



ANNUAL MEETING

May 14, 2019

Annual Meeting Notice

Dear Member:

You are invited to the Annual Membership Meeting of Bluebonnet Electric Cooperative, Inc., which will be held on May 14, 2019, at 2:30 p.m. at The Silos on 77, formerly the Sons of Hermann Hall, 1031 CR 223, Giddings, Texas. Registration will begin at 1:30 p.m. and close at 2:30 p.m.

Four of the 11 seats on Bluebonnet's Board of Directors are up for election this year. Three of the incumbent candidates — Milton Shaw, District 1, representing Caldwell, Gonzales, Guadalupe and Hays counties; Ben Flencher, District 5, representing Burleson County; and Ken Mutscher, District 7, representing Washington County — were unopposed and are re-elected by general consent in accordance with Bluebonnet's bylaws. There are four candidates for the District 3 seat, representing Bastrop County: incumbent Debbi Goertz and contenders Juanita Valarie Neidig, Ron Spencer and Matthew Weilert. Other business that may come before the meeting will also be addressed.

Sincerely yours,

Roderick L. Emanuel
Secretary/Treasurer
Bluebonnet Board of Directors

2019 Annual Meeting Agenda

1:30-2:30 p.m. Registration and Voting

2:30 p.m. Welcome and Introductions

Call to Order — Ben Flencher, Board Chair

Invocation and Pledges of Allegiance — Roderick L. Emanuel,
Board Secretary-Treasurer

Chairman/President's Report — Ben Flencher, Board Chair

Secretary-Treasurer's Report — Roderick L. Emanuel, Board Secretary-Treasurer

- Read Notice of Annual Meeting
- Read Affidavit of Proof of Mailing
- Read Certification of Number of Members Receiving Service
- Read Certification of Number of Members in Attendance
- Read 2018 Annual Meeting Minutes (or ask for a motion to waive reading of minutes and ratify Board's approval)

General Manager's Report — Matt Bentke, General Manager/CEO

Unfinished Business — Matt Bentke, General Manager/CEO

New Business — Matt Bentke, General Manager/CEO

Door Prize Drawings

Ballot Canvassing Results — Sarah Newman-Altamirano, General Counsel

Adjourn

2019 ANNUAL MEETING & BOARD ELECTION FAQ

Whether you plan to attend the Annual Meeting, be sure to get your completed proxy voting form to us in time. It must be postmarked no later than May 7, 2019, or hand-delivered to a member service center by **5:30 p.m. May 7**. If you need more information after reading the questions and answers below, call 800-842-7708 between 7:30 a.m. and 5:30 p.m., Monday through Friday, or email memberservices@bluebonnet.coop.

What is the Annual Meeting, and why is it important to attend?

Bluebonnet's Annual Meeting is one of the many benefits of being a member of an electric cooperative. The meeting, held each year in May, offers members the opportunity to meet the Board of Directors, the general manager and the co-op's executive staff. Members hear a "State of the Co-op" message, elect directors and attend to any business that may come before the membership.

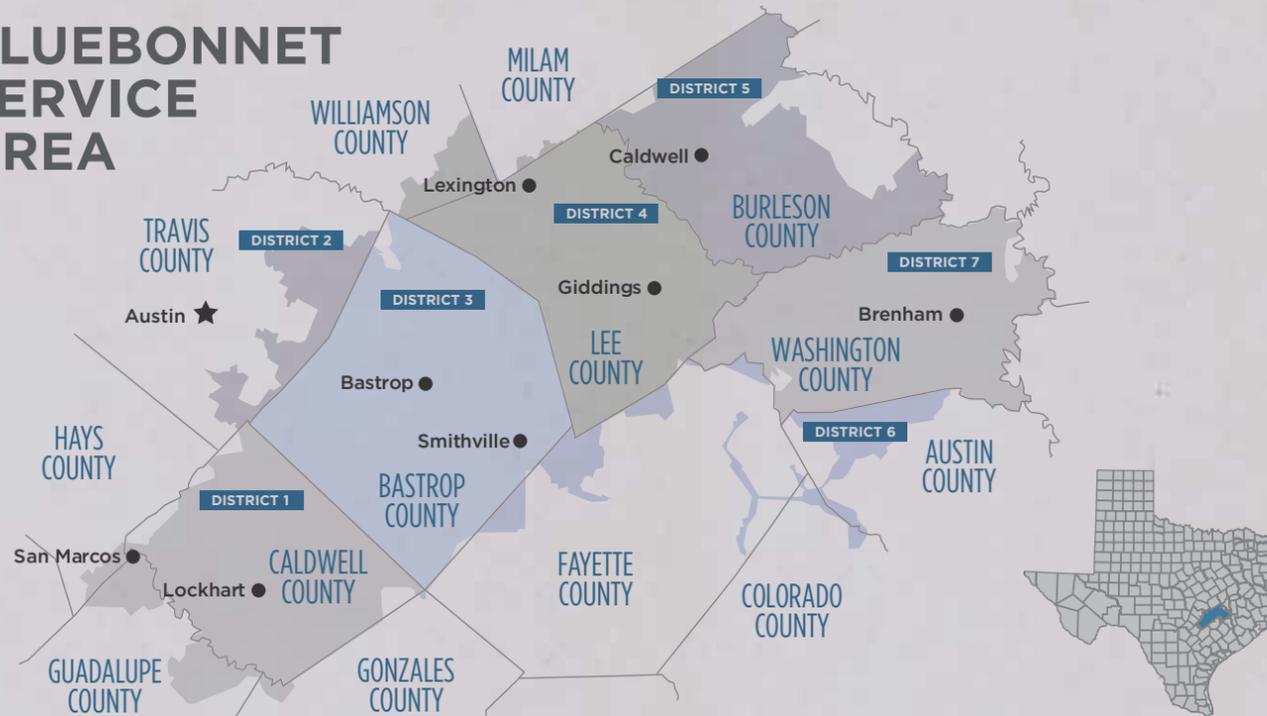
Bluebonnet's service area is divided into seven districts. Can I vote for candidates in all districts or just the district in which I live?

During contested Board elections, co-op members can vote for directors in all districts. The districts in the co-op's service area were drawn along Bluebonnet's service area boundary and county lines. The seven districts are represented by one to three directors based on, among other things, the number of meters in each district.

How many Board of Director seats are up for election?

Four of the 11 seats on Bluebonnet's Board of Directors are up for election this year. Three of the incumbent candidates — Milton Shaw, District 1, representing Caldwell, Gonzales, Guadalupe and Hays counties; Ben Flencher, District 5, representing Burleson County; and Ken Mutscher, District 7, representing Washington County — were unopposed and are re-elected by general consent in accordance with Bluebonnet's bylaws. There are four candidates for the District 3 seat, representing Bastrop County: incumbent Debbi Goertz and contenders Juanita Valarie Neidig, Ron Spencer and Matthew Weilert.

BLUEBONNET SERVICE AREA



What are my voting options?

There are four candidates for the co-op's District 3 Board seat. There are currently no additional ballot items to be voted on this year. However, items can be added to the Annual Meeting agenda that would require a vote by members. Those items would have to be added no later than 10 days before the Annual Meeting. Your proxy could be used in that vote, which is why your proxy selection is important.

What is proxy voting, and how does it work?

Proxy voting allows members who cannot attend the Annual Meeting to designate another person to vote in his or her place. On the proxy, members can assign their vote to either Bluebonnet's Proxy Committee or to an individual. Proxies are counted together with those registered at the Annual Meeting to ensure at least 1 percent of Bluebonnet's membership is present in person or represented by proxy to constitute a quorum.

Who serves on Bluebonnet's Proxy Committee?

The Proxy Committee is composed of all Bluebonnet Board members whose terms are not currently up for election. This year's Proxy Committee members are Roderick Emanuel, Byron Balke, Shana Whiteley, Bryan Bracewell,

Russell Jurk and Robert Mikeska.

How do I vote by proxy?

Complete the proxy form and return it by mail or drop it off at any of Bluebonnet's member service centers in Bastrop, Brenham, Giddings, Lockhart or Manor. If you misplace the proxy form, stop by a member service center to pick one up or call 800-842-7708 and ask a representative to mail one to you. Proxies must either be hand-delivered to a member service center by 5:30 p.m. May 7, 2019, or mailed to:

**Bluebonnet Elections Processing
c/o Election Services Co.
P.O. Box 9020
Ronkonkoma, NY 11779-9822**

Mailed proxies must be postmarked by May 7, 2019.

Can this proxy be used again at future Annual Meetings?

No, the proxy is valid only for the meeting specified on the proxy form.

Can I vote at the Annual Meeting if I sent in a proxy form?

When you register at the meeting, you may revoke your proxy and then vote in person.

What information do I need to bring with me to register at the Annual Meeting?

You will be asked to verbally recite two pieces of information that are on

your account. This account verification process is identical to the one performed any time members would like to transact business on their accounts. You can simply tell the member service representative at the registration desk any two of the following pieces of information about your account: the name(s) listed on the account, your Bluebonnet account number, your birthday, last four digits of your Social Security number, your driver's license number or your mailing address.

Who administers the election?

Election Services Co., which is a third-party, independent vendor that specializes in administering corporate elections nationwide. It has the skills, experience and equipment to efficiently and accurately tally proxies and votes while adhering to the Federal Trade Commission's Red Flag requirements that protect members' confidential account information.

Can I change my address or do other business at the Annual Meeting?

Bluebonnet's member service representatives at the information booth will be able to help members with most of their co-op business and answer any questions they would normally handle at any member service center or through the call center.

2019 NOMINEES FOR BLUEBONNET'S BOARD OF DIRECTORS

Ben Flencher District 5 (Incumbent)



Flencher, chairman of the Bluebonnet Board of Directors, has been on the electric co-op's Board since 1987. He is an ex-officio member of Bluebonnet's Board committees — Audit & Finance, Employee Services, Energy Services, Legal & Governance, Member Experience and Technology. He grew up in a banking family in Somerville and began his lifelong banking career by rolling coins and filing checks as a young boy at the bank where his father worked. He was officially hired when he was in eighth grade and continued to work at the bank while in college. Today, he is president of that same bank — Citizens State Bank, Somerville — a position he's held since 1981. Under his leadership, the bank has grown to six locations. Flencher graduated from Texas A&M University in 1974 with a degree in finance. He is a lifelong member of the First Lutheran Church in Somerville. He and his wife Betsy, have four sons: Aaron and Cory, who work in the banking industry; Ryan, who works in commercial real estate; and Josh, who owns a dirt contracting company. The Flenchers have five grandchildren, with another due this spring.

Kenneth Mutscher District 7 (Incumbent)



Mutscher, vice chairman of the Bluebonnet Board of Directors, has been on the electric co-op's Board since 1998. He has earned the Credentialed Cooperative Director and Board Leadership certifications and Director Gold credential through the National Rural Electric Cooperative Association. He chairs Bluebonnet's Employee Services Committee and is a member of the Technology Committee. He also serves as an ex-officio member of the Audit & Finance, Energy Services, Legal & Governance and Member Experience committees. Mutscher was an investigator for the state's Board of Pharmacy, a National Guard officer and owned a financial services business in Brenham. He is retired and lives in Brenham. He was an all-around athlete at Brenham High School, lettering in football, baseball, basketball and track. He attended Blinn College on a baseball scholarship and graduated from the University of Texas at Austin in 1965 with a business administration degree. He has worked with several community organizations, including the Brenham Lions Club, the Chamber of Commerce, the Coastal Conservation Association, Washington County Little League and the Bluebonnet Beef Breeders Association of Washington County. He is a director of the Blinn College Foundation Board and has held numerous offices as a member of Grace Lutheran Church. Mutscher enjoys golf, fishing, hunting, traveling and raising Brangus cattle. He and his wife, Sarita, have a son, Kevin, who is an attorney in Brenham, and one grandson.

Debbi Goertz District 3 (Incumbent)



Goertz has served on the Bluebonnet Board of Directors since 2017. She has earned the Credentialed Cooperative Director and Board Leadership certifications through the National Rural Electric Cooperative Association. She chairs Bluebonnet's Technology Committee and is a member of the Energy Services and Legal & Governance committees. Goertz has been an attorney in Bastrop since 2004, representing clients in civil matters including trusts and estates law, and some Medicaid issues. She was born in Kilgore and grew up there and in Bryan. After graduating from Bryan High School, she received a bachelor's degree in education and a master's degree in merchandising from Texas Tech University in Lubbock. She worked at Bloomingdale's in Dallas as a department manager before opting for a career change. Goertz attended Baylor Law School in Waco and earned her law degree in 1993. After graduation, she moved to Bastrop and has been a Bluebonnet member since 1998. Goertz worked briefly in a Bastrop law firm before beginning a career with the Texas Department of Public Safety, first as a hearing examiner, then as Texas' administrator for school bus safety. She has worked with numerous Bastrop and Smithville nonprofit groups, including Samella Williams Angels Unaware Ministry, Children's Advocacy Center, Bastrop County Historical Society and Family Crisis Center, and was a Girl Scout leader for 10 years. Her daughter, Abby, is a student at the University of Texas at Austin.

Ron Spencer District 3



Spencer grew up in Houston, where he graduated from high school in 1974 and then attended technical school to become a certified welder. He moved up the ladder during six years in the oil rig industry. In 1980 he joined his family's business, International Management Services Inc., a Houston-based consulting firm specializing in helping companies work in America's free-trade zones. During his 10 years with IMS, Spencer worked at a subsidiary, overseeing procurement and logistics of medical supplies and pharmaceutical materials. In 1990, he moved to Austin and began working at Dell, where he worked in the procurement department and was responsible for all mass storage products. At Dell, Spencer developed the framework for a new supply chain design and inventory management system. He became global senior manager, overseeing the procurement of the company's mechanical devices and power supplies. In 2000, he left Dell to set up his own consulting practice, working with global suppliers of electronic components. After living in Florida for three years, he returned to his Texas roots, moving to Bastrop in 2011. He is semi-retired, but is an active investor in real estate and restaurants. He has also been an avid pilot for 15 years. Spencer is on the board of directors for the Bastrop Economic Development Corp. and on the advisory board for the Smithville Airport. His son, Justin, is a University of Texas at Austin graduate working in the Austin restaurant industry. Spencer has two grandchildren.

Juanita Valarie Neidig District 3



Neidig is an accomplished business owner with more than 30 years of experience in the electric supply industry. In 2002, she started LTH Enterprises Ltd. and is the managing partner. The company provides electrical, plumbing and custodial materials for new and remodeled construction projects, as well as maintenance and operations supplies to clients that include schools and universities as well as city, county and federal governments. She was born and raised in east Austin, graduated from Johnston High School, and immediately went to work at an electrical distribution company. She held positions in several electric supply companies, gaining 14 years of experience and knowledge that led to the start of her successful business. She serves on the Elgin ISD Board of Trustees and the Elgin Education Foundation. She is active at Sacred Heart Catholic Church and Elgin High School's scholarship committee, athletic booster club, and baseball & softball fundraising committees. Neidig is a proponent of Blue Santa, Coats for Kids in Austin and the Ronald McDonald House charities. In her spare time, she is an avid runner, qualifying for the Boston Marathon, completing five marathons and more than 50 half marathons and triathlons. She and her husband of 22 years, Harlan, have two children: Jacob, who will attend Stanford University in the fall, and Emma, who is active in Elgin High softball and volleyball. They live on their working cattle ranch that straddles Travis and Bastrop counties.

Matthew Weilert District 3



Weilert has more than 30 years' experience in corporate safety and risk reduction. He is a decorated Navy veteran who grew up in Bastrop. His father was CFO of Austin Meter, a maker of boiler turbine generator control systems. Weilert graduated from Bastrop High School and earned a degree in safety engineering from Texas A&M University in College Station in 1985 on a Navy scholarship. In 1996, he founded Systems Thinking Institute, which brings field-tested process improvement concepts to international businesses. Companies that have used those concepts include Battelle, GM, United Defense, Kratos Defense and Panera Bread. The concepts have been taught in the U.S., Canada and Malta. The institute uses structured questions within day-to-day business operations to help companies improve their bottom-line results. Weilert moved the institute from New Hampshire to Texas in 2010. He set aside that work for nearly two years to care for his father in hospice until September 2018. Since then, Weilert launched a startup he hopes will "disrupt Amazon" by building a team that will deliver authentic, individual interactions for online shoppers and put a personal face to that process. Weilert, an Eagle Scout, has been active in Boy Scouts in Austin, Bastrop and Pensacola, Fla. He has been a member of Ascension Catholic Church in Bastrop since childhood and was part of a team that introduced a men's leadership program to more than a dozen Catholic churches in the Austin diocese. He has a son, 9-year-old Stephen Carl.

Milton Shaw District 1 (Incumbent)



Shaw has served on the Bluebonnet Board of Directors since 2010. He has earned the Credentialed Cooperative Director and Board Leadership certifications and Director Gold credential through the National Rural Electric Cooperative Association. Shaw is chairman of Bluebonnet's Legal & Governance Committee and is a member of the Employee Services and Member Experience committees. He grew up in Luling and traveled America during a 30-year career with Shell Oil Co. He and his family moved to six states while he managed marketing of Shell's real estate assets and oversaw multimillion-dollar budgets. Shaw has decades of experience in community relations and customer service. After graduating from what is now Texas State University in San Marcos in 1962, Shaw managed a store for Western Auto and later was a manager in the Sears department store chain's management development program. He retired from Shell in 1998 and returned to Luling with his wife and high school sweetheart, Judy. They run a few head of cattle on 46 acres in Caldwell County. Shaw is active in his community, including service over the years in the Luling Chamber of Commerce, Community Action, Inc., Kiwanis Club, Caldwell County Development Board, Polonia Water Supply Corp. and McNeil Baptist Church. He and Judy have three sons: Milton Jr., a worldwide customer service manager for Shell; Mark, executive vice president — chief legal and regulatory officer for Southwest Airlines; and Michael, partner in the Jackson Walker law firm in Houston. The Shaws have seven grandchildren and four great-grandchildren.



Vote and you could win great prizes!

Anyone who votes either by proxy or in person at the Annual Meeting on Tuesday, May 14, will be entered in a drawing to win a **2010 Ford F-150** being retired from Bluebonnet's fleet, above. Anyone who votes by proxy will be entered in a drawing for more prizes. Get more information at bluebonnet.coop.