

Kansas
COUNTRYLiving



Annual Report 2022

BLUESTEM ELECTRIC
COOPERATIVE ANNUAL MEETING

March 27, 2023

REGISTRATION 6 P.M. | MEETING 7 P.M.
BLUESTEM ELECTRIC WAREHOUSE IN WAMEGO

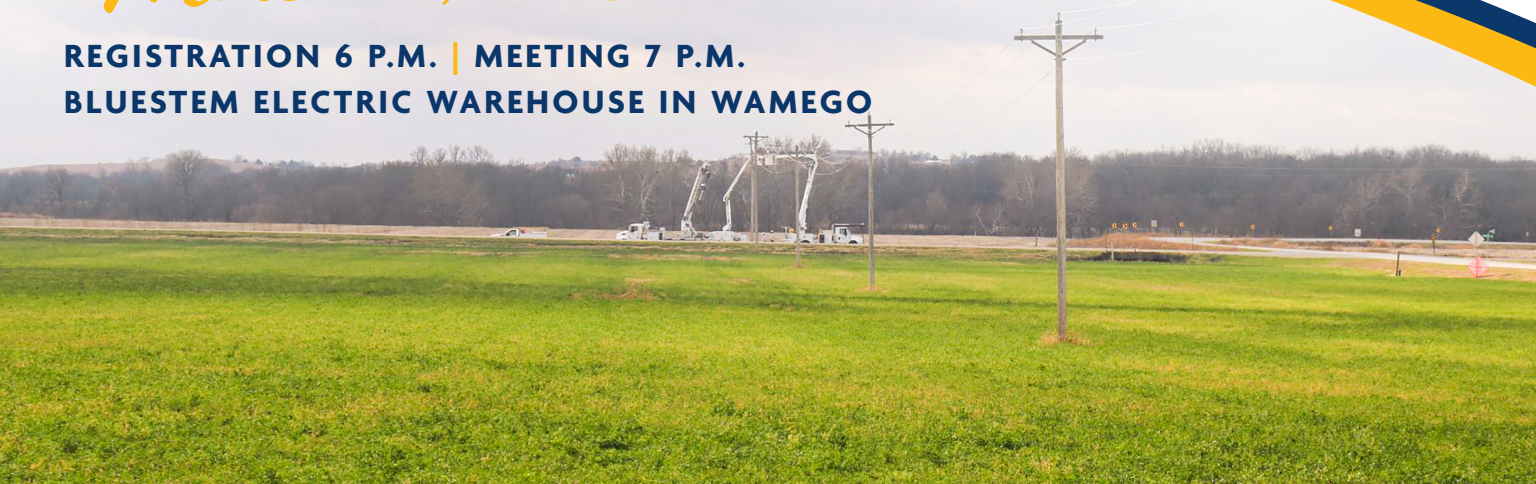


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NOTICE OF

Annual Meeting of Members

The Annual Meeting of the Members of the Bluestem Electric Cooperative, Inc. Wamego, Kansas, will be held Monday, March 27, 2023, at 7 p.m. at the Bluestem Electric Warehouse in Wamego to take action on the following matters:

- ▶ Determine the existence of a quorum.
- ▶ Proof of the timely publication or mailing of the notice of meeting.
- ▶ Review and approval of the minutes of the previous meetings of the members.
- ▶ Reports of officers, trustees, management and committees.
- ▶ All other business that may properly come before the meeting, or any adjournment thereof.

Registration begins at 6 p.m. with refreshments served from 6:15-7 p.m. Your board of trustees urges each member of the cooperative to attend.

Bruce Meyer

SECRETARY

PRESIDENT'S REPORT

2022 Year in Review



Richard Ridder

On behalf of the Board of Trustees for Bluestem Electric Cooperative, I thank you for your support and understanding throughout 2022. Many health-

related challenges continue to affect people, organizations and industries, Bluestem included.

Your board of trustees is looking forward to the Bluestem Electric Annual Meeting; however, we understand you may not feel comfortable with large gatherings. If attending in person is not in your best interest, we encourage you to fill out your proxy card and give it to another member within your district who is attending. By completing a proxy, your voice can still be heard. All members are allowed to be the proxy for up to three other members within their respective district. All in-person members and those who vote by proxy will be eligible for a \$20 bill credit.

Business Plan

Helping management staff plan for the future is an important part of the board's responsibilities. The Bluestem Board of Trustees, along with management staff, established the following five strategic goals:

- 1** Enhance the cooperative's culture of safety, maintaining it as Bluestem's No. 1 priority.
- 2** Maintain financial strength using long-term financial forecasting; continued implementation of the equity management plan focused on balancing capital credit retirements, plant investments, rates and equity.
- 3** Engage current and emerging technologies, as appropriate, that improve efficiency of operation and

provide opportunities to better serve the members.

4 Create and execute an internal and external communication plan.

5 Maintain reliable electric service to members using standard operating procedures and monitoring material availability and lead times.

Cooperative Model Advantage — Capital Credits

In the cooperative business model, any year-end margins obtained in excess of the costs incurred to provide the service are allocated back to the cooperative member as "capital credits." The amount of the capital credit (allocated margin) varies for each member and is dependent upon the amount of participation a member has with the cooperative. In the case of an electric cooperative, a member's annual electric usage compared to the total electric usage by all the members determines the capital credit amount.

Capital credits are held until such time the cooperative can refund a portion or all to the members without negatively impacting the cooperative. Bluestem has routinely, under board policy, made "special capital credit retirements" to estates as well as one-time opportunities to members with medical disabilities and/or dissolution of membership. General capital credit retirements, in which members receive a portion of their capital credits are also provided for under board policy with different criteria established before refund of these capital credits is made.

In 2022, the board authorized general retirement for the years of 1995, 1996 and 1997. For active members the retirement was applied to your bill received in December. For past members no longer residing on the Bluestem system a check was mailed

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Bluestem NEWS

Bluestem Electric Cooperative

Board of Trustees

Richard Ridder
President

Donald Classen
Vice President

Bruce Meyer
Secretary

Mark Diederich
Treasurer

Patricia Bloomdahl
Trustee

Gary Buss
Trustee

Amanda Gnadt
Trustee

Michael Leitch
Trustee

Steven Ohlde
Trustee

Stephen O'Shea
Trustee

Matt Rezac
Trustee

Management Staff

Michael M. Morton
General Manager

Jason W. Moore
Assistant Manager

Trisha Bradley
Manager of Accounting and Finance

Jerod Chaffee
Manager of Line Operations

Ben Easterberg
Manager of AMI and IT

Kevin Heptig
Manager of Member Services

Contact Us

Bluestem Electric Cooperative, Inc.
P.O. Box 5
Wamego, KS 66547
800-558-1580

FROM THE GENERAL MANAGER

Manager's Report

The 2023 Bluestem Annual Meeting will be held in person on March 27 in Wamego and we hope you can join us. We understand your health is of the utmost importance. If you are not able to attend, you may appoint a proxy to vote for you by completing the proxy notice found on the back cover of this *Kansas Country Living* magazine. Your proxy must be a member from your district and may not be the proxy for more than three other members from your district. All proxy votes will be eligible for the \$20 bill credit following the annual meeting.

COVID-19 Pandemic

As the COVID-19 pandemic unfolded in March 2020, Bluestem took action to make sure our electric operations and employees were protected. Our linemen staggered their work shifts and some of our administrative staff worked from home to allow appropriate social distancing while continuing to provide exceptional customer service to our members. The previous actions taken were successful with only a few employee cases of COVID-19 being recorded. We continue to monitor the COVID-19 status and are ready to respond as necessary to changing conditions for both our employees and members.

Construction Work Plan

Our 2023-2026, four-year Construction Work Plan (CWP) was finalized and approved in December 2022. A CWP is developed every four to six years to identify and outline the projects and construction work that needs to be completed over the next few years. The projects and construction work included in the CWP are designed to meet the members' future needs, as well as improve the system's reliability.

Included in the four-year work plan are the projections of the number of new services expected, as well as plans to rebuild and reconductor various lines throughout the Bluestem system. The work plan also incorporates the replacement throughout the entire service territory of a significant number of poles nearing the end of their useful service life.

Solar Energy Farms

Bluestem has partnered with Today's Power, LLC to install two utility-sized solar farms on our distribution system. A 1 MW solar farm has been installed on our St. George substation and a 750 kW solar farm has been installed on the Leonardville substation.



Michael Morton

Continued on page 12B ►

Manager's Report Continued from page 12A ►

All kWh produced from these solar farms will be used by Bluestem members only.

Both solar farms were commissioned and brought online in June 2022. Through the end of 2022 they produced a total of 3,229,445 kWh for the benefit of all members. It is anticipated that both solar farms will produce a total of 4,129,000 kWh per year, saving the Bluestem membership in excess of \$100,000 annually in reduced power cost.

Gain on Sale of Office

The sale of the Clay Center office facility was completed in March 2022. A gain on the sale of the office was realized as well as greater operational efficiencies and annual savings. Members in Districts 1 and 2 will continue to be served with line personnel, trucks and equipment that will remain in Clay Center.

New Warehouse Construction in 2023

With larger trucks and equipment, our current warehouse facility in Clay Center needs to be replaced. In December 2021, the board decided to purchase approximately 14 acres located on the southeast side of Clay Center, on 17th Street across from the Clay County East Highway Shop. Late in 2022, request for proposals were sent to area contractors for the opportunity to join Bluestem in a design-build project for a new warehouse. In December 2022, the board interviewed four contractors as potential candidates for the project.

At the January 2023 board meeting, Schultz Construction, Inc., of Manhattan was awarded the project, which is projected to start in the second or third quarter of 2023. The cooperative plans to construct a warehouse facility with an adjoining pole yard all in one location, which will allow Bluestem to continue to provide reliable and safe electric service to our members in Districts 1 and 2.

Rate Structure Change

Bluestem continues to study the possibility of moving from our current two-part rate structure (customer charge + energy charge) to a three-part rate structure (customer charge + demand charge + energy charge) in the near future. Moving from the two-part rate to a three-part rate should produce a more fair and equitable energy bill for all members of Bluestem by factoring in an individual demand charge for each member. Also, the three-part rate matches up with how we are billed from our power supplier, Kansas Electric Power Cooperative (KEPCo).

Government Relations

Bluestem, along with many other electric cooperatives nationwide, continues to monitor federal and state regulations that affect the operation of rural electric systems. On the federal level, we continue to monitor the status of new regulations placed on the utility industry and their anticipated impact. On the state level, issues are being monitored closely by Kansas Electric Cooperatives, Inc. (KEC) Governmental Relations staff. Our concern is how new regulation and/or laws will affect our members and their cost of electricity. Be assured as regulation and laws are discussed at the statehouse, our team is participating in

Continued on the Inside Back Cover – C3 ►

FINANCIAL R

Balance Sheet as of Dec. 31, 2022

ASSETS – WHAT WE OWN

Utility Plant	
Electric Plant	\$55,850,028
Less: Depreciation	\$14,779,604
Net Utility Plant	\$41,070,424

Investments	\$10,290,953
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Current Assets

Cash & Short-Term Investments	\$9,421,805
Accounts Receivable (Net)	\$1,465,383
Materials	\$306,313
Prepayments	\$119,180
Other Current Assets	\$9,565
Total Current Assets	\$11,322,246

Deferred Debits	\$994,412
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TOTAL ASSETS	<u>\$63,678,035</u>
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LIABILITIES – WHAT WE OWE

Long-Term Liabilities

Liabilities to RUS and FBB	\$29,468,706
Other Long-Term Liabilities	\$6,704,466
Total Long-Term Liabilities	\$36,173,172

Current Liabilities

Accounts Payable	\$1,053,262
Accrued Expenses	\$748,555
Consumer Deposits	\$197,655
Current Maturities of Long-Term Liabilities	\$2,168,255
Total Current Liabilities	\$4,167,727

NET WORTH – MEMBERS' EQUITY

Patronage Capital & Equities

Memberships	\$123,740
Patronage Capital	\$21,934,525
Other Equities	\$1,278,871
Total Patronage Capital & Equities	\$23,337,136

TOTAL LIABILITIES AND EQUITY	<u>\$63,678,035</u>
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Property Taxes Paid

County	2022	2021	\$ Change	% Change
Clay	\$171,947	\$164,140	\$7,807	4.8%
Cloud	\$3,283	\$3,404	(\$121)	-3.6%
Dickinson	\$639	\$661	(\$22)	-3.3%
Geary	\$7,843	\$8,589	(\$746)	-8.7%
Jackson	\$9,727	\$10,230	(\$503)	-4.9%
Marshall	\$9,402	\$10,274	(\$872)	-8.5%
Ottawa	\$1,472	\$1,486	(\$14)	-0.9%
Pottawatomie	\$209,268	\$206,643	\$2,625	1.3%
Riley	\$74,926	\$74,994	(\$68)	-0.1%
Wabaunsee	\$59,400	\$62,273	(\$2,873)	-4.6%
Washington	\$79,716	\$82,990	(\$3,274)	-3.9%
Total	\$627,623	\$625,684	\$1,939	0.3%

Statement of Operations

for the year ending Dec. 31, 2022

	2022	2021	Increase (Decrease)
OPERATING REVENUE			
Electric Energy Revenue	\$18,941,606	\$17,900,365	\$1,041,241
Miscellaneous Electric Revenue	\$151,154	\$142,998	\$8,156
Total Operating Revenue	\$19,092,760	\$18,043,363	\$1,049,398

OPERATING EXPENSES

Cost of Power Purchased & Generated	\$9,869,120	\$9,310,706	\$558,414
Transmission Expense	\$3,212	\$3,244	(\$33)
Distribution Expense	\$2,813,591	\$2,557,593	\$255,998
Consumer Accounts Expense	\$373,189	\$349,929	\$23,260
Other Consumer Expenses	\$157,132	\$147,622	\$9,509
Administrative and General Expense	\$1,271,617	\$1,231,056	\$40,560
Property Taxes	\$627,623	\$625,685	\$1,938
Depreciation Expense	\$1,861,626	\$1,844,565	\$17,061
Other Operating Expenses	\$9,555	\$6,279	\$3,276
Total Operating Expenses	\$16,986,665	\$16,076,681	\$909,983

Electric Operating Margin	\$2,106,095	\$1,966,681	\$139,414
Less: Interest on Long-Term & Other Debt	\$1,126,502	\$1,156,760	(\$30,259)

Operating Margin	\$979,593	\$809,921	\$169,672
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NON-OPERATING MARGINS

G&T and Other Capital Credits	\$156,654	\$147,698	\$8,956
Interest Revenue	\$83,304	\$115,599	(\$32,295)
Gain on Disposition of Office Facility	\$115,672	\$0	\$115,672
Other Revenue	\$67,600	\$62,670	\$4,931
Total Non-Operating Margins	\$423,230	\$325,967	\$97,263

NET MARGIN	\$1,402,823	\$1,135,888	\$266,935
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Statement of Cash Flows

for the year ending Dec. 31, 2022

NET MARGIN	\$1,402,823
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Adjustments to reconcile net margins to net cash provided by Operating Activities:

Depreciation & Amortization Less Salvage	\$1,020,229
Changes in Equity	(\$715,109)

Decrease (Increase) in:	
Accounts Receivable (Net)	(\$229,290)
Materials	(\$75,492)
Prepayments & Deferred Debits	\$225,790
Other Current Assets	(\$3,696)

Increase (Decrease) in:	
Accounts Payable & Consumer Deposits	\$94,913
Other Current & Accrued Liabilities & Deferred Credits	(\$10,931)

Total Adjustments	\$306,414
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Net Cash from Operating Activities	\$1,709,237
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Investments in Associated Organizations & Other (Net)	(\$1,600,821)
Distribution Construction (Net)	(\$1,241,583)
Plant & Equipment Purchases (Net)	\$141,611

Net Cash from Investing Activities	(\$2,700,793)
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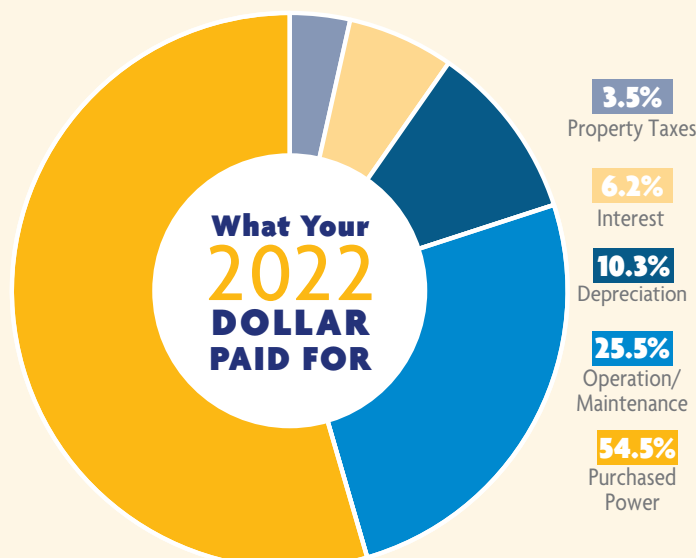
Principal Payments	(\$1,366,871)
Changes in Cushion of Credit (RUS Prepayments)	\$1,383,145
Capital Leases	(\$87,671)
Borrowings of Long-Term Debt	\$3,500,000

Net Cash from Financing Activities	\$3,428,603
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Net Increase (Decrease) in Cash & ST Investments	\$2,437,047
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Beginning Balance: Cash & ST Investments	\$6,984,758
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ENDING BALANCE: CASH & ST INVESTMENTS	\$9,421,805
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Minutes from March 4, 2019, 21st Annual Meeting of Members

In the absence of President Richard Ridder, Vice-President Dan Pollock called the 21st Annual Meeting of the Members of Bluestem Electric Cooperative, Inc., to order at 7 p.m. on Monday, March 4, 2019, at the St. Bernard Catholic Church Parish Hall in Wamego, Kansas. Father Mike Peterson gave the invocation.

Vice-President Pollock then called upon General Manager Michael Morton for introductions of special guests and announcements. General Manager Morton then requested the members of Bluestem Electric Cooperative remember, in a moment of silence, the cooperative leaders and members of the armed forces who passed away during the past year. General Manager Morton then introduced special guests in attendance including former trustees Glenn Czirr and Alice Kimble; former employees Ron Dickey, Dale Hammond, and Ken Maginley; Kansas Electric Cooperatives (KEC) Director of Education and Training Shana Read; and from Kansas Electric Power Cooperative (KEPCo) Executive Vice President and CEO Suzanne Lane and Sr. Vice President and CFO Coleen Wells.

Secretary Bruce Meyer read the notice of the meeting and the secretary's report of mailing, which was mailed on Feb. 22, 2019, being 10 days prior to the meeting. Mr. Meyer then reported

the total membership of Bluestem Electric Cooperative, Inc. was 5,300, and 109 members were present at the beginning of the meeting. Mr. Meyer noted this represented 2.06 percent of the total membership, which constituted a quorum for the transaction of business (the actual listing of members in attendance is maintained at the cooperative office).

The minutes of the 20th Annual Meeting of Bluestem Electric Cooperative, Inc. held on March 5, 2018, were printed in the annual meeting notice booklet. Vice-President Pollock asked if the members wanted the minutes read or approved as printed and mailed. It was then moved and seconded that the minutes of the Bluestem Electric Cooperative, Inc. 20th Annual Meeting held on March 5, 2018, be approved as printed and mailed in the annual meeting notice booklet.

Motion carried.

Vice-President Pollock gave the president's report and noted the treasurer's report printed in the annual meeting booklet (on pages 8, 9 and 10), was mailed to each member prior to the annual meeting.

Vice-President Pollock then called upon General Manager Morton to present the general manager's report. Following the general manager's report,

General Manager Morton recognized this year's Bluestem scholarship recipients and introduced the trustees and attorneys, their spouses, and recognized employees celebrating work anniversaries. Suzanne Lane of KEPCo reviewed current power supply issues within the electric utility business and Brandi Miller of Kansas Cooperative Council discussed the role of KCC in providing support to rural cooperatives of Kansas.

General Manager Morton then asked for any questions from the membership.

Following the questions from the membership, Vice-President Pollock asked if there was any old business. There was no old business. There was no new business to be acted upon in accordance with the bylaws; he further asked if there was any new business to be discussed. There was no new business to be discussed.

Vice-President Pollock then declared the 21st Annual Meeting of Bluestem Electric Cooperative, Inc. adjourned.

Prizes were awarded by winning at Bluestem Bingo and it was noted that all members in attendance would receive a \$10 energy credit. Members and guests also enjoyed ice cream, cobbler, coffee and tea at the 2019 Annual Meeting.

Bruce Meyer SECRETARY

Minutes from March 28, 2022, 24th Annual Meeting of Members

President Richard Ridder called the 21st Annual Meeting of the Members of Bluestem Electric Cooperative, Inc., to order at 7 p.m. on Monday, March 28, 2022, at the United Methodist Church Family Life Center in Clay Center, Kansas. Reverend Dr. Reuben Langat gave the invocation.

President Ridder then called upon General Manager Michael Morton for introductions of special guests and announcements. General Manager Morton then requested the members of Bluestem Electric Cooperative to remember, in a moment of silence, the cooperative leaders and members of the armed forces who passed away during the past year. General Manager Morton then introduced special guests, former trustees and employees of Bluestem Electric Cooperative; Kansas Electric Cooperatives' (KEC) Director of Education and Training Shana Read and Director of Finance and Human Resources, Mindi Pfannenstiel; and from Kansas Electric Power Cooperative (KEPCo) Executive Vice President and CEO Suzanne Lane.

Secretary Bruce Meyer read the notice of the meeting and the secretary's report of mailing, which was mailed on Feb. 25, 2022, being 10 days prior to

the meeting. Mr. Meyer then reported the total membership of Bluestem Electric Cooperative, Inc. was 5,330, and 55 members were present at the beginning of the meeting. Mr. Meyer noted this represented 1.03% of the total membership, which does not constitute a quorum for the transaction of business (the actual listing of members in attendance is maintained at the cooperative office). President Ridder then noted that a quorum of 75 was needed in order to continue the 2022 Bluestem Annual Meeting. It was then moved and seconded to adjourn the 2022 Bluestem Annual Meeting and set the meeting to be held on March 27, 2023, at 7 p.m. in conjunction with the 2023 Bluestem Annual Meeting.

Motion carried and the meeting adjourned.

Following adjournment, President Ridder gave the president's report and noted the treasurer's report printed in the annual meeting information (on Pages 12B and 12C), which was mailed to each member prior to the annual meeting as part of the March 2022 *Kansas Country Living* magazine.

President Ridder then called upon General Manager Morton to present the general manager's report.

Preceding the general manager's report, General Manager Morton recognized this year's Bluestem scholarship recipients and introduced the trustees and attorneys, their spouses, and recognized employees celebrating work anniversaries. General Manager Morton then introduced Suzanne Lane of KEPCo who reviewed current power supply issues within the electric utility business.

General Manager Morton then asked for any questions from the membership.

President Ridder then called upon Attorney Joel Mason to review and take questions on the proposed changes to the Bluestem Bylaws that will be voted on at a later date by the members of Bluestem.

President Ridder then concluded the cooperative business information forum and thanked those in attendance for coming to the annual meeting.

Prizes were awarded by winning at Bluestem Bingo and it was noted that all members in attendance would receive a \$10 energy bill credit. Members and guests also enjoyed ice cream, cobbler, coffee and tea at the 2022 annual meeting.

Bruce Meyer SECRETARY

REGISTRATION CARD & DRAWING TICKET

BRING THIS WITH YOU TO THE ANNUAL MEETING

Receive a \$20
BILL CREDIT

During the meeting, registered members are
entered in three drawings for a chance to win

\$150, \$100 or \$50

Manager's Report *Continued from page 12B ►*

the discussions for the protection of all Kansas co-op members.

Cooperative Model Advantage — Power Supplier MSA

KEPCo, a generation and transmission cooperative that provides wholesale power services to 16 electric co-ops in the eastern two-thirds of Kansas, is our supplier of wholesale power. Bluestem purchases wholesale power from KEPCo to meet the electric energy needs of our members. The cost of wholesale power is approximately two-thirds — before the Margin Stabilization Adjustment (MSA) credits — of the total cost of providing electric service to each Bluestem member.

As one of the member-owners of KEPCo, Bluestem has a voice in the planning and development of the future power supply arrangements and the financial goals of the organization. One financial decision made at KEPCo, through member input, was the establishment of an MSA Rider implemented in December 2011 and modified in 2015. Essentially, the MSA Rider allows KEPCo to reduce its margins by year-end by providing credits to its member-owners while maintaining certain required financial ratios.

Since 2011, KEPCo has provided Bluestem a cumulative reduction in power costs of \$8.064 million through the MSA. In 2022, the KEPCo MSA credits to Bluestem totaled \$1,056,486. Bluestem staff continues to monitor the MSA and its use in stabilizing rates and lowering power cost to the members of Bluestem. This return of dollars to Bluestem, and ultimately to each member, is possible because of our cooperative ownership model.

Power Supply Diversification

Future power supply is critical to our future success. Over the years, KEPCo has been successful in securing reliable, economic power supply options for its electric cooperative members.

These options have included base load generation with an ownership participation in the Wolf Creek Nuclear Generating Station, hydropower from federal power marketing agencies in the west and southwest, peaking generation facilities with the ownership of a 20 MW diesel generating station in southeast Kansas, and securing ongoing wholesale power supply contracts with several electric utilities in the region.

Wind is included in the generation resources used by Evergy to meet some of KEPCo's electric power requirements under the terms of the wholesale power supply contract between the two organizations.

In 2010, KEPCo partnered with four other utilities in the latan 2 coal-fired generating plant, which produces 850 MW. This plant is one of the newest, cleanest and most efficient coal plants in the world.

In 2017, construction of a 1 MW solar array was completed and added to KEPCo's power supply mix. KEPCo estimated that the non-greenhouse-gas-emitting resources (nuclear, hydro, wind and solar) comprised 64.4% of KEPCo's energy in 2022. KEPCo's current diverse mix of generating resources and plans for future supply provide a hedge against commodity price fluctuations and regulatory changes.

KEPCo continues to work diligently to meet our future power supply needs so the lights will be bright when the next generation of Bluestem members turns on the switch.

The Bluestem staff expresses sincere thanks and appreciation to the membership for their support. We are proud to represent the cooperative and we enjoy serving its members. Stay safe, stay healthy and know that we are looking forward to seeing you in person at the Bluestem Electric Cooperative Annual Meeting on March 27 in Wamego.

Michael Morton
GENERAL MANAGER

Keep Your ACH Payment Information Current

If you are signed up for automatic bank draft or recurring credit/debit card payments for your Bluestem Electric account(s), please update your information if you change bank accounts or get new credit/debit cards. This will ensure that your account will be paid on time and you will avoid any penalty charges.



Address
Min 3.75 in wide

Proxy Notice

If you are not able to attend the annual meeting, you may appoint a proxy to vote for you. Your proxy must be a member of your district. A member may not be the proxy for more than three other members.

If you want to appoint a proxy, please fill out the form below and give it to the member you appoint as your proxy. Your proxy must sign the certification at the bottom of the form.

Your proxy will sign you in at the registration table at the annual meeting. Staff personnel will collect and file the proxy.

PROXY

I, the undersigned, a member of Bluestem Electric Cooperative, Inc., hereby appoint

(name of proxy) as my agent and attorney-in-fact to vote as my proxy at the annual meeting to be held Monday, March 27, 2023, at 7 p.m. at the Bluestem Electric Warehouse in Wamego on questions that may come before the meeting as I would be entitled to vote if personally present.

PRINTED NAME OF MEMBER

SIGNATURE OF MEMBER

DATE

CERTIFICATION BY PROXY

I, the undersigned, have been appointed as a proxy by the member named above. I certify that I am a member in the same district as the member named above and that I am not the proxy for more than a total of three members.

PRINTED NAME OF PROXY

SIGNATURE OF PROXY

DATE

2022 Year in Review

Continued from page C2 ►

in December 2022. As the 2023 budget was developed, the board reviewed the policy criteria and has not budgeted a general retirement to occur in 2023.

Financials

Bluestem ended the year with a margin of \$1,402,823. Of that margin, \$979,593 reflects the operating margin with the balance of \$423,230 being comprised of interest income, capital credit allocations from our power supplier and other cooperative organizations conducting business with Bluestem, and a gain on the sale of the Clay Center office facility. As a result of the 2022 margins, all required financial ratios and obligations were achieved. The treasurer's report can be found on Pages 12B and 12C of this annual report.

The Bluestem Board continues to closely monitor the financial condition of the cooperative. Board and management staff will consider the need to conduct a cost-of-service study with the assistance of a consultant. The results will be presented to the board later this year in 2023, if completed. Currently, there are no plans for a rate adjustment in 2023.

Bluestem's Mission

On behalf of the Bluestem Board, I would like to thank the members for your support of Bluestem. I would also like to say thank you to the employees who work for Bluestem. They are on the job every day focused on supporting our co-op's mission: **Safe ⚡ Reliable ⚡ Energy.**

2023 Annual Meeting

We know the annual meeting is a great opportunity for all Bluestem Electric Cooperative members to learn more about the cooperative and visit with Bluestem employees, trustees and fellow members. But more importantly, your health and safety as well as the health and safety of our employees comes first. We hope to see you at the 2023 annual meeting; however, we do understand if you decide to not attend and instead send your proxy card with a friend.

Richard Ridder
RICHARD RIDDER, PRESIDENT