75TH ANNUAL MEMBERSHIP MEETING
OF
BLUEBONNET ELECTRIC COOPERATIVE, INC.

May 12, 2015

The Annual Membership Meeting of Bluebonnet Electric Cooperative, Inc. was held on Tuesday, May 12, 2015, at 2:30 p.m. at the Sons of Hermann Hall, 1031 CR 223, Giddings, Lee County, Texas.

Board members present were:

Ben Flencher, President
Kenneth W. Mutscher, Vice President
Roderick Emanuel, Secretary-Treasurer
Byron Balke, Assistant Secretary-Treasurer
Rick Schmidt
Robert Mikeska
Suanna Tumlinson
Russell Jurk
James B. Kershaw
Milton Shaw
Kathleen Handy

Also present for the meeting were:

Mark Rose, General Manager and CEO
Matt Bentke, Deputy General Manager and Chief Operating Officer
Sarah Newman-Altamirano, General Counsel
Elizabeth Kana, Chief Financial Officer
Rachel Ellis, Chief Administrative Officer
Eric Kocian, Chief Engineer and System Operations Officer
Grant Gutierrez, Chief Information Officer
Will Holford, Manager of Public Affairs
Melissa Segrest, Manager of Marketing and Communications
Johnny Sanders, Manager of Community and Economic Development
Wesley Brinkmeyer, Manager of Energy Programs
Robert Thompson, Manager of Safety and Compliance

Robert Thompson, Bluebonnet’s Manager of Safety and Compliance, advised the members of the building’s exits and procedures for evacuation to safety, first aid and other matters of safety.
Chairman Ben Flencher welcomed the members to Bluebonnet's 75th Annual Meeting and thanked them for taking time to support Bluebonnet. Chairman Flencher recognized each of the Directors and their spouses in attendance and introduced each member of the band, the Ramblers, and thanked them for providing entertainment for the meeting.

Chairman Flencher further recognized special guests, local dignitaries and government officials in attendance, including:

Esther Wolz, widow of former Director Lyle Wolz  
Brad Slaughter, Techline  
Ken Godin, Techline  
Don Chovanec, LCRA  
Ken Gajdos, CoBank  
Phil Wilson, General Manager, LCRA  
John Spiess, Member Services Representative, San Bernard Electric Cooperative  
Hon. Paul Fischer, Lee County Judge

CEO Rose noted that no voting will take place at the meeting as the incumbent directors running for re-election were unopposed, and no other matters were presented for vote by the membership. CEO Rose commenced Round 1 of door prize drawings and discussed details of the truck raffle.

President Ben Flencher presiding as Chairman, called the meeting to order at 2:45 p.m. Chairman Flencher again welcomed the members to the 2015 Annual Meeting, noting that last year, Bluebonnet celebrated 75 years.

Chairman Flencher introduced Director Roderick Emanuel, Secretary-Treasurer, who led the membership in prayer, the United States Pledge of Allegiance and the Texas Pledge. The membership joined in singing the National Anthem.

Chairman Flencher reported that nearly all lawsuits resulting from the 2011 Bastrop County fires have been settled, and Bluebonnet was very successful in defending itself and its members thanks to the support from Bluebonnet's members and the communities Bluebonnet serves and the successful legal strategies put forth.

Chairman Flencher congratulated the incumbent Directors, Richard Schmidt, Suanna Tumlinson and James Kershaw, upon their re-election, noting that Schmidt represents District 1 (Caldwell, Gonzales, Guadalupe and Hays counties); Tumlinson represents District 2 (Travis County); and Kershaw represents District 3 (Bastrop County). He further noted that proxy voting continues to be available to the membership pursuant to the membership's choice in 2013. Chairman Flencher then informed that members will be hearing from General Manager/CEO Mark Rose and Deputy General Manager Matt Bentke about Bluebonnet's achievements over the last year as well as
future goals and improvements. Chairman Flencher turned the floor to General Manager/CEO Rose who introduced Secretary-Treasurer Roderick Emanuel.

Secretary-Treasurer Emanuel presented the Secretary-Treasurer’s report stating that the following official Notice of the Annual Meeting was sent to all members of the Cooperative:

"ANNUAL MEETING NOTICE"

Dear Member:

You are invited to the Annual Membership Meeting of Bluebonnet Electric Cooperative, Inc., which will be held on May 12, 2015, at 2:30 p.m. at the Sons of Hermann Hall, 1031CR 223, Giddings, Texas. Registration will begin at 1:30 p.m. and close at 2:30 p.m.

Three incumbent directors sought re-election—Richard Schmidt, District 1; Suanna Tumlinson, District 2; and James Kershaw, District 3. All were in uncontested races and therefore have been elected by general consent. Other business that may come before the meeting will also be addressed.

Sincerely yours,

/s/ Roderick L. Emanuel
Roderick L. Emanuel
Secretary/Treasurer

Secretary Emanuel announced that three nominations were timely filed in the General Counsel’s office nominating the following candidates for Directors. The following candidates were certified and elected by general consent:

Richard Schmidt       District 1
Suanna Tumlinson      District 2
James Kershaw         District 3

Secretary Emanuel certified that the Official Notice of Annual Meeting of Bluebonnet Electric Cooperative was published in the May 2015 issue of the Texas Co-op Power and mailed to the members of the Cooperative on April 28, 2015. The total number of members on the date of the Annual Meeting was 66,054, the total number of non-member consumers on the date of the Annual Meeting was none, there were 290 members in attendance, and there were 5836 members in attendance either in person or by proxy, which number constitutes a quorum, and thereby officially opens this meeting to transact such business as outlined in the notice.

Secretary Emanuel reported that a Special Committee of the Board, comprised of Richard Schmidt, Ben Flencher, Kenneth Mutscher and Byron Balke, who were members
of the Executive Committee, met on June 17, 2014, to review the minutes of the May 13, 2014 annual meeting, and during the Regular Meeting of the Board of Directors on June 17, 2014, the Executive Committee recommended approval of the Annual Meeting Minutes, which were subsequently approved. Secretary-Treasurer Emanuel requested that Chairman Flencher come forward and request a motion from the floor to waive reading of the minutes.

Chairman Flencher requested a motion from the floor to waive reading of the minutes and ratify the actions of the Committee and the Board for approving the minutes of the May 13, 2014, Annual Meeting.

Motion was made by member, Richard Christie to waive reading of the minutes and to ratify the actions of the Committee and the Board for approving the minutes of the May 13, 2014, Annual Meeting. The motion was seconded by member, Donna Gessner. The motion carried.

Chairman Flencher turned the meeting over to General Manager/CEO Mark Rose.

CEO Rose welcomed and thanked everyone for their presence and participation at the annual meeting. He informed the membership about the 2002 Ford truck retired from Bluebonnet’s fleet that will be given away to the winner of the drawing from the names of members who sent proxies or registered in person today, which will occur tomorrow. CEO Rose noted that he was pleased to report the settlement of the litigation stemming from the 2011 Bastrop County wildfires was successful, noting that while there are still a few matters pending, he is confident Bluebonnet will work through the remaining cases without any significant impact to Bluebonnet’s membership and will move on to new and better things.

CEO Rose then noted that Bluebonnet strives to communicate effectively in every aspect of its business and takes that responsibility very seriously. He reported those efforts have been recognized in that Bluebonnet will be receiving a very prestigious award the Cooperative world gives out for having the very best communication program of any cooperative in the United States, with the highest score ever recorded in the award’s history. CEO Rose applauded Bluebonnet’s Communications team who worked so hard to produce the award winning materials.

CEO Rose noted being fortunate to have a Board who has given us wonderful tools to work with and, in the last decade we have enhanced our rolling stock as well as upgraded our equipment. CEO Rose further spoke of the great character of the employees of the Cooperative, noting a recent event where two linemen were struck by a motorist and injured while rendering aid to a person involved in a serious accident. He thanked them for their service to their community and asked for thoughts and prayers for a speedy recovery.
CEO Rose then spoke of two programs under development that he expects to be able to offer members within the next few years. One is a diversified rate plan that would comport to the lifestyles and energy choices of our members. The other is a generation portfolio that would allow members to choose how their energy is generated—between fossil fuels, such as natural gas and coal, and renewable energy, like wind and solar. He noted Bluebonnet wants to be able to allow members to participate more fully in their energy choices so that if they want 20 percent to come from renewable sources, they should be able to make that selection.

CEO Rose introduced Deputy General Manager Matt Bentke, who provided a visual presentation to the membership and discussed the Cooperative’s financial performance and highlights in Operations, covering, among other matters, assets of the Cooperative, competitive electric rates; capital credits; meter growth; New-New construction timeframes; unprecedented growth in Bluebonnet’s service territory; load profiles and cost spreading; contract labor; new and expanded substations; and the control center’s new SCADA system. He also noted the process for online service requests, mobile app downloads, social media and enhancements to Bluebonnet’s website that offers user-friendly tools and capabilities to Bluebonnet’s members. He noted that the latest member survey received wonderful feedback with a 92% positive rating.

CEO Rose further recognized a special guest in attendance who is retiring from LCRA and who he worked with when he was at LCRA, Ms. Julie Eby.

CEO Rose then called for Unfinished Business. There was none.

CEO Rose called for New Business. There was none.

During CEO Rose’s question and answer session, he received various questions and suggestions. He responded to each of the members’ questions to their satisfaction and noted their suggestions and comments.

CEO Rose called for commencement of Round 2 drawing for door prizes.

There being no further business, motion was made, seconded and unanimously carried that the meeting adjourn. The meeting was adjourned at 4:41 p.m.

WITNESS THIS OUR SIGNATURES on this 16 day of June, 2015.

Roderick Emanuel
Roderick Emanuel, Secretary

APPROVED:

Ben Flencher, President