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Bluestem

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FROM THE GENERAL MANAGER

Here for You, Even at a Distance

As we all deal with the new realities brought on by the coronavirus, I want to assure you that Bluestem Electric Cooperative is here to help you. We have always had an emergency plan that has served us well in a variety of circumstances, from ice storms to tornadoes to flash floods. Early in this crisis, our staff updated that plan with a special emphasis on ensuring we can continue to provide the reliable electric service you have come to expect from your electric cooperative.

So far, that is exactly what has happened. We know that after a sufficient supply of food and water, electricity is the No. 1 thing you need to maintain some sense of normalcy as we hunker down in our homes.

With that in mind, keeping the power flowing is priority No. 1 for everyone involved in maintaining the electric cooperative system.

We know that after a sufficient supply of food and water, electricity is the No. 1 thing you need to maintain some sense of normalcy as we hunker down in our homes.

That starts with our generation cooperative, Kansas Electric Power Cooperative, Inc. (KEPCo), which has taken extreme measures to ensure its workforce is healthy and its power plants are functioning as needed. It extends to the 27 distribution cooperatives that deliver electricity across Kansas, and it includes Bluestem Electric, where business may be a bit unusual, but our service remains the same.

We thought you might want to know some of the steps we have taken in order to keep your power flowing. We've

Continued on page 16D ▶



2020 Bluestem Electric Scholarship Winners

Congratulations to the 2020 Bluestem Electric Cooperative Scholarship winners SAMANTHA BRETHOUR, EMMA EBERT, SKYLER FORGE, KENDRA HAMMAN, KALEA NIPPERT, RYLEE OLSON, SIERRA QUATHAMER, ABBEY SHANEYFELT and TYLER SIMMONS.

Bluestem's scholarship program provided nine scholarships, totaling \$6,000 to high school seniors whose parents are members of Bluestem. Winners are selected based upon application data, scores received from an electric cooperative test, and a personal interview with a panel of six scholarship committee judges. What a great group of young people we have representing Bluestem! We wish them much success as they complete their senior year in high school and begin their college education.



Samantha Brethour

SAMANTHA BRETHOUR is the daughter of Clay and Kristin Brethour of Lenexa. Samantha is home educated through Integris Academy and plans to study supply chain management at Kansas State University.



Rylee Olson

RYLEE OLSON is the daughter of Todd and Sally Olson of Olsburg. Rylee attends Blue Valley-Randolph High School and plans to study elementary education at Emporia State University.



Emma Ebert

EMMA EBERT is the daughter of Timothy and Lisa Ebert of St. George. Emma attends Rock Creek Jr./Sr. High School and plans to major in kinesiology at Kansas State University.



Sierra Quathamer

SIERRA QUATHAMER is the daughter of Geard and Joyce Quathamer of Alma. Sierra attends Wabaunsee High School and plans to study nursing at Washburn University.



Skyler Forge

SKYLER FORGE is the son of Dale Forge Jr. and Janet Forge of St. George. Skyler attends Rock Creek Jr./Sr. High School and plans to study food science and industry with a pre-med option at Kansas State University.



Abbey Shaneyfelt

ABBEY SHANEYFELT is the daughter of Ben and Amy Shaneyfelt of Wamego. Abbey attends Manhattan High School and plans to study environmental science at Colorado State University.



Kendra Hamman

KENDRA HAMMAN is the daughter of Gerald and Sherry Hamman of Wamego. Kendra attends Wamego High School and plans to study biochemistry and participate on the rowing team at Kansas State University.



Tyler Simmons

TYLER SIMMONS is the son of Bruce and Kathy Simmons of Greenleaf. Tyler attends Washington County High School and plans to study business marketing at Kansas State University.



Kalea Nippert

KALEA NIPPERT is the daughter of Jesse and Anna Nippert of Wamego. Kalea attends Rock Creek Jr./Sr. High School and plans to study environmental science at Kansas State University.



Annual Meeting Canceled Due to COVID-19

Bluestem's annual meeting is important to each member in order to know the financial condition of the cooperative, review business conducted in 2019 and learn what is planned for the future. This brief synopsis would have been presented at the annual meeting that was scheduled for March 23, 2020.

Financial Condition

As reported in Bluestem's annual report, your cooperative had a sound financial year. Bluestem ended the year with a margin of \$1,412,010.65. As a result of the 2019 margin, all financial ratios and obligations were achieved. The margins have been allocated to the membership and you should have received notice as to the amount of your capital credits assigned to your account.

Capital credit retirement is one of the benefits of belonging to Bluestem. In 2019, a general retirement of capital credits totaling \$1,412,000 was retired to the members of Bluestem who received service from 1987 through 1994.

As we look to 2020, a general retirement of capital credits is not planned by the board of trustees. The amount of capital credits eligible for retirement was not large enough to make it economically feasible to retire. This will be reviewed by the board of trustees as we budget for 2021 to see if a general retirement of capital credits makes financial sense.

Safety

Safety continues to be the No. 1 strategic priority for Bluestem. The employees of Bluestem are focused on safety and received a "No Lost Time" award for their efforts. This award covered the time period of Feb. 11, 2016, through Dec. 31, 2019. Please congratulate Bluestem employees for working safely over this period of time.

Bluestem, in conjunction with our neighboring cooperative, Rolling Hills, purchased and constructed a "Safety Demo Trailer" for training and safety demonstrations. Our employees have had a few

opportunities to train local groups of first responders and students in the area.

Rates

We continue to focus on providing our members with the most cost-effective, stable rates possible. Kansas Electric Power Cooperative (KEPCo), our power supplier, continues to help lower power cost with the margin stabilization adjustment (MSA). Since 2011, the MSA has reduced power cost for Bluestem members in the amount of \$5.55 million, and in 2019 the MSA totaled a little over \$1 million.

Looking forward in 2020, no additional adjustment in rates is anticipated at this time. Demand costs continue to drive our cost of power to Bluestem. Over the past few years, we have printed your demand reading on your Bluestem bill. Staff will be reviewing the billing structure in 2020 and may propose a move to a three-part bill, which would include the customer charge, kilowatt charge, and demand charge. Currently, you receive a two-part bill including the customer charge and kilowatt charge only. If the three-part bill is implemented in 2021, we would strive to make this a revenue-neutral adjustment to the cooperative. All members will be notified if this type of billing change is proposed and a special meeting will be held.

Wind and solar installations continue to be installed on Bluestem's distribution system. Members should contact us if they are considering such an installation. Sizing of your system is important to Bluestem and our distribution system reliability. At this time, interconnection fees, other than the application fee, are not charged

to members who connect their solar system to the Bluestem distribution system. However, in fairness to all members, we continue to review an interconnection access fee.

Payments

We encourage all members to sign up for automatic bank draft when considering how to pay your monthly bill. This method is safe and secure as well as efficient and effective. Please contact Glenda at our office to sign up for automatic bank draft. Another payment option to consider is our SmartHub app. The SmartHub app gives you a wealth of information about your electric account at your fingertips. Please contact our office and speak to Jennifer or Ashley if you have interest in SmartHub or our other payment methods.

Former Wamego Facility Sold

Our former Wamego facility was sold to Manhattan Area Technical College (MATC) and the sale closed at the end of February. As part of the sale, MATC, agreed to offer scholarships in the amount of \$3,000 per year for the next seven years to members of Bluestem and/or their children. If you or your child is planning to attend MATC make sure to ask about the Bluestem scholarships. It is a great opportunity for an excellent education.

It is a privilege of each employee to serve the Bluestem Electric Cooperative members. If you have questions on the above information or other items please contact us. Working together, we can successfully face future challenges.

Tip of the Month

When the weather is nice, put your grill to use! During summer months, cooking outdoors is a great way to save energy and eliminate unwanted heat from cooking indoors. Source: energy.gov



Bluestem Summer Electric Rate Effective June 1

Bluestem's Single-Phase Summer Electric Rate (typically residential) becomes effective June 1 and will apply to electrical usage from June 1 through Sept. 30.

Why do electricity costs increase in the summer? The main reason is that the demand for electricity goes up due to the need for air conditioning and crop irrigation.

Utilities must have enough generating capacity to meet their greatest demand for power throughout the year, which is usually in the summer months. Their cost of owning and operating the additional generating capacity necessary to meet the high summer peaks is reflected in the higher rates charged in the summer.

If you have any questions regarding the summer rate, please contact your appropriate Bluestem office. Be sure to ask about other optional rates for which you may qualify.





Before burning, check the property for electrical equipment and power poles to avoid damage and potential outages. Always assume any downed power line is energized. Keep everyone away and call 911 immediately. If any poles are damaged by a fire, the person starting the fire could be liable for the damage to Bluestem Electric's equipment and the cost associated with repairing the damage.

Here for You, Even at a Distance

Continued from page 16A ▶

closed our lobbies to prevent the spread of germs. Instead, we are encouraging members to use our auto payment/bank draft, SmartHub/online bill pay, night drop boxes, phone payments and the "good ol" U.S. Postal Service to pay bills.

Some of our employees are working from home. We practice social distancing even when in the office. If you call, the phones will be answered as always.

We have separated our line crews from other employees and even from each other to limit possible spread of the virus. Deliveries and mail are being quarantined.

Our management team communicates constantly to this fluid situation and adjusts our plan to meet the needs of you, our member. We are in constant contact with the other electric cooperatives in Kansas and with Kansas Electric Cooperatives, Inc., which in turn is working closely with our national association, the state legislature and Gov. Laura Kelly. We continue to communicate with state and local emergency management agencies, and our county health departments.

So far, it is working well and everyone has adapted to the new norm. That's because we've done this before. Nothing brings out the best in our employees better than a crisis situation. It's kind of like gold that has been tested in fire stronger and more beautiful!

Our focus here is on doing our part to keep your life as normal as possible through this situation and beyond. The cooperative way of doing business has brought us this far, and the cooperative way will help us through this crisis.

All the best to everyone. Stay healthy, stay home and we will get through this together the cooperative way!