



MINUTES OF THE IDAHO ENERGY RESOURCES AUTHORITY
DIRECTORS' MEETING – August 20, 2007

The meeting of the Idaho Energy Resources Authority (“IERA” or “Authority”) was called to order by Chairman Robert Mooney at 10:30 a.m.

1. Attendance: Directors in attendance were: Robert Mooney, Ralph Williams, Randy Hill, Larry Crowley and Mayor Darrell Kerby. Ron Williams, local counsel to the Authority, and Bob Campbell, Lehman Brothers and Investment Banker for the IERA, were also present. Members of the public attending were: Ken Miller of the Snake River Alliance.

2. Approval of Prior Minutes: The Board first reviewed the minutes from January 9, 2007. Upon motion from Ralph Williams, seconded by Larry Crowley, the minutes were unanimously approved.

3. Financial Report: The chairman called upon Ron Williams for a brief financial report. Ron referred to the balance sheet for the IERA previously provided to board members. This balance sheet showed current assets of \$13,673.34 as of August 15, 2007. Net income for 2007 has been <\$4,010.00> reflecting the \$500.00 per month the IERA pays Williams Bradbury, P.C., plus \$10.00 to register with the Secretary of State’s office for legislative/lobbying purposes. The IERA has a long-term liability owed to the Idaho Consumer Owned Utilities Association of \$25,000.00

4. Federal Energy Legislation: Ron provided an update concerning IERA efforts to amend the Internal Revenue Code so that the IERA could finance transmission projects on a federal tax exempt basis. Marty Kanner of Kanner & Associates has been working with Idaho Consumer-Owned Utilities Association (ICUA) and the IERA to secure this amendment. Senator Crapo initially proposed such an amendment before the Senate Finance Committee. Efforts will be needed in the fall when the Senate and House reconvene and try to finish work on an energy bill. The ICUA decided in July to partially fund Marty Kanner’s lobbying efforts on behalf of ICUA. Chairman Mooney recommended that the Board authorize an expenditure of \$2,500.00 as additional compensation for Kanner & Associates regarding this effort. Following additional discussion, upon motion by Chairman Mooney, seconded by Randy Hill, the Board unanimously authorized the expenditure of \$2,500.00 for services by Kanner & Associates with respect to this federal tax related legislation.

5. Potential Projects for IERA Funding:

Bogus Basin Transmission line refinancing. Chairman Mooney updated the Board as to the possibility of the IERA issuing revenue bonds that would refinance the existing

Bogus Basin transmission line owned by Idaho Power. Bogus Basin just received their audited financial statements, giving the IERA and Bogus Basin the opportunity to again approach Idaho Power as to whether a possibility exists for this line refinancing. As always, Mr. Mooney disclosed his potential conflict of interest as Chairman of the IERA and also serving on the board of the non-profit corporation, Bogus Basin.

Raft River transmission line to Duck Valley. Ron reported that Raft River Electric Co-Operative has progressed in planning construction of the transmission line to the Duck Valley Indian Reservation and would like to speak to the IERA about financing. Bob Campbell commented that such a financing may best be achieved through the State Treasurer's Office. Ron Williams will make contact with Heber Carpenter, manager at Raft River, to gain more information about that project.

Lower Valley Energy/BPA caribou transmission line & substation. Ron also reported that Lower Valley Energy is proceeding with its Caribou transmission line and substation, although it appears that such project has been slipped from 2008 to 2009. The one year slippage may primarily relate to a delay in acquiring a transformer needed for the project. Other aspects of the same line are listed as part of BPA's third party financing program.

IPP3 coal unit at Delta, Utah. Chairman Mooney reported that progress on the IPP3 coal unit in Delta, Utah, is suspended as Rocky Mountain Power and the UAMPS consider legal action against Los Angeles and the Intermountain Power Project. Potential financing by the IERA for the Idaho participants in IPP3 will not be occurring in 2007, as originally forecast.

BPA third party financing. Bob Campbell, Ron Williams and Bob Mooney met with BPA in May, with Jim Burr (legal counsel to the IERA) on the phone. BPA needs a conduit issuer to be the beneficial owner of the transmission assets in the region and is currently using the Northwest Infrastructure Financing Corporation; an entity owned by a Massachusetts Trust related to the Harvard University. IERA representatives asked to be the in-region financer of some or all of the future regional transmission projects, instead of NIFC. BPA believes it is too far along for 2007 financing to switch from NIFC to the IERA. However, BPA, asked the IERA to address legal questions relating to bankruptcy remoteness and about using the IERA to own facilities located outside the state of Idaho, before moving forward with discussions about 2008 third party financing. Jim Burr will provide that legal analysis to BPA.

6. Old and New Business: There is no old or new business to come before the Board.

7. Adjourn: The meeting was adjourned at 11:45 a.m. MST.


Secretary