

MINUTES OF THE IDAHO ENERGY RESOURCES AUTHORITY
DIRECTORS' MEETING – September 23, 2011

The meeting of the Idaho Energy Resources Authority was called to order by Chairman Bob Mooney at 10:00 a.m., MDT.

1. Attendance: Directors in attendance were: Bob Mooney, Charles Hedemark, Randy Hill, Ralph Williams, Larry Crowley, and Darrell Kerby. Absent: Governor John Evans. Also in attendance was Ron Williams, Executive Director of the IERA and Doug Hunter, CEO of the Utah Associated Municipal Power Systems (UAMPS).

2. Approval of Prior Minutes: Upon motion by Charles Hedemark, seconded by Ralph Williams, the Minutes of October 18, 2010, were unanimously approved.

3. Horse Butte Wind Update:

Doug Hunter gave the Board an update on progress of the Horse Butte Wind Project construction. All turbines have now been erected and turbine commissioning has started. Doug reported that the commercial operation date, originally scheduled for December 31, 2011, has now shifted to the second quarter of 2012. Interconnection of the Project with the Bonneville Power Administration is now the critical path item and is taking longer than originally scheduled. The Project's current Phase I capacity is 57.6 MW, but the Project's interconnection is rated at 100 MW, allowing for a Phase II expansion. Following his presentation, Mr. Hunter exited the conference call.

4. State Energy Plan Update:

Mr. Williams reported that the Interim Energy Committee of the Idaho Legislature is reviewing and revising the 2007 Energy Plan. Jackie Flowers, Utility Manager from the City of Idaho Falls and a representative to the Idaho Strategic Energy Alliance, has been tasked with revising the energy plan regarding the IERA. Ron has been working with Jackie on this point. Revisions of note are: (i) elimination of the 2007 recommendation that the State provide financial support or credit backstop for IERA funded projects, and (ii) a description of the structured transaction between the IERA and UAMPS regarding Horse Butte.

The Board discussed generally the State Energy Plan, the IERA, the Office of Energy Resources and what the future could hold for the IERA. Chairman Mooney described the possibility of the IERA providing aggregate financing for electric distribution facilities for municipalities and cooperatives.

5. Financial Matters: Mr. Williams had previously distributed a financial report showing all bills paid and \$9,500 in cash reserves. With an insurance payment due, Mr. Williams estimated that cash reserves will soon be closer to \$8,000. Ron was

instructed to bill UAMPS for third-party costs associated with management of Horse Butte.

The Chairman proposed that the IERA begin paying Mr. Williams a fee of \$1,000 per month for the services he provides the Authority as its Executive Director. Mr. Williams advised the Board that with slippage of the Horse Butte financial closing, the final \$32,000 payment from UAMPS may not be received until the May or June 2012 timeframe. With a possible delay in receipts, the IERA may not be able to fulfill this financial commitment. The board discussed and Mr. Williams agreed to carry an account receivable, if this situation arises. Randy Hill then made a motion that, effective October 1, 2011, the IERA commences paying Mr. Williams an Executive Director's fee of \$1,000 a month. The motion passed unanimously.

6. Insurance:


Mr. Williams reported that the ICRMP standard insurance policy only offers E&O coverage up to \$500,000 per occurrence. The board discussed the need to bring a technical amendment to the IERA's Act to bring its insurance requirement in conformance to that offered by ICRIMP. Mayor Kirby suggested Mr. Williams contact Jerry Mason, legal counsel for the Association of Idaho Cities, to discuss.

7. Investment Bankers:

Mr. Williams reported that Bob Campbell has retired from Barclays. The Board discussed the significant effort Mr. Campbell had played in establishing the viability and credibility of the IERA. Mr. Williams was instructed to write Mr. Campbell a thank you letter on behalf of the IERA for his years of service to the organization.

8. Board Members: Ron Williams reported that the Board terms of Governor John Evans and Randy Hill expired as of July 1, 2011; however, each Board member serves until their successors have been nominated by the Governor and confirmed by the Senate. Chairman Mooney asked all board members to think of recommended replacements for both Governor Evans and Randy Hill and forward those recommendations to Ron Williams.

9. Adjournment: There being no further business to come before the meeting, the meeting was declared adjourned at 11:15 a.m.


Secretary