

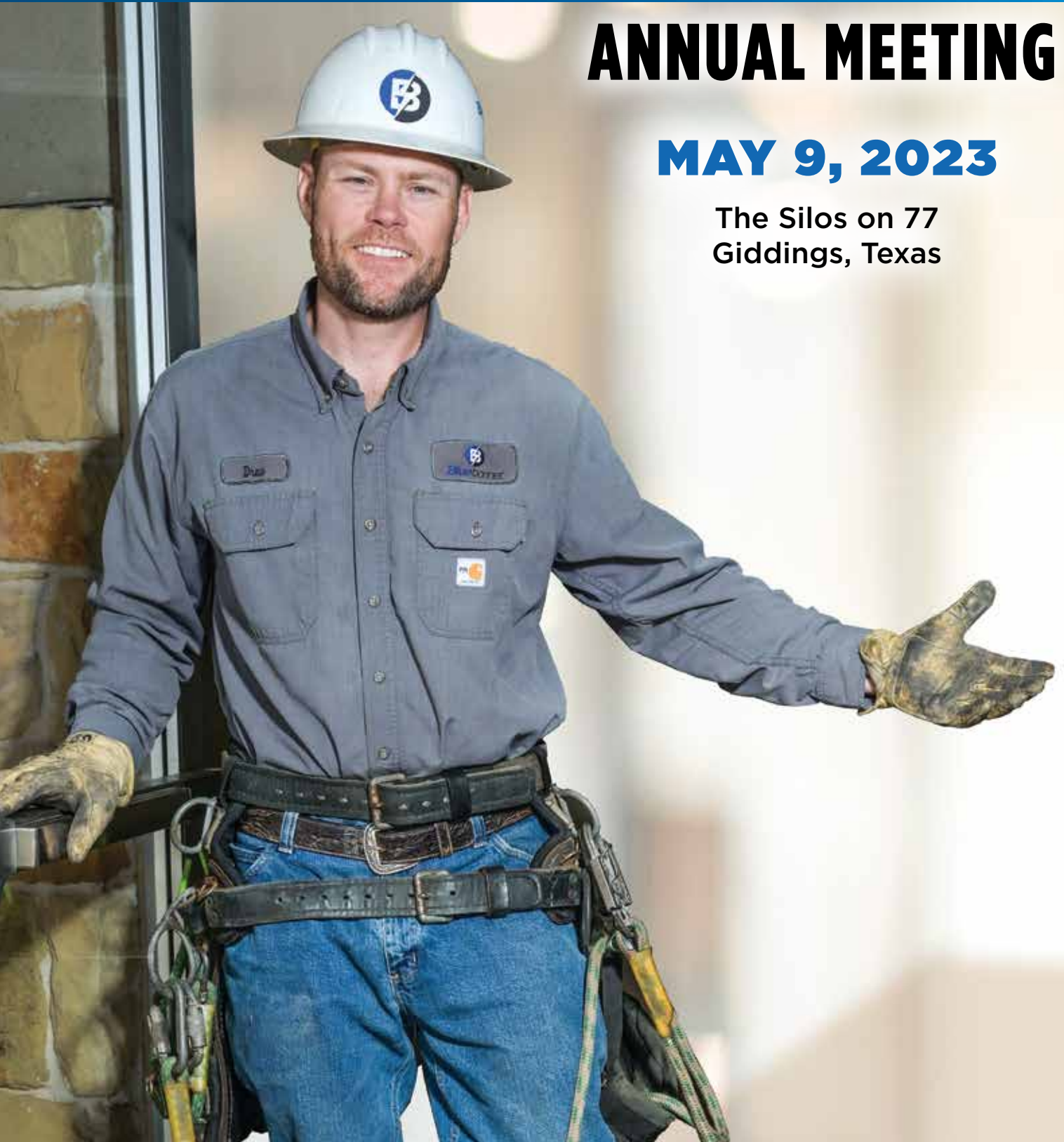
Welcome!

to Bluebonnet's

ANNUAL MEETING

MAY 9, 2023

The Silos on 77
Giddings, Texas



FROM THE GENERAL MANAGER

Bluebonnet's growth brings opportunities to serve its members

WELCOME, AND THANK YOU for attending Bluebonnet Electric Cooperative's 2023 Annual Meeting. It is a great pleasure for our Board of Directors and employees to visit with our members. Many of you have attended this meeting for years, while others may be attending for the first time. We look forward to sharing the exciting things that have happened at your cooperative since our last Annual Meeting.

During the past 12 months, we have continued to experience unprecedented growth across our service area, adding more subdivisions, apartments, small businesses and large industrial members. We reached a milestone in March, surpassing 125,000 meters on our electric system, with an annual growth rate of 5.95%. This has led to tremendous opportunities for Bluebonnet and its members.



Matt Bentke
General Manager/
Chief Executive Officer

Bluebonnet is fortunate to be situated within a triangle formed by Austin, San Antonio and Houston, three of the fastest-growing metropolitan areas in the country.

Proximity to these cities, as well as the transportation and electric grid infrastructure that supports them, are among the key drivers of Bluebonnet's growth. That growth benefits all members.

Bluebonnet's solid financial footing is what supports our goal of benefitting all stakeholders — the electric system, its members and local communities — and allows us to achieve our mission to provide safe, reliable power at cost-competitive rates.

One of the ways Bluebonnet's members share in the cooperative's success is through the distribution of capital credits, which are dividends shared only with the member-owners of Bluebonnet. This year, our Board of Directors expects to return \$9.48 million to members through capital credits. Look for your share as a credit on your May electric bill. It is one of the most important decisions the Directors make every year, and one of the most significant benefits of being a member-owner of an electric cooperative. In the past 20 years, Bluebonnet has returned \$84.8 million to members in capital credits.

Another benefit of our growth and solid financial position is the ability to reinvest in our electric system and make improvements to our electric service in order to continue providing safe, reliable power. During the past year, Bluebonnet added more assets, made more improvements and completed more maintenance on its electric system than any time in the cooperative's 83-year history.

Bluebonnet supports the communities across its service area by donating to organizations, activities and events. The cooperative gives opportunities to the next generation of community leaders by providing scholarships to well-deserving high school students planning to attend college or trade and technical schools.

The cooperative shares its prosperity with its employees as



Bluebonnet crews worked in shifts around the clock to restore power during Winter Storm Mara in February. The cooperative kept members updated through social media, texts, calls and our website.

well. Bluebonnet creates a culture that focuses first on safety. Bluebonnet also provides employees with equipment and training to combine with the expectation that all employees work in service to its members.

This growth and prosperity bring not only great benefits, but also challenges. As Bluebonnet grows, its goal is to continue providing the same level of outstanding service and local care that our members deserve and expect.

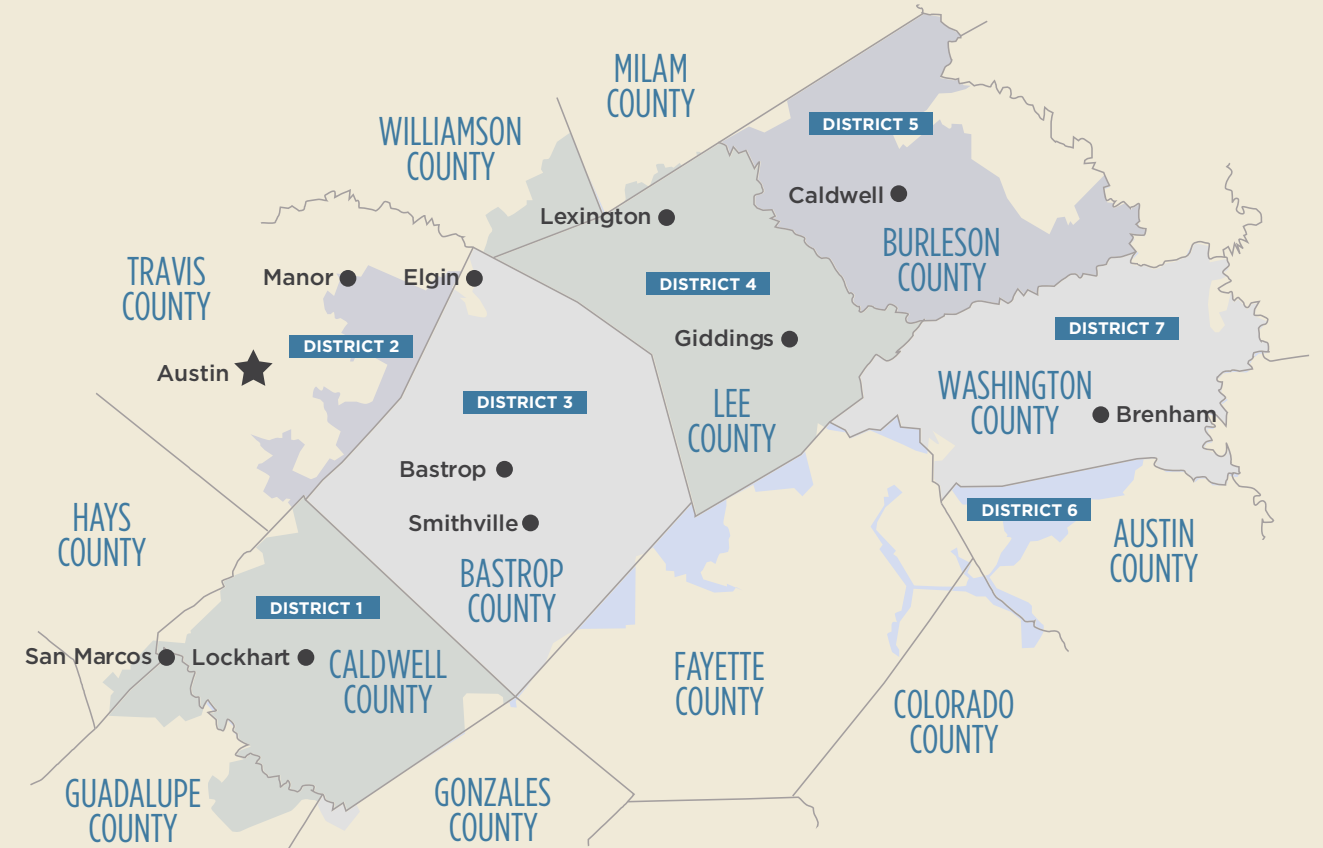
One such challenge occurred in February, when Winter Storm Mara hit Central Texas with destructive ice accumulation on trees, poles and power lines across a large portion of our service area. Bluebonnet's line crews and control center operators worked around the clock to repair damage to equipment in dangerous conditions to restore power as quickly and safely as possible. Member service representatives and communications teams shared information directly with members via text messages, phone calls, through our social media platforms and on our website.

The cooperative strives for the same level of service every day, not just during major outage events. Our outage text messaging program has been tremendously successful, and we encourage you to make sure the mobile phone numbers associated with your account are updated so we can keep you directly informed if your power goes out.

Bluebonnet's philosophy is tried and true. We will always focus on doing what has worked for more than 83 years: sound, fiscally conservative management that leads to shared prosperity for our members, communities and employees, and continued strength in our electric system. That has been, and will be, the main reason Bluebonnet continues to be respected by our member-owners and recognized by our peers as one of the best electric cooperatives in the nation.

Thank you for being a member-owner of Bluebonnet. It's our pleasure to serve you.

BLUEBONNET DISTRICTS & BOARD OF DIRECTORS



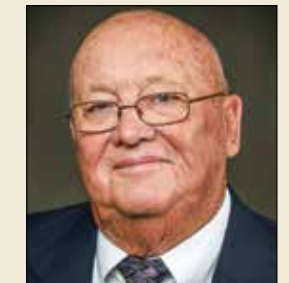
Ben Flencher
Chairman
District 5:
Burleson County



Roderick Emanuel
Vice Chairman
District 3: Bastrop County



Robert Mikeska
Secretary/Treasurer
District 7:
Washington County



Byron Balke
Assistant Secretary/Treasurer
District 6: Austin,
Colorado and
Fayette counties



Milton Shaw
Director
District 1: Caldwell,
Guadalupe, Gonzales
and Hays counties



Shana Whiteley
Director
District 2: Travis County



Debbi Goertz
Director
District 3: Bastrop County



Bryan Bracewell
Director
District 3: Bastrop County



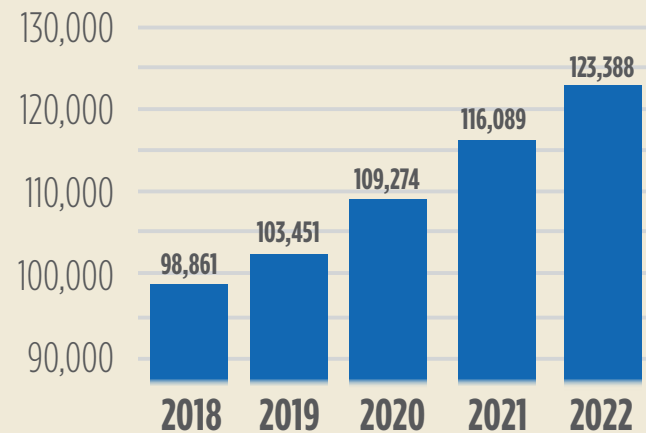
Russell Jurk
Director
District 4: Lee, Milam and
Williamson counties

BY THE NUMBERS

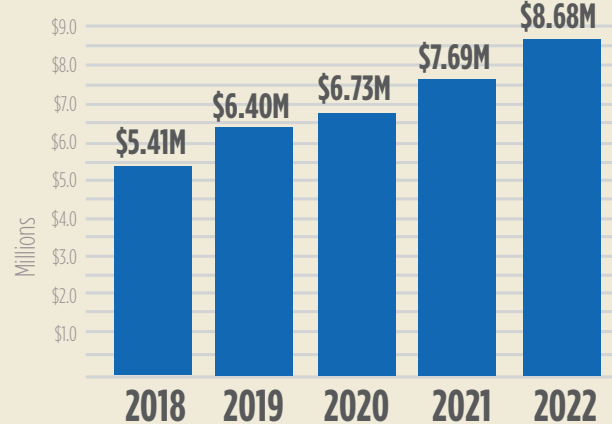
“Bluebonnet’s meter growth has led to tremendous opportunities for the cooperative and its members.”

— MATT BENTKE

meter growth

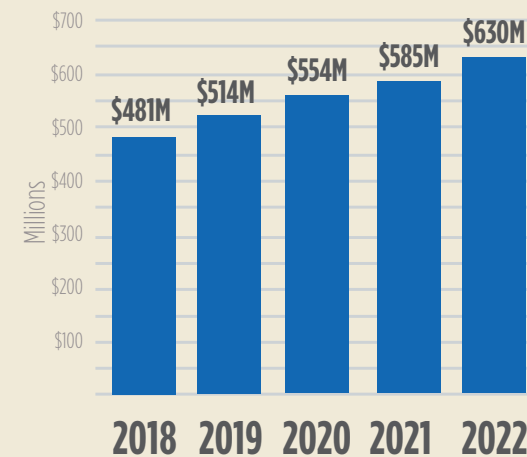


capital credits*



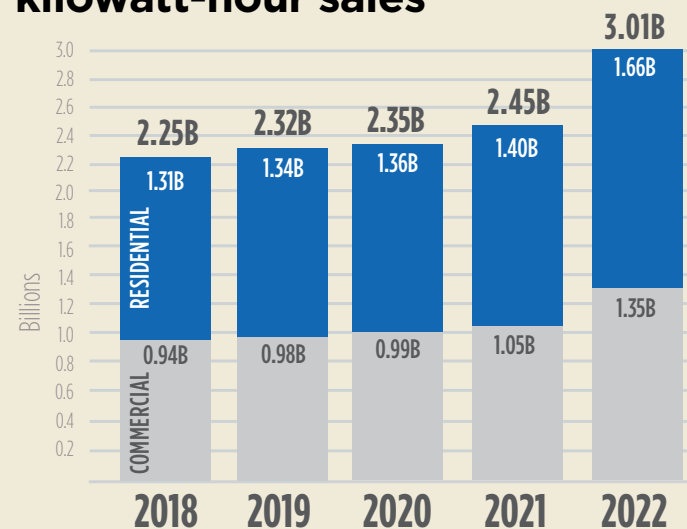
* Capital credits retired and returned to members include additional amounts approved throughout each year.

assets*

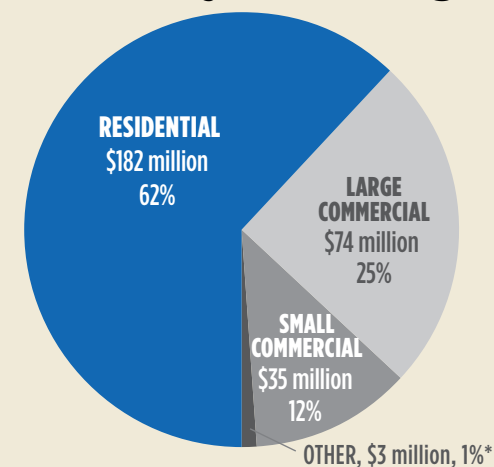


* Electric and General plant

kilowatt-hour sales



revenue by rate category



* Irrigation sales and other sales to public authorities

CONDENSED FINANCIAL REPORT

Bluebonnet Electric Cooperative Inc. and Subsidiary

Consolidated Balance Sheets

For the years ended	December 31,	
	2022	2021
Assets		
Electric and General Plant (net of \$119 million and \$129 million in accumulated depreciation, respectively)	\$630,190,868	\$585,311,226
Other Property and Investments at Cost or Stated Value	16,165,307	15,778,409
Cash and Cash Equivalents	17,028,076	12,644,828
Accounts, Notes and Interest Receivable	23,922,588	17,891,127
Construction Material and Supplies on Hand	6,294,749	5,308,616
Other Current Assets	3,300,772	2,301,300
Deferred Debits	34,265,726	18,667,120
Total Assets	\$731,168,086	\$657,902,626
Equities	\$307,545,056	\$276,963,759
Liabilities		
Current and Long-Term Debt	\$347,854,945	\$316,070,698
Accumulated Provision for Pension and Benefits	7,825,673	9,977,394
Accounts Payable	32,209,237	23,139,796
Accrued Expenses	11,946,923	17,547,679
Deposits	5,229,440	3,676,689
Deferred Credits	18,556,812	10,526,611
	\$423,623,030	\$380,938,867
Total Equities and Liabilities	\$731,168,086	\$657,902,626

Consolidated Statements of Income

For the years ended	December 31,	
	2022	2021
Revenues		
Sale of Electric Service	\$293,906,467	\$239,790,324
Other Revenue	8,924,231	7,899,061
Total Revenue	\$302,830,698	\$247,689,385
Expenses		
Purchased Power	\$180,407,779	\$133,118,567
Operating Expenses	51,149,734	47,177,029
Depreciation and Amortization	23,724,899	22,280,096
Interest on Debt	13,768,252	12,756,630
Other Deductions (Income)	(1,721,209)	(70,938)
Total Expenses	\$267,329,455	\$215,261,384
Net Margins	\$35,501,243	\$32,428,001

The consolidated balance sheets and statements of income represented in this condensed report were derived from the consolidated financial statements of Bluebonnet Electric Cooperative Inc. and its subsidiary, Bluebonnet Rural Development Corp., as audited by an independent audit firm. This does not represent the entire report. The complete audit report and consolidated financial statements are on file at Bluebonnet's headquarters, 155 Electric Ave., Bastrop, TX 78602.

24 THINGS TO KNOW ABOUT BLUEBONNET



371 VEHICLES
in Bluebonnet's fleet, including trailers and forklifts

48 SUBSTATIONS

2 PORTABLE SUBSTATIONS
The largest is a 33-megawatt unit that's 95 feet long and weighs 143,000 pounds

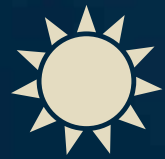
125,182 METERS

5% annual meter growth rate, last 5 years



as of early April 2023. Bluebonnet is one of the fastest growing electric cooperatives in Texas.

2,900 MEMBERS who generate enough combined electricity to power 4,847 homes on a hot summer afternoon



93,250 MEMBERS as of March, 2023

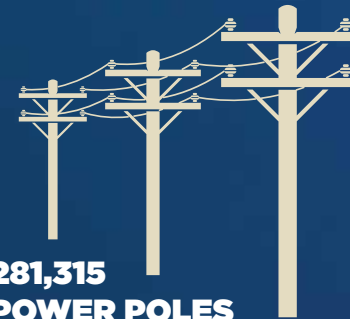


3,013,222,717 kilowatt-hours sold to members in 2022

12,339

MILES OF LINE

About **140 MILES** less than the distance between the North and South Poles



281,315 POWER POLES

3,800

SQUARE MILES Size of service area where we provide power to all or part of these counties:

AUSTIN, BASTROP, BURLESON, CALDWELL, COLORADO, FAYETTE, GONZALES, GUADALUPE, HAYS, LEE, MILAM, TRAVIS, WASHINGTON, WILLIAMSON

99.98% of the time, Bluebonnet members have power



309

FULL-TIME employees

4,363 total years of experience

6

EMPLOYEES WITH 40+ YEARS OF SERVICE (with 12 years of service on average for all Bluebonnet employees)

45 APPRENTICES
36 JOURNEYMEN

are in or have graduated from our line worker apprentice program

120 YEARS

of combined service on Bluebonnet's nine-member Board of Directors

98% of all calls answered by a member service representative out of an average 14,399 calls per month in 2022

71,555 MEMBERS on average pay their bills electronically each month

25,637 FOLLOWERS on social media

384,050 Outage Alerts texts sent to members (members with a cell phone number on file are automatically enrolled or can text BBOUTAGE to 85700)

\$9 MILLION+ expected to be returned to members in the form of capital credits in 2023

\$750,000 IN SCHOLARSHIPS awarded to high school seniors in the past five years

\$644,129 given to local communities in partnership with LCRA in the last 5 years

57,600 BOTTLES of water given out at events



Keep up with Bluebonnet all year at **bluebonnet.coop** and on social media

