



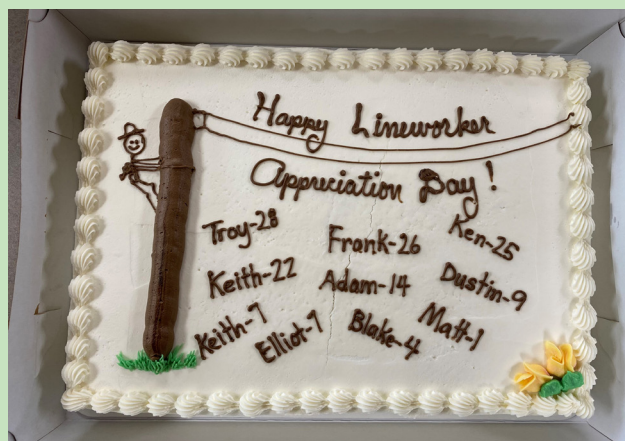
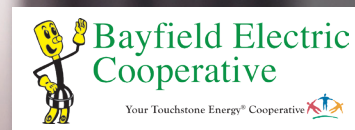
WELCOME, CHRISTOPHER, TO THE BEC TEAM!

On May 3, BEC welcomed Christopher Kopel to serve as the new CEO. Kopel previously served as CEO of Central Minnesota Power Agency Services (CMPAS). He started with CMPAS in 2012 as chief operating officer before he was promoted to CEO in 2018. As CEO, he was credited with “providing members with the lowest wholesale rates in Minnesota, expanding member services, and substantially lowering administrative costs,” according to a release. We’re excited to get to know him and all he has to offer!

Official Notice of VIRTUAL Annual Meeting

**June 7, 2021
6 p.m.**

- Election for Director in District 4
- \$20 bill credit per membership for viewing
- Please go to our website www.bayfieldelectric.com beforehand to follow viewing directions



BUDIASHES TREAT BEC LINE WORKERS ON LINE WORKER APPRECIATION DAY

Thank you to members John and Dorothy Budiash for the delicious homemade cake made and delivered especially for our line workers on the day of Line Worker Appreciation Day.



Annual Cable CARE 5K or 10K Walk/Run

Sign up now for the Annual CARE run in downtown Cable on July 4. There's an option to do a 5K walk OR 5K or 10K run. Beverages and snacks are provided after the race. There will also be a 4th of July parade, and a cookout at the Cable Town Park following the race — you're encouraged to stay and enjoy the festivities! Runners are eligible for age group prizes, which are CARE dollars that may be used at eligible businesses.

Registration fees are \$30 and for children 17 and under \$20. Register now to claim your spot and T-shirt! Online registration is preferred; see more information at www.cableareacare.org.



BAYFIELD ELECTRIC COOPERATIVE

PROPOSED BYLAW AMENDMENTS 2021

ARTICLE I – MEMBERSHIP

Section 1. Requirements. *The Board proposes changes to clarify the types of entities that are eligible for membership, to grandfather existing trust members but disqualify trusts as members going forward (due to administrative concerns with voting and disposition of capital credits, and the fact that the person(s) establishing the trust, rather than the trust itself, are the customers). Additional amendments will allow applications for membership to be submitted electronically in the future.*

(a) Change wording of first paragraph:

Any natural person, firm, association, corporation, partnership, limited liability company, body politic or subdivision thereof will become a member of Bayfield Electric Cooperative (hereinafter called the “Cooperative”) upon receipt of electric service from the Cooperative, provided that he, she or it has first:

(b) Change wording of Section 1(a):

Made a written or electronic application for membership therein;

(c) Change wording of Section 1(c):

Agreed to comply with and be bound by the articles of incorporation and bylaws of the Cooperative and any rules and regulations all policies adopted by the Board of Directors, as may be amended from time to time;

(d) Grandfather existing trust memberships by adding new sentence at the end of Section 1:

No member may hold more than one membership in the Cooperative, and no membership in the Cooperative shall be transferable, except as provided in these bylaws. Memberships held in the name of a trust as of [effective date of amendment] shall continue until terminated in accordance with these bylaws.

Section 3. Joint Membership. *The Board proposes changes to clean up language to match joint membership eligibility in Section 1. The proposed amendment to sub. (d) more clearly specifies that joint membership continues until the Cooperative is notified of a separation or divorce, so that both joint members are liable for any arrearage accruing prior to the date of notice.*

(a) Revise Section 3(a) as follows:

Any application for membership in the Cooperative received after September 1963 from any person who is married shall be deemed and become an application for membership by husband and wife both spouses as joint tenant members with right of survivorship unless the person making such application designates in writing that the application is for individual membership.

(b) Revise Section 3(b) as follows:

With respect to memberships issued prior to September 1963 the membership of any person who on September 1963 was married, or

who thereafter while a member became married, shall be deemed to have become, and did become at such time, a membership held by husband and wife both spouses as joint tenants members with right of survivorship without further action by such member, unless the member notifies the Cooperative in writing within 30 days after the date of marriage that the member desires to retain an individual membership.

(c) Revise Section 3(c) as follows:

The term “member” as used in these bylaws shall be deemed to include a husband and wife spouses holding a joint membership, and to or two adults who reside at the same service address who mutually elect in writing to hold a joint membership....

(d) Revise Section 3(e) as follows to add the following sentence at the end of that subsection:

Joint members shall notify the Cooperative in writing upon the cessation of their relationship as spouses or otherwise. Upon determining or discovering the cessation of the relationship:

- (1) If one joint member remains qualified to be a member and continues to take service from the Cooperative at the same location, then the joint membership converts to an individual membership comprised of that person;
- (2) If more than one joint member remains qualified to be a joint member and continues to use a cooperative service at the same location, then the joint membership converts to a membership comprised of those persons;
- (3) If no joint member remains qualified to be a member and continues to use a cooperative service at the same location, then the joint membership terminates;

Upon the legal separation or divorce of the holders of a joint membership, such membership shall continue to be held jointly unless and until the joint members apply for conversion of the membership pursuant to this subsection, except that where a legal separation or divorce has occurred between two joint members: (1) one joint member may upon written request convert the membership to an individual membership in his or her name without the signature of the other joint member, provided that he or she certifies that the other person no longer occupies or uses the premises covered by such membership; and (2) one joint member may withdraw from the joint membership upon certifying in writing that he or she no longer occupies or uses the premises covered by such membership.

Section 4 Membership Fee. *Proposed amendments to update language and clarify that member is not eligible for service until receipt by Cooperative of any required security deposit and/or connection fee.*

(a) Revise Section 4 as follows:

The membership fee shall be \$5.00, payment of which shall make the member eligible for service, subject to making receipt by the Cooperative of any meter or guarantee security deposit and/or connection fee which may be required by rules and regulation policies of general application of the Board of Directors applicable to the class of service requested.

Section 5. Purchase of Electric Energy. *Proposed amendment to separate provisions concerning provision of electricity from provisions concerning service at cost and payment of fixed charges.*

- (a) Revise first paragraph of Section 5 as follows:

Each member shall, as soon as electric energy shall be available, purchase from the Cooperative all electric energy purchased for use on the premises specified in ~~his~~ the application for membership, except as may be specifically authorized by the Board of Directors, and shall pay ~~therefore for such electric energy~~ at rates which shall from time to time be fixed by the ~~board~~ Board. Production or use of electric energy on such premises, regardless of the source thereof, by means of facilities which shall be interconnected with cooperative facilities, shall be subject to appropriate safety and other regulations as shall be fixed from time to time by the Cooperative.

- (b) Delete second paragraph of Section 5.

Add new **Section 6. Contractual Obligations** [relocated from Article VIII because this provision does not relate to non-profit operation]:

Section 6. Contractual Obligations. The patrons of the Cooperative, by dealing with the Cooperative, acknowledge that the terms and provisions of the Articles of Incorporation and Bylaws and of the policies, rules and regulations adopted or authorized by the Board of Directors shall constitute and be a contract between the Cooperative and each member, and both the Cooperative and the member are bound by such contract, as fully as though each member had individually signed a separate instrument containing such terms and provisions. The provisions of this article of the Bylaws shall be called to the attention of each member of the Cooperative by posting in a conspicuous place in the Cooperative's office and on the Cooperative's website.

Add new **Section 7. Service at Cost** [formerly part of Section 5, relocated to call out that it is a separate topic]:

Section 7. Service at Cost. It is expressly understood that amounts paid for electric energy in excess of the cost of service are furnished by members as capital and each member shall be credited with the capital so furnished as provided by these bylaws. Each member shall pay to the Cooperative such minimum charge as shall be fixed by the Board of Directors, regardless of the amount of electric energy consumed. Each member shall also pay all amounts owed by him to the Cooperative as and when the same shall become due and payable.

- (c) Renumber Sections 6, 7 and 8 as Sections 8, 9 and 10, respectively.

ARTICLE II – AREA COVERAGE SERVICE; EXTENSION & SERVICE RULES

Section 1. Area Coverage Service. *Word change to reflect industry standard for reliable service.*

- (a) Revise Section 1 as follows:

The Cooperative holds itself out to serve and through its Board of Directors, it shall make diligent efforts to extend and render adequate and dependable reliable service to all unserved persons within the Cooperative service area, regardless of the size or nature of their service requirements, who (a) desire such service and (b) meet all

reasonable requirements established by the cooperative as a condition of service.

ARTICLE III – MEETINGS OF MEMBERS

Section 1. Annual Meeting. *Proposed amendments to enable the Cooperative to hold remote annual or special meetings, and the minimum standards for holding remote meetings.*

- (a) Revise Section 1 as follows:

(a) The annual meeting of the members shall be held at such time and place within the service area of the Cooperative or by remote communication as provided in Section 1(c) as shall be determined by resolution of the Board of Directors and designated in the notice of the meeting for the purpose of electing directors, passing upon reports covering the previous fiscal year and transacting such other business as may come before the meeting. The date of the meeting shall be not less than two months, nor more than nine months from the close of the calendar year. Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the Cooperative.

(b) If the election of directors shall not be held at any such annual meeting, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the members as soon thereafter as conveniently may be. Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the Cooperative; the election shall be held by mail or electronic means as provided in Section 5 and the results announced at such annual meeting.

(c) The annual meeting may be held by means of remote communication provided that speakers at the annual meeting are able to be clearly viewed and heard by members in attendance, and that the means of remote communication allow the Cooperative to accurately register and verify attendance of members and to ascertain the vote of a majority of the members on motions made at the meeting.

Section 2. Special Meetings.

- (a) Revise Section 2 as follows:

Special meetings of the members may be called by the President or by a majority vote of the Board of Directors or upon a written request signed by at least ten percent (10%) of the members and it shall thereupon be the duty of the President to call such a meeting. Special meetings of the members may be held at any place within or conveniently adjacent to the general service area of the Cooperative in one of the counties in which the Cooperative serves members in the State of Wisconsin, or by means of remote communication as provided in Section 1(c), as specified in the notice of the special meeting.

Section 3. Notice of Members' Meetings. *Proposed amendments to reflect current practice of including notice of the annual meeting in the Wisconsin Energy Cooperative News publication, to allow for notice by email if a member opts into such notice; and to clarify that attendance at an annual or special meeting is a waiver of any defects in notice.*

- (a) Revise Section 3 as follows:

Written or printed notice stating the place, day and hour of the meeting, and, in case of a special meeting, the purpose or purposes

for which the meeting is called shall be delivered to each member not less than seven (7) days nor more than (30) days before the date of the meeting, either personally, or by mail, by or at the direction of the President to each member, including within a mailing of the Wisconsin Energy Cooperative News or any successor publication, or by electronic mail. Delivery of notice by electronic mail shall be effective only as to such members providing written consent for receipt of notices by electronic mail. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at his address, as it appears on the records of the Cooperative, with postage thereon prepaid. In case of a joint membership, notice given to either husband or wife shall be deemed notice to both joint members. The failure of any member to receive notice of an annual or special meeting of the members shall not invalidate any action which may be taken by the members at any such meeting. Attendance by a member at an annual or special meeting shall waive any defect in notice of the meeting as to such member.

Section 4. Quorum. *Proposed amendments in this section and Section 5 to address mail-in (rather than “absentee”) voting.*

(a) Revise Section 4 as follows:

The number of members to constitute a quorum shall be fifty (50). For purposes of any motion or resolution at a meeting of members a quorum shall be computed based on the number of members present registered and or the number of signed ballots submitted on the question. The presence at the meeting of either one or both of joint members shall be regarded as the presence of one member. If less than a quorum is present at any meeting, a majority of those present the President or meeting chair may adjourn the meeting from time to time without further notice. The minutes of each meeting shall have appended to them a list of the members present and of those casting a signed absentee mail-in ballot.

Section 5. Voting. *Proposed amendments for consistency with other bylaw provisions and to clarify procedure when ballots are allowed to be changed. Eliminates requirement for a formal vote for uncontested seats. Unopposed candidates cannot simply be “deemed” to be elected. New sub. (d) provides for future elections to be held electronically with certain safeguards.*

(a) Revise Section 5(a) as follows:

Each member shall be entitled to one (1) vote and no more upon each matter submitted to a vote at a meeting of the members which vote may be cast in person or by absentee mail-in ballot. There shall be no voting by proxy. At all meetings of the members at which a quorum is present, all questions shall be decided by a vote of a majority of the members voting thereon at such meeting except on those matters where a greater vote is required by law, the Articles of Incorporation of the Cooperative or these Bylaws. A husband and wife joint members shall jointly be entitled to one (1) vote and no more upon each matter submitted to a vote at a meeting of the members. Any member which is a cooperative, corporation, government body, church or voluntary association, firm, association, corporation, partnership, limited liability company, body politic or subdivision thereof may acting through its governing body designate in writing its representative to act for it at membership meetings. Such written designation shall be filed with the Secretary before such representative votes at any such meeting, except that the chairman, chief executive officer of any such corporation, association, board or body politic may cast its vote at such meeting if no such

written designation for any other representative is so filed. Such representative or officer may also vote as an individual if he or she is a member. A guardian or legal representative of any member may vote in behalf of such member.

(b) Revise Section 5(b) as follows:

Any member who is unable to attend a meeting of the members, and all members in the case of a meeting held by remote communication means, may vote on any motion to be considered at the meeting only as follows:

1. If the Cooperative provides ballots for the vote on the motion to the members together with notice of the meeting at which the vote will be taken and exact copies of the motion and any resolution to which it pertains, an absent member may vote on the motion by submitting a signed ballot. If a signed ballot has been submitted on a motion under this paragraph, neither the motion nor any resolution to which it pertains may be amended.
2. If the Cooperative does not provide ballots and an exact copy of the motion or resolution to which it pertains to the members along with the notice of meeting, but makes available ballots for the vote along with exact copies of the motion or resolution to which it pertains, then a member may request a ballot and exact copy of the motion and may vote by submitting a signed ballot. However, the motion and any resolution to which it pertains may be amended at the meeting and if the motion or resolution is amended, the ballot is void. The ballot may not be counted on any motion to amend or adopt as amended the motion or resolution.
3. A sealed envelope bearing the signature of the member and enclosing a marked but unsigned ballot shall constitute a signed absentee ballot for purposes of this section.
4. Absentee ballots shall be mailed or delivered to the Cooperative office so as to be received at the office on or before the third business day before the membership meeting.
5. In the event a member voting by absentee ballot attends such meeting in person, the member's ballot shall be discarded in favor of the vote cast in person at the meeting. If the meeting is held by remote communication means, the ballot may not be changed.

(c) Delete Section 5(c)

(d) Renumber Section 5(d) as Section 5(c), and repeal and re-create as follows:

(d) Voting for a director in district in which only one eligible candidate is standing for election may be by voice vote.

(c) In the event of an uncontested seat, the chair of the membership meeting may announce that the candidate is elected by acclamation and no vote is required.

ARTICLE IV – BOARD OF DIRECTORS

Section 1. General Powers. *Proposed amendment to delete specific Board powers, which are too numerous to list and should simply be “all” powers not otherwise vested in the members. Proposed new Section 1(b) provides a procedure for notice to the members of new or amended service rules and regulations (100, 200, 300, 900 and 1300 Series), along with a statement that such new or amended policies are available on request if they are not published in full on the website.*

(a) Amend Section 1 as follows:

(a) The business and affairs of the Cooperative shall be managed by a board of nine (9) directors which shall exercise all of the powers of the Cooperative except ~~those reserved to the members such as are~~ by law or by the Articles of Incorporation ~~of the Cooperative~~ or these Bylaws. ~~Powers of the Board of Directors (without limitation because of designation) shall include the determination and fixing of classes of service, rates to be charged by the Cooperative for services furnished, the promulgation and enforcement of rules and regulations governing service to patrons and the selection or nomination of directors, delegates or other representatives of the Cooperative at meetings or organizations of which the Cooperative may be a member, including the power to remove such director, delegate or representative.~~

(b) Create Section 1(b) as follows:

(b) The Board of Directors shall have the power to make and adopt such policies, rules and regulations, not inconsistent with law, the Articles of Incorporation or these Bylaws, as it may deem advisable for the management of the business and affairs of the Cooperative. Such policies, rules and regulations shall be binding upon all members. The members shall receive notice of the substance of any new or material changes to Cooperative policies, rules and regulations relating to service made after [date of approval of amended bylaws]. For purposes of this subsection, notice shall be deemed sufficient if it is published in the Wisconsin Energy Cooperative News or successor publication, posted in a conspicuous location at the Cooperative's principal place of business or posted on the Cooperative's website, and the affected policy is made available to members on the website or by request.

Section 2. Tenure and Qualifications. *Cooperative Policy 400.18 applies to employees but not directors. The proposed amendment would add anti-nepotism language to the list of disqualifying circumstances to become a director, to be applied on going-forward basis.*

(a) Add new subsection 2(b)(5) as follows:

(5) Effective beginning [effective date of bylaw amendments], is the parent, step-parent, sibling, child, step-child, spouse, partner or in-law of any Cooperative employee or sitting director.

Section 5. Nominations. *Proposed new paragraph to require posting and publication of notice of director seats up for election and instructions for nominating petitions.*

(a) Amend Section 5 as follows:

(a) Not less than one hundred and twenty (120) days before an election for the Board of Directors notice shall be posted at the principal office of the Cooperative and published once in the Wisconsin Energy Cooperative News, a list of each position on the Board of Directors which is expiring or which will otherwise have a vacancy, the district from which each Director is to be elected and instructions for filing a nominating petition.

(b) Nominations for any position of director may be made by petition signed by not less than ten (10) members from the director district from which a director is to be elected. Such petition shall be filed at the office of the Cooperative at least ninety (90) days prior to the meeting at which directors are to be elected. Petitions filed less than ninety (90) days prior to the meeting shall not be considered. The notice of the meeting required by Article III, Section 3 shall list in

alphabetical order the name(s) of all candidates standing for election.

Section 3 Disqualification. *Proposed amendments to strike reference to district meetings and to replace "nominee" with "candidate" to reflect discontinuance of nomination committee; revise language regarding disqualification of director convicted of a felony to apply to directors convicted while serving, since disqualification for a felony is otherwise addressed in section 2(b)(4).*

(a) Renumber Sections 3(1)-(5) as 3(a)-(e).

(b) Amend subsection 3(a) as follows:

At a meeting of the membership, ~~other than at a district meeting~~, upon establishment of the fact that a ~~nomineecandidate~~ for director lacks eligibility under Section 2 of this Article IV, it shall be the duty of the chairperson presiding at the meeting at which such ~~nomineecandidate~~ would otherwise be voted upon to disqualify such ~~nomineecandidate~~.

(c) Amend subsection 3(e) as follows:

Any candidate or director convicted of a felony at any time shall immediately ~~upon learning of that fact~~ be deemed ineligible to serve as a director.

Section 6. Director Resignation; Vacancies. *Proposed amendments to include death of a director as a vacancy that may be filled by appointment and authorizing appointee to serve out the remainder of the term of his or her predecessor.*

(a) Revise the second paragraph of Section 6 as follows:

At the Board's option, a vacancy in the office of director due to resignation, ~~death, disability~~, disqualification or removal may be filled at the next subsequent annual meeting, or may be filled by appointment by a majority vote of the remaining directors, ~~and a director thus elected shall serve until the next annual meeting of the members or until his successor shall have been elected and shall have qualified. A director thus elected or appointed shall serve out the remainder of his or her predecessor's term.~~

Section 7. Compensation. *Proposed revision to allow two thirds of disinterested directors to approve compensation for a close relative of a director who is employed by the Cooperative, as opposed to requiring member approval.*

(a) Revise the last sentence of Section 7 as follows:

No director shall receive compensation for serving the Cooperative in any other capacity, ~~nor shall any~~ No close relative of a director ~~(as that term is defined by Board policy) shall~~ receive compensation for serving the Cooperative, unless the payment and amount of compensation shall be specifically authorized by a vote of ~~the member~~ two-thirds of the disinterested directors, or the service by the director or his close relative shall have been certified by the board as an emergency measure.

ARTICLE V – MEETINGS OF BOARD

Section 6. Meetings Conducted by Telephone. *Revise title to reference any form of communication by remote means that satisfies the criteria in Section 6(a).*



- (a) Revise the title of Section 6 as follows: Meetings Conducted by ~~Telephone~~Remote Means.

ARTICLE VII – FINANCIAL TRANSACTIONS

Section 3. Deposits. *Revise to broadly reference financial institutions rather than “bank or banks”.*

- (a) Revise Section 3 as follows:

All funds except petty cash of the Cooperative shall be deposited from time to time to the credit of the Cooperative in such ~~bank or banks~~financial institution(s) as the Board may select.

ARTICLE VIII – NON-PROFIT OPERATION

Section 5. Assignment of Patronage Capital. *Suggested revision to provide that an assignee must be an eligible Cooperative member as listed in Article I, Section 1.*

- (a) Revise Section 5 as follows:

Except as provided in Sections 7 and 8 hereof, capital accredited to the account of each patron shall be assignable only on the books of the Cooperative pursuant to written instructions from the assignor ~~and only to successors in interest or successors~~a single designated individual, firm, association, corporation, partnership, limited liability company, body politic or subdivision thereof, which individual or entity is a successor in occupancy in all or a part of such patron’s premises served by the Cooperative ~~unless the Board of Directors, acting under policies of general application, shall determine otherwise, and only upon the approval of, and subject to such conditions as may be set by, the Board of Directors.~~

- (b) Delete Section 10, contractual obligations [relocated as new Section 6 of Article I].

ARTICLE XI – MISCELLANEOUS

- (a) Delete Section 2, waiver of notice [*duplicates revised Article III, with respect to member meetings, and existing Article V, sec. 3 with respect to Board meetings*]
- (b) Delete Section 3, policies, rules and regulations [*duplicates revised Article IV, sec. 1 above*].
- (c) Revise the title and first sentence of Section 5, subscriptions, to refer to current name of publication, as follows:

Section 5. Subscriptions to Wisconsin ~~REC~~Energy Cooperative News. The Cooperative, through action of its Board of Directors, is authorized in the name and behalf of each member of the cooperative to subscribe for the Wisconsin REC Energy Cooperative News or any successor publication. The expense of such subscriptions for all members, at such rate as the Board of Directors may from time to time establish, shall be charged to the aggregate of capital deposited by members under Section 2 of Article VIII for electric service in the same manner as are charged other appropriate expenses of the Cooperative.

- (d) Renumber Sections 4 and 5 as Sections 2 and 3, respectively.

BALANCE SHEETS

Years ended December 31, 2020 and 2019

	2020	2019
ASSETS		
UTILITY PLANT		
Electric Plant in Service	\$58,812,448	\$57,492,183
Construction Work in Progress	223,620	1,042,597
Total	59,036,068	58,534,780
Less: Accumulated Provision for Depreciation	(28,340,672)	(26,648,587)
Net Utility Plant	30,695,396	31,886,193
OTHER ASSETS AND INVESTMENTS		
Investments in Associated Organizations	5,762,936	5,713,270
Other Investments	376,741	439,445
Total Other Assets and Investments	6,139,677	6,152,715
CURRENT ASSETS		
Cash and Cash Equivalents	1,149,019	649,842
Temporary Investments – Restricted	600,000	830,000
Accounts Receivable, Net	2,035,506	1,577,666
Materials and Supplies Inventory	421,396	371,538
Prepaid Expenses	98,234	97,537
Current Portion of Notes Receivable	17,000	62,000
Other Current and Accrued Assets	78,803	80,303
Total Current Assets	4,399,958	3,668,886
DEFERRED DEBITS	159,338	263,787
Total Assets	\$41,971,581	\$41,394,369
EQUITIES AND LIABILITY		
EQUITIES		
Memberships	\$ 41,410	\$41,085
Patronage Capital	13,281,549	13,216,176
Other Equities	39,520	39,520
Accumulated other Comprehensive Margins	542,515	702,938
Total Equities	13,904,994	13,999,719
LONG-TERM DEBT, Less Current Maturities	22,770,804	21,747,224
OTHER POST-RETIREMENT BENEFITS	372,410	339,831
CURRENT LIABILITIES		
Current Maturities of Long-Term Debt	1,320,000	1,568,000
Accounts Payable	847,521	819,370
Line of Credit	1,000,000	2,100,000
Consumer Deposits	71,397	77,474
Other Current and Accrued Liabilities	505,211	485,553
Total Current Liabilities	3,744,129	5,050,397
DEFERRED CREDITS	602,032	834,410
Total Equities and Liabilities	\$41,394,369	\$41,971,581

STATEMENT OF CASH FLOWS

Years ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Margins	517,304	\$734,395
Adjustments to Reconcile Net Margins to Net:		
Cash Provided By Operating Activities:		
Depreciation	2,436,776	1,555,660
Patronage Capital Allocation	(326,358)	(329,672)
Loss (Gain) on Disposition of Property	6,675	(27,608)
Interest Income Credited to Cushion of Credit	(29)	(110)
Impairment of Other Assets and Investments	---	52,940
Changes in Assets and Liabilities:		
Accounts Receivable	(457,840)	160,807
Materials and Supplies Inventory	(49,858)	749,919
Other Current and Accrued Assets	803	10,847
Deferred Debits	104,449	106,921
Increase (Decrease) in:		
Accounts Payable	28,151	117,650
Other Current Liabilities	13,581	10,711
Other Postretirement Benefits	(127,844)	(125,399)
Deferred Credits	(2,378)	(4,775)
Net Cash Provided by Operating Activities	<u>2,143,432</u>	<u>3,012,286</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Other Investments	32,169	---
Construction and Acquisition of Plant	(1,276,559)	(1,726,620)
Cash Received from Economic Development Notes	75,535	59,482
Cash Received from Investments in Assoc. Org.	276,692	156,309
Proceeds on Sale of Assets	23,905	35,219
Net Cash Used by Investing Activities	<u>(868,258)</u>	<u>(1,475,610)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Change in Memberships	325	170
Retirement of Capital Credits	(451,931)	(361,931)
Payments into Cushion of Credit	---	28
Principal Payments on Long-Term Debt	(1,424,391)	(1,457,411)
Proceeds from Issuance of Long-Term Debt	2,200,000	---
Net Borrowings under Line-of-Credit Agreements	(1,100,000)	525,000
Net Cash Used by Financing Activities	<u>(775,997)</u>	<u>(1,294,144)</u>
NET INCREASE (DECREASE) CASH & CASH EQUIV.	<u>499,177</u>	<u>242,532</u>
Cash and Cash Equivalents – Beginning of Year	<u>649,842</u>	<u>407,310</u>
CASH AND CASH EQUIVALENTS – END OF YEAR	<u>\$1,149,019</u>	<u>\$649,842</u>
SUPPLEMENTARY DISCLOSURE OF CASH FLOW INFORMATION		
Cash Payments for Interest	<u>\$819,737</u>	<u>\$857,137</u>
SUPPLEMENTARY DISCLOSURES OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Margin Stabilization	<u>\$(230,000)</u>	<u>\$30,000</u>
Principal Payments on Long-Term Debt	<u>---</u>	<u>\$55</u>
Paid by Cushion of Credit	<u>---</u>	<u>---</u>

STATEMENTS OF COMPREHENSIVE MARGINS

Years ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
OPERATING REVENUES	<u>\$14,515,674</u>	<u>\$14,234,530</u>
OPERATING EXPENSES		
Cost of Power	6,315,983	6,483,564
Distribution Expense – Operations	714,370	870,000
Distribution Expense – Maintenance	2,020,724	1,946,005
Consumer Account Expense	310,976	356,951
Customer Service and Informational Expense	350,352	289,374
Administrative and General Expense	1,093,906	1,082,918
Depreciation	2,436,776	1,555,660
Taxes	253,994	331,144
Other Deductions	24,895	104,839
Total Operating Expenses	<u>13,521,976</u>	<u>13,020,463</u>
OPERATING MARGINS BEFORE FIXED CHARGES	993,698	1,214,067
INTEREST ON LONG-TERM DEBT	<u>809,261</u>	<u>855,344</u>
OPERATING MARGINS AFTER FIXED CHARGES	184,437	358,732
GENERATION AND TRANSMISSION AND OTHER CAPITAL CREDITS	<u>326,358</u>	<u>329,672</u>
NET OPERATING MARGINS	510,795	688,395
NONOPERATING MARGINS		
Interest Income	18,199	18,329
Other Nonoperating Income	(11,690)	27,671
Total Nonoperating Margins	<u>6,509</u>	<u>46,000</u>
NET MARGINS	517,304	734,395
OTHER COMPREHENSIVE MARGINS (LOSS)		
Defined Benefit Plan:		
Net Actuarial Gain (Loss)	(26,605)	(41,913)
Amortization of Loss	19,682	17,138
Amortization of Prior Service Credit	(153,500)	(153,500)
Other Comprehensive Margins (Loss)	<u>(160,423)</u>	<u>(178,275)</u>
COMPREHENSIVE MARGINS	<u>\$356,881</u>	<u>\$556,120</u>



BEC 2020 ANNUAL MEETING MINUTES

The 80th Annual Meeting of the Membership of Bayfield Electric Cooperative was held via Zoom on Monday, June 15, 2020.

Meeting was called to order by President Mark Santikko at 6:04 p.m.

Quorum was present.

Pledge of Allegiance.

Invocation was given by James Kinzie, BEC board member.

Safety message was given—tips on what to do if you encounter a down power line.

President Santikko gave the procedures of the meeting, followed by appointing Sara Anderson as acting secretary.

President Santikko announced the reading of the official notice of the 2020 meeting by Diane Berweger.

Motion made and seconded to approve the minutes of the previous meeting by members as printed in the *WEC News* magazine. Motion carried.

President's report by Mark Santikko:

Mark gave members some personal background on his associations with the cooperative and their past/current employees throughout his life which made him want to become a director on the Bayfield Electric board. He spoke about the strategic plan the board has in place, which included a brushing program, switching troubled lines from overhead to underground, all to reduce outages to provided reliable service. Mark gave recognition to the line crew on their impressive report of miles driven and hours worked with no loss time incidents. Another accomplishment the board has is in the energy efficient building which was built five years ago, with members in mind, and keeping the building as "green" as can be to keep costs down.

Financial Report by Jim Halvorsen of CliftonLarsonAllen, LLP, Auditing firm for Bayfield Electric:

Jim Halvorsen, CPA, via Zoom, explained the auditing process. Slides were shared describing financial statuses and assured the members the cooperative is currently in good standing.

CEO's Report by Diane Berweger:

Diane Berweger gave recognition to board members and employees for

milestone anniversaries: Robert Kretzschmar, board vice-president – 45 years; Barry Radloff, Dairyland Power board of director – 35 years; Robert Lahti, operations manager – 20 years; and Amanda Kavajecz, billing specialist – 5 years. With 1,995 miles of line, 58% are overhead lines and 42% are underground. Trees and squirrels are the main culprits of outages in overhead lines, where lightning will cause most outages in underground. The cooperative compares the benefits of whether to brush right-of-way of overhead lines vs. burying wire. A workplan project in the near future will be upgrading one of Bayfield Electric's oldest line from overhead 2 phase to underground 3 phase line, which will be beneficial to all members, as Bayfield Electric will then tie all but two substations together, meaning fewer outages for all. Because of COVID 19, the headquarters office is closed to the public, open by appointment only. With today's technology making many things easily accessible, making your electric payment can be by SmartHub, pay by phone, drop box, or putting your payment in the mail. In 2020, we are celebrating 80 years this years of bringing safe, reliable electricity to your home. Thank you to all the board of directors and staff of Bayfield Electric, it is what we are, A TEAM.

Election results:

Attorney Mary Beth Peranteau announced positions up for election followed by the procedure of the elections. Ballots were mailed out to all members in the two contested districts. Ballots were returned to auditors, CLA, for Districts 5 and 9.

Results were announced by auditor Jim Halvorsen, CPA, as follows: District 5: Carl Schutte re-elected over Mike Berlin by vote from ballots mailed in by members. 108 vs 62 votes.

District 6: Curtis Berweger re-elected unopposed.

District 9: Kenneth Clement re-elected over Mike Nelson by vote from ballots mailed in by members. 123 vs 100 votes.

New Business:

Mark Santikko asked if there were any questions by members to use the chat feature on Zoom. There were many comments in the chat referring to the new net metering policy for solar generated by members. BEC's response will be posted on the website.

Meeting motioned and seconded to adjourn at 6:38 p.m.

MONTH OF JUNE

Billing date: June 10, 2021

May usage

Gross due June 30, 2021

Disconnect day:

June 12, 2021

HAPPY
FATHER'S
DAY

Remember Dad on June 20!

Energy Efficiency Tip of the Month

A dirty filter causes your air conditioner to work harder than necessary. Remember to change your air filter every month (or ever two months) to prevent dust build-up which can lead to even bigger problems.

Source: www.energy.gov



68460 District St., P.O. Box 68, Iron River, WI 54847
715-372-4287 • Fax: 715-372-4318
www.bayfeldelectric.com
Payment by Phone: 855-385-9978
After Hours Outage: 715-372-4047



Bayfield Electric
Cooperative

Your Touchstone Energy® Cooperative



Briana Green, Editor

Office Hours: 7:30 a.m.–4:00 p.m., Monday–Friday
This institution is an equal opportunity provider and employer.