

8. NOTICE OF PPEA PROPOSAL BY REENERGY HOLDINGS, LLC TO ACQUIRE, IMPROVE, FINANCE AND OPERATE THE SOLID WASTE MANAGEMENT FACILITIES OF THE SOUTHEASTERN PUBLIC SERVICE AUTHORITY (SPSA)

On July 10, I received a copy of a proposal from ReEnergy Holdings, LLC to acquire, improve, finance and operate the solid waste management facilities of SPSA. The proposal was submitted to SPSA pursuant to the Public Private Educational Facilities Infrastructure Act (PPEA). As "affected local jurisdictions," member communities have sixty (60) days in which to offer their comments to SPSA.

The submittal includes both a proposal to SPSA to acquire its assets and to the eight member communities to enter into new 20-year waste services agreements. The purchase price is targeted at \$243 million which is expected to be sufficient to retire all of SPSA's outstanding debt. ReEnergy proposes to ramp down member communities' tipping fees over a 3 year period before reaching parity for all 8 member communities in 2013 at \$87.50/ton, adjusted annually thereafter based upon a leading economic index.

SPSA has until August 6 to evaluate the conceptual proposal and decide if it wishes to advertise for competing proposals.

In the meantime, final proposals for acquisition of SPSA's Waste-to-Energy (WTE) plant in Portsmouth from two other prospective purchasers are expected to be received later this month. Acceptance of one of their proposals will make consideration of ReEnergy's proposal a moot point.

Full copies of the ReEnergy proposal are available for review in my office. Please let me know if you would like me to make you a copy. In the event that SPSA decides to move forward in considering ReEnergy's proposal, I'll place this matter back on next month's agenda for discussion. Otherwise, no action will be required.

NO MOTION REQUIRED