

**Minutes from the Thirteenth Special Meeting of Board of Directors
of the Arizona Independent Scheduling Administrator Association
May 7, 1999 at 9:30 a.m.**

**Grand Canyon State Electric Cooperative Association, Inc.
120 North 44th Street, Suite 100
Phoenix, Arizona**

I. Welcome and Introductions

AISA Directors Tom Delaney, Leroy Michael, Larry Huff, David Murphy, Dennis Delaney, Patricia Gambino, Mike Raezer, and Kevin Higgins were present. Member guests included: Charlie Post (PG&E Energy Services), Jessica Youle (SRP), Marcie Millner (Enron), Elizabeth Story (Tonopah Irrigation District), and Jay Moyes.

II. Appoint Corporate Secretary

Jessica Youle agreed to serve as the Corporate Secretary for the meeting.

III. Approve Agenda

L. Huff suggested an executive session be added to the agenda to discuss personnel matters. With that addition, upon motion duly made, seconded and unanimously passed, the agenda was approved.

IV. Approve Minutes from 1/15, 3/26 and 4/16 Meetings

P. Gambino agreed to coordinate with B. Huddleston to try to complete and circulate the minutes from the January 15, 1999 meeting. The minutes for the March 26, 1999

meeting were reviewed and D. Delaney offered one minor word change. Upon motion duly made, seconded and unanimously passed, the minutes of the March 26, 1999 meeting, as amended, were approved. The minutes of the April 16, 1999 meeting were reviewed and discussed. Upon motion duly made, seconded and unanimously passed, the minutes for April 16, 1999 were approved.

V. Budget and Finance Committee Report

D. Murphy discussed the organization's cash flow status, including receipt of loaned monies from participants and the payment of organization expenses. M. Raezer reported that all of the participating transmission-owning members had executed the capitalization agreements and that the AISA had executed the promissory notes.

K. Higgins discussed some clarifications relating to the "Terms and Conditions" of the capitalization agreements. L. Michael queried the status of the official custodian of the corporate records for the organization. M. Raezer advised that he has been acting as custodian, but will turn the records over to the executive director when she takes office.

D. Delaney advised that the organization will be utilizing Lynn Borushko as the organization's accountant to set up accounting, payroll and tax reporting systems.

VI. Regulatory Oversight Committee Report

L. Michael advised that this committee had no new business to report to the Board at this point. He further advised that, once the executive director begins employment, there is a need to resolve issues relating to retention of FERC counsel.

VII. Human Resources, Compensation and Facilities Committee Report

L. Huff reported that the facilities contract had been approved and was ready for execution. Upon motion duly made, seconded and passed, with L. Huff abstaining, the Board authorized L. Huff to execute the facilities contract on behalf of the AISA.

Further discussion ensued as to what type of office equipment needed to be purchased before the new executive director began employment. Upon motion duly made, seconded and passed, with D. Murphy abstaining, the Board authorized D. Murphy to expend AISA funds up to \$5,000 prior to the June 4 Board of Directors meeting for payment of start-up office equipment and supplies.

VIII. Operating Committee Report

K. Higgins reported that the operating committee has a working document on energy imbalance issues that is being converted into protocol form. The committee is also trying to resolve issues relating to TTC principles, after-the-fact settlement processes, and OASIS management principles. The Board also discussed the need to have the Executive Director involved in finalization of the protocols prior to Board review.

L. Michael questioned whether the operating committee was going to present any recommended comments on ACC rule proceedings to the Board for review. M. Raezer agreed to coordinate member input to the Board as to what areas of the ACC rules it might be appropriate for the Board to consider commenting on.

The Board then discussed the need for a workshop on the ISA protocols, once the Executive Director has had a chance to review and finalize them. Discussion centered on scheduling a 1-2 day workshop for members on the protocols at the end of June. D. Murphy agreed to find a suitable room for the workshop at SRP.

IX. Other Business

The Board discussed the advisability of issuing a press release announcing the hiring of an Executive Director for the organization. L. Huff agreed to be responsible for issuing such a press release.

X. Next Meeting

The next meeting of the Board of Directors is scheduled for June 4, 1999, at Grand Canyon State Electric Cooperative Association, Inc., 120 North 44th Street, Suite 100, Phoenix, Arizona.

XI. Executive Session

The Board adjourned and went into Executive Session.