

M.J.M. ELECTRIC COOPERATIVE, INC.
REGULAR MEETING OF THE BOARD OF DIRECTORS
November 25, 2024

The regular meeting of the Board of Directors of M.J.M. Electric Cooperative, Inc., hereinafter referred to as the “Cooperative”, was held at the Cooperative’s headquarters located at 18300 Shipman Road, in Carlinville, Illinois at 8:00 a.m., on Monday, November 25, 2024.

Call to Order

The meeting was called to order at 8:00 a.m. by Kay Schultz, Chairman, who chaired the meeting and Marcie Tonsor served as Secretary.

Roll Call

Upon roll call, Director Tonsor reported the following Board Directors to be present: Marcie Tonsor, Charles Hubener, Todd Stewart, Tyler Heyen, W. Kay Schultz, Dwayne Milner, Robert Lehmann, and James Niemann. Also present at the meeting were Joe Heyen, President/CEO, Finance and Accounting Manager, Brian Gunning, Jen Peterson, Office Manager, Martin Hinton, Engineering Manager, Matt Eisenmenger, Operations Manager, and Lee J. Plummer, Attorney for the Cooperative.

Agenda

Upon motion properly made, seconded, and carried unanimously, the agenda modification and the remaining agenda was approved.

Prior Meeting Minutes

Upon a motion properly made, seconded, and carried unanimously, the minutes of the October 24, 2024 Regular Board Meeting were approved as presented.

Team Recap

Several employees joined the meeting and gave a brief overview of their positions at the cooperative. Afterwards, they left the meeting.

- **Mike Hart** – Area Utility Leader (2002)
- **Doug Egelhoff** – Line Foreman (2006)
- **Paul Fraley** – Journeyman Lineman (2023)
- **Andrew Wieseman** – Apprentice Lineman (2022)

Director’s Financial Summary

Finance and Accounting Manager, Brian Gunning presented the Financial and Statistical Report. An opportunity was given to discuss MJM business activities which are reported to the Board at various times during the month.

A list of checks issued during October was reviewed. Cash disbursements for October were discussed as well as the cash position. The October purchased power breakdown was also reviewed. In addition, the November 1, 2024 receipts and disbursements, up to a point of time in November, were reviewed.

Mr. Gunning reported on current CFC interest rates.

Upon a motion properly made, second and carried unanimously, the Treasurer's report was approved.

Operating Report

CEO Heyen reported on conversations with the AIEC regarding solar retail rates, he provided updates related to potential large power loads, a solar and battery project at MJM, substation upgrades, and other major projects.

Office Manager Peterson reported on the status of November's non-pay disconnected accounts and gave an update on her department including preparation efforts for policy and bylaw discussions, upcoming Net Metering transition meetings for members, and the 2024 bad debt write offs. She also prepared a project listing for the board to assist with keeping up with major projects going on at MJM.

Communications and Member Services Coordinator, Eric Cooper, joined the meeting.

Mr. Cooper provided an update on his department including meeting with an economic development coordinator, communication efforts with members regarding understanding electric demand, and MJM's Scorecard. After his report concluded, he left the meeting.

Matt Eisenmenger, Operations Manager, and Martin Hinton, Engineering Manager joined the meeting.

Mr. Eisenmenger reported on the operation crews and projects going on in his department including recent outages. Approximately 200 new Landis + Gyr meters are left to be changed out on MJM's system which will complete the meter upgrade project. He reported there are a lot of work orders in the cue and the department is working to complete them in a safe and timely manner. An update on the forestry department was provided as well as job training and safety.

Mr. Hinton gave an update on his department's projects. He reported on line replacement projects as well as underground installations. Engineering has also been working on the Delhi substation project. The department has had a heavy workload for many months.

Chris Franzen, IT Administrator, joined the meeting to provide statistical IT results from the previous month and discussed technological topics with the Board. Mr. Franzen left the meeting.

2025 Rate Discussion

Continuing discussions from previous board meetings, a lengthy discussion took place regarding the 2025 Rate proposal. After some time had passed, a motion was made to approve an overall 4.5% percent rate increase and to implement a \$2.25 non-coincident demand charge and a two-part block rate for schedules A, PES, and B, allowing all related services to receive discounted kWh after consuming 1,100 kWh per month rather than limiting this benefit to “electric heat” only services. The motion was seconded and approved unanimously to take effect May 1, 2025.

2025 Budget

A lengthy discussion regarding the 2025 financial budget was discussed. Further discussions will take place at the December board meeting and management will be seeking approval at that time.

Mr. Eisenmenger and Mr. Hinton left the meeting.

Proposed Bylaws Changes

Continuing discussions from previous board meetings, a revised bylaw document with suggested changes was discussed. After the discussion concluded, a motion was made, seconded, and passed unanimously to present the recommend bylaw changes to MJM’s members at the June 12, 2025 annual meeting. A copy of the proposed changes are attached hereto.

2024 Bad Debt Write-Offs

Mrs. Peterson presented the 2024 Write Off list which totaled \$4,605.40. By a motion properly made, seconded, and passed unanimously, the 2024 Write Off list in the amount of \$4,605.40, comprised of 22 Member accounts, was approved as presented and is attached hereto.

2025 Capital Credit Retirement Considerations

A discussion was held regarding retiring capital credits in 2025. In response to membership requests over the years, a motion was made to offer discounted early retirement of allocated capital credits to any member (current/former) that is interested. The motion included the following procedures and limitations: 1) First-come, first-serve payouts with a request for disbursement period of March to August 2025; 2) Cash budget limit of \$200,000; 3) Active members will have credits applied directly to their main billing account, inactive members will receive a check after all remaining debts are paid to the cooperative; 4) Individual requests for early retirement payout will only be fulfilled once every five “early retirement” cycles; 5) Members must complete co-op provided agreements and approve forfeiture of all unpaid portions of allocations previously assigned. The motion was seconded and approved unanimously.

Annual Review of Policies

Several policies were discussed and reviewed by the policy committee on October 24th. By a motion properly made, seconded, and passed unanimously the board approved changes on the policies listed below and approved the creation of one new policy. Copies of the policies are attached.

Revised Policies

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| Section I, Policy 10 | Records Retention |
| Section I, Policy 12 | Authorization of Signatures of Bank Checks |
| Section II, Policy 1 | Organizational Chart |
| Section II, Policy 4 | Vacancies and New Employees |
| Section II, Policy 6 | Safety Program |
| Section II, Policy 7 | Replacement of Climbing Equipment |
| Section II, Policy 19 | Office Regulations |
| Section II, Policy 28 | Cooperative Credit Card |
| Section III, Policy 3a | Termination of Membership by Suspension or Expulsion |
| Section III, Policy 10 | Identity Theft Prevention |
| Section III, Policy 16 | Metering for Dwellings |
| Section III, Policy 34 | Interconnection and Parallel Operation of Distributed Generation |

New Policy

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| Section II, Policy 38 | Artificial Intelligence Usage |
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A director made a motion to approve the Operating Report which was seconded and approved unanimously.

AIEC

Director Niemann reported on the October AIEC meeting.

Wabash Valley Power Alliance

Director Huebener and CEO Heyen reported on the monthly WVPA Board meeting.

NRECA

Director Huebener was presented with a Credentialed Cooperative Director (CCD) certificate of completion.

Old Business

Nothing for discussion.

New Business

Nothing for discussion.

Next Regular Board Meeting

The next regular Board meeting is scheduled for Friday, December 20, 2024, at 8:00am. Due to scheduling conflicts, the March 2025 board meeting will need to be rescheduled. This will be discussed further at the December board meeting.

Brian Gunning and Jen Peterson left the meeting.

Executive Session

A motion was made, seconded, and passed unanimously, for the meeting to go into Executive Session. After the discussions concluded, there was a motion and second, which passed, to come out of Executive Session.

Adjournment

After further discussions took place, a motion was properly made, seconded, and carried unanimously, and the meeting was adjourned.