rendition for taxes on the Parsonage of the First Methodist Church. The Council expressed itself as being in favor of such action if it is found practicable to do so.

Walter Durham appeared before the Council and requested a refund on water line extension made to his place east of Travis Heights some ten, or more, years ago. The Council took no action on the matter, except to advise said Durham that his claim was probably barred by limitation.