



TRICO
AN ENERGY COOPERATIVE



Annual Meeting 2022

Program and Report

WELCOME & AGENDA

Welcome to Trico's 2022 Annual Meeting. One of the most important benefits of being a Member of an electric cooperative is the ability to participate directly in the governance of your cooperative. Trico's Annual Meeting allows us to connect with you, our Members, and keep you informed about how we make a difference in the community and provide you with cost-effective and sustainable energy solutions.

Today our Board and staff will update you on Trico's services, financial strength and plans for the future. You will have the opportunity to ask questions and elect two directors to Trico's Board. Welcome again and thank you for being a Trico Member.

Trico's System Upgrades

Trico is growing, along with many of the communities we serve. To keep up with this growth and maintain an excellent standard of reliability, Trico will be investing almost \$70 million over the next four years to continue improving our electric infrastructure.

Our Board approved a four-year construction work plan that includes:

- Increasing the capacity of 49 miles of existing overhead and underground distribution lines.
- Constructing almost 34 miles of new lines between substations (this allows us to route power from different directions to reduce and limit outages).
- Replacing 440 older distribution poles.
- Replacing almost 15 miles of aging underground conductor.
- Installing a new substation delivery point (Adonis Substation, which will be north of Tangerine Road and east of I-10 in Marana) and rebuilding/upgrading two existing substations (Green Valley Substation and Marana Substation).

Thank you for joining us. We truly appreciate you taking the time to spend your morning with us!

AGENDA

8:30–10 a.m.	Registration, Informational Booths & Workshops
10 a.m.	Annual Meeting
Welcome	Lawrence Hinchliffe, President
Financial Report	Brian Heithoff, CEO/General Manager
President's Report	Lawrence Hinchliffe, President
Manager's Report	Brian Heithoff, CEO/General Manager
Question & Answer	Brian Heithoff, CEO/General Manager
Election	Brian Heithoff, CEO/General Manager
Adjourn	Lawrence Hinchliffe, President
Raffle	Marsha Thompson, Vice President Arnoldo Ballesteros Burruel, Secretary

YOU'RE A CO-OP MEMBER

Being part of an electric cooperative (co-op) is unique. Why? Because cooperatives are not typical businesses. There are more than 900 electric co-ops in the U.S., and each is slightly different because they are designed to serve the needs of the local community. Trico was formed as a non-profit in 1945 by seven farmers and ranchers in Avra Valley to serve the community. More than 75 years later we are still committed to serving and improving the communities we power.

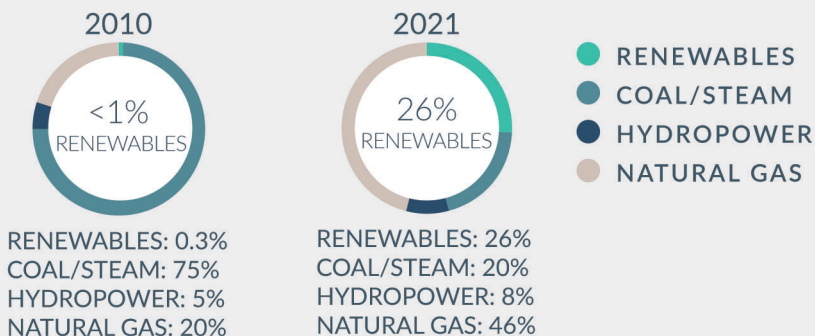
Here are a few facts to help you get to know Trico.

Trico by the Numbers

- Serve **52,627** meters in **3** counties: Pima, Pinal, and Santa Cruz counties
- Own and maintain **3,961** miles of distribution power lines
- Serve over **45,000** Members
- Over **\$27 million** total returned to members in the form of Capital Credits since 2010
- Trico Foundation has awarded **\$3.1 million** in scholarships to Members and their families since 1985
- Since 2008, Trico's POWER Grants program has provided **\$700,000** in funding to local non-profit organizations in our community

Trico's Energy Resources

We're an environmentally responsible community partner. The energy we provide to our Members comes from a diverse fuel mix that is reliable, cost-effective and sustainable. The charts below reflect the changes in Trico's energy mix from 2010 to 2021.



Community Scale Renewable Resources

Trico continues to make community scale renewables part of its overall resource planning, to meet the energy needs of our Members now and in the future. Avion Solar, a 10 megawatt (MW) photovoltaic solar generating facility located near the Marana airport, provides enough energy to power about 3,000 average residential homes in the Trico service territory. The Chirreon Solar & Battery Storage Facility, 10-MW photovoltaic solar generating facility and 15-MW battery storage system located in the SaddleBrooke area, is projected to be in service by summer 2022.

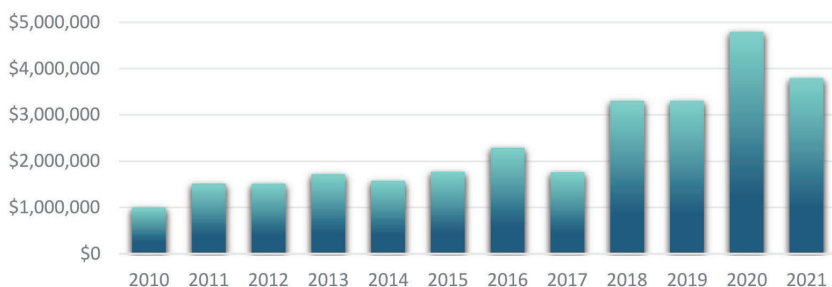
MEMBERSHIP BENEFITS

Our not-for-profit co-op was formed to bring power to the people when for-profit utilities would not. Unlike investor-owned power companies, Trico is owned by you, our Members. As a customer and an owner of Trico, you have a say in how we operate. The Trico Board of Directors, which is nominated and elected by you, guides all Trico's business decisions and has a direct impact on the Cooperative's direction and focus. The Directors are Members too, and if you choose, you can run for a seat on the Board. And, last but not least, as a Member of a not-for-profit electric Cooperative, you also share in the financial success of the Cooperative through Capital Credits.

Capital Credits

While we are not-for-profit, we do need to bring in enough money to fund the business. At the end of each year, Trico calculates its margin, which is the amount its income exceeded its expenses during the year. When our Board of Directors determines it is financially feasible and prudent, and when we meet the financial requirements stated in our loan documents, we retire the Capital Credits and those Capital Credits are returned to the Members.

Trico Historical Capital Credit Retirements from 2010 to 2021



Co-op Connections Card

The Co-op Connections Card is a free benefit of being a Trico Member. By showing your Co-op Card or the Co-op Connections mobile phone app at participating retailers, you can save money on items you purchase every day. Check for participating businesses in your area by visiting www.connections.coop.

Operation Cool Shade

Planting a tree can help you save on your monthly electric costs. Shade trees cool the outer wall temperature of your home by as much as 20 degrees, saving your air conditioner and lowering your summer electric bill. As a Member, you can purchase up to three low-cost, low-water use trees annually. Sales begin in January each year.

Electric Vehicles

Members who are interested in electric vehicles (EV) can find information about EV models, tax incentives and benefits, home chargers, public charging locations, a savings calculator and more on Trico's website.

Learn more about these programs at www.trico.coop.

COMMUNITY GIVING

At Trico, we believe that connection powers our purpose. This connection brings us together as a community – with the understanding that we can do more together than we could do by ourselves. One way we support our Members and the communities we serve is through the Trico Foundation and The Trico Electric Charitable Trust.

Trico employees live in the communities we serve and throughout the year we host food drives and other donation events. As your electric cooperative, we're proud to power your life and make a difference in our community.

Trico Foundation

The Trico Foundation is a non-profit foundation organized in 1985 and funded through Capital Credit Retirements that are gifted or unclaimed.

The Trico Foundation supports:

Scholarships

Each year, the Trico Foundation awards scholarships to Trico Members and their families to attend a university, community or vocational college. Since 1985, the Trico Foundation has awarded over \$3.1 million – benefiting over 855 students.

Washington Youth Tour

Each summer the Trico Foundation sends local high school juniors on a trip to Washington, D.C., where more than 1,800 students from electric cooperatives across the country come together to visit our nation's capital.

Trico Electric Charitable Trust

POWER Grants

Twice a year, the Trico Electric Charitable Trust, which is funded through Operation Round Up, awards grants to non-profit organizations providing critical services in southern Arizona.

Operation Round Up

Operation Round Up is funded by Trico Members who choose to “round up” their monthly bill payment to the next dollar. All donations are given to the Trust, a non-profit organization that determines which Trico Members, schools and organizations receive financial assistance.



Trico employees host food drives and other donation events throughout the year.

Trico Board of Directors



Don Black
District 1 (Dove Mountain, Marana)

Don, current Board Treasurer, has been a Trico Member for more than 17 years and has more than 12 years of experience as a Board member. Don worked 35 years at the NASA Dryden Flight Research Center at Edwards Air Force Base, California.

“I am dedicated to providing our Members with reliable, safe, affordable electricity.”



Arnoldo Ballesteros Burruel
District 2 (Marana, Avra Valley, Picture Rocks)

Arnoldo has been a Trico Member for 36 years. He is the owner of Burruel & Burruel Farms.

“My family has been in the area for quite some time now. I am aware of the needs and challenges of Marana. While here, I have built a successful farm operation. My goal on the Trico Board is to continue to supply the dependable and reasonably priced power we have become accustomed to.”



Nick Buckelew
District 3 (Avra Valley, Picture Rocks)

Nick is a third generation Arizona retired farmer. He attended the University of Arizona on a golf scholarship and graduated with a degree in Business and Public Administration.

“I truly enjoy serving on the Board. I am confident we are positioning Trico to meet all our future needs.”



Marsha Thompson
District 4 (Sahuarita, Green Valley)

Marsha and her husband, Roger, raised their six children in Sahuarita. She has been an active volunteer in the public school system and the White Elephant Thrift Store in Green Valley for 18 years.

“I am grateful to serve my friends and community on the Trico Board of Directors.”

Trico Board of Directors

Joe King

District 5 (Three Points, Altar Valley, Arivaca, Sasabe, Green Valley)

Joe has been a Trico Member for all his life. The John F. King and Son, Inc., Cattle Ranch has been a Member since 1955. He is a fourth-generation cattle rancher in Three Points. He graduated from the University of Arizona in 2003 with a degree in Agricultural Economics.

“Our Electric Cooperative is a very important part of our cattle ranch. I am very interested in energy resources and ensuring that our business and other Trico Members have access to reliable, safe and efficient power in our community.”



Lawrence Hinchliffe

District 6 (Corona de Tucson, Vail)

Larry, current Board President, has been a resident of Corona de Tucson for 14 years and has been a member of the Board for 11 years. He is retired from the U.S. Department of Energy/Atomic Energy Commission where he served as a scientist and safety officer during his 40-year career.

“I have worked hard and will continue to work hard to provide safe, reliable, affordable power to our Members and be a positive, constructive influence on the communities we serve.”



Jim Pyers

District 7 (SaddleBrooke, Mt. Lemmon)

Jim has been a Trico Member and SaddleBrooke resident for 15 years. He has 35 years of experience in electric utility operations. He and his wife, Judy, have five children, 19 grandchildren and five great grandchildren.

“The electric utility business is facing a lot of change in the renewable energy supply market. My goal is to focus on cost without sacrifice to reliability and safety.”



2022 Board of Directors Election

District 4 (Sahuarita, Green Valley)

Marsha Thompson, Incumbent

Marsha has represented the Trico Members of District 4 for the past 21 years. During her time on the Trico Board, she has served as Vice President, Treasurer and Secretary. She was chosen to represent Trico on the Grand Canyon State Electric Cooperative Association Board. Her responsibilities there help to further the needs of electric cooperatives with local, statewide and national legislative issues.

In addition, over 100 electric cooperatives in Arizona, New Mexico and Texas elected Marsha to her second term on the Board of Directors of the National Rural Utilities Cooperative Finance Corporation, which provides financing to cooperatives nationwide to improve their operations and fund for future growth in rural America.

“My many years of experience, plus in-depth exposure and study in new and evolving technologies in the electric industry have put me in a unique position to continue to be a valuable board member for the Trico Members we serve.”



District 7 (SaddleBrooke, Mt. Lemmon)

Jim Ansell

Jim has been a Trico Member since 2004 and lives in SaddleBrooke. A graduate of Virginia Tech (BS-Mechanical Engineering) and Wake Forest University's Babcock School of Management (MBA). Jim has spent 45+ years supporting the development and operation of all categories of power generation and transmission systems in North America and Western Europe. Most recently he was the AMI (Advanced Metering Infrastructure) Director for a southeastern regional electric, water, and gas utility.

Since returning full-time to SaddleBrooke, he is a member of the SaddleBrooke Sunrise Rotary Club and serves as Chairperson of their 501(c)3 foundation and is also a member of IMPACT of Southern Arizona, Board of Directors. Jim also volunteers at the Tri-County Food Bank in Mammoth, AZ serving to the Cooper Corridor.

In his spare time, he enjoys recumbent biking (three-wheel), swimming and RVing throughout the southwestern U.S. with his wife of 50+ years.



2022 Board of Directors Election

District 7 (SaddleBrooke, Mt. Lemmon)

Mark Kimble

Mark has lived in Tucson since he was a young child. He received a journalism degree from the University of Arizona and worked at the Tucson Citizen for 35 years until the newspaper closed in May 2009. He covered City Hall, politics and other news beats before becoming city editor. For his last 16 years at the Citizen, he was associate editor in charge of the opinion pages and wrote a weekly column.

In 2009 he went to work for Congresswoman Gabrielle Giffords, first as a press assistant and then as communications director. After Congresswoman Giffords resigned in 2012, he served as communications director for her successor, Congressman Ron Barber. He retired in 2015.

Since his retirement, Mark has been involved in volunteer work. He is an appointed member of the Arizona Citizens Clean Election Commission and also teaches a class to immigrants who want to become American citizens. Mark has a record of working to bring people with different viewpoints together to reach consensus.

Mark has been a Trico Member for almost five years. He is a strong supporter of the co-op and wants to work as a member of the board to ensure that Trico continues to deliver safe, reliable and environmentally responsible power to its Members.

He and his wife, Jennifer Boice, live in Tucson and in a Mt. Lemmon cabin.



Kevin McCarthy

Kevin is a 12-year resident of Arizona and has been a Member of Trico for three years. After graduation from college, Kevin worked for Ross Perot at Electronic Data Systems (EDS), where he taught operating system internals and planned EDS data centers. He spent the next 30 years in domestic and global sales roles with companies such as Philips Electronics, FMC and Ernst & Young. During his time in Texas, Kevin served as a member of the Planning and Zoning Committee for the Town of Fairview.

Kevin turned his passion for golf into a second career by becoming a PGA Professional, holding positions as Assistant Professional and First Assistant Professional at private clubs in Dallas and Tucson. Kevin retired from the Ben Hogan Golf Company, where he managed Inside Sales and Customer Service. Currently, Kevin serves as a member of the Greens Committee at SaddleBrooke Ranch.

A longtime customer and supporter of utility cooperatives, Kevin is interested in leveraging technology to provide stable, flexible and affordable service with a focus on renewable and alternate sources of energy.

In his spare time, Kevin enjoys golf, swimming and hiking with Sheree, his wife of 35 years.

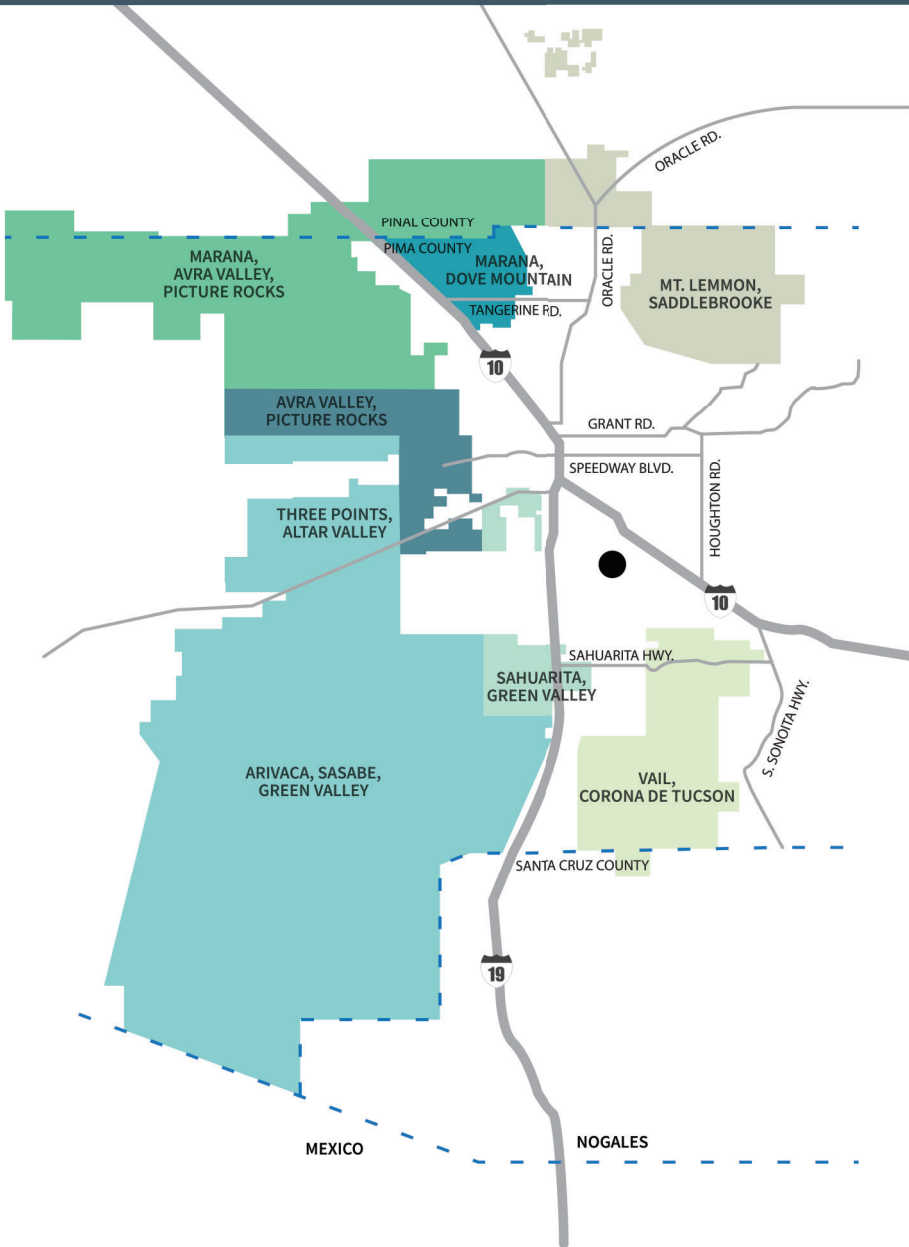


Service Areas and Districts

- MARANA, DOVE MOUNTAIN
- MARANA, AVRA VALLEY, PICTURE ROCKS
- AVRA VALLEY, PICTURE ROCKS
- THREE POINTS, ALTAR VALLEY
ARIVACA, SASABE, GREEN VALLEY
- SAHUARITA, GREEN VALLEY
- VAIL, CORONA DE TUCSON
- MT. LEMMON, SADDLEBROOKE

Quick Facts

Miles of Line			
2021	3,999	2020	3,961
Total Services			
2021	53,550	2020	52,627
Energy Sales (kWh)			
2021	790,793,680	2020	819,719,114
Patronage Capital Retired			
2021	3,800,000	2020	4,800,000



2021 AUDITED FINANCIALS

Summary Income Statement	2021	2020	Variance
REVENUE			
Revenue from Energy Sales	\$105,967,717	\$101,848,133	\$4,119,584
Other Revenue	\$37,988	\$441,593	-\$403,605
Total Revenue	\$106,005,705	\$102,289,726	\$3,715,979
EXPENSES			
Wholesale Power & Transmission Cost	\$60,275,108	\$55,516,865	\$4,758,243
Operation & Maintenance Expense	\$10,845,781	\$9,899,749	\$946,032
Administrative & General Expense	\$10,392,842	\$11,432,889	-\$1,040,047
Depreciation Expense	\$9,655,112	\$9,087,915	\$567,197
Interest Expense	\$4,332,282	\$4,839,845	-\$507,563
Total Expenses	\$95,501,125	\$90,777,263	\$4,723,862
Distribution Margin (Total Revenue Less Total Expenses)	\$10,504,580	\$11,512,463	-\$1,007,883
Other Income			
Patronage Capital allocated (G & T)	\$1,846,579	\$1,760,829	\$85,750
Net Margins (Patronage Capital)	\$12,351,159	\$13,273,292	-\$922,133

Summary Balance Sheet	2021	2020
ASSETS		
Cash & Temporary Investments	\$12,669,879	\$5,680,751
Accounts Receivable (Net of Allowance)	\$3,932,582	\$4,262,090
Accounts Receivable (Unbilled Revenue)	\$1,159,000	\$1,259,000
Materials & Supplies	\$6,040,578	\$4,930,614
Utility Plant (Net of Depreciation)	\$211,839,426	\$199,262,147
Other Assets	\$4,868,209	\$3,930,616
Patronage Capital (Associated Organizations)	\$50,544,830	\$49,239,443
Total Assets	\$291,054,504	\$268,564,661
EQUITIES		
Patronage Capital Allocated	\$130,211,715	\$121,730,383
Other Equities	\$7,127,856	\$7,096,436
Total Equities	\$137,339,571	\$128,826,819
LIABILITIES		
Long Term Debt	\$110,828,235	\$106,952,480
Capital Lease Payable	\$8,675,256	\$9,323,204
Construction Loan	\$13,483,237	\$0
Accounts Payable	\$6,057,682	\$5,968,527
Other Liabilities	\$12,779,145	\$15,315,314
Deferred Expenses	\$1,891,378	\$2,178,317
Total Liabilities	\$153,714,933	\$139,737,842
Total Equities & Liabilities	\$291,054,504	\$268,564,661

For periods ending December 31, 2021 & 2020



AT TRICO,

Members come first, safety is core,
reliability is our responsibility
and by working together,
we will power the future.



TRICO
AN ENERGY COOPERATIVE

**POWERED
WITH PURPOSE**

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Trico is an equal opportunity provider and employer. A Touchstone Energy® Cooperative

