



MINUTES OF THE IDAHO ENERGY RESOURCES AUTHORITY
DIRECTORS' MEETING – April 14, 2006

The meeting of the board of the Idaho Energy Resources Authority (“IERA” or “Authority”) was called to order by Chairman Robert Mooney at 10:00 a.m.

Directors in attendance were: Robert Mooney, Ralph Williams, Charles Hedemark, Larry Crowley, Mayor Darrell Kerby and Randy Hill. Governor John Evans was absent. Also in attendance were David MacGregor, Cascade Idaho, Mike Stewart, Cascade Idaho, Scott Davenport, Cascade Idaho, Linda Jones, Boise Idaho, Mike Elliott, Boise Idaho, Peter Richardson, Boise Idaho and Representative George Eskridge, Sandpoint Idaho. Ron Williams, local counsel to the Authority, was also present.

The Chairman noted that Jim Burr, outside legal counsel for the Authority, was prepared to join the Board by telephone conference to discuss potential legal and litigation related matters. Pursuant to Idaho Code § 67-2345, upon motion by Mayor Darrell Kerby seconded by Randy Hill, the Board unanimously approved entering into executive session to discuss such matters with Jim Burr. Peter Richardson and Representative George Eskridge were invited to remain for the Executive Session.

Following the Executive Session the Chairman welcomed the following representatives of the Wyoming Infrastructure Authority: Steve Waddington, Mike Easley, Bryce Freeman and Les Penning. Chairman Mike Easley explained how the WIA started with a \$250,000 appropriation from the Wyoming legislature and encouragement from the Wyoming Governor to develop strategies to enhance Wyoming’s economic vitality using Wyoming natural resources of coal and wind. The WIA initially focused on a strategic planning initiative that resulted in the WIA supporting the Rocky Mountain Area Transmission Study (RMATS) recommendations for development of transmission paths to the south and west of Wyoming. This would allow for the exportation of wind and coal based electrical generation. The Wyoming legislature has since increased funding for WIA operations and has also provided the WIA with up to \$10 million in loans for transmission studies and preliminary permitting activities. The WIA is looking for public-private partnerships in developing transmission projects. The WIA recently completed their first financing; a \$34.5 million bond sale to the Wyoming State Treasurer for a Basin Electric Cooperative transmission line. Future transmission projects or transmission corridors that the WIA wants to participate in include: the TOT-3 line into Colorado, the Wyoming-west corridor, and APS project through Utah and the Frontier Line proposed by the four governors of Wyoming, Utah, Nevada and California.

WIA Representatives also explained that the Wyoming Legislature just broadened the authority of the WIA to push forward the development of clean coal technologies,

with a special emphasis on burning Wyoming coal at higher elevations. Most of the focus will be on integrated gasification combined cycle (IGCC) technologies.

The WIA also reported that they are working with the Wyoming Congressional Delegation and have retained a Washington DC representative to explore changes to the Internal Revenue Code to relax the private use restrictions on using tax-exempt bonds for transmission lines.

The Chairman next asked for a short but un-scheduled presentation by Cascade Geothermal (CG). Mike Steward and David MacGregor explained that they are looking at a number of the geothermal sites in Valley County as possible electric generating resources. Geothermal development needs exploratory funding concerning the identification and testing potential geothermal resource. CG representatives explained how this funding could be met by a revolving fund.

Representative George Eskridge was next introduced to provide his perspective on the tasks and goals of the Interim Legislative Committee on Energy, Environment and Technology (the Committee) of which he Co-Chairs. The Committee is charged with developing an integrated state energy plan and Rep. Eskridge reported that one of the Committee's first tasks is to retain qualified consultants to help in the development of such a plan. Last summer the Committee considered electric power facilities siting legislation, but based on the testimony of utilities, counties and cities, such legislation was rejected. In light of the 2006 legislation placing a two-year moratorium on coal fired power plants in Idaho, the Committee has been instructed to revisit the need for power facilities siting. The Committee will be holding two-day meetings on Wednesday and Thursday of the third week of every month for the remainder of the year.

The Board next turned its attention to the business affairs of the Authority. Upon motion by Ralph Williams, second by Charles Hedemark, the minutes of January 9, 2006 were unanimously approved. In light of the time constraints the Chairman asked that discussion concerning the proposed Vision Statement of the IERA be postponed and that all Board members should submit comments on the proposed Vision Statement to Larry Crowley.

The Board next reviewed the status of potential projects:

Chairman Mooney, while again noting his conflict of interest concerning Bogus Basin, informed the board that the ski resort is in a better financial condition as a result the excellent snow pack for the 2005-06 ski season and a positive 2006-7 preseason pass sale. In addition, a land sale is in escrow that would improve the overall financial situation at Bogus and donations of more than a half a million have been received under the 501(c)(3) status. The Bogus Basin transmission line is a potential 2006 project.

The Raft River Co-op transmission line to Duck Valley is proceeding with environmental and engineering studies, but is scheduled for the 2007 construction season, which would coincide with Raft River's need for funding.

The Caribou Line from Soda Springs to Afton is also a 2007 project benefiting both Lower Valley Energy and BPA.

The biggest of the potential projects – IPP Unit #3 – is a multi-year coal-fired power plant project but with financial commitments required by participants before years end, 2006.

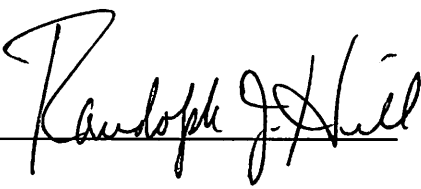
Under ‘Old Business’ the Board reviewed the need for insurance and unanimously adopted a revenue forecast for insurance purposes as follows: 2006 - \$50,000; 2007 - \$100,000; 2008 - \$150,000. The Board reviewed the proposed logo for the Authority prepared by Ralph Williams and expressed appreciation to Ralph for his time and effort on the project. With the addition of the letter “s” to the word “Resources” the logo was unanimously approved.

The next matter to come before the Board was a discussion of the confidential bids received by the Authority from prospective investment bankers. Pursuant to Idaho Code § 67-2345, upon motion by Mayor Darrell Kerby seconded by Randy Hill, the Board unanimously approved entering into executive session to discuss legal issues related to the bid. Peter Richardson was invited to remain for the Executive Session.

Following Executive Session Randy Hill reported that the committee established to conduct the RFP for financial advisors had completed its work. Nine companies submitted written materials and five were interviewed in Boise over a two-week period. Of the five short listed candidates, Lehman Brothers was recommended by the committee to act as lead investment banker/underwriter for the IERA. Following motion by Randy Hill, seconded by Charles Hedemark, the Board unanimously resolved that the IERA should enter into negotiations with Lehman Brothers for acceptable terms and conditions whereby Lehman Brothers would act as lead investment banker/underwriter for the Authority.

Next Meetings: The IERA board will have a conference call May 17, 2006 at 10:00 a.m., and a live meeting on Thursday July 13 beginning at 10:00 a.m. in Boise.

At 4:00 p.m. the meeting was adjourned.


Secretary