EnergyTrust of Oregon, Inc.

Board Decision
Approve Contribution to the Energy Trust Retirement Savings Plan for 2008

December 12, 2007

Summary

To approve the Energy Trust retirement savings plan contribution for the calendar plan year ending December 31, 2008.

Background

- The Energy Trust 401(k) plan requires Energy Trust to make an employer contribution of at least 3% of base salary (i.e., gross salary excluding benefits) annually, and at its discretion the board may authorize a higher contribution.

- In 2003, the board reviewed an analysis by the Tompkins Group comparing the Energy Trust's employee benefits plan with benefits offered by other organizations, and since that review has approved a 6% contribution to the 401(k) plan in every year.

- In December 2005, after considering a sample of other organizations' 401(k) contributions, the board again approved a 6% contribution, and also asked the board 401(k) committee to explore the idea of using the employer contribution above 3% of base salary to match employee contributions.

Discussion

- In 2006, the board assigned the 401(k) committee's functions to a newly-created Compensation Committee, whose functions include review of salary and benefits levels.

- In November 2007, the Compensation Committee reviewed compensation and benefits levels, including an independent survey of compensation and benefits in comparable organizations. The 2007 survey did not include sufficient information on overall benefits packages, including 401(k) employer contributions to make a comprehensive comparison.

- Together with other benefits (not including Social Security taxes, workers' compensation and unemployment insurance), an employer contribution of 6% of base salary will be less than 25% of compensation, less than in 2007.

- The Compensation Committee recommends that the board approve a 6% employer contribution to the Energy Trust of Oregon, Inc. 401(k) plan in 2008. This amount is incorporated into the Energy Trust budget for 2008.

- If the board authorizes an employer contribution percentage at this meeting for 2008, Energy Trust may continue to make 401(k) contributions bi-monthly, as it has in the past.

Recommendation

Authorize a retirement contribution of 6% of base salary for the plan year ending December 31, 2008, for all eligible employees. Request the compensation committee to arrange for a further comparison of 401(k) contribution levels in the context of overall compensation/benefit packages, and consider the advisability of an employer matching 401(k) contribution, to be completed by fall, 2008.

RESOLUTION #458

APPROVING EMPLOYER CONTRIBUTION TO 401(k) PLAN FOR 2008

WHEREAS

1. **The Energy Trust wishes to provide a reasonable compensation package to its employees; and**
2. **The Tompkins Group previously recommended an employer contribution of 6% of base salary (gross salary excluding benefits) to the Energy Trust 401(k) retirement savings plan as comparable to contributions made by similar organizations. The board, and its Compensation Committee, have reviewed more recent information showing that a contribution of 6% of base salary remains reasonable.**
3. **In 2007, Energy Trust arranged for an independent survey of compensation/benefit packages in comparable organizations, but the survey did not lend itself to a comprehensive comparison of 401(k) contributions.**

It is therefore RESOLVED:

1. **That for the plan year ending December 31, 2008, the Energy Trust of Oregon, Inc. Board of Directors authorizes an employer contribution to the 401(k) plan equal to six percent (6%) of calendar year 2008 base salary for all eligible employees.**
2. **The board requests that the compensation committee by fall, 2008 oversee a further comparison of 401(k) contribution levels in the context of overall compensation/benefit packages, and consider the advisability of a 401(k) employer matching contribution.**

Moved by: Seconded by:

Vote: In favor: Abstained:

Opposed: [list name(s) and, if requested, reason for "no" vote]