



City of Grand Island

Tuesday, April 12, 2005

Council Session

Item G30

#2005-118 - Approving Agreement for Reconfiguration of Segments of Electric Distribution Circuits and 115kV Transmission Line - City of Grand Island & CXT

Staff Contact: Gary R. Mader; Doug Walker

Council Agenda Memo

From: Gary R. Mader, Utilities Director
Doug Walker, City Attorney

Meeting: April 12, 2005

Subject: Agreement for Reconfiguration of Segments of Electric Distribution Circuits and 115kV Transmission Line – City of Grand Island, Utilities Department and CXT

Item #'s: G-30

Presenter(s): Gary R. Mader, Utilities Director

Background

Grand Island Utilities Department is working with CXT to support the expansion of their existing manufacturing plant in Grand Island. As part of the expansion, nearly a mile of new rail spur line will be constructed by CXT to serve the increased capacity of their plant. A fifty foot tall gantry crane will be used along the new rails to load concrete ties on to rail cars.

The existing CXT plant and the planned expansion are located in the Union Pacific rail yards on the east side of Grand Island. The Utilities Department has two 13.8 kV overhead distribution lines crossing the CXT construction. Those lines must be reconstructed to underground configuration to provide clearance for the planned gantry crane.

The Utilities Department also has a 115,000 volt transmission line crossing the area. This line will have to be raised to provide safe clearance for the gantry crane.

Discussion

In accordance with Department policy, the cost of reconstructing power lines is considered a cost to the development project when that reconstruction is required solely because of the development project. In this case, the Utilities Department has prepared detailed cost breakdowns for the power line reconstruction work and had a series of meetings with CXT representatives.

Because the reconfiguration of the feeder circuits and raising of the transmission line entail the expenditure of several hundred thousand dollars, it is the recommendation of the Utilities Department that the City enter into a written agreement to document and define the obligations of the parties. A copy of the proposed agreement is attached. It has been reviewed and approved by the Legal Department.

Alternatives

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

1. Move to approve the Agreement for Reconfiguration of Segments of Electric Distribution Circuits and 115kV Transmission Line between the City of Grand Island and CXT
2. Refer the issue to a Committee
3. Postpone the issue to future date
4. Take no action on the issue

Recommendation

City Administration recommends that the Council approve the Agreement for Reconfiguration of Segments of Electric Distribution Circuits and 115kV Transmission Line.

Sample Motion

Motion to approve the Agreement for Reconfiguration of Segments of Electric Distribution Circuits and 115kV Transmission Line between CXT and the City of Grand Island, Utilities Department.

Agreement for Reconfiguration of
Segments of Electric Distribution Circuits and
115kV Transmission Line

This Agreement is hereby entered into this ____ day of _____, 2005, by and between the City of Grand Island, Nebraska and CXT, Incorporated as set forth hereafter.

WHEREAS CXT Incorporated (CXT) operates a concrete railroad tie manufacturing plant in the City Of Grand Island, and CXT wishes to expand that facility;

WHEREAS the expansion of the plant will require the reconfiguration of two 13.4 kV electric distribution circuits and a length of 115 kV transmission line owned by the City of Grand Island Electric Department (GIUD);

WHEREAS the parties agree that the 13.4 kV distribution circuits should be reconstructed from overhead to underground configuration and that the 115 kV transmission line should be raised to accommodate the CXT plant expansion needs.

NOW THEREFORE; THE PARTIES HERETO AGREE AS FOLLOWS:

CXT agrees to provide all labor and materials to install four 6" HDPE underground electrical conduits across the Union Pacific Railroad yards in accordance with the specifications and design provided by GIUD.

Upon completion of the electrical conduit installation to GIUD specifications, GIUD agrees to make complete installation of all electrical conductor, switches, poles, and all necessary appurtenances to complete the conversion of the two 13.4 kV electric distribution circuits to underground configuration.

CXT agrees to reimburse GIUD for all costs of material and labor to install the distribution circuits in an underground configuration in an amount not to exceed \$110,000.

GIUD further agrees to rebuild the 115 kV transmission line segment to raise the conductor height to provide safety code clearances for new gantry crane equipment to be purchased and installed by CXT. Additionally, GIUD intends to upgrade the capacity of this 115 kV line segment as a part of the project.

CXT agrees to pay GIUD for the costs incurred to raise the of the 115 kV transmission line. GIUD shall be responsible for all costs incurred for line betterment. CXT payment to GIUD shall not exceed \$300,000.

GIUD will provide to CXT a detailed project cost break down showing costs incurred for raising the transmission line section.

This agreement shall be binding on the successors in the interest of the parties hereto.

This agreement is hereby executed by the parties hereto on the date first noted above.

CXT, Inc.

City Of Grand Island

By _____
_____, President

By: _____
Jay Vavricek, Mayor

Date: _____

Date: _____

RESOLUTION 2005-118

WHEREAS, CXT Incorporated (CXT) operates a concrete railroad tie manufacturing plant in the City of Grand Island; and

WHEREAS, CXT wishes to expand its facility which will require the reconfiguration of two 13.4 kV electrical distribution circuits and a length of 115 kV transmission line owned by the City of Grand Island Electric Department; and

WHEREAS, the City and CXT agree that the 13.4 kV distribution circuits should be reconstructed from overhead to underground configuration and that the 115 kV transmission line should be raised to accommodate the CXT plant expansion needs; and

WHEREAS, an agreement setting out the responsibilities of both the City and CXT has been prepared to complete this project.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the Agreement for Reconfiguration of Segments of Electric Distribution Circuits and 115kV Transmission Line by and between the City and CXT Incorporated is hereby approved.

BE IT FURTHER RESOLVED, that the Mayor is hereby authorized and directed to execute such agreement on behalf of the City of Grand Island.

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Adopted by the City Council of the City of Grand Island, Nebraska, April 12, 2005.

RaNae Edwards, City Clerk

Approved as to Form	☐ _____
April 6, 2005	☐ City Attorney