



Kay Schultz
Board Chairman

BOARD CHAIRMAN & PRESIDENT/CEO'S REPORT

86TH ANNUAL MEETING OF THE MEMBERS



Joe Heyen
President/CEO

It is our pleasure to invite you to the 86th Annual Meeting of MJM Electric Cooperative Members on Thursday, June 12, 2025, to be held at the MJM headquarters in Carlinville. As we have in the past, we will continue the drive-thru format. Come join us for a pork chop sandwich, and if you choose, you are welcome to stick around and enjoy Patty Ames' music while you wait for the business meeting to start at 6:35pm.

MJM has two incumbent Directors up for re-election for three-year terms: Marcie Tonsor (district #9) and Tyler Heyen (district #6). With the passing of Bob Lehmann and the retirement of Kay Schultz, we currently have two vacancies in districts #4 and #1, respectively.

A lot of good things have happened at MJM since last year. I will be touching on a few of the highlights here.

MJM Electric Cooperative's 2024 Customer Satisfaction Award

Award Details:

Award: 2024 Customer Satisfaction Award from the American Customer Satisfaction Index (ACSI®) for Co-op Energy Utilities.

Score: ACSI score of 84, placing MJM Electric Cooperative within the top 25 percentile compared to other cooperatives in the 2024 ACSI Annual Energy Utility Study.

Performance Highlights: Industry Comparison: MJM's ACSI score substantially outperforms the industry average score earned by publicly measured utilities reported in the 2024 ACSI Energy Utility Study.

Factors Contributing to High Score:

Member Satisfaction: Positive experiences with the cooperative.

Meeting Expectations: Effective fulfillment of member expectations.

Ideal Co-op Experience: Strong alignment with member needs and preferences.

Complaint Handling: Effective resolution of complaints and positive problem-solving.

Service Quality: Consistent and reliable service quality.

This award highlights MJM Electric Cooperative's commitment to providing an excellent member experience.

The automated meter reading system that I mentioned last year has been completely installed by MJM personnel in just over 12 months, and while they were at it, they completed an audit of field equipment at each meter location. The meters, as well as the equipment audit, are key components for improving reliability, and providing a more robust outage management system.

Current growth opportunities have prompted us to implement plans for two new substations. MJM has not built a new substation since the seventies. The Delhi substation will be located between our Jerseyville and Brighton subs. The Fieldon substation will be constructed on Eldred Road west of Fieldon. Construction on both subs will begin in 2025. Transformers were replaced at the Witt substation in 2024, which is a substantial improvement for that substation.

System maintenance is always front and center at MJM. We inspected 3,593 poles in 2024, with

199 found to need replacement. Overall, we installed 388 new poles. This, along with a robust vegetation management plan, helps us to continually improve service reliability for the members.

Our cost-of-service study was completed in 2024, which gave us the necessary information to develop a new rate structure. The addition of the residential demand rate has allowed MJM to lower energy costs and provide a fair and responsible rate for the entire Membership. The new rate structure is an initiative-taking step on our part, especially considering the evolving landscape of energy technologies like solar, wind, and battery storage. Adapting to these modern technologies will be crucial for staying competitive and meeting the needs of all our members.

Fleet concerns have not improved much since Covid. Lead times on aerial trucks and digger derricks continue to be out for as much as two years, and equipment prices have nearly doubled. As a result, we have upgraded our fleet maintenance program, and we are keeping trucks and equipment a little longer than in past years.

Cyber security continues to be a real concern. The Cooperative has been participating in cyber security tabletop exercises put on by the National Rural Electric Cooperative Association (NRECA) and participating with the Illinois Cyber Mutual Assistance (ICMA) to sharpen our processes for our members. This is an important matter, and MJM takes the protection of your data very seriously.

MJM's relationship with Wabash Valley Power Alliance is as strong as ever. They have a diversified portfolio of generation assets as well as power purchase agreements and contracts that will keep energy costs stable for the near future. With continued pressures in the energy markets, a strong relationship with our G&T is a vital resource.

The financial strength of your cooperative continues to be strong. It is reassuring that our Total Utility Plant Investments have consistently outpaced our Long-Term Debt, indicating financial stability and growth. Plant additions in

2024 were \$5,316,051. The equity ratio remains strong as well at 46.55%. This is important to know as we are once again facing an upward pressure on the price of materials and transformers. Additionally, MJM was able to retire \$647,246 in capital credits for estates in 2024 compared to \$545,119 in 2023. This shows a significant increase in returning value to our member owners.

Chairman, Kay Schultz, and I are proud to share that the Operation Roundup Program distributed \$55,358 in 2024 (the highest total amount awarded in a year since the introduction of the program), with 18 applications approved (4 rejected). In 2025 (to date: 2 rounds), \$9,500 has been distributed, with 4 applications approved (6 rejected). Complete details are on our website. We are very impressed with the work this committee does and the time they are willing to contribute to this cause. The Cooperative continues to be committed to all the Counties that we serve and is an integral part of the community. The Cooperative has a full range of involvement from youth education, economic development, and community enrichment. This is our community, where members are not just customers but also our friends, neighbors, and family.

MJM is a member-owned cooperative, and our focus is on you. As we make decisions on behalf of the members, we try to balance the overall well-being of the membership. The board and employees develop goals and objectives around your needs. I believe that our cooperative business model is working as it should. **The Directors, MJM staff, and employees are dedicated to providing safe, reliable service to our members.**

Our employees take their responsibility for providing excellent service seriously. It is through their efforts that MJM is able to provide top-notch service to the membership no matter what the obstacles. We are grateful to our employees for their dedication to safely and efficiently provide that service.

*W. Kay Schultz, Board Chairman
Joe Heyen, President/CEO*