



## Draft Minutes of the Board of Directors Meeting

### Hybrid: MRO Offices, St. Paul, MN & Webex

*April 13, 2023, 12:30 p.m. to 3:25 p.m. Central*

*Notice for this meeting was electronically posted to the MRO website [here](#) on January 5, 2022. A final agenda, including advanced reading materials, was posted on April 6, 2023.*

#### 1. Call to Order and Determination of Quorum

MRO Board of Directors Chair Brad Cox, called the meeting of the MRO Board of Directors to order at 12:30 p.m. Central. Julie Peterson, Vice President General Counsel and Corporate Secretary, advised the chair that a quorum of the board was present. Board members introduced themselves. A complete list of attendees is included as [Exhibit A](#).

#### 2. Standards of Conduct and Antitrust Guidelines

Pursuant to Policy and Procedure 4, Peterson highlighted MRO's Standards of Conduct, Conflict of Interest, and Antitrust Guidelines.

#### 3. Consent Agenda

The consent agenda included draft minutes from the annual member and board meeting and the annual board only meeting held on December 1, 2022.

*Upon a motion duly made and seconded, the board approved the consent agenda without objection.*

#### 4. President's Report

Sara Patrick, President and Chief Executive Officer, welcomed John Rhea from Ameren Corporation, representing the Generator Power Marketer Sector; Maurice Moss from Kansas City Public Utilities, representing the Municipal Utility Sector; and Keri Glitch from Midcontinent ISO, representing the Transmission System Operator Sector to the board. She also welcomed the guest speaker, Joel Max, Industrial Control System Lead with the FBI's cyber division, and thanked him for sharing his expertise on the critical infrastructure threat landscape to the board.

Patrick commented on the upcoming twentieth anniversary of the 2003 Northeast blackout, an event which prompted the U.S. government to take action in the form of mandatory reliability standards and formal oversight of the power sector. She highlighted that despite the advances made to prevent another widespread blackout, notable challenges to reliability remain, including rapid deployment of new resources and electrification, increased numbers and sophistication of cyber and physical security attacks, and more frequent and longer duration extreme weather events. Patrick noted that these topics were featured at NERC's Reliability Leadership Summit in January, with the FERC acting chair sharing three areas of focus – (1) cyber and physical security, (2) extreme weather, and (3) grid resiliency. She shared some key take aways from the four panels, reflecting that all of them shared a



common theme of coordination and collaboration, highlighting that the challenges the industry faces are bigger than any company, coalition, regulatory agency, or industry can address on its own.

Patrick stated that Julie Peterson had been promoted to Vice President, General Counsel and Corporate Secretary in December 2022, after having served as Assistant Corporate Secretary and Senior Counsel for MRO since January of 2021. She added that Peterson had served as a member of MRO's leadership team and has been fulfilling the duties of Corporate Secretary since her promotion last year. She presented a resolution to the board for approval designating Julie Peterson as Corporate Secretary.

*Upon motion duly made and seconded, the board approved Resolution 23-001 appointing Julie Peterson as Corporate Secretary effective April 13, 2023.*

Patrick stated that Carolina Margaría had been promoted to Assistant Corporate Secretary and Governance Administrator effective April 10, 2023. She added that Margaría had worked with the board, in particular on governance issues such as the adoption of the Independence Principles, support of the GPC, and the Board Composition Task Force, over eight years at MRO. She presented a resolution for board approval to appoint Carolina Margaría as Assistant Corporate Secretary.

*Upon motion duly made and seconded, the board approved Resolution 23-002 appointing Carolina Margaría as Assistant Corporate Secretary effective April 13, 2023.*

## **5. Chair's Remarks**

Chair Cox welcomed board members and attendees and thanked Joel Max for his insights on the protection of critical infrastructure. He acknowledged Patrick's participation as a panelist on March 29 at Texas Reliability Entity's "Women Leadership in Grid Reliability and Security Conference," citing it as another example of MRO's commitment to diversity and inclusion. He noted that the increase of extreme weather events, such as Winter Storm Elliot and Uri, has focused the electric power industry on strengthening standards that apply to preparation for such events and in exploring ways to mitigate the risk of natural gas supply failures. He suggested that incorporating incentives into our standards and compliance monitoring and enforcement program mechanism is an effective motivator for promoting high levels of reliability and security.

He emphasized the need for stronger detection and recovery measures in response to cyber attacks, noting that the ERO enterprise is currently in the process of enhancing Critical Infrastructure Protection (CIP) standards particularly in the area of internal detection measures. He commended the industry on its continued cooperation related to cybersecurity, urging continued vigilance to maintain technical leadership with cyber security and operational technologies.

## **6. FBI Cyber Briefing & Critical Infrastructure Threat Landscape**

Joel Max, the lead Intelligence Analyst in the Federal Bureau of Investigation's Cyber Division for threats to Industrial Control Systems, provided a presentation on cyber threats to the energy infrastructure. Max's remarks focused on cyber espionage, cyber attacks, insider threats, various nation state threat actors, and the U.S. government's response. He also reviewed trends in

ransomware threats, along with related mitigation activities, and encouraged attendees to develop relationships with local FBI field office agents. Max responded to questions from the board.

## **7. Independent Auditor Report**

Chair Cox introduced Jeff Gendreau of Baker Tilly to review the independent financial audit report. Gendreau commended MRO for an unqualified or unmodified report, noting that MRO has conformed to the accepted accounting principles and been prepared to provide information to the auditors as requested. Gendreau referred the board to the draft report and reviewed types of reporting required as a part of the audit process and noted no reportable items.

Gendreau noted that, per a new accounting standard adopted in 2022, MRO's office space lease had been brought onto the MRO balance sheet.

In response to questions, Gendreau explained the difference between the used asset value and the obligation regarding the lease line in the budget, stating that it was created by a credit given by the landlord as part of the expansion of the office space. He noted that this was his third year as primary auditor, and that Baker Tilly continues to cycle the audit team per industry best practices.

## **8. Finance and Audit Committee Report**

FAC Chair Born shared a report on behalf of the FAC. She noted items discussed during the FAC's first quarter meeting held on February 23, 2023, including the 2024 Business Plan and Budget schedule, the FAC's recommendation for the board to accept the audited 2022 financial statements, and annual reports of MRO's investment committees. She reported that the FAC is on target with respect to its governance tasks. The FAC also met on March 30, 2023, to discuss the proposed 2024 business plan and budget and met with the board for a joint FAC and board meeting to further the proposed budget on April 6, 2023.

*Upon a motion duly made and seconded, the board accepted draft independent audit report of MRO's 2022 financials, subject to no material changes in the final report.*

## **9. Organizational Group Oversight Committee Report**

JoAnn Thompson, chair of the Organizational Group Oversight Committee (OGOC), provided a report on behalf of the OGOC. She relayed that the OGOC had met on April 12, 2023 and received updates on initiatives focused on improving the HERO award process and the OGOC fourth quarter risk meeting. She noted that the OGOC approved membership recommendations and work plans from each of the three advisory councils. She added that the OGOC had also met in closed session to host a risk roundtable focused on insider threat with council chairs and vice chairs.

## **10. Governance and Personnel Committee Report**

Thomas Graham, chair of the Governance and Personnel Committee (GPC), provided a report on the March 9, 2023, GPC meeting. Graham highlighted the progress on human resources initiatives, and a staff initiative to shift the timeline for approvals of MRO Policies and Procedures and board charters, adding that this would be an efficiency gain for both staff and the board.



He noted that as a part of the 2022 annual review and approval of MRO Policy and Procedures, the board had approved the removal of Policy and Procedure 7: Whistleblower Hotline (PP7) as a board policy and its replacement as an internal employee policy (Ethics Hotline). He added that upon further consideration, the GPC recommended the board revise this, adding that while a policy related to the third-party hotline would still be part of the Employee Handbook to ensure proper staff awareness, there remained a continued need for a board-approved policy as well.

*Upon a motion duly made and seconded, the board approved the continuation of Policy and Procedure 7: Whistleblowing Hotline with title change to Ethics Hotline, rescinding its removal as a board policy which would have been triggered upon the effective date of the Employee Handbook.*

Graham next reviewed the nominations for the open Regional Director seat noting MRO received three qualified nominations. The GPC recommended the board recommend Todd Hillman to the MRO Membership for election to the Regional Director seat, with a term ending December 31, 2024.

*Upon a motion duly made and seconded, the board approved the nomination of Todd Hillman as a Regional Director with term ending December 31, 2024, to the MRO Members for their election.*

**The Independent Directors departed the meeting for all discussions, motions and voting regarding Independent Director compensation, and returned to the meeting for the next agenda item.**

On behalf of the GPC, Michael Lamb next advised the board that a review of Independent Director compensation had been conducted. He shared the recommendation of the GPC's industry and regional directors to approve the 2024 MRO Independent Director compensation be set to equal \$87,750, which is 65 percent of NERC Trustee compensation and within the guardrail of maintaining pay of (+/-10 percent) of regional entity median compensation. They further recommended that the existing fees for serving as the board chair or as a committee chair remain the same, set at \$10,000 and \$8,000 annually respectively.

*Upon a motion duly made and seconded, the board approved the 2024 MRO Independent Director compensation be set to equal \$87,750, which is 65 percent of NERC Trustee compensation and within the guardrail of maintaining pay of (+/-10 percent) of regional entity median compensation, and for the compensation for serving as the board chair or as a committee chair to remain the same at \$10,000 and \$8,000 annually respectively.*

**11. External Affairs Report**

Tasha Ward, Director of Enforcement and External Affairs provided a presentation on the Canadian Regulatory Framework. She provided an overview of MRO's authority to regulate, standards adoptions, and compliance monitoring and enforcement activities in Canada. Ward noted the differences between the two provinces in the MRO region, Manitoba and Saskatchewan, as it relates to MRO's ability to regulate and governance compared to the United States.

**12. Written Reports**

Chair Cox referred the board to the written reports regarding operational activities and outreach. There were no questions.



---

### **13. Other Business and Adjourn**

Chair Cox highlighted upcoming meeting dates. Having no further business, the meeting adjourned at 3:25 p.m.

**Prepared by:** Carolina Margaría, Assistant Corporate Secretary and Governance Administrator

**Reviewed and submitted by:** Sara Patrick, President and Chief Executive Officer, and Julie Peterson, Vice President General Counsel and Corporate Secretary



## Exhibit A – Meeting Attendees

MRO Board of Directors Present	
Name	Sector
Brad Cox, <b>Chair</b>	Generator and/or Power Marketer Sector
Dr. Dana Born, <b>Vice Chair</b>	Independent Director
Ben Porath	Cooperative Sector
Charles Marshall	Transmission System Operator Sector
Darcy Neigum	Investor Owned Utility Sector
Daryl Maxwell	Canadian Utility Sector
Dehn Stevens	Investor Owned Utility Sector
Eric Schmitt	Independent Director
Iqbal Dhimi	Canadian Utility Sector
Jeanne Tisinger	Independent Director
Jennifer Flandermeyer	Regional Director
JoAnn Thompson	Investor Owned Utility Sector
John Rhea	Generator and/or Power Marketer Sector
JP Brummond	Investor Owned Utility Sector
Keri Glitch	Transmission System Operator Sector
Maurice Moss	Municipal Utility Sector
Michael Lamb	Investor Owned Utility Sector
Priti Patel	Cooperative Sector
Scott Nickels	Municipal Utility Sector
Thomas Graham	Independent Director
Tom Finco	Transmission System Operator Sector



Other Attendees	
Name	Company
Alex Pratt	Midwest Reliability Organization
Alexis Larson	Midwest Reliability Organization
Becky Holien	Midwest Reliability Organization
Ben Lewiski	Midwest Reliability Organization
Brett Lawler	Xcel Energy
Bryan Clark	Midwest Reliability Organization
Carl Stelly	Southwest Power Pool
Carolina Margaría	Midwest Reliability Organization
Clayton Whitacre	Great River Energy
Courtney Vetter	Montana-Dakota Utilities
Cris Zimmerman	Midwest Reliability Organization
Dallas Rowley	Oklahoma Gas & Electric
David Gadberry	Midwest Reliability Organization
Dick Pursley	Great River Energy
Farid Shallal	Midwest Reliability Organization
Fred Meyer	North American Electric Reliability Corporation
Gina March	Midwest Reliability Organization
Ian Anderson	OGE Energy Corp.
James Nail	City of Independence Missouri, Power and Light
Jeff Gendreau	Baker Tilly
Jeff Norman	Midwest Reliability Organization
Jeremiah Durotola	Northeast Power Coordinating Council
Jess Syring	Midwest Reliability Organization
Jessica Mitchell	Midwest Reliability Organization
Joel Max	Federal Bureau of Investigation





Julie Peterson	Midwest Reliability Organization
Kabir Dogubo	Midwest Reliability Organization
Karen Yoder	Midwest Reliability Organization
Karla Schiller	Midwest Reliability Organization
Ken Burruss	Midwest Energy
Ken Gartner	Midwest Reliability Organization
Kristine Albrecht	Midwest Reliability Organization
Kurt Hoffmann	Berkshire Hathaway Energy
Kyle Colegrove	Northeast Power Coordinating Council
Lam Chung	Midwest Reliability Organization
Larry Hecker	Alliant Energy
Lee Felter	Midwest Reliability Organization
Lisa Stellmaker	Midwest Reliability Organization
Mahmood Safi	Omaha Public Power District
Margaret Eastman	Midwest Reliability Organization
Margaret Wilson	Midwest Reliability Organization
Mark Flanary	Midwest Reliability Organization
Mark Tiemeier	Midwest Reliability Organization
Marvin Santerfeit	North American Electricity Reliability Corporation
Mary Agnes Nimis	Federal Energy Regulatory Commission
Matthew Harward	Southwest Power Pool
Michael Spangenberg	Midwest Reliability Organization
Michael Taube (MRO)	Midwest Reliability Organization
Michelle Olson	Midwest Reliability Organization
Omar Elabbady	Xcel Energy
Paul Mehlhaff	Sunflower Electric Power Corporation
Rebecca La Plant	MidAmerican Energy Company





Richard Burt	Midwest Reliability Organization
Rob Floretta	Ameren
Rocky Tolentino	Southwest Power Pool
Ryan McNamara	Midwest Reliability Organization
Sara Patrick	Midwest Reliability Organization
Steen Fjalstad	Midwest Reliability Organization
Tasha Ward	Midwest Reliability Organization
Troy Brumfield	American Transmission Company
Udhay Ganesan	Midwest Reliability Organization
William Steiner	Midwest Reliability Organization
Zachariah Lakel	Xcel Energy

*The above list may not reflect all meeting attendees as the meeting was open for observation via Webex.*