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AISAA Board of Directors Meeting Minutes March 26, 1999

Welcome and Introductions: The meeting commenced at 9:40 a.m. at Grand Canyon State Electric Cooperative, Phoenix, AZ. A list of attendees is attached.

Appoint Corporate Secretary: Marcie Milner was appointed the Corporate Secretary.

Approve Agenda: It was suggested the discussion concerning the resolution be the initial topic of conversation and all agreed although there were some brief topics to covered first. It was reported that Pat Cooper would have the funding agreements ready for approval at the next board meeting and suggests that everyone be prepared. An increased efficiency in notice to the members of board meetings, agendas, etc. and request that the draft minutes be distributed to the members was suggested. Discussion reflected concern about sending out draft minutes. It was agreed that actions taken by the board, final minutes, resolutions etc. should be available to all members.

Resolution: Two resolutions were distributed and discussed at length. It was determined that the subgroup had more work to do and would meet again to work out the differences between the two.

Meeting Minutes: Minutes from January 15, February 5 and March 12 were up for approval. January 15 minutes were not available, Larry moved to table the minutes from February 5 until the next meeting, Kevin seconds and it was unanimously carried. Leroy recommended the last three words of summary point one in the ACC Open Meeting section of the March 12 minutes be struck and the spelling of an SRP officer be corrected. Dennis moved the minutes be approved as amended, Larry seconds and it was unanimously carried.

Budget and Finance Report: Childers and Lowe were paid, leaving \$3,640 in the bank - enough to pay next month's D&O insurance. The 30-day cancellation policy was broached and it was determined we could cancel at any time by written notice or surrender of the policy. If the provider decides to cancel they must provide a 30-day written notice to AISA.

Human Resources Report: The candidate for the executive director position has no problems with the draft contract and as soon as we get the money we can get it in ink. The by-laws require a fifteen-day process and it was suggested we have funding for the two-year contract set aside. The question arose if the money would be placed in an escrow account and it was suggested AISA set up a separate payroll account. If they are held in an escrow account they may not be subject to claims from third parties. KR Saline offered their bookkeeper to set everything up and it was agreed the director would eventually be addressing these issues.

Operating Committee Report: Kevin said the committee continues to meet, they are making significant progress on the protocols and as of the last meeting they had a

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completed draft of the must run generation protocol. They still need to finalize the scheduling and emergency operations protocols and Kevin anticipates they will have final drafts by Monday. That leaves two protocols, ancillary services and energy imbalance that need substantial work. They have the framework in place but it's always tricky to come up with the nuts and bolts requirements. There is a subgroup working on energy imbalance but it has not been returned to the operating committee for final development. Carl Imperato, Leland Snook, Ed Beck, Jerry Smith and Dan Brickley serve on the subgroup. The subgroup reports that they have made substantial progress and they are close to a conceptual agreement which will be brought back to the operating committee.

Kevin then proposed the board discuss how the protocols would be brought before the board. He suggested that the board review each of the protocols one at a time having members of the operating committee present the protocols and be available for questions that might arise. Some prefer to have the executive director present the protocols and provide pros and cons because that will be the individual responsible for carrying them out according to the by-laws. The board agreed the director should formulate a plan on whether or not to bring it to the board in pieces and develop a member outreach strategy.

With respect to the operating committee's comments to the ACC, Citizen's stated they agreed with SRP's position and comments that the AISA should not be recommending rule changes to the ACC. However, Citizens indicated if a majority of the board members disagreed and a recommendation was to be submitted, specific changes to the letter were suggested. KR Saline also responded and stated they do not support commenting. No determination on process going forward was made.

Next Meeting: The next board of directors meeting was scheduled for April 16 at Grand Canyon State Electric Cooperative and May 7 was proposed for the following meeting. There was no executive session and the meeting adjourned at approximately 12: 10 p.m.