Board Decision
Approve Mainspring-Managed Option for 401(k) Plan

December 18, 2009

Summary

Continue to offer employees the option to participate in The Standard's "Mainspring-Managed" program, which offers individual investment advice and investment management.

Background

- Under the Energy Trust 401(k) plan, retirement investments are chosen by employees from a menu of funds selected by the Energy Trust compensation committee. The committee relies on advice from its financial advisor to ensure that funds have low costs and fees, appropriate returns, and are otherwise prudent.

- The 401(k) plan is administered by The Standard, which provides access to a large number of funds, accounting services, and web-based and other support. The Standard web site offers employees basic guidance in adjusting investments to employees' retirement goals and risk tolerance.

- The Standard also offers a service that provides individual investment advice and investment management to employees. This service, called Mainspring-Managed, analyzes an employee's retirement goals; does a "gap analysis" (which determines whether he/she is likely to reach these goals given current 401(k) contributions and other assets of the employee and spouse/partner); identifies an investment program that is expected to achieve the employee's goals at acceptable risk; and allows employees to choose from several fixed portfolios whose funds have even lower expenses than those in the regular 401(k) plan menu (which are quite low). Once a portfolio is chosen, The Standard takes over ongoing implementation of the employee's plan, with regular reporting to employees.

- Mainspring-Managed costs participating employees $10 per month. When the board authorized the Mainspring option in 2007, the service cost Energy Trust about $2,700 in the first year.

- The board authorized Mainspring-Managed on a trial basis. The board asked the compensation committee to report back within two years whether employees were satisfied with the program, whether employee participation is increasing, and whether the board should continue the option. The board specified that the option would be continued beyond 2009 only if the board affirmatively decided to do so.

Discussion

- Mainspring-Managed enrollment began with three employees and now includes seven. The enrolled employees represent about one-third of the plan's assets. Mainspring-Managed funds have out-performed their benchmarks and the participants are pleased with it.

- The Standard informed the compensation committee that there would be no additional charge to Energy Trust to continue the Mainspring-Managed option.

Recommendation

- The compensation committee recommends that the board extend the option for employees to participate in The Standard's Mainspring-Managed program until the board determines otherwise.

RESOLUTION #535

APPROVING MAINSPRING MANAGED OPTION FOR 401(k) PLAN PARTICIPANTS

WHEREAS

1. **For the last two years, Energy Trust has offered an optional service called Mainspring Managed, to help employees make individual 401(k) plan investment decisions and manage their other investments; and**
2. **The cost of the service is paid by the employees who participate in the Mainspring Managed program.**

It is therefore RESOLVED that the Energy Trust of Oregon, Inc. Board of Directors: Authorizes Energy Trust to continue to offer the Mainspring Managed program to employees unless and until the board decides to terminate it.

Moved by: Seconded by:

Vote: In favor: Abstained:

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