



City of Grand Island

Tuesday, November 12, 2019

Council Session

Item G-9

**#2019-328 - Approving the Union Pacific Rail Contract Agreement
for Coal Transportation**

Staff Contact: Tim Luchsinger, Stacy Nonhof

Council Agenda Memo

From: Timothy G. Luchsinger, Utilities Director
Stacy Nonhof, Interim City Attorney

Meeting: November 12, 2019

Subject: Coal Freight Transportation Contract between Union Pacific Railroad and the City of Grand Island Utilities

Presenter(s): Tim Luchsinger, Utilities Director

Background

The current coal transportation contract with the Union Pacific Railroad (UP) is for a three year term and expires on December 31, 2019. UP was asked to provide price quotations for continued service to move coal from the Wyoming coal fields to the Platte Generating Station at Grand Island. In accordance with the request from the Utilities Department, UP provided proposals for continued freight service by contract and by Common Carrier Tariff.

Discussion

Union Pacific considers its proposals for continued freight service to be confidential. In order to meet that confidentiality, the proposed contract and Common Carrier rates are included under separate cover for each Council Member. These proposals have been reviewed by Utilities Department and Legal staff and it is recommended that the proposed contract for the term of January 1, 2020 through December 31, 2024 be approved.

If the City Council wishes to discuss the details of the confidential proposal received from Union Pacific, it is recommended that they adjourn to closed session for the protection of the public interest.

Alternatives

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Move to approve the contract offer
2. Move to request a Common Carrier Tariff
3. Refer the issue to a Committee

4. Postpone the issue to future date
5. Take no action on the issue

Recommendation

City Administration's recommends that the Council approve the Coal Freight Transportation Contract for January 1, 2020 through December 31, 2024 with Union Pacific for coal transportation to the Platte Generating Station.

Sample Motion

Move to approve the Platte Generating Station Coal Freight Transportation Contract for January 1, 2020 through December 31, 2024 with Union Pacific.

RESOLUTION 2019-328

WHEREAS, the City's current coal transportation contract with the Union Pacific Railroad Company expires on December 31, 2019; and

WHEREAS, Utilities Department staff has solicited proposals from Union Pacific Railroad to continue coal transportation to Platte Generating Station; and

WHEREAS, Union Pacific Railroad has offered a contract for coal transportation to Platte Generating Station for the term January 1, 2020 through December 31, 2024.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that a contract for coal transportation with the Union Pacific Railroad is hereby approved.

BE IT FURTHER RESOLVED, that the Mayor is hereby authorized and directed to execute the contract for coal transportation with the Union Pacific Railroad Company on behalf of the City of Grand Island.

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Adopted by the City Council of the City of Grand Island, Nebraska, November 12, 2019.

Roger G. Steele, Mayor

Attest:

RaNae Edwards, City Clerk

Approved as to Form	by _____
November 8, 2019	City Attorney