

A RESOLUTION AUTHORIZING THE SALE OF CERTAIN HUDSON PUBLIC POWER'S TRANSMISSION EQUIPMENT LOCATED AT THE EASTSIDE SUBSTATION TO FIRST ENERGY CORPORATION; AND DECLARING AN EMERGENCY.

WHEREAS, the North American Electric Reliability Corporation ("NERC") recently made definitional regulatory changes that will subject the City to cumbersome and costly rules and regulations associated with Hudson Public Power's continued operation of its "bus ring configuration" and associated equipment (hereinafter, the "Transmission Equipment", as described in the attachment hereto as "Exhibit A") at the City's Eastside Substation; and

WHEREAS, First Energy has offered to purchase and operate the Transmission Equipment located at the City's Eastside Substation; and

WHEREAS, First Energy's purchase and operation of the Transmission Equipment would relieve the City of the impending requirements if the City was to be considered what is known as a newly-classified Bulk Electric System transmission owner under the revised rules and regulations; and

WHEREAS, after consideration of the high costs associated with retaining ownership and operation of the Transmission Equipment, in light of the new rules and regulations, City Staff recommends that the Transmission Equipment be sold to First Energy for \$457,685.00 on an "as-is" basis; and

WHEREAS, City Staff further recommends that, as part of the sale agreement of the Transmission Equipment, First Energy be given a right of access to allow First Energy to access, operate, and maintain the Transmission Equipment; and

WHEREAS, this Council determines that the sale of the Transmission Equipment to First Energy is necessary to relieve the City from the impending high costs associated with the new rules and regulations while still ensuring City residents have service from a quality public power system; and

WHEREAS, the sale of the Transmission Equipment, no longer needed for municipal purposes, is included within the City's powers of local self-government as granted by Article XVIII of the Ohio Constitution.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Hudson, County of Summit, State of Ohio, that:

Section 1: The City Manager is authorized to enter into an agreement for the sale of Hudson Public Power's "bus ring configuration" and associated equipment located at the City's Eastside Substation (as described and attached hereto as "Exhibit A") in an amount not less than Four Hundred Fifty-Seven Thousand Six Hundred Eighty-Five Dollars (\$457,685.00) on an "as-is", no express or implied warranty, basis to First Energy Corporation and the agreement shall be in a form acceptable to the City Manager and City Solicitor.

Section 2: The City Manager is further authorized to, as a part of the above referenced agreement, permit First Energy Corporation a limited right of access to the City's Eastside Substation for the express purposes of operating and maintaining the bus ring configuration and associated equipment.

Section 3. It is found and determined that all formal actions of this Council concerning and relating to the adoption of this Ordinance were adopted in an open meeting of this Council, and that all deliberations of this Council and any of its committees that resulted in such formal action were in meetings open to the public, in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

Section 4. This Resolution is determined to be an emergency measure necessary to further the public health, safety and general welfare and for the further reason that it is immediately necessary for the transaction that is the subject of this Resolution to occur in order to guarantee that the City is not assessed or subjected to any Federal Energy Regulatory Commission and/or NERC requirements or fines; wherefore, this Resolution shall be in effect immediately upon its passage provided it receives the affirmative vote of five (5) members of Council except that six (6) affirmative votes shall be required if all members are present; otherwise, it shall take effect and be in force from and after the earliest period allowed by law.

PASSED:

David A. Basil, Mayor

ATTEST:

Elizabeth Slagle, Clerk of Council
Melissa Raber, Clerk of Council Pro Tempore

I certify that the foregoing Resolution No. 17-144 was duly passed by the Council of said Municipality on _____, 2017.

Elizabeth Slagle, Clerk of Council
Melissa Raber, Clerk of Council Pro Tempore

Exhibit A

<i>Equipment</i>	<i>Quantity</i>
SF6 Breaker	4
Gang Switch	8
Post Insulator	112
Arrester	6
Structure & Bus	1
Relays	45