

Arizona Independent System Administration
Special Board Meeting
October 28, 1998

The meeting was convened at 1:20 p.m. by Mike Raezer, Members Chair. All the Directors was present and noted, Leroy Michael was present via telephone.

The Directors, upon motion duly made and seconded, elected Catherine A. Nichols, a Tucson Electric Power Company employee to serve as Secretary for the meeting and to take the minutes. Mike Raezer was, upon motion duly made and seconded, appointed as Assistant Chair.

The Bylaws of the Corporation were presented to the Directors and after discussion, upon motion duly made and seconded, the following resolution was adopted:

IT IS THEREFORE RESOLVED, that the Bylaws are adopted.

The Directors then discussed the Federal Energy Regulatory Commission ("FERC") filing and, upon motion duly made and seconded, agreed to the following resolution:

IT IS THEREFORE RESOLVED, that a one page outline of the Protocols Manual shall be submitted to the FERC in the filing to be made October 30, 1998.

The Board then discussed the filing as a whole and, upon motion duly made and seconded, the following resolution was adopted:

IT IS THEREFORE RESOLVED, that the AISA package filing is approved for submittal to FERC.

The Directors then discussed the Committees the Board desired to establish. Upon motion duly made and seconded, the Board adopted the following resolution:

IT IS THEREFORE RESOLVED, that there shall be established an Operating Committee and such Committee shall have open membership and shall oversee development of the Protocols Manual.

Kevin Higgins was appointed as Chair of the Operating Committee until a Director is hired by AISA.

Three other Committees were then discussed: the Budget and Finance Committee, the Human Resources, Compensation and Facilities Committee and the Regulatory Oversight Committee. Upon motion duly made and seconded, the Board approved the three Committees as ad hoc committees of the Board and adopted the following resolution:

RESOLVED, that the Board shall have a Budget and Finance Committee, a Human Resources, Compensation and Facilities Committee and a Regulatory Oversight Committee.

The duties of the Budget and Finance Committee shall include: establish bank accounts and authorize signers or cosigners, establish an annual budget, authorize issuance and signers of promissory notes for start-up loans, recommend to the Board and arrange for accounting services and recommend liability and D&O insurance coverage to the Board.

The duties of the Human Resources, Compensation and Facilities Committee shall include: conduct a search for the Director and Assistant Director, recommend compensation levels for employees to the Board and arrange for office space and office facilities for staff within approved budget limits.

The duties of the Regulatory Oversight Committee shall include: recommending to the Board and arranging for legal counsel for the corporation.

The Board then elected members to each Committee as follows: Budget and Finance Committee members are Kevin Higgins, Tom Delaney and David Murphy who will serve as chairman. The members of the Human Resources, Compensation and Facilities Committee are Tom Broderick, Greg Patterson, Tom Delaney, Dennis Delaney and Larry Huff who will serve as the Chairman. The members of the Regulatory Oversight Committee will be Leroy Michael, Barry Huddleston and Mike Raezer with Leroy Michael serving as Chairman.

The meeting was adjourned at 3:25 p.m. and the next meeting was scheduled for Monday, November 23, 1998 in Phoenix at the offices of the Salt River Project Agriculture Improvement and Power District.