



MJM
ELECTRIC COOPERATIVE

ALONG THE LINES

Vol. 14, No. 5

May 2021

www.mjmec.coop

MJM

WEATHERING THE STORM

A **\$350** Bill Credit
Grand Prize!

21 winners of a
\$25 Bill Credit!

\$15 Bill Credit
just for attending!

Join us on Friday, June 4, 2021, from 4-7 at Carlinville's
MJM headquarters at 18300 Shipman Road
for the 82nd drive thru Annual Meeting.
Bring this booklet for easy registration and voting.



AGENDA

4 PM

Registration opens for MJM Members. There will be three drive thru truck bays available for Members.

4 - 7 PM

Upon entering the truck bay, three booths will be set up. A registration, information, and food booth are placed to make this drive thru a quick and easy process. Entertainment will be provided by Black Hill (see page 18 for details)! While waiting in line, MJM Members can tune into FM 89.5 to enjoy the music. Members may also view Facebook/YouTube Live during this time.

7 PM

Registration will close at 7 PM sharp. MJM will continue to broadcast via FM 89.5 (only available near the MJM HQ) and Facebook/YouTube Live to announce the Annual Meeting prize winners, scholarship winners, and any Cooperative announcements. The live stream videos will be played back on MJM's website and social media pages if you aren't able to catch it live.

Annual Meeting prize winners will be contacted by phone and do NOT need to be present to win.

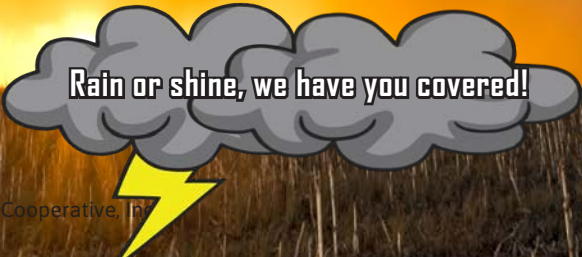
ATTENDANCE BILL CREDITS AND PRIZES!

Members registered in person at the Annual Meeting of Members on June 4th will receive an MJM tote bag and cord organizer. Each attending membership will receive a **\$15 credit** on their July 1st electric bill. A grand prize of a **\$350 bill credit** will be awarded along with **twenty-one \$25 bill credits**. Random gifts will be presented as well.

BAGGED PORK CHOP SUPPER

The Macoupin County Pork Producers will be grilling pork chop sandwiches on site for a fresh, delicious meal! Meals will have prepackaged sides, along with bottled water, and bagged for an easy grab-n-go.

Guests receiving meals MUST be present in the vehicle.



Rain or shine, we have you covered!

SECRETARY'S REPORT

I, William R. Heyen, am the duly elected, qualified and acting Secretary of M.J.M. Electric Cooperative, Inc. I wish to report that the notice for the 82nd Annual Meeting of the Members of the Cooperative was posted at the M.J.M. Headquarters office on May 5, 2021 as well as mailed to each Member of the Cooperative to their address on record. The Official Annual Meeting Notice can be found on page 12.

I, also, certify that on March 29, 2021 the Elections and Credentials Committee met. The Election and Credentials Committee report was posted at the M.J.M. Headquarters office on March 30, 2021 and is printed on page 12.

To satisfy the quorum requirements for our Annual Meeting, we are asking that Members participate this year by way of driving to the Annual Meeting site where Cooperative Staff and Board Members will greet you. It is important that you bring your annual meeting booklet with you to help speed up the registration process. (A booklet will be provided for those who forget.) In the annual meeting booklet, a ballot is provided for voting for the director election, approving the Annual Meeting Notice and 2020 Annual Meeting minutes. **If you have any old or new business, please notify the Cooperative by Tuesday, June 1st.** A comment page is included on page 21 if you wish to submit it by mail. Otherwise, please call the office at 217-707-6156.

Note that the Cooperative's current Bylaws do not allow for mail-in ballots. In order for your vote to be counted it will need to be cast at the Annual Meeting using the drive-thru process this year.

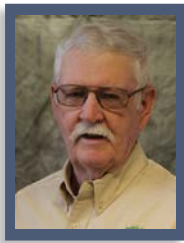
Following the collection of the ballots, a continuation of the Annual Meeting will take place for purposes of counting of ballots with respect to the director election, approval of the Annual Meeting Notice which contains the required fiscal year reports, and any other business that may need discussed.

A pork-chop meal to-go will be provided for only those individuals participating in person. Prize and scholarship winners will be announced via Facebook and YouTube Live and posted on MJM's website and social media shortly after closing registration at 7 PM. Any winners will also be contacted by phone. Questions and/or comments for M.J.M. will be answered subsequently.

These are certainly challenging times for everyone. The decision to hold the Annual Meeting in this manner this year is being made with the health and safety of all of our Members and employees in mind. We hope you can join us!

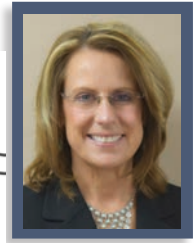


Sincerely,
William R. Heyen



KAY SCHULTZ
Board Chairman

Board Chairman and President/CEO's Report



LAURA CUTLER
President/CEO

Covid-19 has changed the way we all go about our day-to-day activities. It has also changed the way we will be having your MJM 2021 Annual Meeting on Friday, June 4, 2021. This year the board and staff have a new and exciting way for you to attend the meeting. We are taking precautions to make your Annual Meeting safe so you can attend the meeting. We are going to have our first ever drive-thru Annual Meeting. You will see the Board of Directors and familiar employees' faces directing you through the route at the new MJM headquarters at 18300 Shipman Road, Carlinville.

Through this pandemic our Cooperative employees have been making the needed changes to serve you and uphold the safe, reliable, and sustainable electric service you are accustomed to. We appreciate our Members' patience and understanding as COVID slowed the progress of meeting with our Members as we normally do throughout the year.

Things are always changing here at MJM. Paul Bartlett, who has been one of your board of directors from 1987 to 2021 retired on February 25, 2021. Paul has been representing MJM for 34 years! Paul's term expired this year, but he retired before his official term was up. Therefore, Charles Huebener was appointed to fill his seat. Charles has been an active member of the MAC (Member Advocate Committee) and we are pleased to see that he wants to continue to be an ambassador and advocate for MJM and continue on as a director.

The financial position of your Cooperative is solid and in 2020 we ended the year with \$2,592,103 in total margins. Our energy sales decreased mainly due to fewer KWH sales in the large commercial sector while residential helped offset some of that loss. Due to the way Members used their power during the Pandemic caused a historically low demand billing by our wholesale supplier (WVPA). This allowed MJM to give a \$500,000 margin rebate back to Members on their January 1st, 2021 bills.

Because of COVID, your coop took steps to cease disconnections for non-payment and suspended the imposition of late payment fees for the months of March through July and have temporarily implemented more flexible credit and collections procedures to assist Members in remaining connected. MJM did experience a loss of Revenue from late penalty and disconnect fees of approximately \$55,000 during this period.

We continue to see a decrease in our line loss (KWH purchased less KWH sold) which was down 1% from 2019 to 5.41% (a savings of \$110,904). This



is below the IL Co-op average of 5.85% and directly related to the aggressive ROW maintenance program, removing inactive accounts, and performing line upgrades.

Expenses were down for the year because in-person meetings and training could not occur due to the pandemic. Many were held via Zoom, but several were also cancelled. ROW clearing and spraying costs were down almost \$400,000 compared to previous years because the territories in this cycle due for maintenance were not as extensive.

Interest expense was down as a result of being approved for funding of \$705,920 through the Small Business Administration from the Paycheck Protection Program (PPP). Monies were used to help fund payroll costs, including benefits, pay for mortgage interest, rent, utilities, and worker protection costs related to COVID-19. \$1 Million was in the budget to be borrowed, but due to the PPP funding it did not become necessary. The PPP funds were forgiven thus the money was booked as income to MJM. This gain of income was offset by the loss on the disposal of the old MJM headquarters' buildings (\$288,000) that were auctioned off on October 24th, 2020.

The Board of Directors approved the retirement of deferred patronage capital credits again last year in the total amount of \$659,163. These credits were distributed on Members' October 1, 2020 bills if you were an active Member and by checks if you were an inactive Member. Your Cooperative has paid a grand total of \$4,367,846 back to the Members, one of the benefits of being a Member.

Our current debt balance includes rolling the bridge line-of-credit on the new headquarters into long-term debt. Even though an additional \$1.5 Million was borrowed since 2019, \$1.3 Million has also been paid back. MJM was scheduled to move into the new headquarters and open its doors on April 23, 2020. Due to COVID, that was put off to July 22, 2020. A ribbon cutting ceremony was not able to take place, therefore, on July 22, 2021 exactly one year after the move in date, a ceremony will transpire.

The March 7, 2020 annual meeting was held the week before the country was shut down. Our vision for roaring into the 20's was to be innovative in addressing industry challenges, forward thinking in system maintenance and improvements, invest in our community and above-all, member-focused. To mention a few of our successes a new logo was created, a new headquarters completed, an Operation Round Up program was developed, a new Member Advocate Group was formed, 3 towers were installed on MJM properties for operational enhancements and future expansion of internet services, and pursuit of offering our Members other types of services continues to progress.

MJM remains committed to our mission and building for the future.

*W. Kay Schultz, Board Chairman
Laura Cutler, President/CEO*



MISSION STATEMENT:

To be the electric provider of choice, dedicated to providing the services and products our Members want and need.



MJM Electric Cooperative, Inc

Annual Meeting Minutes - March 7, 2020

The Annual Meeting of Members of M.J.M. Electric Cooperative, Inc. was held at the Carlinville High School, Carlinville, Illinois, on Saturday, March 7, 2020.

Registration began at 8:30 a.m. and the meeting was called to order at 10:00 a.m. by Chairman Robert Lehmann. The Lucky Birds 4-H presented the American Flag. Lucky Birds 4-H then led the Members with the Pledge of Allegiance. The National Anthem was sung by Rockabilly Revival. The Members remained standing for the invocation by Cliff Woodman.

Chairman Lehmann then welcomed M.J.M. Electric Cooperative Members, guests and friends to the 81st Annual Meeting of Members and introduced the MJM Board of Directors.

Chairman Lehmann then announced that a quorum was present and called to order the business session of the 2020 Annual Meeting of Members of M.J.M. Electric Cooperative, Inc. pursuant to the Bylaws. A complete list of those registered in person and by proxy is attached to the official minutes of this meeting of the Cooperative.

Chairman Lehmann then turned the meeting over to Attorney Lee J. Plummer to address the proposed Order of the Day and Rules of the Day. Attorney Plummer referred the Members to the proposed agenda as found on page three of the Annual Meeting Notice and pointed out that this agenda is in compliance and verbatim with M.J.M. Electric Cooperative's Bylaws. A motion was made and seconded to adopt the Order of the Day being the proposed agenda on page three of the 2020 Annual Meeting Notice. Upon voice vote, the motion carried.

Attorney Plummer then presented to the Members for their consideration the following recommendations for the Rules of the Day, which were unanimously approved by the Cooperative's Board of Directors at their December 2019 meeting:

First, that not more than 25 minutes be allocated to discuss each motion that is addressed; second, that during the consideration of the motion, each speaker may speak for up to three minutes unless no one else wishes to speak and that the chair will attempt to recognize speakers with alternating viewpoints; third, that during the question and answer period, each person may speak up to two (2) minutes unless no one else wishes to speak; fourth, that *Robert's Rules of Order* will govern the conduct of the meeting; and fifth, that the Cooperative's Attorney, Lee J. Plummer, will serve as Parliamentarian for this meeting. A motion and second was made to adopt these recommendations as the Rules of the Day. Upon a voice vote, the motion carried. Attorney Lee J. Plummer then called upon pro-tempore Secretary Paul Bartlett to present the notice of the meeting.

Pro-tempore Secretary Bartlett read the Official Notice of the 2020 Annual Meeting of Members of M.J.M. Electric Cooperative, Inc., as mailed to all Members of the Cooperative, together with his affidavit of mailing of such notice to each Member as required by the Bylaws.

Chairman Lehmann then announced that the next order of business would be the consideration of the Minutes from the Annual Meeting of Members held on March 23, 2019. He stated that Minutes had been printed in the Official Notice of the meeting that was sent to all of the Members of the Cooperative. Chairman Lehmann asked if there were any corrections or additions. Hearing no corrections or additions, there was a motion and second to approve the Minutes as printed and mailed. Upon voice vote, the motion carried.

Chairman Lehmann then called upon W. Kay Schultz, Cooperative Treasurer, for his report. Treasurer Schultz presented his report including directing the Members'

attention to the printed financial information that was presented at the Annual Meeting. He reported that MJM's audit for 2019 had been completed by the Kevin S. Kelso, CPA, P.C., PA, Certified Public Accountants. He further reported that the Board has reviewed that audit. Then Treasurer Schultz discussed the results of that audit and ended by pointing out that a complete audit report as submitted by Kevin S. Kelso, CPA. is available at the Cooperative office for any member that wishes to review it.

CEO Laura Cutler then welcomed visitors including former employees Bob Heyen, Ron Dugan; Glen Holliday, George Holesko. Also, Duane Noland, Maurice Shallow, Chris Reynolds, Jim Pauley, and Connie Newenham all of the Association of Illinois Electric Cooperatives. Also visiting were State Senator Steve McClure and State Representative Avery Bourne.

Laura Cutler, President/CEO introduced Illinois State Senator Steve McClure. State Senator McClure addressed the Membership about State of Illinois politics.

Laura Cutler, CEO then introduced Illinois State Representative Avery Bourne. State Representative Bourne addressed the Membership.

Chairman Lehmann addressed the Membership regarding Wabash Valley Power Alliance then introduced Brian Fitzgerald, Vice President of Engineering and Operations for Wabash Valley Power Alliance. Mr. Fitzgerald then addressed the gathering.

Laura Cutler, President/CEO of MJM, then presented her report to the Members.

Brooke Gross came forward and presented the MJM Scholarships to recipients Jack Kessinger of Carlinville son of Jason and Tanya Kessinger, and Riley Hempken of Hillisboro, daughter of Benjamin and Keri Hempken.

Brooke Gross explained that MJM had received over 20 applicants and then drew a name out of the attending applicants for an Honorary Scholarship of \$500.00 which went to Collin Fraley.

Chairman Lehmann then turned the chair over to Attorney Plummer to conduct the business session of the meeting. Attorney

Plummer stated that the next item of business was the consideration of the Election and Credentials Committee report. Registration was closed at this time. Malcomb Foiles, Chairman of the 2020 Election and Credentials Committee presented the report of the Election and Credentials Committee and stated that the following persons had been certified as candidates for Director pursuant to the Bylaws of the Cooperative: District 4- Robert Lehmann, Girard, Illinois, District 5- Louis Johnson, Shipman, Illinois, and District 7- James Niemann, Litchfield, Illinois

At the close of Malcomb Foiles' Election and Credentials report, Attorney Plummer then asked if there was a motion and second to elect by acclamation the candidates for districts 4, 5, and 7 as certified by the Election and Credentials Committee. Upon voice vote, the motion carried and the candidates for Districts 4, 5, and 7 were elected Directors as follows: Robert Lehmann, Girard, Illinois – District 4, Louis Johnson, Shipman, Illinois – District 5, and James Niemann, Litchfield, Illinois– District 7. A copy of the Election and Credentials Committee report is attached hereto and made a part of these minutes.

Attorney Plummer then called up CEO Cutler regarding Operation Roundup. CEO Cutler then addressed the Membership explaining Operation Roundup.

Attorney Plummer then asked if there was a Motion to implement Operation Roundup for MJM Electric Cooperative. There was a motion and second to implement Operation Roundup. Upon a voice vote, the motion carried to implement Operation Roundup.

Attorney Plummer then asked if there was any unfinished business to be brought before this meeting. There being no unfinished business, Attorney Plummer then said that next item on the agenda was a 30 minute questions and answer period and called for questions.

Attorney Plummer then asked if there was any new business to be brought before the assembly of Members at that time. There being none, there was a motion and a second to adjourn. Upon a voice vote, the motion carried, and the business session of the meeting was adjourned.

OPERATIONS - MAJOR PROJECTS COMPLETED IN 2020

Electric Operations Projects

ROW (Right-of-way) Maintenance

311 miles of distribution lines were cleared in the areas of Witt north, south, east & west; Taylor Springs north, south, east & west; and Butler north & south = \$555,140. In addition, hazard trees and hot spots were addressed = \$74,270.

500.6 miles of distribution lines were sprayed in the areas off of Bunker Hill, Honeybend, Hornsby, Staunton, and Womac substation feeds = \$75,155.



Pole Inspection and Replacement:

The annual pole inspection was conducted in-house this year which consisted of 1,308 poles located on all feeders out of the Hornsby substation and the north feeder out of the Witt substation. Of these poles, 76 were marked as needing replaced and 26 needing maintenance. MJM line crews replaced 216 poles from prior inspections, and 329 poles for line upgrades and revamped services = \$402,348. Crews also worked to address the maintenance issues found-like loose hardware or damaged cross arms = \$109,806.

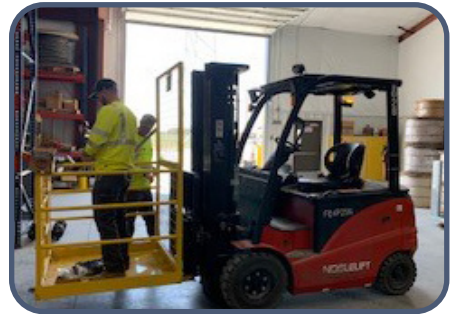
Rebuild, Relocate, and System Improvement Projects:

Even though COVID prevented MJM from accomplishing some of the work plan projects, the Cooperative undertook a number of rebuild, relocation and system improvement projects throughout the service territory. These are among a few:

- (3 miles) Rebuild cooperweld to aluminum conductor on Route`6/ Prairietown Road- *Portion was contracted to J.F. Electric* – Total project \$210,647.
- (2.5 miles) Line rebuild on Kemper Road by replacing conductor - \$157,859.
- (1.5 miles) Conversion of Single-phase overhead conductor to Three-phase to East Alton Way Road; built down Arbor Lane; resagged existing conductor with new conductor; and relocated oil circuit reclosurers from Arbor Lane to Macoupin Station Road- \$113,312.
- Three-phase service for new Carlinville headquarters building - \$69,397.
- (.25 miles) Replaced underground primary due to fault in section of the line at Lake Catatoga - \$42,635.
- Retired vacant and/or inactive services - \$42,638.
- Member line extensions, service improvements and new services, etc. - \$735,998.

Facilities & Equipment

- Purchased a 2020 Chevy 4 x 4 crew cab pick-up truck for Operations department to replace a 1999 Ford Pick-up truck- \$46,260
- Purchased a 2020 Dodge Van to replace a 2009 Dodge Van - \$28,012
- Purchased an electric forklift - \$18,754
- Purchased an underground pipe/cable locator - \$4,303
- Purchased a diagnostic scanner - \$3,427
- Purchased a JCB Telehandler - \$65,423
- Purchased a snowplow for the telehandler - \$5,601
- Purchased a vacuum excavator - \$28,960
- Purchased a drone with side-by-side visual and thermal cameras - \$3,572
- Purchased an ice machine to replace the broken one - \$3,081
- Replaced and/or added 419 meters - \$164,478
- Replaced and/or added 155 transformers - \$289,345
- Purchased 15 Oil Circuit Reclosures (OCR) - \$29,835
- 343 Outdoor light conversions to LED and/or new installs - \$229,038
- Completed the building of the new Carlinville Headquarters \$4.5 million



Information Technology (IT)

- Moved NISC Vault server to new virtualized hardware (6.5K).
- Replaced 4 office desktop computers and meter tech laptop (6K).
- Built new backup server and switched backup software (2.3K).
- Installed audio/video web conferencing system for Multi-purpose room (21k).
- Completed and tested wiring terminations for new building.
- Installed security camera system for new HQ.
- Sustained advanced IT training for employees and directors via phishing simulations.
- Continued supervision of vulnerability and security information/event management systems.
- Worked with NISC in setup and configuration of Call Capture System for automated outage calls and notifications.

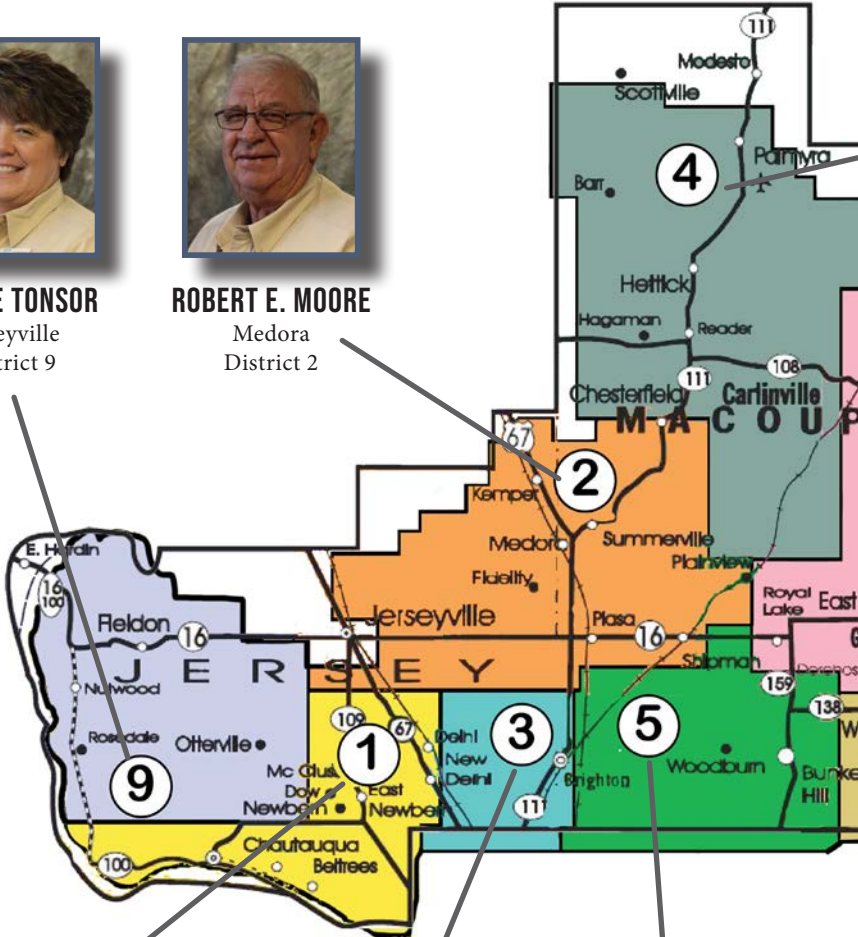
YOUR NEIGHBORS SERVING AS YOUR COOPERATIVE'S DIRECTORS



MARCIE TONSOR
Jerseyville
District 9



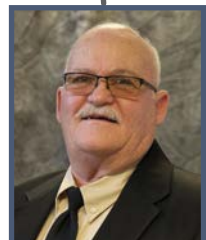
ROBERT E. MOORE
Medora
District 2



W. KAY SCHULTZ
Godfrey
District 1



CHARLES HUEBENER
Brighton
District 3



LOUIS JOHNSON
Shipman
District 5



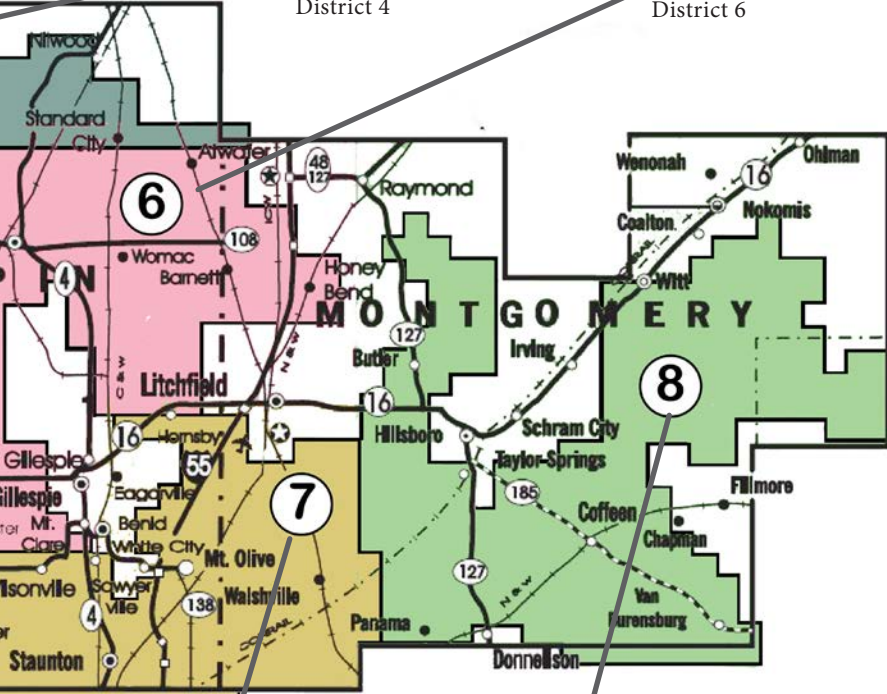
ROBERT LEHMANN

Girard
District 4



WILLIAM R. HEYEN

Gillespie
District 6



JAMES NIEMANN

Litchfield
District 7



DENNIS J. STEWART

Nokomis
District 8



LEE J. PLUMMER

Jerseyville
Attorney

ELECTION AND CREDENTIALS COMMITTEE REPORT

Carlinville, Illinois – March 29, 2021

Gary Werts, Dwayne Milner, Sandra Moore, L. Frank Oertel, Sheila Beers, Karen Klunk, Eric Sanders, David Suslee, and Todd Stewart met pursuant to the bylaws on March 29, 2021. Karen Klunk was nominated Chairperson and Sandra Moore as Secretary.

Being the Members of Election and Credentials Committee, we hereby certify the following named persons, as candidates for the position of Director from the respective named Districts of M.J.M. ELECTRIC COOPERATIVE, INC., for terms of three years each, or until their successors have been elected and qualified, beginning June 4, 2021.

Further, we state that we have examined the Petitions of the following named persons and found that said

Petitions are in compliance with the requirements of Article IV, Section 4.05 of the M.J.M. Bylaws and that they are qualified candidates for the respective positions.

For Directors for a term of three years each, or until their successors have been elected and qualified:

Robert Moore
Medora, Illinois - District 2

Charles Huebener
Brighton, Illinois - District 3

Dennis Stewart
Nokomis, Illinois - District 8

Karen Klunk, Chairman

OFFICIAL MEETING NOTICE

Notice is hereby given that the 82nd Annual Meeting of the Members of M.J.M. Electric Cooperative, Inc. will be held at the M.J.M. Electric headquarters, 18300 Shipman Road, Carlinville, IL, on Friday, June 4, 2021, at 4 PM, to act on the following:

1. The reports of officers, directors, and committees.
2. The election of one director from each of Districts Two, Three, and Eight for terms of three years each or until their successors have been duly elected and qualified.
3. Any other business which may come before the meeting or any adjournment(s) thereof.

In connection with the election of directors, the following members have been nominated by the election and credentials committee, appointed pursuant to the bylaws:

For directors for a term of three years each or until their successors have been elected and qualified:

Robert Moore of Medora, ILDistrict II
 Charles Huebener of Brighton, IL.....District III
 Dennis Stewart of Nokomis, IL.....District VIII

You are urged to attend this Annual Meeting via a drive-thru process this year so that we can satisfy our legal quorum requirements, and to allow our Members to participate in the very important Annual Meeting process.

William R. Heyen, Secretary

MEET THE BOARD CANDIDATES

District 2 - Robert E. Moore



Serving in Medora as a Board of Director is Robert E. Moore. For 20 years, Moore has held his District 2 Board of Director title. He has achieved his Board Leadership and Director Gold status from the National Rural Electric Cooperative Association (NRECA). Currently, he sits on the Executive and Audit & Finance Committee. When Moore isn't serving MJM, he finds himself to be busy by serving as the SBL Ethanol Board Treasurer and acting as the Fidelity Township Clerk of Jersey County. He has served as a director of the CHS Elevator and an active Member of the Knights of Columbus.

Moore grew up in Jersey County and graduated from Jersey County High School. After high school, he attended LCCC. He married his wife Donna where they operate a farm. Together they have three children, a son Mike and two daughters Kathy and Kari. Moore states that he enjoys working with a great, well-qualified group of Directors.

District 3 - Charles Huebener



Charles Huebener of Brighton was newly appointed in March 2021 as District 3's Board of Director. "As a new Board of Director, I look forward to learning the issues, challenges, and opportunities facing our Cooperative. I look forward to serving my best for the good of MJM's Members," says Huebener. He has been quick to jump into the appointed position as he has found himself on the Annual Meeting and Audit and Finance Committee. His prompt services come from the dedication of serving his community. He has been an active member of the Rotary and Lions service organization for many years.

Huebener grew up in Brighton and graduated from Southwestern High School. Upon graduation, he continued his education at the University of Illinois and obtained his Bachelor of Science degree in Agriculture Economics. Although he is retired from Jersey County Circuit Clerk's office, he continues to farm. Huebener has been married to his wife Felecia for 36 years. They have two children together, Emily and Ben. He has coached basketball for 20+ years. This fall, he will become a grandpa for the first time and is already counting down the days.

District 8 - Dennis Stewart



Dennis Stewart of Nokomis, IL, has served as District 8's Board of Director for 10 years but has been a Member of MJM for 28 years. After graduating from Nokomis High School, Stewart attended Lincoln Land Community College to achieve his associates degree in applied sciences. He had served on many boards and committees throughout Nokomis' community. He found that to serve the community best was to pick one board to sit on, give it 100% attention and time. With that, he chose to be completely dedicated and committed to MJM's Board. Stewart has reached his Director Gold Certificate all while serving on the Executive, Member Services and Policies, and Building and Equipment Committee. "In these ten years, I have learned so much from other Board of Directors and the Members. I still have a lot to learn. I want to learn and do all that I can to continuously provide reliable and affordable electricity to our deserving Members."

Stewart is married to his wife Pam. Together they have two grown children, Shannon and Travis. He's the proud grandpa to seven grandchildren.

TREASURER'S REPORT

I, Robert E. Moore, am the duly elected, qualified, and acting Treasurer of M.J.M. Electric Cooperative, Inc. The financial statements in the annual report are based upon a complete and independent audit of the Cooperative's books and records for year ending December 31, 2020 and was performed by Kelso Lynch, P.C., P.A. and completed on March 18, 2021.

As part of obtaining reasonable assurance about whether the Cooperative's financial statements are free of material misstatement, the auditors examine records relating to the receipt of loan funds and the construction and acquisition of property, plant, and equipment. During the year, MJM received \$5M in long-term advances from the National Rural Utilities Cooperative Finance Corporation (CFC) on loans controlled by MJM's banker, the CFC Mortgage and Loan Agreement. Plant additions totaled \$6,908,621.

MJM had strong positive margins for the year ending 2020 and was able to meet the Debt Service Coverage ratio required by its lender, CFC. As a not-for-profit, any margins, or revenues remaining after all expenses have been paid, are returned to Members in proportion to their usage of the co-op's services through capital credit allocations and retirements.

2020 margins were allocated back to the Members in the form of capital credits on Members' May 1, 2021 bill and appear as equity on the Balance Sheet. Equity is used to help meet the expenses of the co-op, such as paying for new equipment to serve Members and repaying debt. Capital credits represent each Member's share of the cooperative's margins and ownership of the co-op. Capital credits help by reducing the amount of funds that must be borrowed.

A summary of the financials is found on page 15 - 17 of this annual meeting booklet. Further explanation of the financials is discussed in the Board Chairman and President/CEO's report found on pages 4 & 5. A copy of the audit report is available for your inspection at the MJM office.



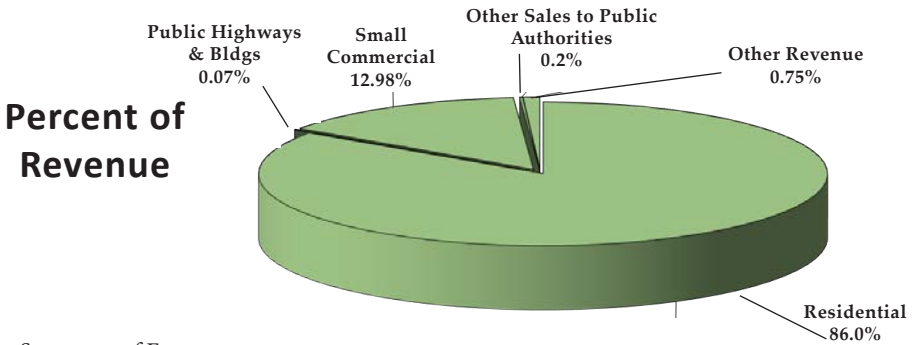
*Sincerely,
Robert E. Moore, Treasurer*

INCOME AND EXPENSES

	2019	2020
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Statement of Income

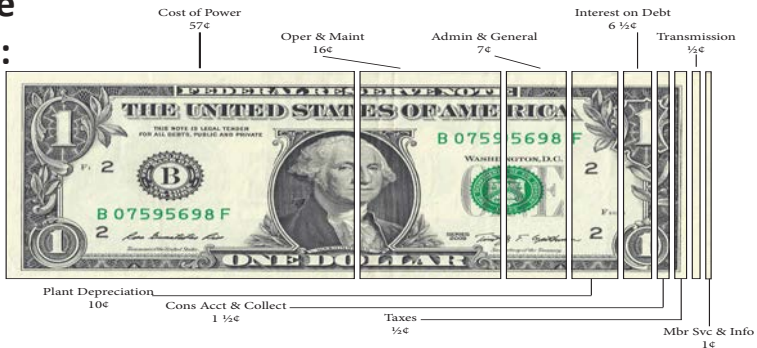
Residential	\$17,283,694	\$ 16,967,882
Public Highways and Buildings	\$14,028	\$13,152
Small Commercial	\$2,903,636	\$2,560,735
Other Sales to Public Authorities	\$34,680	\$39,218
Other Revenue	\$193,432	\$146,981
Total Electric and Other Revenue	\$20,429,470	\$ 19,727,968



Statement of Expenses

Cost of Power	\$11,165,874	\$10,403,299
Administrative and General	\$1,470,362	\$1,305,547
Operations and Maintenance	\$3,584,032	\$2,880,765
Transmission Expense	\$109,324	\$90,792
Consumer Accounting, Collecting	\$286,913	\$278,521
Interest on Debt	\$1,086,838	\$1,227,854
Taxes	\$55,752	\$74,529
Member Service and Information	\$168,142	\$146,281
Depreciation of Plant	\$1,741,762	\$1,851,313
Total Operating Expense	\$19,668,999	\$18,258,901

Expense Dollars:



MARGINS

	2019	2020
Total Income	\$20,429,470	\$19,727,968
Total Operating Expense	\$19,668,999	\$18,258,901
Net Margins	\$760,471	\$1,469,067
Non-Operating Margins	43,586	470,128
Capital Credits from G&T and Others	648,304	652,908
Total Margins	\$1,452,361	\$2,592,103

COMPARATIVE BALANCE SHEET

December	2019	2020
<u>What we own</u>		
The total cost of our system	\$60,052,246	\$65,558,313
We estimate it has depreciated	(18,307,051)	(19,012,586)
Which leaves a net value of	41,745,195	46,545,727
We have cash in the bank amounting to	487,271	240,950
Members owe us (current billing)	1,676,002	1,715,669
Our stock of materials and supplies is worth	628,276	519,829
We have made prepayments of	4,274,588	606,837
We also have a regulatory asset of	759,601	608,113
Interest earned	7,110	4,756
And investments in associated organizations	6,903,922	7,376,661
Investments of economic development	1,505,611	1,210,624
Making our total assets	\$57,987,576	\$58,829,166
<u>What we owe</u>		
We owe our lenders for long term debt	24,086,864	27,448,828
We owe for short term debt	5,692,380	1,083,779
We have an obligation for taxes, interest, etc.	507,221	426,926
Memberships and consumer deposits	1,234,409	1,237,705
Members' capital credits	23,828,329	24,621,526
Other deferred credits and misc. liabilities	824,422	646,644
Margins and other equities	1,813,951	3,363,758
Making our total equities and liabilities	\$57,987,576	\$58,829,166

FIVE - YEAR OPERATING STATISTICS

	2020	2019	2018	2017	2016
Average Number of Meters Billed (all rates)	9,409	9,386	9,396	9,342	9,282
New Services Connected	89	77	89	94	105
Services Retired	70	55	62	70	61
Total Services in Place	10,421	10,397	10,382	10,354	10,327
Idle Services	984	1,019	978	978	1,019
Total Miles of Line Energized	2,116	2,117	2,117	2,127	2,109
Total kWh Purchased	137,812,646	144,288,677	147,358,744	136,986,667	141,853,531
Total kWh Sold and used by MJM	129,640,269	134,905,214	137,284,658	127,251,351	130,999,437
Percent of Line Loss	5.93%	6.503%	6.84%	7.11%	7.64%
Farm and Residential Rate:					
Average Monthly kWh Usage	1,016	1,028	1,055	973	1,013
Average Bill per Member per Month	\$154.91	\$158.05	\$162.83	\$153.98	\$159.04
Average Members per Mile	4.45	4.43	4.44	4.39	4.40
Capital Credits Refunded Cumulative To Date	\$4,367,869	\$3,708,705	\$3,255,283	\$2,851,703	\$2,447,485

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WATERS' ADVANCEMENT



After four years of learning, testing, and dedication, Matthew Waters advanced from an apprentice to a journeyman lineman on April 10, 2021. President/CEO Laura Cutler presented Waters with his Official Journeyman Certificate. Waters has been with MJM for four years and is based at the Taylor Springs Warehouse. Congratulations, Matthew, on a huge achievement!

MJM Welcomes BlackHill!



Tom Black and Ed Hill (BlackHill) are both multi-instrumental musicians that play an eclectic mix of classic blues, rock, pop, country, along with many original songs. Tom sings, plays harmonica, guitar, ukulele, bass, drums and is pursuing a music degree in digital technology at Eastern Illinois University. Ed also sings, plays killer guitar, bass, keys and harmonica. Although they are only two musicians, they exchange instruments during performances and leverage modern technologies to build backing tracks and loops that are used to compliment their performances. They play covers anywhere from The Eagles to Jimmy Buffet and anything in between! For the most part, their set lists consists of some originals, folk/country, and rock/blues.

Operation Round Up a Success!



MJM is proud to have a program in place that can easily get funds to local groups and organizations that have a big impact on our communities. This program is called Operation Round Up. The program was voted on unanimously by Members that attended last year's annual meeting. However, due to COVID, it was decided by the MJM Board of Directors to hold off starting the program until January 2021.

MJM Members who participate in Operation Round Up allow their monthly electric bill to be "rounded up" to the next dollar. That spare change is placed in the Operation Round Up fund, overseen by a board of trustees, who are also MJM Members. These participating Operation Round Up Members volunteered to be on the Grant Review Committee and were approved by the MJM Board of Directors.

The first meeting of the trustees was on April 20th, 2021 and held as a meet-and-greet and gave us a chance to outline the program and expectations, elect officers, and answer questions. Hereafter, the trustees will meet quarterly to review the requests for grants.

Pictured above is the Grant Review Committee. Starting with the first row from left to right is Rita Robertson of Dow; Karen Klunk of Jerseyville; Debbi Waters of Plainview; Kendra Cox of Witt; and Kathy Alward of Shipman. The back row from left to right is Leslie Brakenhoff and Valerie Belusko of Litchfield; Matthew Bechtold and David Crone of Jerseyville.

Debbi Waters was elected as Chairman and Valerie Belusko as Vice-Chairman. MJM's Communication & Member Services Coordinator, Brooke Gross, is Secretary and MJM's Director of Finance & Accounting, Jeremy Pattillo, is Treasurer.

Jeremy reported that a total of \$11,042.11 had been collected by the Membership in just the first quarter (January – March)! If you are already participating in Operation Round Up and donating a few extra cents each month to help our communities, MJM thanks you on behalf of them. Small change changes lives! In upcoming editions of the MJM *Along the Lines* newsletter, instructions on how to apply for a grant will be provided.

Wondering Which Way to Go?

ENTER

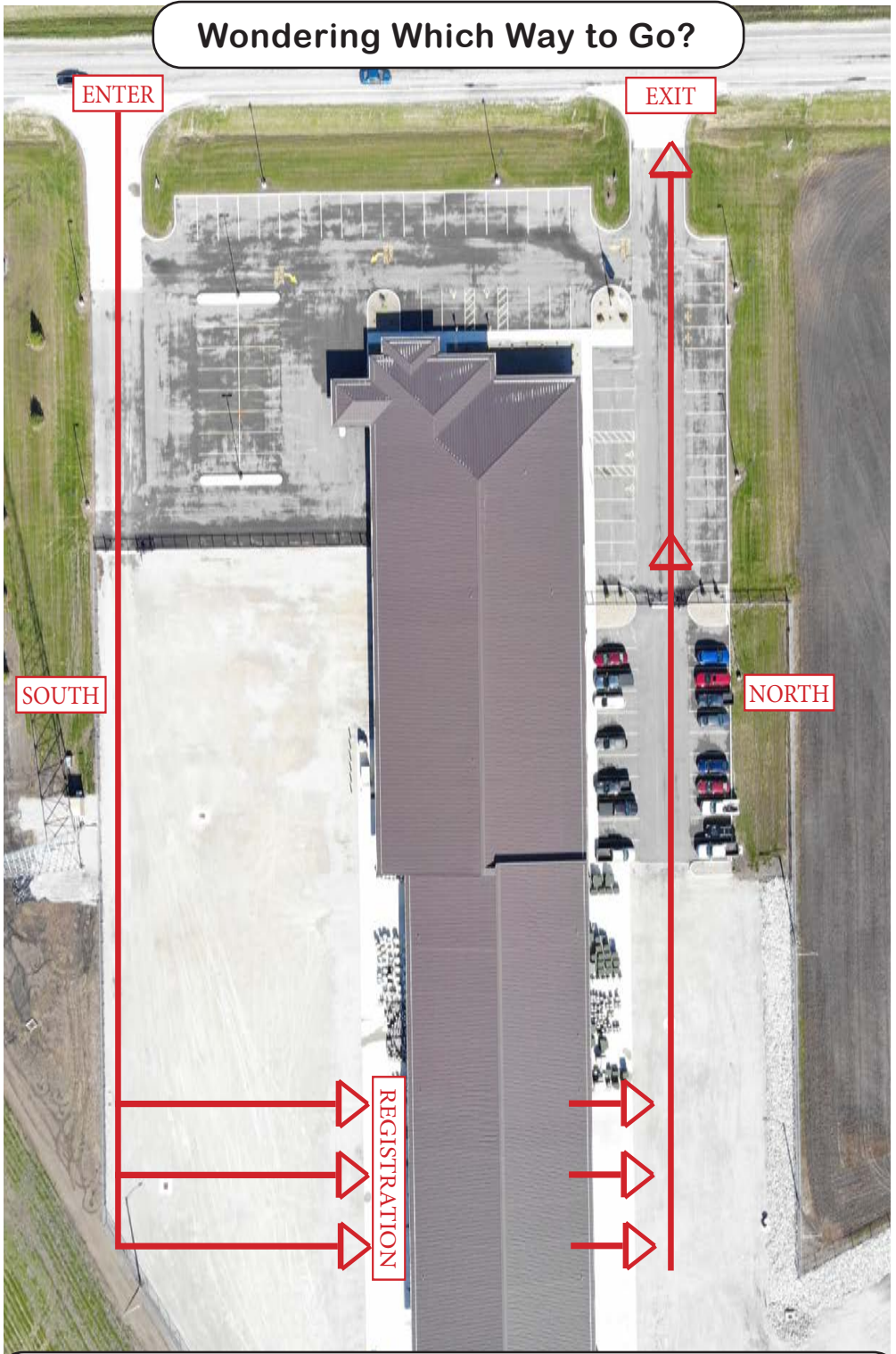
EXIT

SOUTH

NORTH

REGISTRATION

Follow the map for an easy drive thru experience!



MJM COMMENT AND FEEDBACK FORM

If you have any old or new business, please notify the Cooperative by Tuesday, June 1st. We value your opinion and want to take time to address any questions or concerns that you may have. Please fill out the form below and turn it into the registration table on June 4th or mail to MJM Electric, P.O. Box 80, Carlinville, IL, 62626.

Name: _____

Address: _____

Account Number(s): _____

Do you wish to be contacted? YES or NO.

If so, please provide a contact number:

Call Back Number: _____

Use the space below to write out your comments, feedback, and/or questions:

Savin' the Butterflies and the Bees!



Due to the rapid disappearance of Monarch butterflies, in the spring of 2019, it was alerted to Co-ops nationwide that an order could happen that would prevent right of way clearings if the Monarchs were listed on the endangered species list. By ceasing all right of way clearing, it would allow vegetation to continue to grow and become a habitat to the Monarchs and other pollinators. Of course, without right of way clearing, vegetation growth would cause outages and that would cause MJM to go back on its promise to Members to deliver reliable and sustainable energy.

Thankfully, the Monarch butterfly never made the endangered species list at this time. If it had, MJM would fall under the Wabash Valley Power Association (WVPA) umbrella for this ruling. In the meantime, WVPA was considering voluntarily creating monarch butterfly habitats on a case-by-case basis for locations that would be suitable. This planted a seed in MJM to see what part it could have in saving the butterflies as MJM had an unused $\frac{3}{4}$ acre plot just south of the headquarters.

CEO/President Laura Cutler and Communication and Member Services Coordinator Brooke Gross were familiar with Master Gardener Mary Tinder and Carlinville's Beautification Project which consists of creating pollinator plots. After much planning and preparation with Tinder's and Dear Schramm's (WVPA) guidance, MJM was ready to place its pollinator garden that would benefit both the butterflies and the bees! Master Gardener Layne Knoche drew up a tentative long-term plan for the garden which includes a couple of walking paths and benches.

MJM has seven cooperative principles. One of which, is the concern for community! MJM has decided that this will take a few phases to complete the native plant filled Community Pollinator Garden. This is due to time and dedication that will be given to each phase to ensure that MJM provides a beautiful garden.

On Saturday, April 17th, the Carlinville Beautification Project kicked off their Earth Week celebration by attending MJM's ribbon cutting ceremony to honor MJM's Community Pollinator Garden. A handful of MJM employees, volunteers, and master gardeners worked alongside each other in the rain planting shrubs and beginning to mulch the garden. Charlie and Jeannette Baker donated a tree in memory of long-time employee Robert Heyen who recently passed away. MJM donated a tree in memory of Mayor Demuzio and Steve Parr who were instrumental in assisting with the site of the new MJM headquarters but did not live to see the completed project due to COVID and the CDC guidelines.

Because this is a community garden, if an individual feels so inclined to provide native plants to the plot, please do so. You may contact Brooke Gross, 217-707-6028, or if you come to the annual meeting, feel free to drop one off. Donations are accepted! Gross has high hopes of taking her son's senior pictures at this site one day. It is called long-term planning as he is only 7 months old! But we do hope the garden will be a site that many will come to visit and enjoy in the future.

MJM ELECTRIC COOPERATIVE 2021 ANNUAL MEETING

MUST BE PRESENT IN YOUR VEHICLE TO VOTE!

Each Membership who votes will receive a \$15 bill credit, an attendance gift, and entry into the drawing for MJM's prizes.

Drive thru lanes will open at 4 p.m. Voting will end at 7 p.m. SHARP.

- Enter MJM's Drive through parking lot and register at the welcome table. Turn this page in at that time.

Approval Ballot

Please Check YES or NO to approve the 2021 Annual Meeting notice and 2020's Annual Meeting Minutes

I approve the MJM 2021 Annual Meeting Notice. YES NO

I approve the Minutes of the 2020 MJM Annual Meeting. YES NO

Board of Director Ballot

Please vote for a Board of Director in each district by filling in the oval.

District #2

Robert E. Moore

District #3

Charles Huebener

District #8

Dennis Stewart

Long Lead Times, Long Waits...

Looking to upgrade your electrical service? Maybe you're adding a new grain bin or another large project. If you are, please call MJM right away. Due to exceptionally long lead times in getting materials, Members could be waiting for quite awhile for their requests to be complete.

If you have a large project coming up in the near future, please let MJM know ahead of time so material can be in stock and waiting for you! Call MJM at 217-707-6156 and press option 4.



**BRING THIS BOOKLET WITH YOU FOR EASY
REGISTRATION AND VOTING!**