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MINUTES OF THE IDAHO ENERGY RESOURCES AUTHORITY
8:00 a.m. – July 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 8:00 a.m.

Directors in attendance: Robert Mooney, Ralph Williams, Charles Hedemark, Larry Crowley, Mayor Darrell Kerby, Governor John Evans and Randy Hill. Ron Williams, local counsel to the Authority, was also present.

Approval of Minutes: The minutes of May 17, 2006 were reviewed by the Board and upon motion by Governor Evans, seconded by Ralph Williams, were unanimously approved.

Meeting with the Governor’s office: Jim Yost from Governor’s Risch’s office discussed transmission siting provisions of the 2005 Federal Energy Act. Jim is working with Paul Kjellander (Idaho Public Utilities Commission) and Jim Kempton (Northwest Power and Conservation Council) to determine the best way to implement provisions of federal law for establishing national transmission corridors. The Federal Energy Regulatory Commission has identified a potential national corridor of interest crossing from Montana through Idaho into Nevada. Governor Guinn of Nevada and Idaho Governor Risch have signed a Memorandum of Understanding with respect to transmission siting. One potential solution would designate the Idaho PUC as the state entity with the power of eminent domain for national transmission and transportation corridors. Jim Yost also discussed the Governor’s interest in energy issues and the establishment of an Idaho office of energy.

IPP 3 Update: Jim Burr from Chapman Cutler and Bob Campbell from Lemman Brothers joined the board meeting by telephone conference call. Jim Burr provided an update on the Independent Power Project (IPP) Unit #3 at Delta, Utah. The Utah Association of Municipal Power Systems (UAMPS) is drafting power sales contracts for project participants. UAMPS recently met with the Idaho Energy Authority (IDEA) to discuss contractual provisions concerning IPP 3 for the Idaho cooperatives and municipalities interested in participating in that project. Idaho municipalities participating in IPP3 will need 2/3 voter approval prior to executing the power sales agreements. UAMPS anticipates needing signed power sales agreements in early 2007. UAMPS is working on construction management and financing issues prior to permanent financing take-out. UAMPS would like to see construction financing occur incrementally. This could potentially postpone IERA financing past the initial 2007 time frame. The IERA and Lehman Brothers will study options that could allow the Authority to participate at an earlier stage.

Other Potential Projects: Bob Campbell discussed the three smaller potential financing projects for the IERA. The Bogus Basin Line owned by Idaho Power would be a private placement; hopefully to the State Treasurer. The Bogus Basin transaction is a difficult one to structure due to the small size of the issuance. Ron is to arrange a meeting with Ron Crane, Idaho Treasurer, to discuss potential involvement of the state treasury.

Old and New Business: Ron explained efforts of the Idaho Consumer-Owned Utilities Association in support of federal legislation allowing for the use of tax exempt revenue bonds to finance electric transmission projects. Such revisions to the Internal Revenue Code would amend the private use restrictions such that operation and maintenance of a transmission line would not be activities that would disqualify an asset for tax exempt purposes. Ownership of such assets however would have to remain with an entity such as the Idaho Energy Resources Authority in order for bonds to qualify for tax exempt status. Both Senator Craig and Senator Crapo are considering this proposal on behalf of the ICUA.

The proposed Vision Statement of the Authority was reviewed by the Board. Several additional changes were recommended and accepted. Upon motion by Randy Hill, seconded by Chuck Hedemark, the Vision Statement as amended was adopted by the Board.

Ron reported contact from Jim Yost of the Governor's Office as to reappointment of Governor Evans and Randy Hill to new three-year terms on the board. Ron was instructed to prepare a letter of support for reappointment of Governor Evans and Randy Hill to the board that both he and Bob Mooney would sign and deliver to the Governor's office.

Adjourn: With no further business to come before the Board, the meeting adjourned at 11:30 a.m.


Secretary