Finance Committee Notes

September 21, 2010

The Finance Committee met at 2:00 pm on September 21, 2010, with John Klosterman, Treasurer and Finance Committee chair; Debbie Kitchin, Board Secretary; Dan Enloe, Board member; John Reynolds, Board Chair, Margie Harris, Executive Director; Sue Sample, CFO; and Pati Presnail, Controller attending. Attending from Umpqua Bank were Omar Marquez, Investments Advisor; Karla Pemberton, Client Service Associate; and Brian Alfano, Business Relationship Manager.

Umpqua Investments

With earnings on FDIC insured financial products very low and scheduled to be reduced yet again at year end and with returns on other conservative financial vehicles also very low, the Finance Committee reviewed a proposal from Omar Marquez, Senior Vice President-Investments at Umpqua Investments to potentially place some of Energy Trust's retained funds in investment vehicles that might earn a higher rate of return with accompanying risk of loss. The proposal from Umpqua Investments incorporated the use of Advisors Asset Management, Inc. in providing Unit Investment Trusts of professionally selected and monitored securities. The committee listened to the presentation, reviewed the proposal, asked many questions and requested further research be conducted and returned to them prior to making any decisions.

The committee reaffirmed its general belief that given the nature of the funds received by Energy Trust, risk of market and principal loss is generally unacceptable. But further review of the investment policy and other proposals are warranted.

Next Meeting

The Finance Committee's next meeting is scheduled to on October 18, at 3 pm.