

Arizona Independent Scheduling Administrator Association

Minutes from the Special Board of Directors Meeting (Telephonic)
Friday, June 13, 2008 at 1:30 PM (MST)

I. Call to Order

Vicki Sandler, Interim Executive Director (“ED”), called the Board of Directors (“Board”) Meeting of the Arizona Independent Scheduling Administrator Association (“AISA”) to order at approximately 1:30 PM.

II. Determine Quorum

Ms. Sandler determined that a quorum of the Board was present.

The following Directors were present: Kevin Higgins, Jennifer Chamberlin, Eric Treese, Jerry Smith, Michael McElrath, David Getts and Vicki Sandler (Chair).

Ed Beck was absent. Bill Chen has resigned.

Also present was Kathy Economy of Low & Childers, P.C.

III. Welcome and Introductions

All present were welcomed and introduced by Ms. Sandler.

IV. Appoint Meeting Secretary

Kathy Economy of Low & Childers, P.C. was appointed as Corporate Secretary for the meeting.

V. Approve Board Agenda

A motion was made and seconded to approve the proposed Agenda. The Board unanimously approved the Agenda.

VI. Approve May 12, 2008 Special Board Meeting Minutes

The Board reviewed the Minutes for the May 12, 2008 Special Meeting of the Board. Kevin Higgins recommended that the portion of the minutes relating to discussion of Pat Sanderson’s severance, be removed from the minutes and treated as “confidential” by putting it into executive session. Kevin Higgins made, and David Getts seconded, a motion to approve the minutes, as revised, from the May 12, 2008 Special Board Meeting. The Board unanimously approved the motion.



VII. Replacement of Bill Chen with Greg Patterson

Ms. Sandler reminded the Board that at the May 12th meeting, the Board accepted the resignation of Bill Chen and agreed to accept nominations of potential replacement candidates at the June 13, 2008 meeting. There was a brief discussion of the qualifications of Greg Patterson and his willingness to serve on the AISA Board. In accordance with Section 4.6.2 of the AISA Bylaws, David Getts moved, and Jennifer Chamberlin seconded, a motion to appoint Greg Patterson to replace Bill Chen as a director. The Board unanimously approved the motion.

VIII. Corporate Existence Termination Date

At the May 12, 2008 meeting Ms. Sandler advised the Board that the current Amended Articles of Incorporation reflect that the corporate existence will terminate on September 15, 2008. The Board decided to table the topic at that time until the June 13th meeting.

The Board members commenced a discussion of the merits of the AISA organization and its value to the industry:

- Even if the corporate existence is extended, it can be terminated at an earlier date;
- There are other agencies that provide a diversified transmission process;
- The Commission questioned and approved the last order supporting AISA;
- AISA should be maintained at as low a cost as possible, thereby maintaining its value;
- It would be more costly to terminate AISA now and then, upon renewed retail access, start up the organization again;
- APS is willing to come up with enhancements to add value to AISA;
- The last Corporation Commission agreed that AISA was the most reasonable means to direct access. In Decision No. 68485 issued Feb. 23, 2006, the Arizona Corporation Commission stated:

"We find that the Phelps Dodge (decision) had no impact on the continuing economic viability of the AISA and that it does not reduce the continued public benefit associated with maintaining Commission support of the AISA at its current level of operations. The AISA currently provides the important public benefit of keeping the possibility of retail access available in Arizona to consumers at a minimal cost, by providing potential competitors with the necessary assurance that they will have fair and equitable access to transmission until an RTO is formed and approved by FERC to take over that function."
(Decision No. 68485, page 15, lines 5-11)

After the discussion, Kevin Higgins moved, and David Getts seconded, a motion to amend Article I of the Articles of Incorporation to extend the sunset date of the AISA organization an additional five (5) years by incorporating the following language, "The Corporation shall exist until September 15, 2013, unless dissolved at an earlier date."



The motion was passed with 7 members voting in favor of extending the date and one member opposed.

The General Session of this Special Meeting of the Board of Directors was temporarily adjourned and went into Executive Session.

At the request and unanimous direction of the Board, the Executive Session shall remain confidential and no written minutes shall be prepared.

The Board adjourned its Executive Session and resumed its regular session of the Special Meeting.

IX. Industry Meetings

Ms. Sandler announced that she would be participating in the upcoming WestConnect call.

Greg Patterson announced that information concerning the biennial meeting of the Industrial Commission is on the AISA website.

Jerry Smith announced that once FERC takes action regarding the non-pancake issue, he will send out information to the Board members.

X. Notice of Next Board Meeting

The Board will next meet on Tuesday, September 13, 2008 for the general meeting.

XI. Adjourn

The meeting was adjourned at approximately 2:30 PM.

Respectfully submitted,

Kathy Economy
Meeting Secretary