



MINUTES OF THE IDAHO ENERGY RESOURCES AUTHORITY  
10:00 a.m. Conference Call– May 17, 2006

The conference call 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. Ron Williams, local counsel to the Authority, was also present.

Approval of Minutes: The minutes of April 14, 2006 were reviewed by the Board. Mayor Kirby corrected page 3 of the minutes with respect to procedures followed by the Board entering into executive session and the reason being to discuss matters of potential litigation with attorneys for the Authority. With that correction noted the minutes of April 14, 2006 were unanimously approved.

IERA Underwriter: Randy Hill reported that he is in discussions with Bob Campbell of Lehman Brothers. Lehman is willing to provide investment banking services to the Authority “at risk” pending closing of each bond issuance. Chairman Mooney reported having sent a letter to Bob Campbell informing him of Lehman’s selection as lead underwriter for the Authority. Mr. Hill reported he had called all the participants in the RFP process and thanked them for their excellent proposals to the Authority. Mr. Hill also informed Merrill Lynch and CitiGroup of the Authority’s desire to consider them as co-banker or co-manager, as circumstances may dictate.

Project Review: Chairman Mooney, while noting his potential conflict of interest as a consultant to the City of Idaho Falls, noted that Idaho Falls passed a resolution on May 11, 2006 authorizing the City to proceed to hold a public election to approve the sale of bonds to finance Idaho Falls’s participation in the IPP Unit 3 coal fired power plant at Delta, Utah. The Idaho Falls resolution gives the city flexibility to revenue bond finance IPP Unit 3 participation independently or through the IERA. The cities of Burley, Heyburn and Rupert are also preparing for a November voter approval of an IERA bond issuance on their behalf for their respective participation in the power plant.

The Board also briefly discussed progress being made on 3 other projects; the Bogus Basin line refinancing, the new Raft River transmission line to Duck Valley and the Lower Valley Energy transmission line into Afton, Wyoming. The Bogus Basin line is potentially a fall-2006 project while the remaining 2 projects are more likely in the 2007 time frame.

Tax Exempt Bond Financing: The Chairman asked Ron Williams for a report on efforts to amend the Internal Revenue Code in order to allow for tax exempt revenue bond financing of transmission projects. Mr. Williams reported on his recent trip to Washington D.C. where he discussed with the Idaho Congressional Delegation the possibility of amending Section 141(b)(6) of the IRC to state that the "operation or use" of a transmission line by a "non-governmental unit" (such as a cooperative or investor owned utility) shall not be considered a "private business use" of that transmission line. Relaxing the private use restrictions related to such transmission projects would allow for a federal tax exempt bond financing of such projects. Mr. Williams is working on this issue representing the Idaho Consumer Owned Utilities Association, but the Board also recognized that such efforts would be consistent with the statutory mission of the IERA.

Old and New Business: The Board decided to change its next board meeting date from Thursday, July 13 to Friday, July 14. The board meeting will commence at 8:00 A.M. so that it ends earlier in the afternoon.

Adjourn: With no further business to come before the Board, the conference call meeting of the Idaho Energy Resources Authority was adjourned at 11:15 A.M.

  
Secretary