

RESOLUTIONS

RESOLUTIONS SELECTING PRIVATE ENTITIES FOR DETAILED REVIEW PHASE AND FOR COMPETITIVE NEGOTIATION FOR THE PURCHASE OF SPSA'S WASTE-TO-ENERGY FACILITIES UNDER THE PPEA AND SPSA'S PPEA GUIDELINES

WHEREAS, the Southeastern Public Service Authority of Virginia ("SPSA") received an unsolicited proposal pursuant to the Virginia Public-Private Education Facilities and Infrastructure Act ("PPEA") from Covanta Energy Corporation ("Covanta") for the purchase of SPSA's waste-to-energy facilities in Portsmouth, Virginia (the "Facilities"); and

WHEREAS, by resolution adopted on June 5, 2008, SPSA's Board accepted the proposal from Covanta (the "Covanta Proposal") for conceptual phase consideration and authorized the Executive Director with the assistance of staff to review and accept for conceptual phase consideration additional PPEA proposals for the purchase of the Facilities; and

WHEREAS, SPSA received and reviewed additional PPEA proposals (the "Additional Proposals") from Fortistar LLC ("Fortistar"), Energy Answers International, Inc. ("Energy Answers") and Wheelabrator Technologies Inc. ("Wheelabrator"); and

WHEREAS, by Resolution adopted on August 27, 2008, SPSA's Board confirmed the Executive Director's acceptance of the Additional Proposals for conceptual phase consideration; and

WHEREAS, pursuant to Article IV, Section C.2 of the Guidelines, SPSA's Board by Resolution adopted on August 27, 2008 determined that it would use the competitive negotiation method in reviewing and evaluating the Covanta Proposal and the Additional Proposals ("Proposals"); and

WHEREAS, SPSA's staff, with the advice and assistance of SPSA's consultant that was retained in accordance with the requirements of Article II, Section A.3 of the Guidelines and PPEA § 56-575.3:1(C)(1) (the "Consultant"), has conducted the conceptual phase review, has analyzed the Proposals based upon the criteria set forth in the Guidelines and has recommended that SPSA proceed to the detailed review phase with proposals received from Covanta and Wheelabrator; and

WHEREAS, during a closed meeting the Board has reviewed information provided by staff including the information and analysis provided by the Consultant and, based upon this information and staff's recommendation, the Board has determined that SPSA will proceed to the detailed review phase with the proposals provided by Covanta and Wheelabrator, while at the same time confirming that proceeding to this phase does not require that SPSA accept any proposals or enter into any contract or agreement for the sale of the Facilities and that SPSA may discontinue the process at any time;

NOW THEREFORE BE IT RESOLVED, by the Board of SPSA as follows:

1. Based upon information provided by SPSA's staff and the Consultant, the recommendation of SPSA's staff and the criteria set forth in the Guidelines and PPEA, the Board has determined that Covanta and Wheelabrator are fully qualified and best suited among those submitting proposals to proceed to the detailed review phase and directs SPSA's staff with the assistance of the Consultant to proceed to a detailed phase review and competitive negotiation with Covanta and Wheelabrator in accordance with the PPEA and Guidelines.

2. In accordance with the PPEA and Guidelines, the Board reserves the right to discontinue the PPEA process for any reason, at any time, with or without cause with respect to either Covanta or Wheelabrator or both of them and confirms that proceeding to the detailed review phase does not constitute a commitment to sell the Facilities or to enter into any agreements respecting their sale or operation.

Adopted this 24 day of Sept., 2008

Attest: Donald L. Williams
Donald L. Williams, Chairman