

Welcome to Barron Electric Cooperative's 89th Annual Meeting

2024

ANNUAL REPORT



Powering Tomorrow, Today

Rules of Order for Official Business Meeting

1. The meeting will be conducted in accordance with the current edition of Robert's Rules of Order Newly Revised and under the following special Rules of Order.
2. Members wishing to speak are to give their names and the districts in which they are members.
3. During nomination and election proceedings for directors, candidates will be allowed to speak for two minutes. One member supporting his/her candidacy will also be allowed to speak for two minutes.
4. Resolutions must have been submitted to the Resolutions Committee for consideration, as required by previous notice, and mailed to all members for action at the annual meeting. This does not preclude members from making simple motions from the floor.
5. Only members may be allowed to speak for two minutes on each issue and for one time only, except that an additional two minutes may be granted by unanimous consent.
6. No signs or handouts will be permitted within the building of the place of the meeting, except such handouts as required for the official conduct of the annual meeting. No handouts made available outside of the building will use the name of the cooperative, its letterhead or logo to imply that the cooperative supports or opposes any candidate for director or resolution.
7. No demonstrations shall be held within the building of the place of the meeting.

Rules of Order Page 2

Official Notice

March 2025 News for You

Official Notice

Barron Electric Cooperative's 89th Annual Meeting

Pursuant to the provision of the bylaws, notice is hereby given that the annual meeting of the members of Barron Electric Cooperative will be held Tuesday, April 8, 2025 at Barron Electric Cooperative in Barron with registration beginning at 4:30 p.m. The business meeting will follow at 5:30 p.m. to take action upon the following matters:

- To elect three directors to serve a three-year term in Districts 3, 6, and 9
- Presentation of reports
- To address all other business that may come before the meeting or any adjournment or adjournments, thereof

Dated this 26th day of
February 2025
Patricia Mandel, Secretary



Save the Date for Barron Electric's 89th Annual Meeting and Cookout

All members are invited to Barron Electric Cooperative's 89th Annual Meeting on Tuesday, April 8 at Barron Electric Cooperative, 1434 State Highway 25 North, Barron. Registration will start at 4:30 p.m. Dinner includes a brat or hamburger, cole slaw, beans, chips, and a cookie.

Business Meeting

The business meeting will follow at 5:30 p.m. The guest speaker is Matt Brandrup, President and CEO of the Rural Electric Supply Cooperative (RESCO). Barron Electric is a member of RESCO, which is a member-owned, not-for-profit wholesale distributor of high voltage electrical products. Matt will discuss supply chain challenges and how RESCO's partnership has helped Barron Electric and their members. Learn more about your cooperative, receive industry updates, and elect directors for Districts 3, 6, and 9. See page 3 for candidate information.

Designated Voters

Contact the Member Service Department at 800-322-1008 or memberservices@barronelectric.com to request a form to designate a representative from your organization to vote at the annual meeting.

Shuttle Service Available

For those members living in the northern part of Barron Electric's service territory, a shuttle service will be available. The shuttle will leave at 3:30 p.m. from Barron Electric's Spooner office located at 1550 Paulson Drive. Please contact the Member Services Department by April 1 at 800-322-1008 or memberservices@barronelectric.com to sign up.

Food Pantry Collection

Bring an item for the Cumberland Food Pantry. They are in need of cereal, bars of soap, and juice in plastic bottles. Your donations are greatly appreciated.



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Head Table Introductions



Aaron Torud
General Manager



Randy Cook
President



Jennifer Horstman
Executive Assistant/
HR Administrator

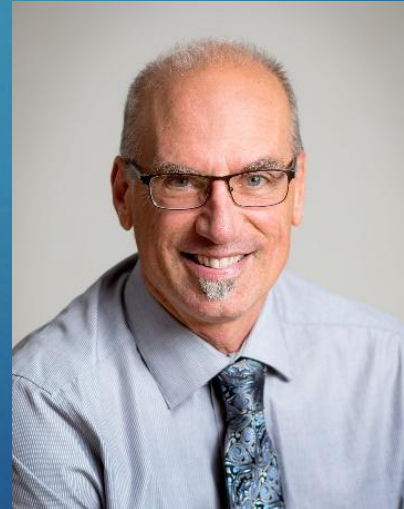


Andrew Harrington
Cooperative Attorney



Patricia Mandel
Secretary

Board of Directors: Page 19



Minutes of Barron Electric Cooperative's 88th Annual Meeting

The 88th Annual Meeting of Barron Electric Cooperative was held on Saturday, March 23, 2024, at the Barron Area Community Center in Barron, Wisconsin.

Registration of members began at 8:00 a.m.

The meeting was called to order by President Randy Cook at 10:00 a.m. President Cook thanked over 293 people for attending and asked for a moment of prayer. President Cook recognized the veterans, active military, law enforcement, first responders and health care workers. The National Anthem was sung by Barron High School student Dezi Manning. President Cook also acknowledged and thanked the Barron VFW for serving breakfast to the members, the Prairie Farm Food Pantry for

collecting donated items and the Barron High School Baseball team for assisting with parking and clean up. President Cook introduced a special guest at the meeting - Tim Clay, Vice President of Operations, Environmental and Regulatory Services at Wisconsin Electric Cooperative Association.

Member Michael Baker moved to adopt the Rules of Order for the Official Business Meeting, as printed on Page 2 of the Annual Report. The motion was seconded and carried by a two-thirds show of voting cards.

Scott Warwick, Secretary of the Cooperative, read the official notice of the 88th Annual Meeting as it appeared in the cooperative's March 2024 issue of the News for You that was sent to each member

during the last week of February 2024.

Persons seated at the head table were introduced by the President as follows: Andrew Harrington, Cooperative Attorney, Aaron Torud, General Manager, Scott Warwick, Board Secretary and Jennifer Horstman, Executive Assistant/HR Administrator. The minutes of the meeting were to be recorded by the Secretary of the Board, Scott Warwick, assisted by Executive Assistant/HR Administrator, Jennifer Horstman.

President Cook introduced the following Directors: David



Jeremy Browning, Vice President of Generation at Dairyland Power Cooperative, provided information regarding current power supply changes.

Olson - District I; Tim Kessler - District II; Michael Baker - District III; Scott Warwick - District IV; Larry Kuhl - District V; Patti Mandel - District VI; Randy Cook - District VII; Bill Effertz - District VIII; and Richard Bol - District IX.

The minutes of the 87th Annual Meeting were approved on March 29, 2023, at the regular scheduled meeting of the Board of Directors. The approved minutes are printed on Pages 4, 5, 18 & 19 of the Annual Report. President Cook asked the membership for approval of assigning the Board of Directors to approve the 88th Annual Meeting minutes at their next regular scheduled board meeting. There were no objections.

Mandy Straw, Director of Finance presented the financial report and addressed any questions from the membership.

President Cook introduced Jeremy Browning, Vice President, Generation at Dairyland Power Cooperative. Mr. Browning presented information to the members on Dairyland Power Cooperative, government oversight and markets and the current power supply changes and in the near future.

Continued on pages 16-17



Scott Warwick Secretary

Minutes of Barron Electric Cooperative's 88th Annual Meeting

Continued from pages 4-5

Director elections for Districts I, V and VII were scheduled for this year's meeting. The volunteers for ballot collection and counting were presented to the membership. Cathy Amdall was announced as the lead volunteer. President Cook explained the qualifications to become a director and the nomination methods as described in the Bylaws of Barron Electric Cooperative.

President Cook conducted the election of directors beginning at 10:45 a.m.

District I had one candidate



Aaron Torud, Barron Electric Cooperative General Manager, presented information to members attending Barron Electric's 88th annual meeting regarding safety, solar, and reliability.

nominated by petition, David Olson. There being no further nominations, the nominations were closed. David Olson spoke on his behalf for election as director in District I.

David Olson was elected Director for District I by a majority of voting cards.

District V had two candidates nominated by petition, John Blaskowski and Larry Kuhl. There being no further nominations, the nominations were closed. John Blaskowski spoke on his behalf for election as director in District V. Larry Kuhl spoke on his behalf for election as director in District V. Voting for Director of District V was done by ballot, and they were collected by the volunteers to be counted.

Vice President Baker was asked to assume as Chair and conduct the election for District VII.

District VII had one candidate nominated by petition, Randy Cook. There being no further nominations, the nominations were closed. Randy Cook spoke on his behalf for election as director in District VII.

Randy Cook was elected director for District VII by a majority of voting cards.

With voting for District VII complete, President Cook resumed his position as Chair of the meeting.

Activity break began at 11:02 a.m. The meeting resumed at 11:05 a.m.

General Manager Torud presented information to the membership regarding the cooperative's safety standards, solar updates and the technology being used to enhance reliability for the members.

The results of the District V election were completed.

John Blaskowski had 86 votes. Larry Kuhl had 70 votes.

John Blaskowski was elected as Director of District V.

With no objections from the membership, the ballots were to be destroyed.

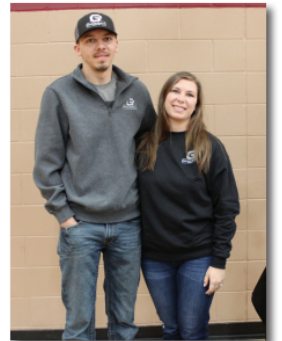
In his address to the membership, President Cook reported on the new rates and affordability. Additional topics included Cashback Credits and the American Consumer Satisfaction Index (ACSI) score from the members. President Cook communicated that the financial and overall operation of the cooperative is very strong.

With elections complete, President Cook asked the membership for any unfinished or new business to come before the meeting. There was no unfinished or new business to come before the meeting.

General Manager Torud, President Cook and Mr. Browning addressed questions from the membership.

Twelve names were drawn by Mr. Browning for \$100 cash prizes. The twelve members that received \$100 cash prizes were: Ronald Kilmer, Brad Kildow, Thomas Toftness, Gertrude Millerman, Wesley Behrnt, Marvin Baroun, Peggy Lueck, Terry McNitt, Michael Dietrich, Ronald Peterson, Russell Rindsig & Paul Margan.

The meeting was adjourned at 11:52 a.m.



Giles Excavating was the featured business at Barron Electric's annual meeting. Pictured are Owners Austin and Megan Giles. The theme of last year's meeting was Behind Every Meter is a Co-op Member. The Giles Family won the family photo contest and were pictured on the cover of the annual report.

88th Annual Meeting Minutes – Pages 4, 5, 16, & 17



Financial Report Pages 6 – 9

Mandy Straw
Director of
Finance



Operating Revenue
\$41,984,160

Cost of Power
\$25,489,189

Total Cost of Service
\$39,783,972

DPC Capital Credits
\$1,274,568

Patronage Capital
\$3,801,965

	Dec. 31, 2023	Dec. 31, 2024
Operating Revenue		41,984,160
Cost of Power	26,255,613	25,489,189
Tax Expense	2,177,282	2,177,282
Interest on Long-Term Debt	2,715,263	2,715,263
Other Deductions - NET	665,161	665,161
TOTAL COST OF ELECTRIC SERVICE	639,353	701,245
OPERATING MARGIN	2,033,319	2,030,582
	3,331,733	3,565,980
	482,200	526,191
	1,666,609	1,913,078
	2,500	0
	39,454,810	39,783,972
	2,200,185	2,200,185
	1,199,184	1,274,568
	282,343	287,714
	\$ 3,433,829	\$ 3,801,965

Total Utility Plant
\$114,244,748

LESS:
Accumulated Provision for Depreciation
Net Utility Plant

OTHER PROPERTY AND INVESTMENTS
Investments in Associated Organizations
Other Investments
TOTAL

CURRENT AND ACCRUED ASSETS
Cash - General Funds

Total Assets
\$97,625,758

Total Margins &
Equities
\$49,505,452

Total Liabilities
\$97,625,758

Dec. 31, 2023	Dec. 31, 2024
114,244,748	114,244,748
3,693	11,977
\$ 107,879,307	114,256,725
42,325,957	44,450,197
65,553,350	69,806,528
21,124,702	22,080,370
58,549	41,921
21,183,251	22,122,291
240,025	360,206
901	1,184
2,626,406	3,911,982
30,039	104,199
1,052,855	1,045,069
197,718	211,458
7,667	7,616
611	5,641,713
	55,225
	\$ 97,625,758
	43,315,340
	6,190,112
	49,505,452
35,457,677	37,475,489
2,888,535	3,605,000
2,507,232	2,746,210
1,659,036	1,760,868
206,238	1,332,921
241	9,444,999
	1,199,818
	\$ 97,625,758






Welcome
Matt Brandrup,
President and CEO
of the Rural Electric
Supply Cooperative
(RESCO)

Barron Electric Cooperative 2025 Annual Meeting



BARRON
Electric
COOPERATIVE

A Touchstone Energy® Cooperative 

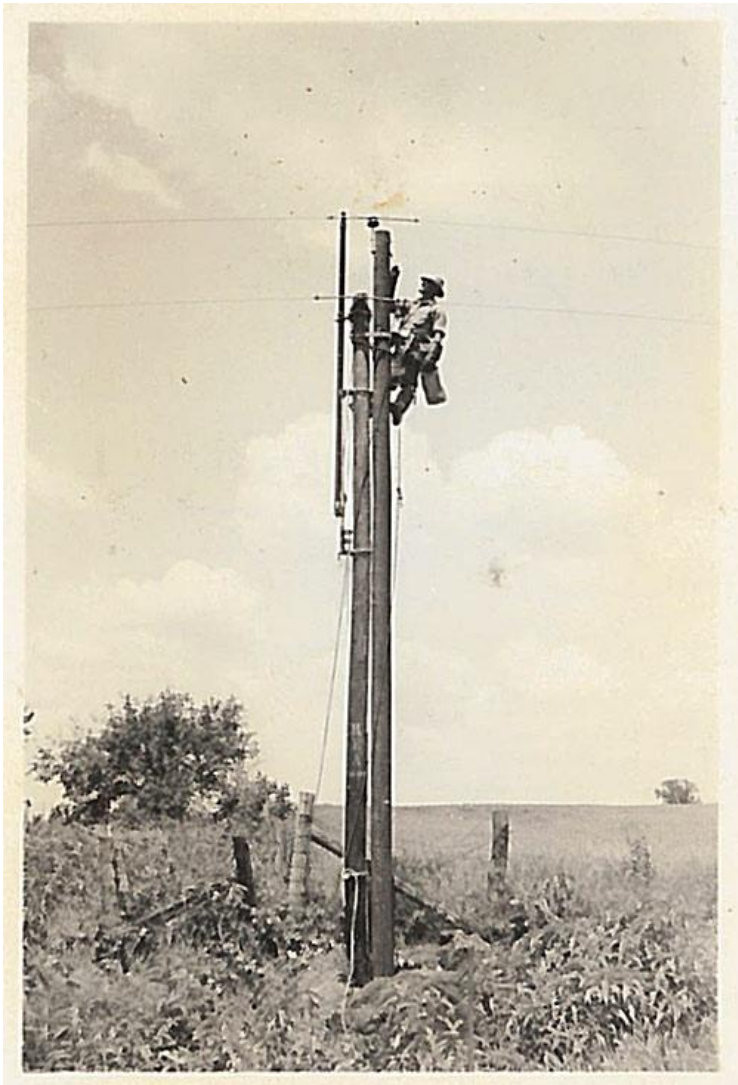
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**RESOCO**

SUPPLYING THE COOPERATIVE ADVANTAGE

- **Rural Electric Supply Cooperative (RESCO) Introduction and Overview**
- **Cooperation Among Cooperatives**
- **State of the Industry**
- **The Cooperative Model at Work**
- **Infrastructure Investments**

History of RESCO



- **Founded by the Wisconsin Rural Electric Cooperatives in 1936**
 - Created to procure utility material for the emerging electric cooperatives in Wisconsin
 - Originally part of the Wisconsin Rural Electric Cooperative Statewide Association
- **In 1972, our name was changed to Rural Electric Supply Cooperative (RESCO),**
 - The statewide association of electric cooperatives - Wisconsin Electric Cooperative Association (WECA) - was spun off from RESCO.
- **RESCO has a rich history in the rural electric cooperative movement:**
 - Original not-for-profit and cooperative-owned utility distributor
 - Battled the investor-owned-utility stranglehold on the material supply chain in the 1940s and 1950s
 - Started ERMCO Transformer
 - The largest transformer manufacturer in the U.S.
 - Started Federated Rural Electric Insurance Exchange
 - The insurance provider used by 95% of the nation's electric cooperatives.

RESCO Operations Today

277 Members in the Upper Midwest/Northern Plains



- 85 Employees and 10 warehouse locations
- \$60 Million of Inventory
- 16 Member Board of Directors made up of eight REC Director-Directors and eight REC Manager-Directors
 - 1 CEO-Director and 1 Director-Director from the 8 states we fully cover
 - Robert Cornell (Washington Island-CEO) and Jeff Gasteyer (Dunn Energy-Director) represent Wisconsin

Seven Cooperative Principles

1. **Open and Voluntary Membership**
2. **Democratic Member Control**
3. **Members' Economic Participation**
4. **Autonomy and Independence**
5. **Education, Training, and Information**
6. **Cooperation Among Cooperatives**
By working together through local, national, regional and international structures, cooperatives improve services, bolster local economies, and deal more effectively with social and community needs.
7. **Concern for Community**

#6 Cooperation Among Cooperatives

Cooperative Businesses - Vertical Integration

- **Barron Electric Cooperative**

- Provides the electricity to Members (not-for-profit basis)



- **Cooperative Finance Corporation (CFC)**

- Finances/lends money to the electric cooperatives (not-for-profit basis)



National Rural Utilities
Cooperative Finance Corporation

- **Federated Rural Electric Insurance Exchange**

- Provides insurance to the electric cooperatives (not-for-profit basis)



- **Rural Electric Supply Cooperative (RESCO)**

- Provides utility material to the electric cooperatives (not-for-profit basis)
- ERMCO Transformer = Provides transformers to RESCO/Barron Electric

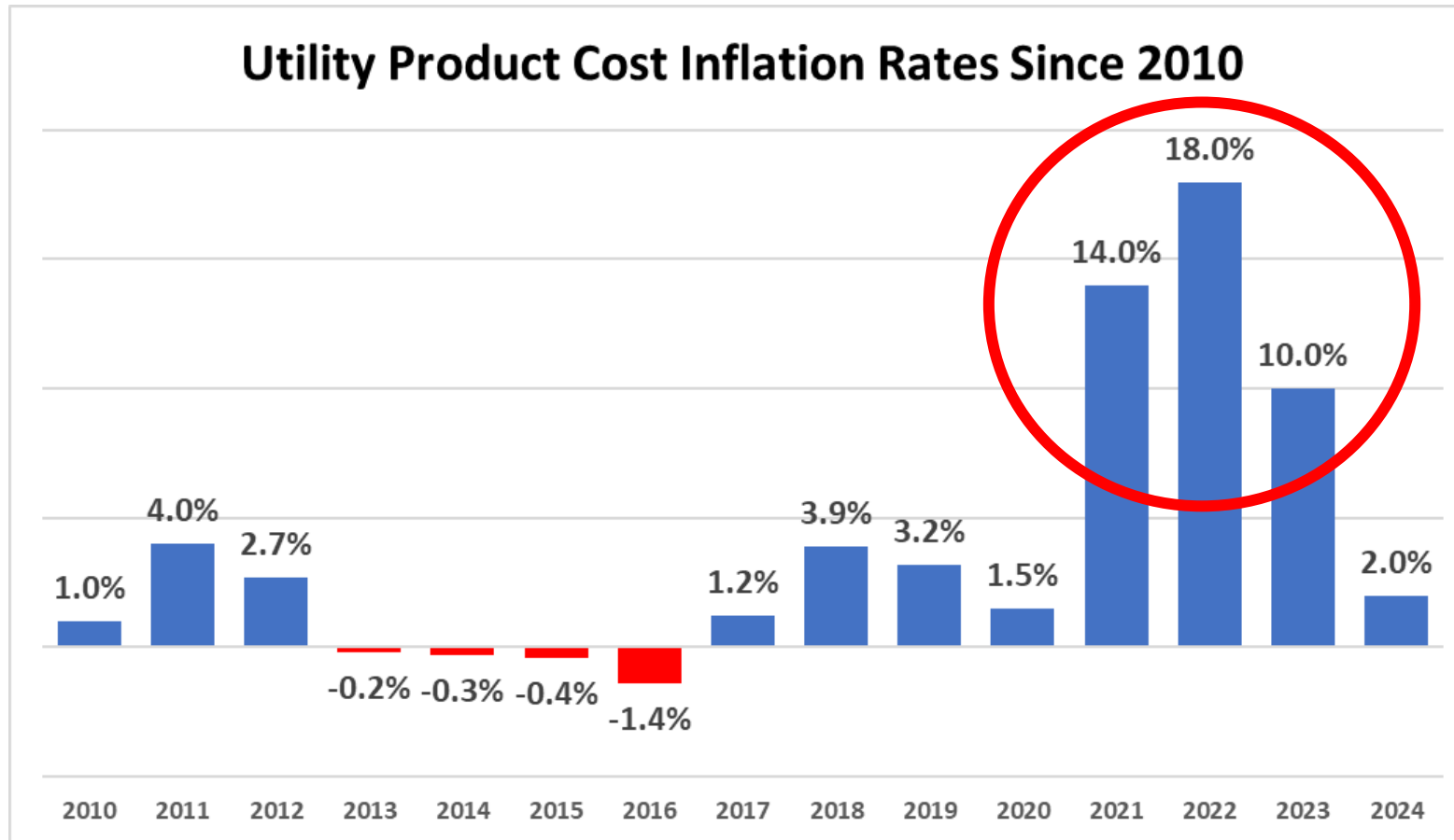


Industry Supply Chain Update

- Serious supply chain issues 2021-2024
 - Extended Lead times, labor shortages, raw material shortages, shipping issues
 - Perfect storm of issues
- Good news today, lead times have largely normalized for most material
 - Transformer and conductor are readily available thru RESCO
- Significant cost increases (inflation) the past 3-4 years
 - Large burden on all electric utility budgets
 - Good news – inflation rates normalized in 2024
 - Bad news – costs for electric utility material likely will not return to pre-covid levels



Inflation



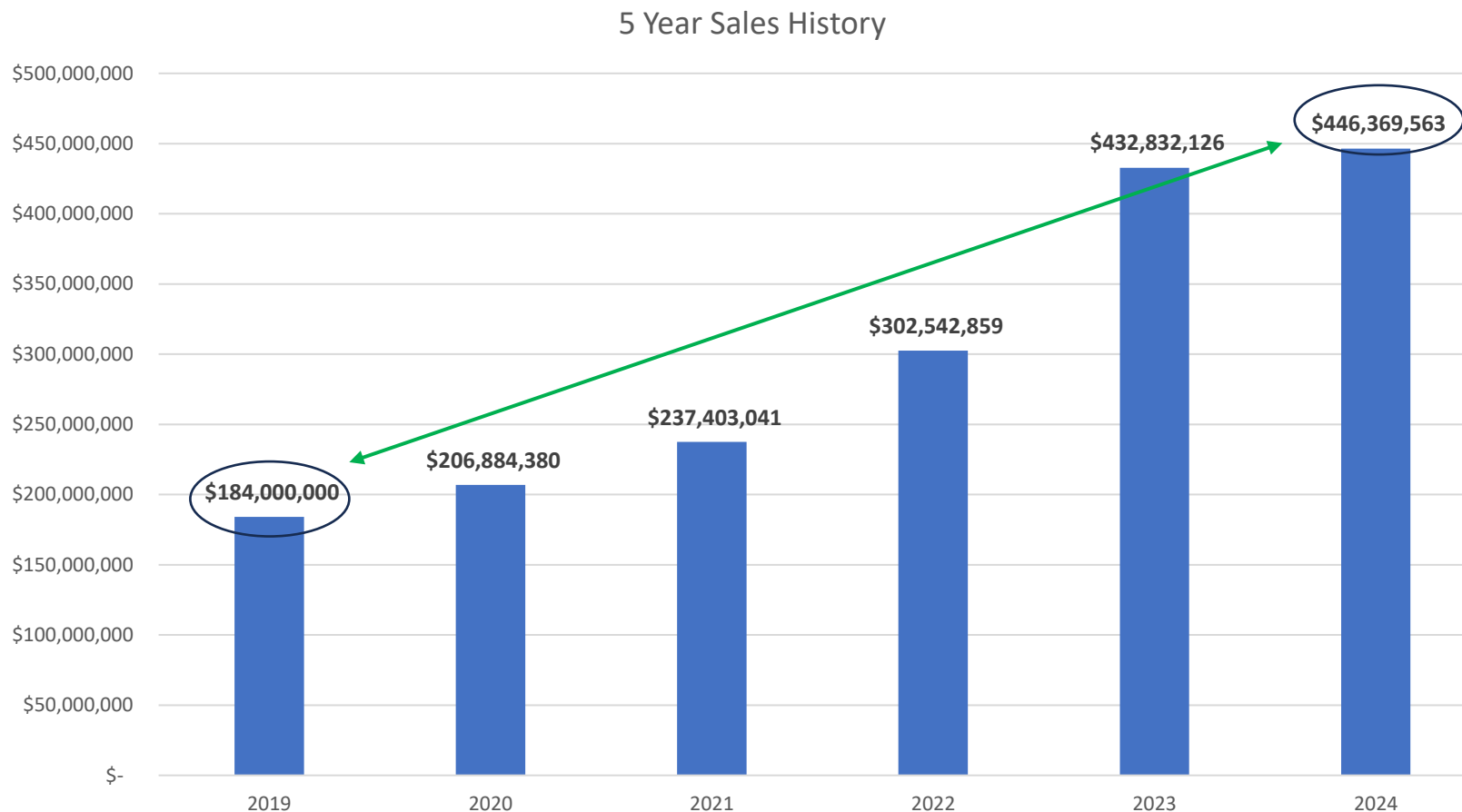
Significant Inflation on Utility Product Costs!

- **51% compounded inflationary increase** on prices for all utility products since 2020
 - \$10,000,000 work plan in 2020 now costs **\$15,100,000 in compounded 2024 dollars**

- **Tariff uncertainty from all manufacturers**
- **Manufacturers are planning for tariffs, however ...**
 - Few tariff-related price increases have been received, but now expect that to ramp up
 - Many manufacturers feel this is part of on-going negotiations and likely won't be fully implemented, or in effect for an extended time period
 - Price increases will start to appear this month if fully implemented
 - Tariffs apply to both finished goods and raw material components
 - Steel & aluminum – significant qty's of raw material imported to USA
- **Good news – The majority of electric utility product is manufactured domestically!**

Sales Growth & Patronage Returns

RESCO's 5-year Sales Trend



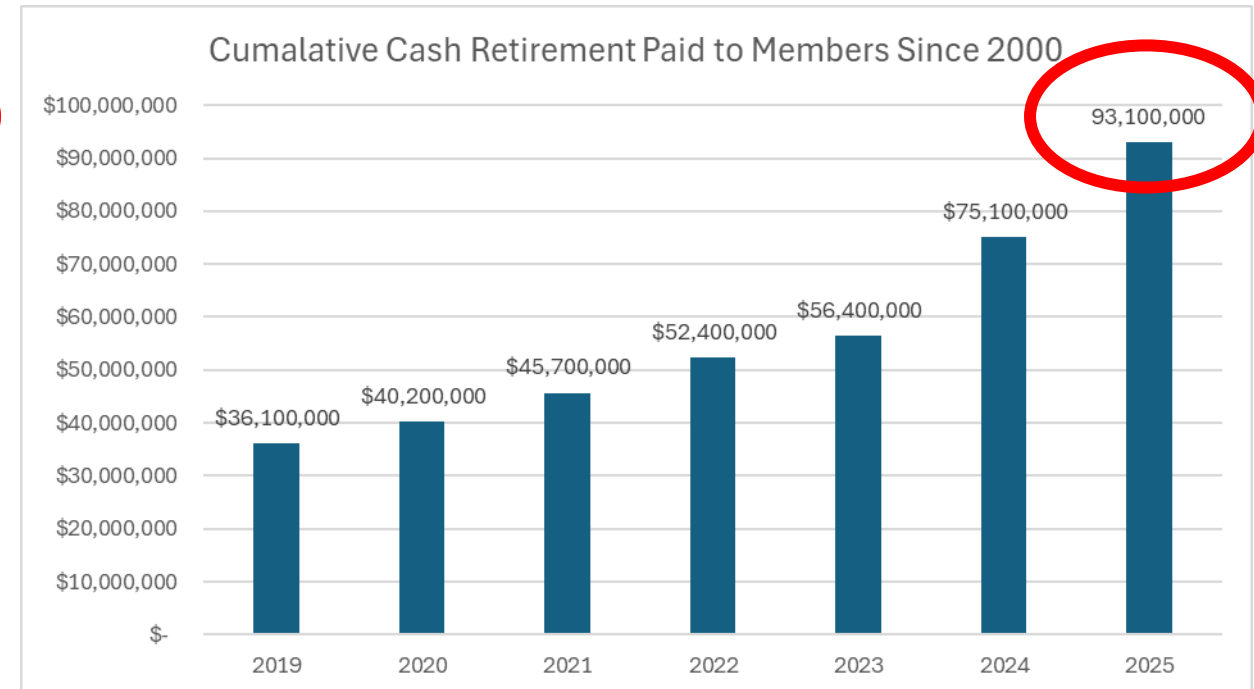
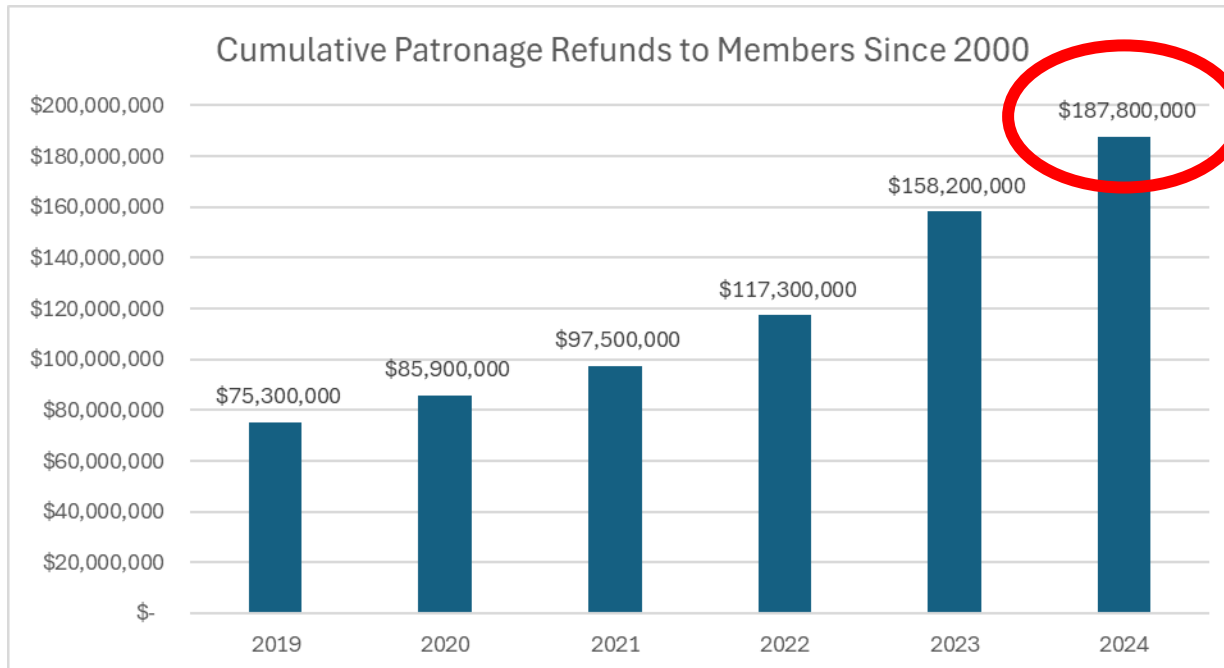
Large sales growth due to RESCO significantly growing our Member Support and increasing Non-member sales as well

RESCO's sales growth allows RESCO to bring additional savings to our Members

Patronage Refunds

Patronage back-end value

- RESCO's Board of Directors is focused on getting unneeded cash/patronage equity back into our Members' hands as quickly as possible
 - RESCO is virtually debt free – which allows RESCO to retire patronage refunds quickly
 - Another \$18,037,000 in cash being retired in 2025 for 2024 patronage



Barron Electric Cooperative Patronage Refund History

- RESCO's 2024 Patronage Refund to Barron Electric Cooperative
 - Total Allocation = **\$124,624**
 - 30% Cash = \$37,387
 - 70% Capital Credit = \$87,237
- RESCO is also retiring patronage capital credits from the following years:
 - 2014 – \$16,182
 - 2015 – \$11,814
 - 2016 – \$6,341
 - 2017 – \$12,900
 - **Total = \$47,237**
- Total **Cash Retirement Check** for Barron Electric Cooperative in 2025 is **\$84,624**
- Barron Electric Cooperative's 10-year Purchase and Patronage History
 - Total Purchases = **\$8,323,362**
 - Total Patronage Allocation = **\$393,923**
 - Patronage Returns = **4.7% of purchases**

- **Investment in Inventory and Infrastructure for our Members**
 - Currently \$60,000,000 in electric utility inventory
- **New Stanley, WI facility in 2024!**
 - 15+ acres; 40,000 sq ft under roof, 180,000 sq ft outside storage
 - Centrally located to serve our Wisconsin members
 - Allows members to reduce on-hand inventory and rely on RESCO weekly deliveries
 - Served by RESCO member **Clark Electric Cooperative**



Benefits for Barron Electric

New Stanley, Wisconsin Warehouse

- **Inventory Reduction for Barron Electric**
- **Fast Storm Response**



Stanley, WI Facility



General Manager's Report Pages 13,14, and 15

► Aaron Torud



Powering Tomorrow, Today

Keep it Strong, Make it Stronger

- Cooperative data
- Density in our service territory
- How your payment is utilized
- What are we doing with your money
- Project locations and investment levels

Cooperative Data

- ▶ Established in 1936
 - ▶ 89th year in business
- ▶ 20,556 electric services in place
- ▶ 3,219 miles of line
 - ▶ 1,833 overhead, 1,386 underground
- ▶ 2,052 square miles
- ▶ 20 substations (owned by the cooperative)
- ▶ 45 employees



BARRON ELECTRIC SERVES 6 MEMBERS PER MILE OF LINE



\$276

REVENUE COLLECTED
PER MILE OF LINE

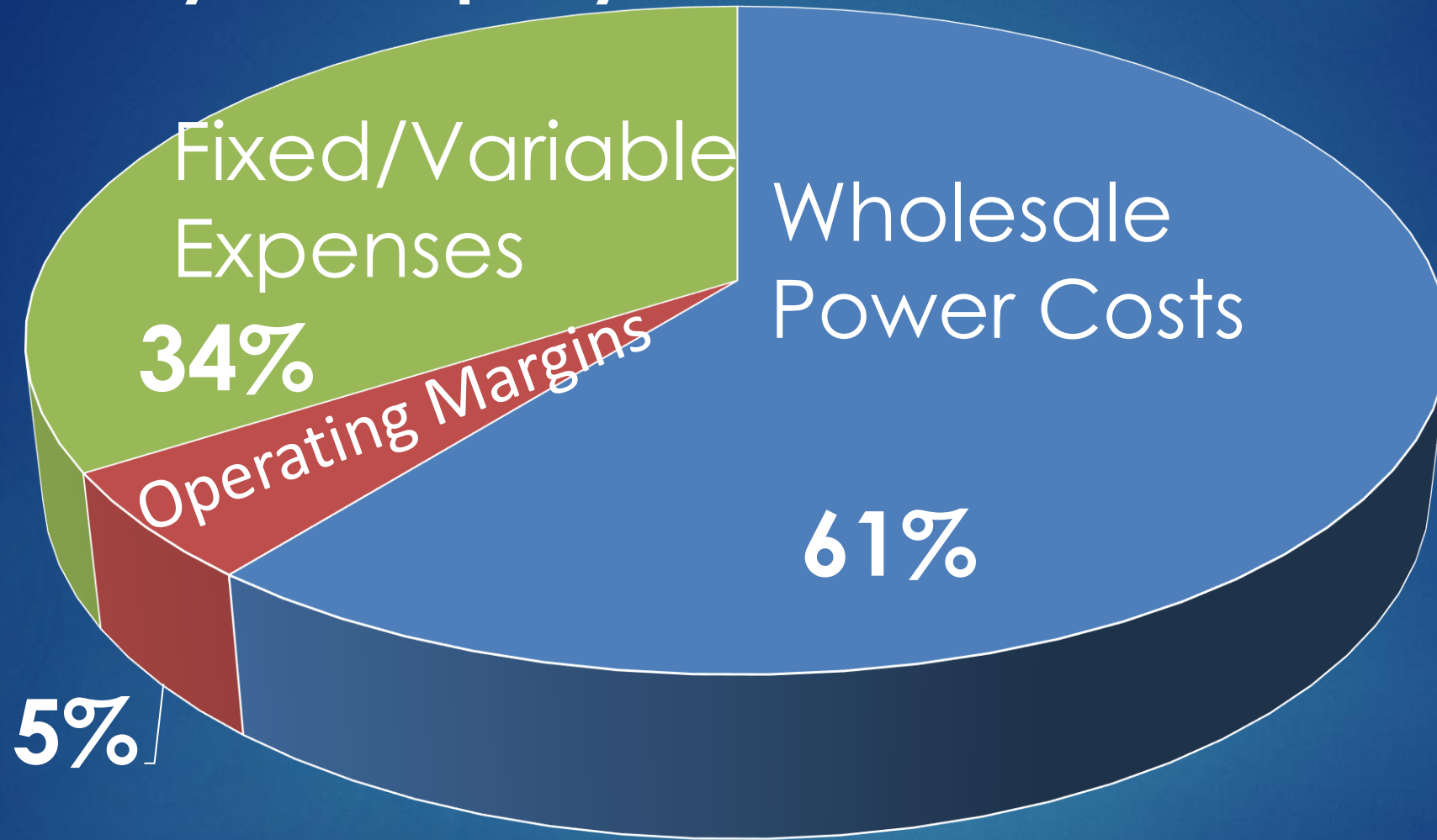
\$525

(facilities charge x consumers/mile)



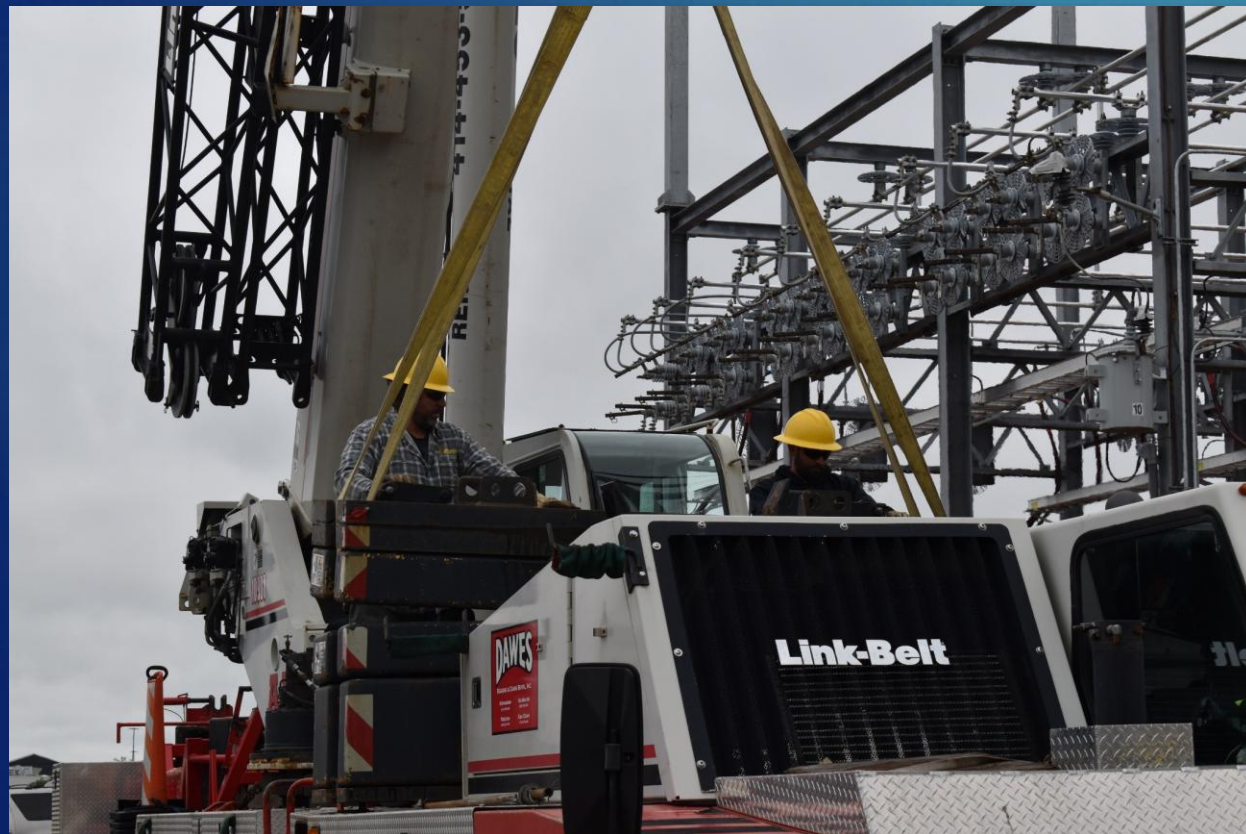
INVESTOR-OWNED UTILITIES SERVE 35 CONSUMERS PER MILE OF LINE

How your payment is utilized

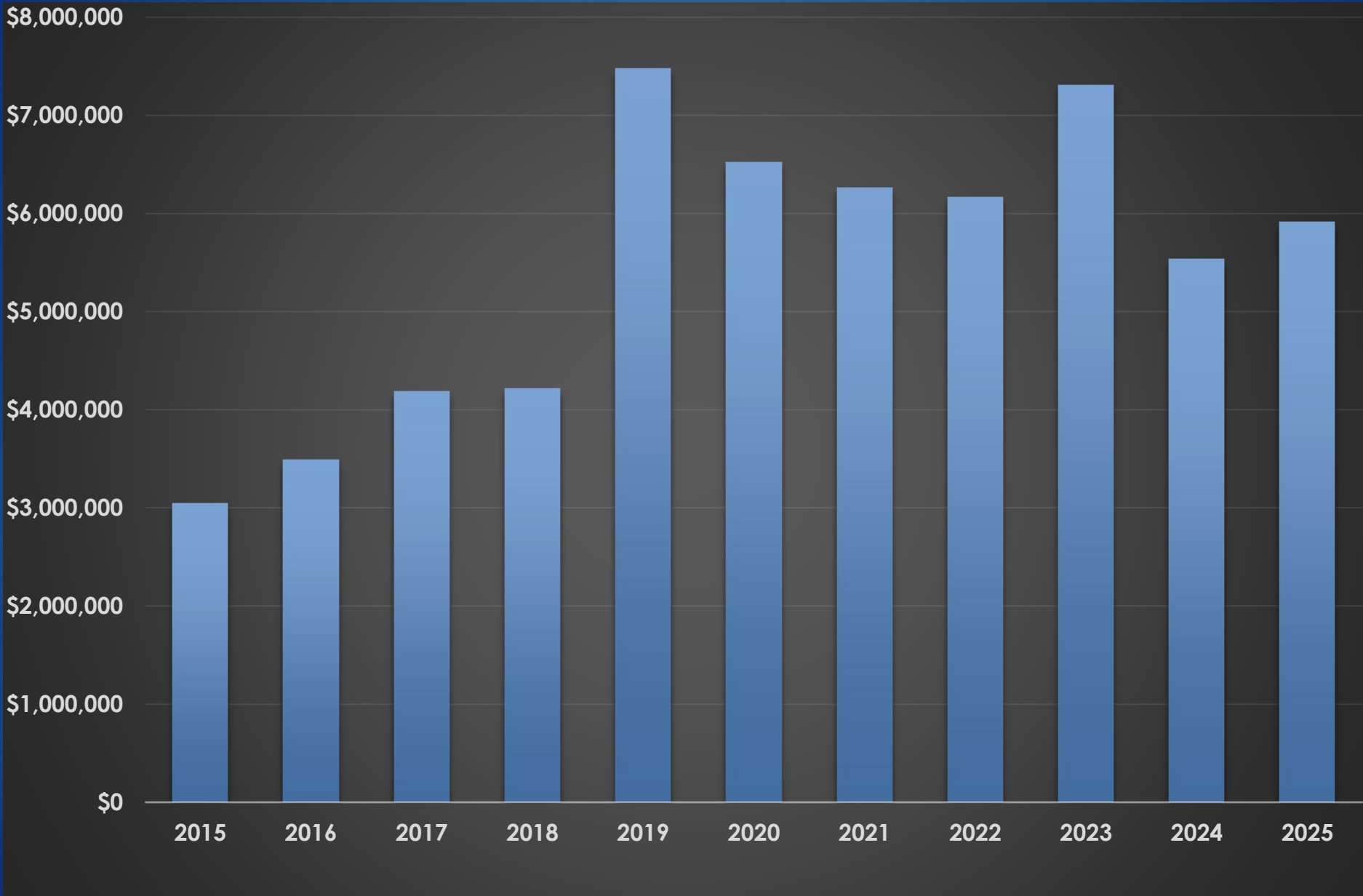


What are We Doing with your money?

Plant Investment Projects for reliability, power quality, and making our distribution system stronger!



Plant Investment-Work Order Projects and New Services



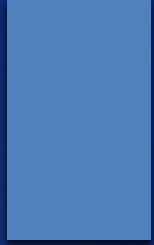
Plant Investment 7-Year History (2019-25)

- ▶ Metering System (2019-22) \$4.3 Million
- ▶ Substation Projects \$5.5 Million
- ▶ Circuit Projects \$1.5 Million
- ▶ ROW/Reliability Projects \$34 Million
- ▶ New Services average increase 148 per year (890 cumulative): \$1.5 Million

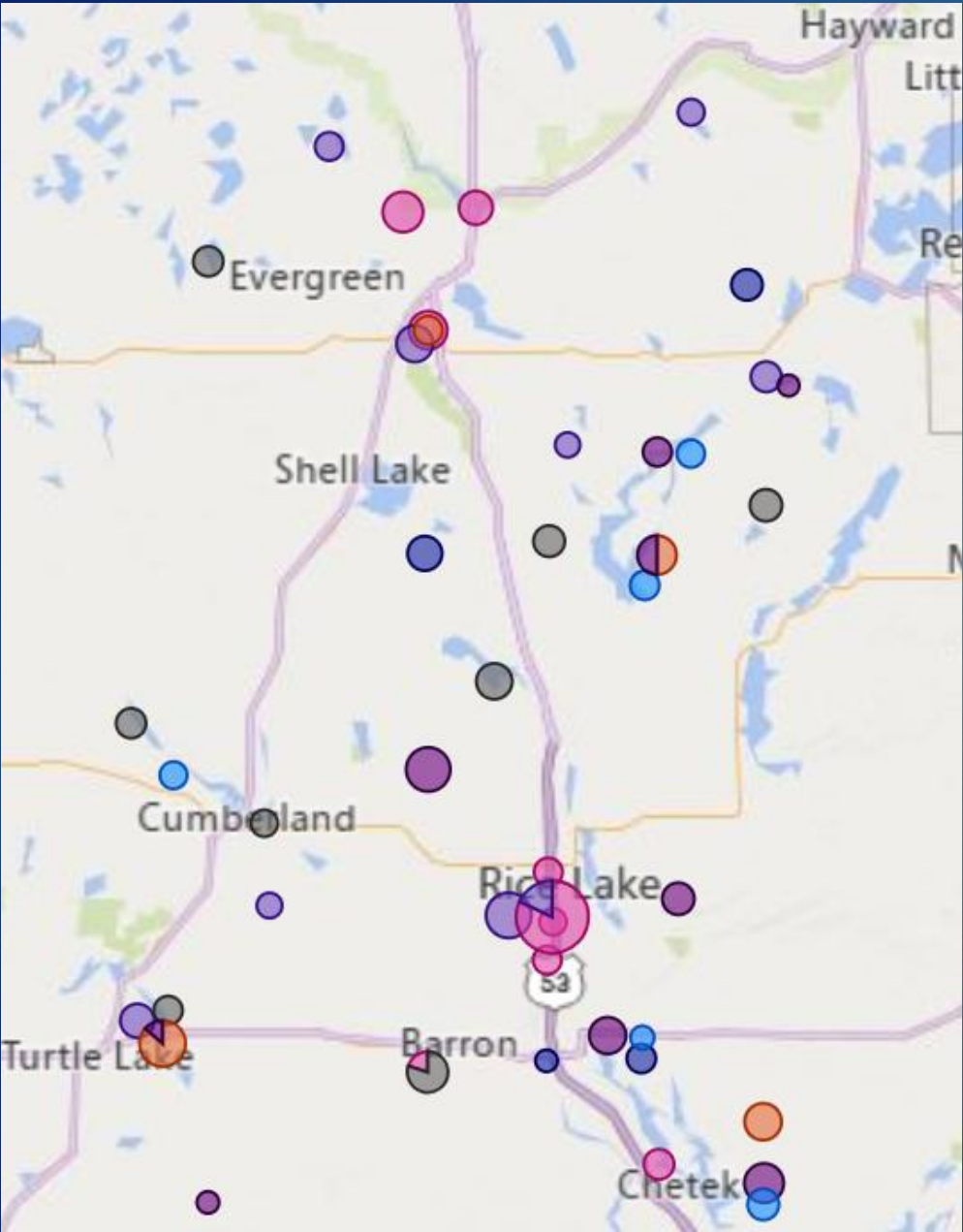


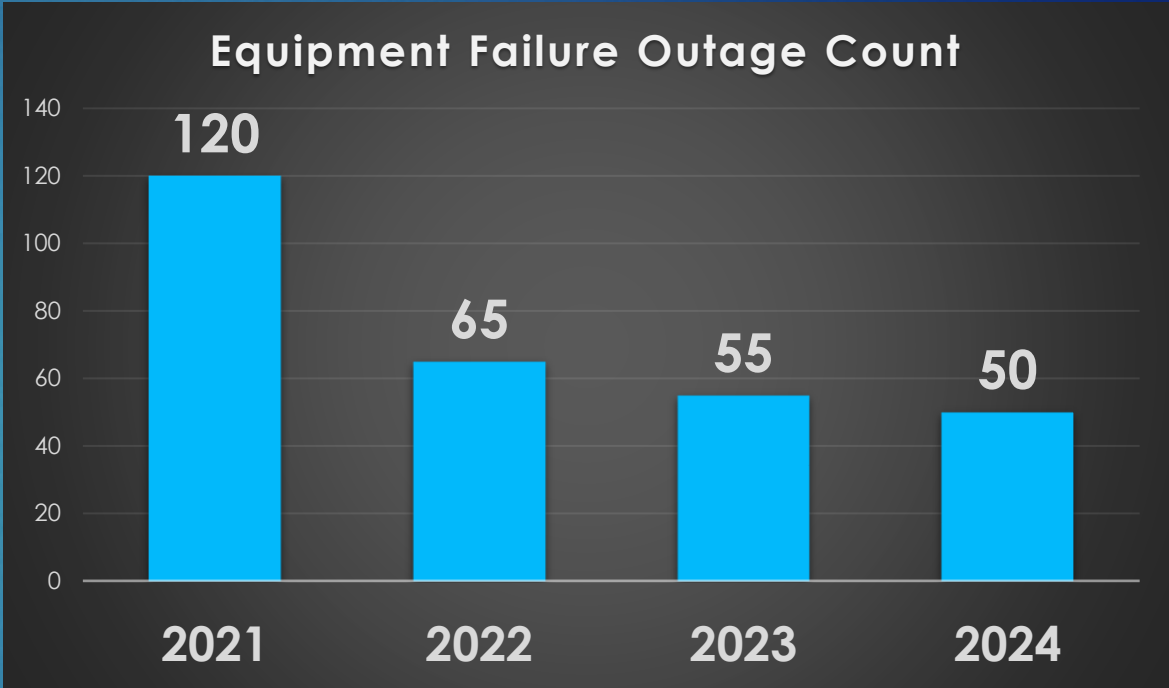
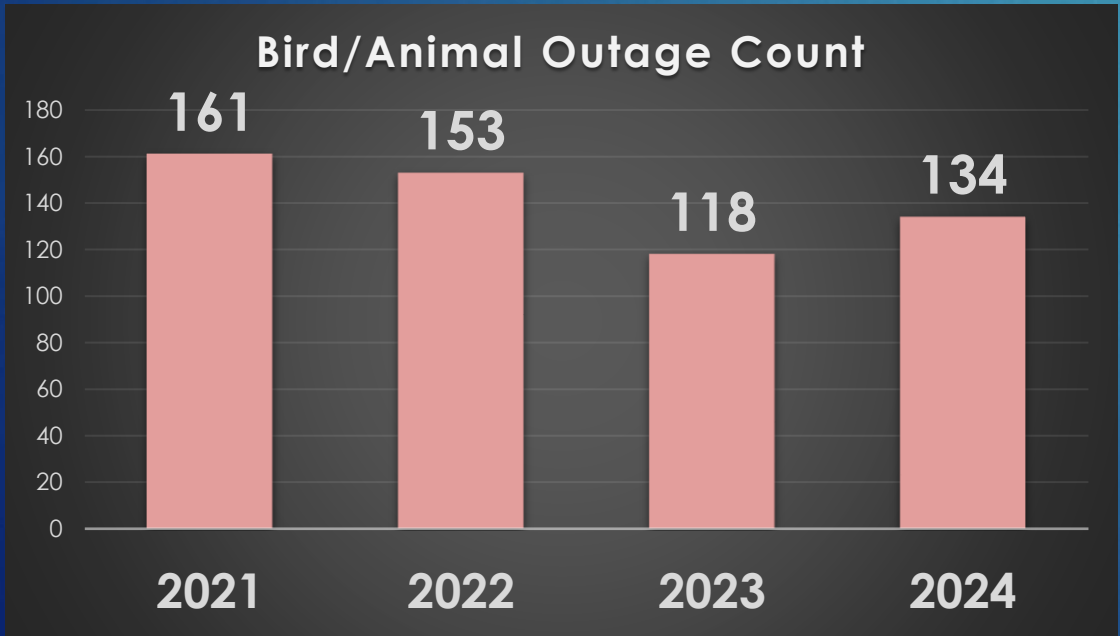
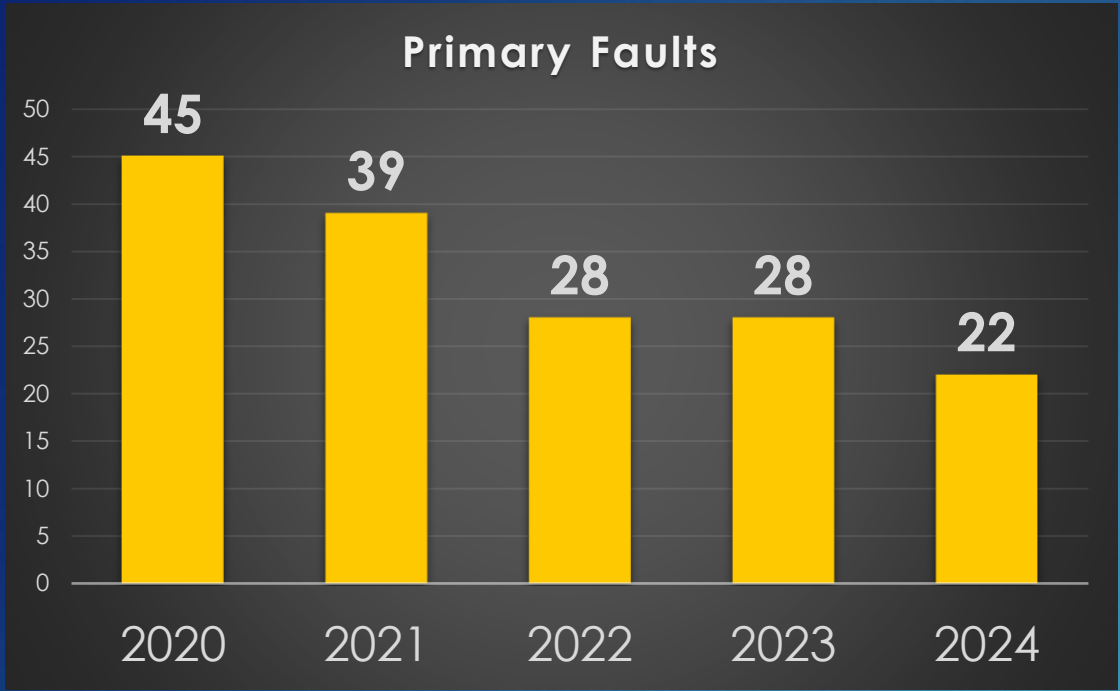
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Location of Projects on Our System



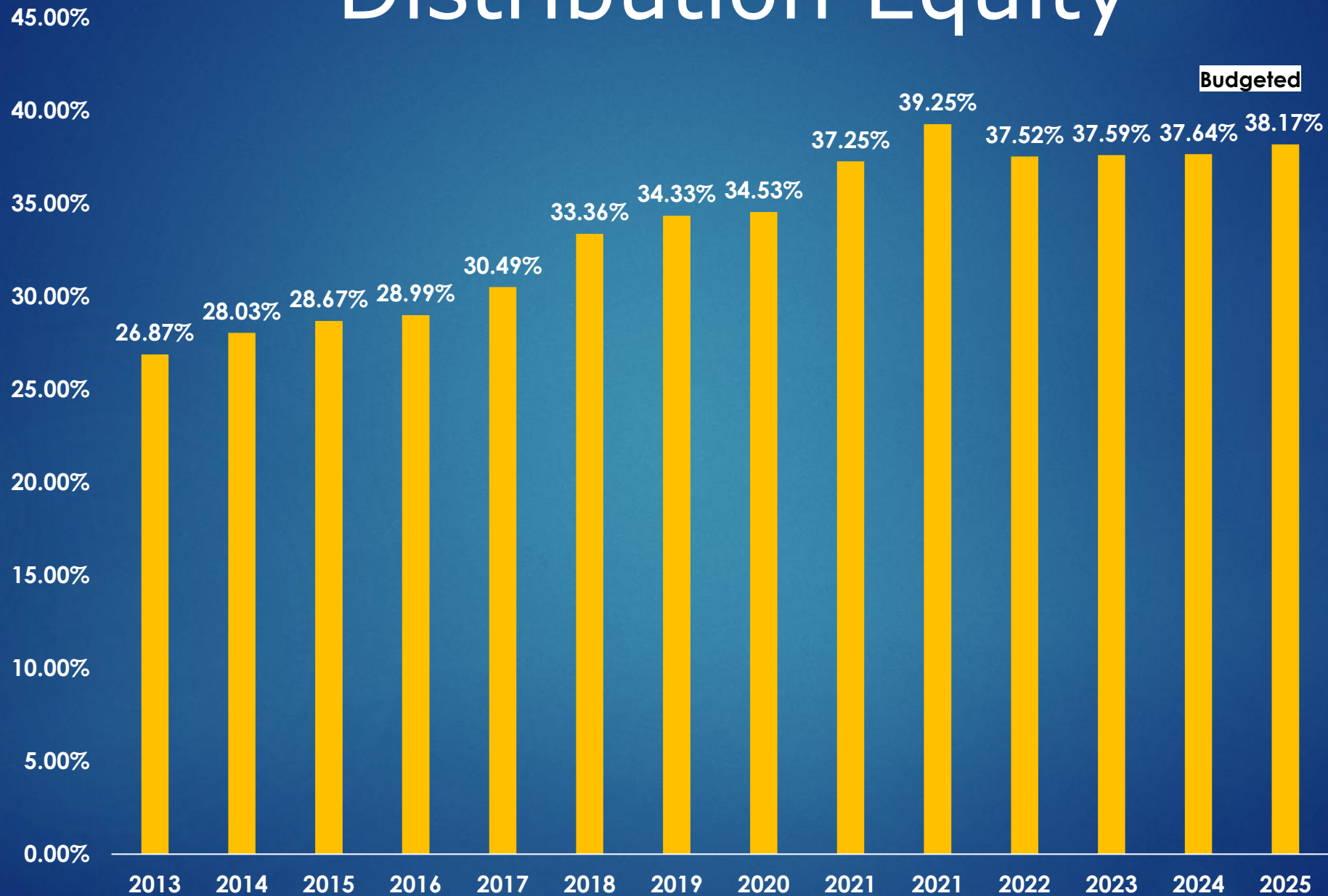




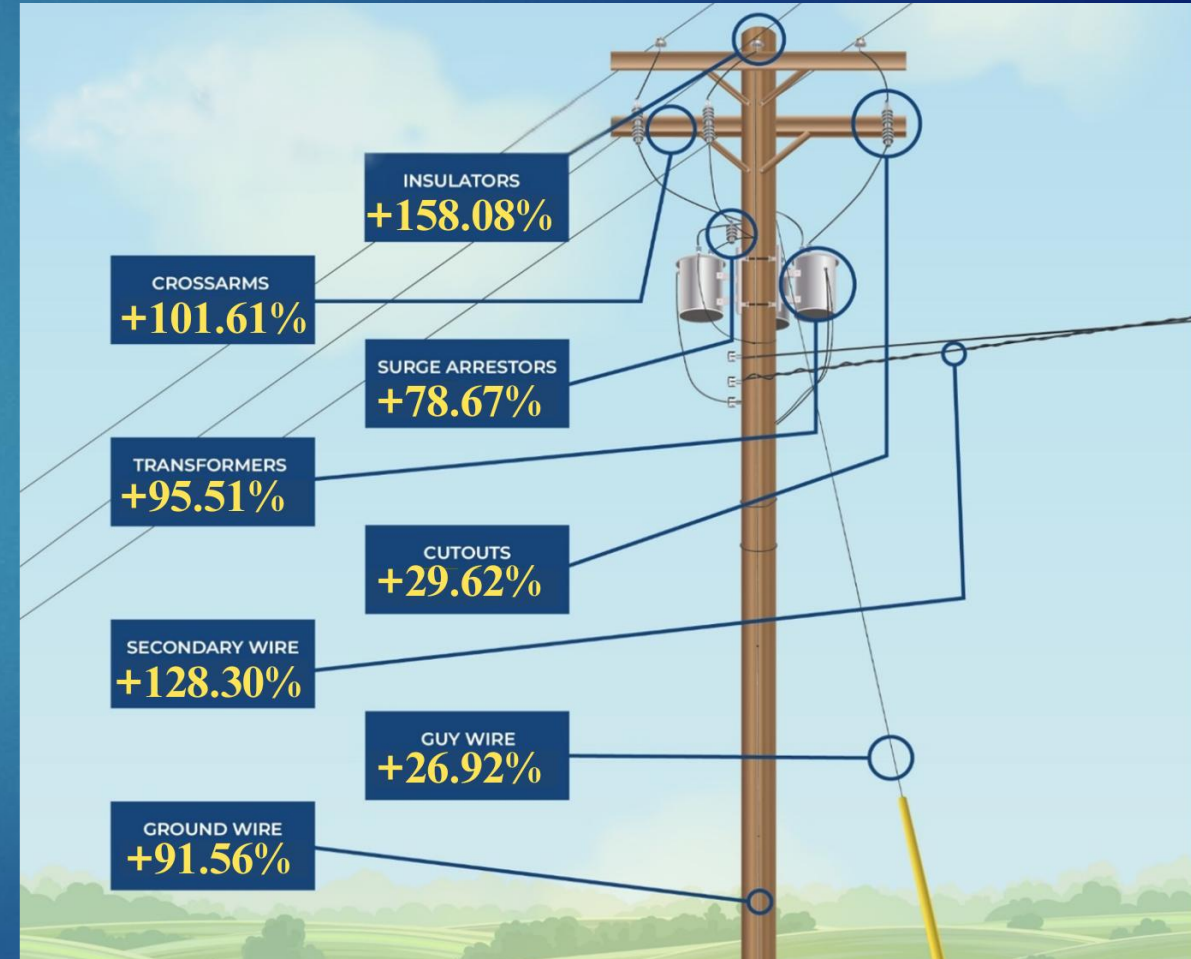
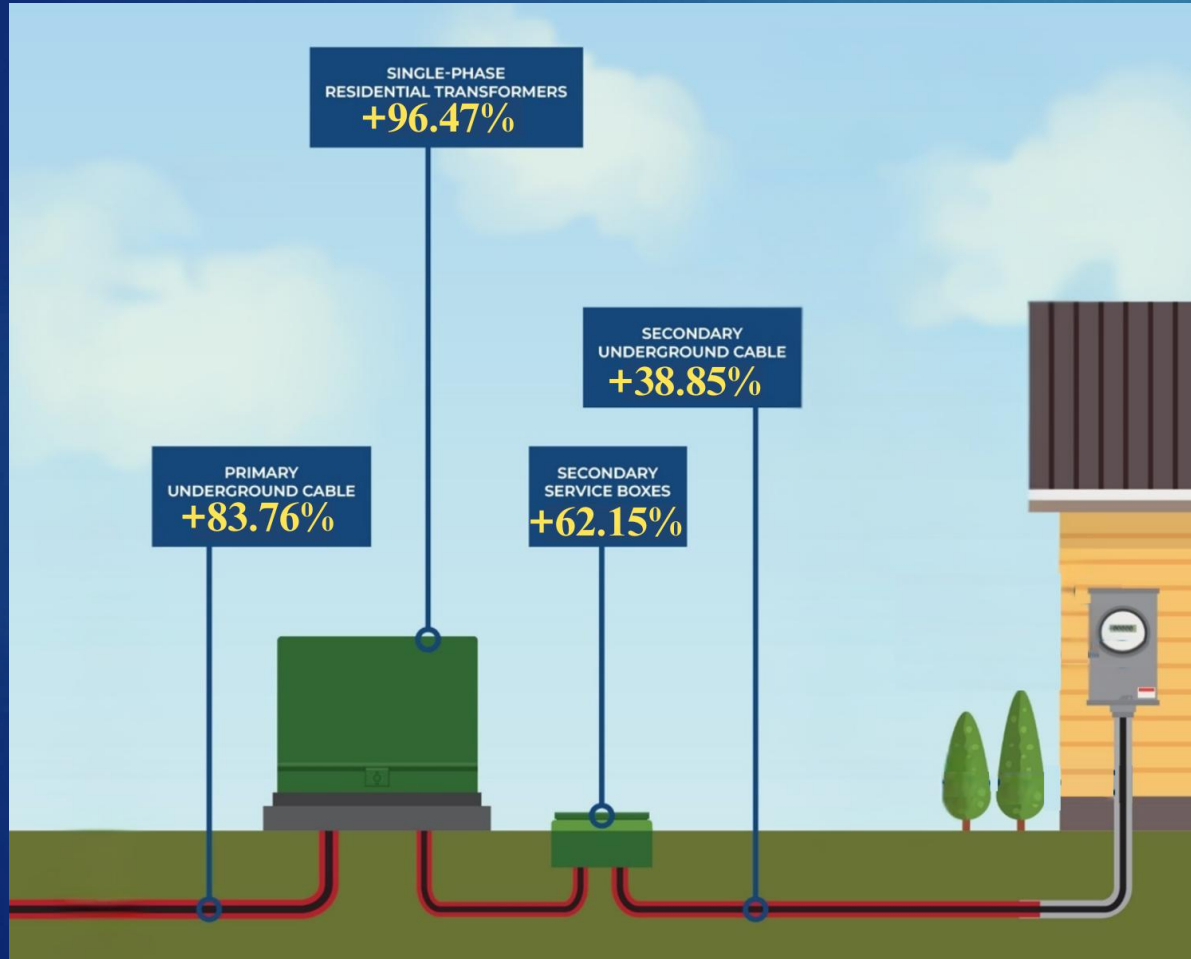
President's Report Pages 13, 14, & 15

► Randy Cook

Distribution Equity



Price Increases Cooperative Has Experienced Since 2020



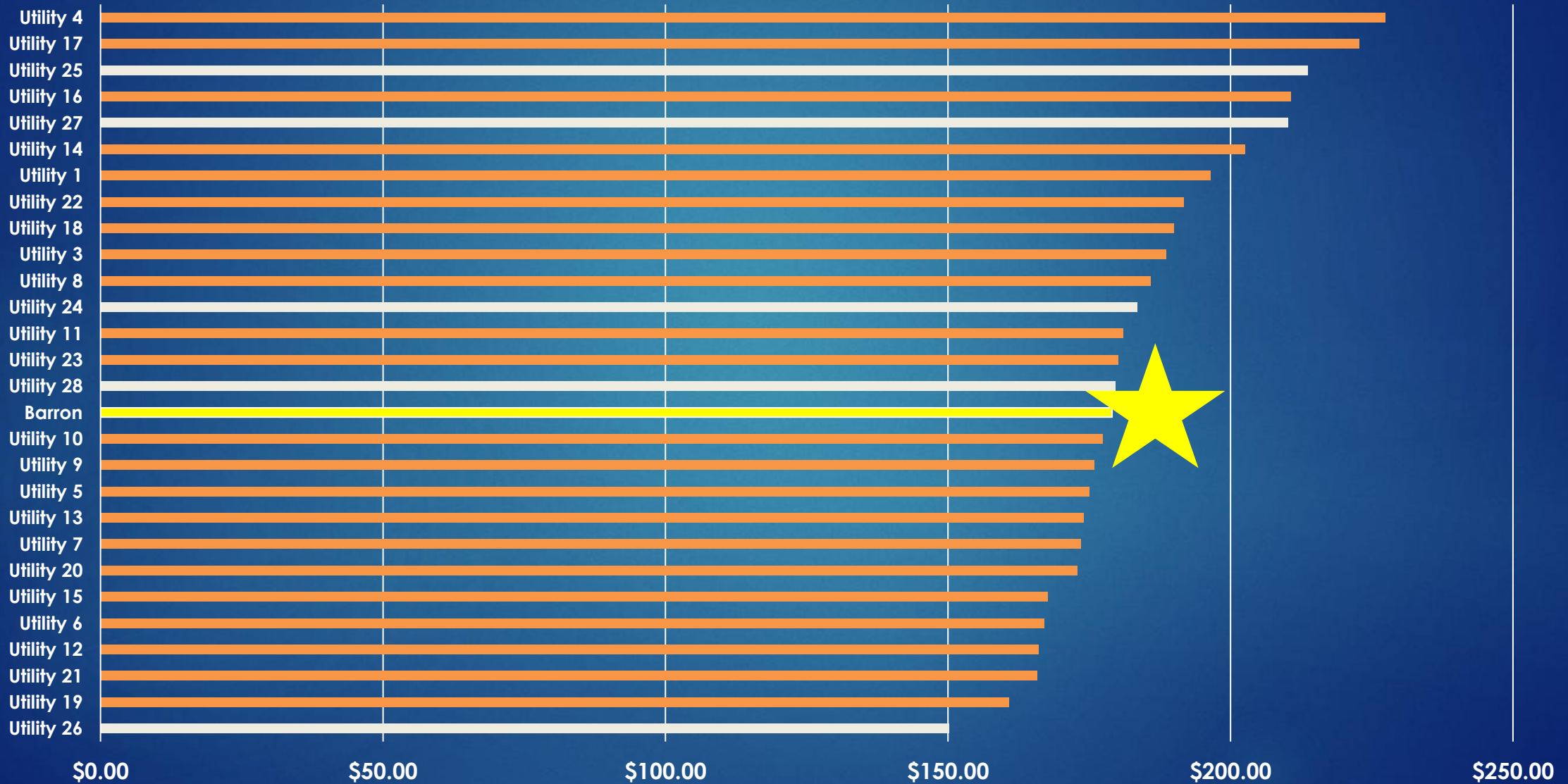
Barron Electric's New Rates Effective April 1, 2025

Rising costs and investment
in plant to deliver safe,
reliable power resulted in
an 8.52% rate increase

Average member using
1,200 kWh per month will
see an increase of \$15
on their bill

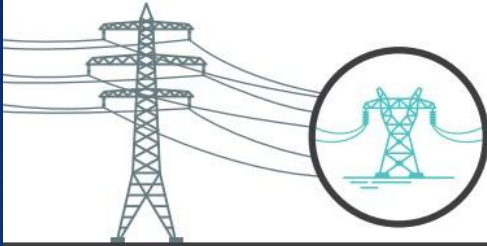
How Do Our Rates Compare to other 23 cooperatives and 5 IOU's?

15 higher than us and 12 lower



The Steps to Restoring Power

When a major outage occurs, our crews restore service to the greatest number of people in the shortest time possible – until everyone has power.



1. High-Voltage Transmission Lines

Transmission Lines

These lines carry large amounts of electricity. They rarely fail but must be repaired first.



2. Distribution Substations

Crews inspect substations, which can serve hundreds or thousands of people.



3. Main Distribution Lines

Main lines serve essential facilities like hospitals and larger communities.

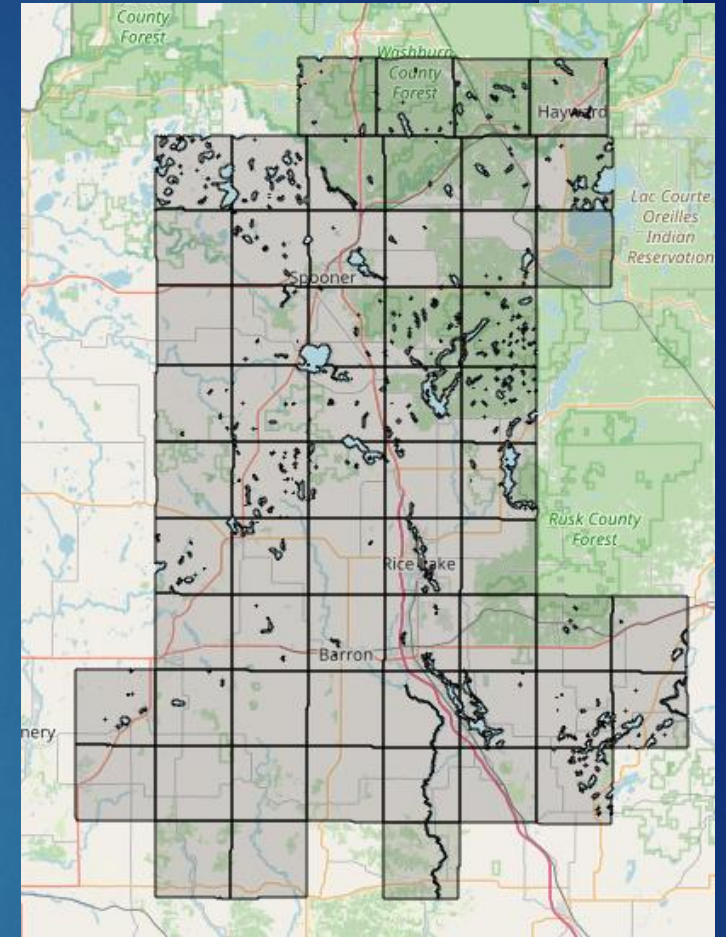
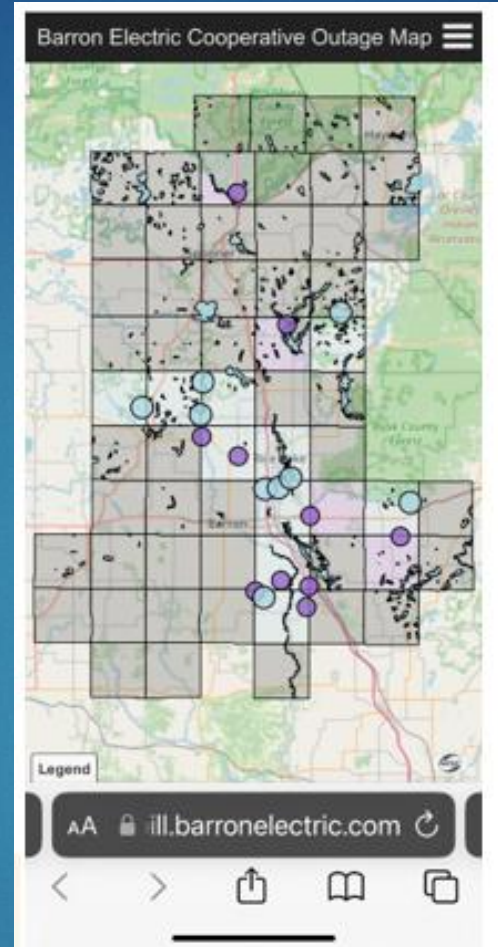
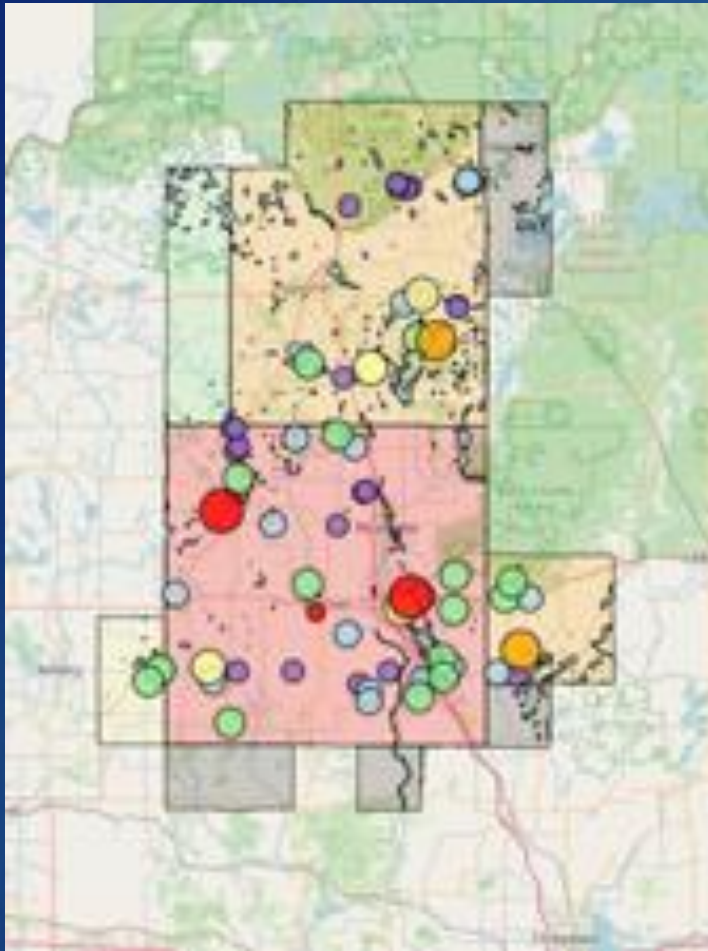


4. Individual Homes and Businesses

After main line repairs are complete, we repair lines that serve individual homes and businesses.



Dispatching Crews During Storms



Outage Restoral Process
August 26, 2024 Summer Storm
Left 3,000 Members without Power

The background of the slide features a blue gradient with silhouettes of graduates in the foreground. Several graduates are visible, some holding up their caps and diplomas in a celebratory gesture. The overall tone is positive and academic.

Announcing the 2025 Scholarship Winners

District 1



Karlee Gay



Karlee Hollman



Evan McConnell

District 2



Aaron Anderson



Brock Naessen



Kaelin Farley



District 3



Serena Lu



Guy Swenson



Jada Horstman

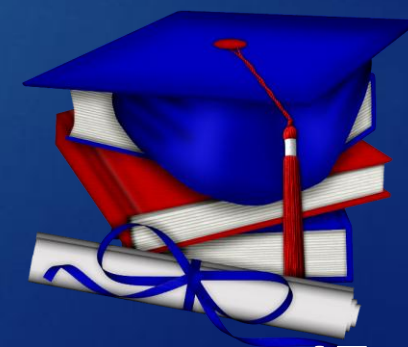


Baleigh Stouffer



Melody Taylor

District 4



District 5



Stephanie Kucko



Bailey Roth



Siena Turner

District 6

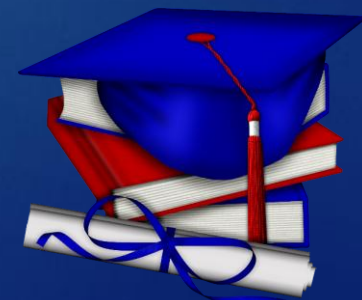


Kadence Cook



Dawson Sinclair

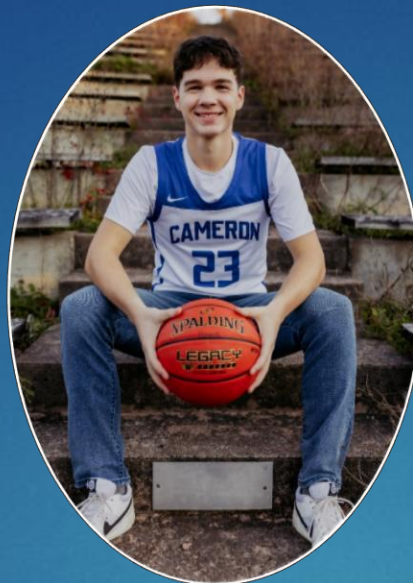
Not pictured
Kierra Schuebel



District 7



Logan Bender

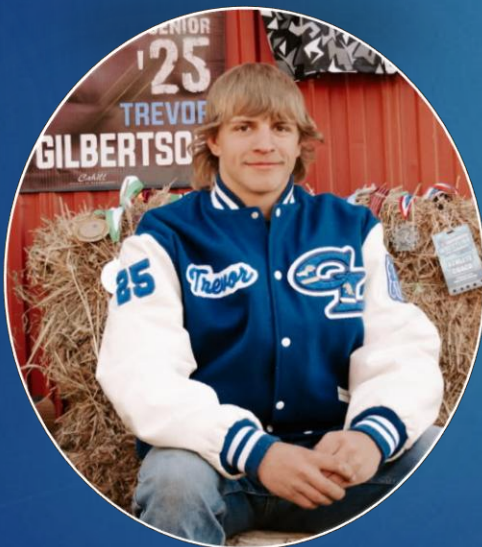


Chase Hauk



Parker Wilson

District 8



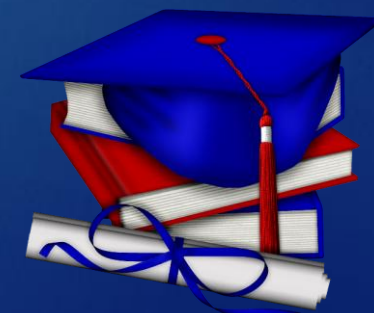
Trevor Gilbertson



Olivia Leschisin



Madison Rondeau



District 9



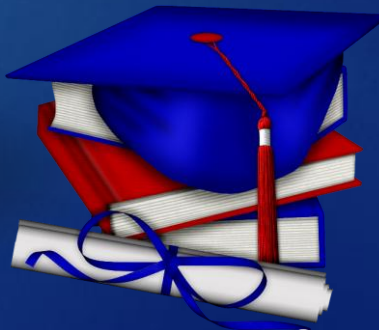
Connor Buckli



Frank Loew



Haddie Miley



Electric-Trade Related



Brady Jobe



Elijah Madison

Non-Traditional



Katelyn Warner