



City of Grand Island

Tuesday, December 04, 2007

Council Session

Item G2

**#2007-308 - Approving Coal Freight Transportation Contract
between Union Pacific Railroad and Grand Island Utilities**

Staff Contact: Gary R. Mader; Wesley Nespor

Council Agenda Memo

From: Gary R. Mader, Utilities Director
Dale Shotkoski, City Attorney

Meeting: December 4, 2007

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

Item #'s: G-2

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

Background

The current coal contract with the Union Pacific Railroad (UP) expires on December 31, 2007. The current contract was for a three year term. UP was asked to provide price quotations for continued service to move coal from the Wyoming coal fields to the Platte Generating Station Power Plant at Grand Island. UP provided a proposal with a number of options for future freight service.

Discussion

Unlike the current contract, the railroad has declared that the current offers for future freight service are "Confidential". The confidential proposals incorporate Union Pacific standard conditions for service, referred to as Circular 113 and Circular 6603. Those publications are not confidential and can be accessed on the internet. The confidential proposals from UP and the public information Circulars are provided to Council under separate cover to honor the Union Pacific Confidentiality.

Alternatives

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

1. Move to approve
2. Refer the issue to a Committee
3. Postpone the issue to future date
4. Take no action on the issue

Recommendation

City Administration's recommendation is included in the confidential information package provided to Council.

Sample Motion

Move to approve the Coal Freight Transportation contract with Union Pacific Railroad.

RESOLUTION 2007-308

WHEREAS, the City's current coal transportation contract with the Union Pacific Railroad Company expires on December 31, 2007; and

WHEREAS, in lieu of renewing such contract, Union Pacific Railroad Company has extended a proposal that will require use of UP Circular 113 and Circular 6603; and

WHEREAS, Union Pacific Railroad Company has declared that current offers for future freight service are "confidential"; and

WHEREAS, the City Attorney has reviewed the UPPR proposal and UP Circular 113 and Circular 6603.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the UPPR proposal requiring the use of UP Circulars 113 and 6603 is hereby approved for the transportation of coal to the Platte Generating Station and city staff is authorized to complete the negotiations of the contract in the proposal.

BE IT FURTHER RESOLVED, that the Mayor is hereby authorized and directed to execute the final negotiated agreement 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, December 4, 2007.

Margaret Hornady, Mayor

Attest:

RaNae Edwards, City Clerk

Approved as to Form ☐ _____
November 29, 2007 ☐ City Attorney