

MJM

Electric Cooperative, Inc.

A Touchstone Energy Cooperative 

along the lines

VOLUME 4

February 2011

NUMBER 2

www.mjmec.coop

2011 Annual Meeting

We're Different

WE'RE LOOKING OUT FOR YOU



Saturday, March 19, 2011 • 10:00 a.m. • Carlinville High School • Carlinville, IL

You Will Like the **Difference!**

No Pre-registration

This year there is no need for pre-registration. M.J.M will be utilizing an electronic process that will be faster and more efficient. Registration will open at 8:30 AM so come early to enjoy some pre-meeting entertainment provided by Mark & Pam Fisher.

Annual Meeting Attendance Prizes

M.J.M will be giving away a grand prize worth \$150. Five members will receive a \$25 credit which will be applied towards their electric bill. Along with other prizes numerous gift certificates will be awarded. Member *must* be present to be eligible for attendance prizes.

\$5 Attendance Credits

Each member registered in person at the annual meeting of members on March 19, 2011 will be given a \$5 credit on their electric service billing. The \$5 credit will be applied to the account served under the membership. Accounts served under additional service deposits will not receive the \$5 credit. Memberships registered by proxy will not receive the \$5 credit. Only members attending the annual meeting will receive the \$5 credit!

M.J.M. Office to be Closed

The M.J.M. office will be closed on Saturday, March 19, so that all employees can be at Carlinville High School, helping with the annual meeting of members. The telephones will be manned to report outages and/or emergencies. Reminder! M.J.M.'s 800-648-4729 telephone number is answered 24 hours a day. If this line is busy, please telephone 217-854-3137. We do accept all collect calls.

Lunch for Members

The Illinois Valley Beef Producers and the Carlinville High School cafeteria staff will serve a rib-eye steak lunch to members of M.J.M. Electric Cooperative attending the annual meeting of members.

Important Notice

The M.J.M. office will no longer be opened on Saturday mornings effective April 9th, 2011. A survey was taken and 96.6% of members replied that they do not use the services provided them on Saturdays. Now that M.J.M. is able to provide members with on-line service as well as acceptance of memberships, deferred payments, and contracts, etc. through the mail it is not deemed necessary to man the office with these streamlined processes. Thus another way we're looking out for you!

Agenda

8:30 AM

**Registration (Important: Bring registration card to the meeting with you. If it is impossible for you to attend the meeting, give the signed proxy located at the end of this booklet to a friend who is an active member, so the friend can vote for you.)

9:45 – 10 AM

Pre-meeting Entertainment - Mark & Pam Fisher

10 AM

Call to order - Robert Lehmann, Chairman

National Anthem (remain standing for invocation) - Mark & Pam Fisher

Business Meeting

Report on number of members registered in person or by proxy

Notice of meeting, reading of minutes - William R Heyen, Secretary

Treasurer's Report - W. Kay Schultz

Chairman's Report - Robert Lehmann

President/CEO's report - Chris M. Spears

Election and credentials committee report - Carl Schroeder, Chairman

**Election of directors

Unfinished business

Questions and answers (30 minutes)

New business

Adjourn business session

Entertainment - Mark & Pam Fisher

Drawing for attendance prizes

**Registration for voting will close when the election of directors begins.

Lunch for members served by the Illinois Valley Beef Producers.

Official Meeting Notice

Notice is hereby given that the 72nd annual meeting of the Members of M.J.M. Electric Cooperative, Inc., will be held at the Carlinville High School, Carlinville, IL, on Saturday, March 19, 2011, at 10 AM, to take action on the following:

1. The reports of officers, directors and committees.
2. The election of one director from each of Districts Four, Five, and Seven for terms of three years each or until their successors have been duly elected and qualified.
3. Any other business which may properly come before the meeting or any adjournment or adjournments thereof.

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 Lehman of Girard, IL	District IV
Louis Johnson of Shipman, IL	District V
James Niemann of Litchfield, IL	District VII

In connection with the election of directors, the following members have been

William R. Heyen, Secretary

We're Different and We're Looking Out for You

Cooperatives are different from other businesses you deal with. As a not for profit, member owned, at cost, electric provider, we like being different because we believe it is more beneficial to the member to operate this way.

We're different because we're looking out for you. Now, more than ever, that's important because we need to work together to keep your electric bills affordable.

Although Congress did not pass a comprehensive climate bill last year, regulation is moving forward. In January the U.S. Environmental Protection Agency began regulating greenhouse gasses — an action made possible by a 2007 Supreme Court decision. This ruling allows the EPA to use the Clean Air Act to curb carbon emissions from power plants and other fossil fuel burning sources. This coupled with policies dealing with coal ash, even more stringent controls on other power plant emissions, and other government mandates, will significantly increase the cost to produce power.

Prices for fuel, materials, and equipment continue to rise as well. For example, MJM has a 1989 digger truck that cost almost \$90,000 when it was purchased new. The replacement for this 22 year old vehicle will be approximately \$200,000, a 122% increase. A 35 foot pole in 2005 cost \$163 and today it costs \$203, which is a 25% increase. The Cooperative purchases a number of 15 kVa transformers each year and those have increased from \$541 in 2005, to the current price of \$704 each. Therefore, between 2005 and the present, 15 kVa transformers



Chris M. Spears
President/CEO



Robert Lehmann
Board Chairman

increased by 30%.

To offset rising costs for the member, we're offering measures to help them reduce their energy use and energy bills. Energy saving information as well as an online energy audit can be found on the MJM website – www.mjmec.coop. MJM is sponsoring the Doug Rye Home Remedies radio program each Saturday on WSMI at 9:00 a.m. This is a live broadcast and members can call in to ask Doug questions regarding energy efficiency. Furthermore, MJM Electric Cooperative members may also qualify for various rebates on new energy efficient heating and cooling systems and appliances.

Efforts are constantly being made to improve operating efficiencies of the Cooperative. In 2011, MJM will begin deploying an automated meter reading system, which will help us control operating costs and provide opportunities for members to save money on their electric bill by participating in energy management programs and “time of use” rates.

While our goal is to be innovative, above all else we must remain member focused. No matter what comes our way we'll continue to put you, our members, first. Your cooperative is member controlled and locally operated. As a member, you have a voice in how your cooperative operates. At our annual meeting each year you have the opportunity to elect fellow members to our board of directors to represent your best interests.

Member control means we are accountable to those we serve, and are dedicated

Continued on page 3 ►

MJM Along The Lines (USPS 854-620) is published monthly for \$2 per year by M.J.M. Electric Cooperative, Inc., P.O. Box 80, Carlinville, Illinois 62626. Periodical postage paid at Carlinville, IL. POSTMASTER: Send Address changes to MJM Along The Lines, P.O. Box 80, Carlinville, IL 62626.

◀ Continued from page 2

to assisting our communities—your money stays at work close to home. Costs are rising for all of us, but when it comes to your electric bill, our rates are set simply to cover the cost of doing business, not to generate profits for distant stockholders.

The bottom line? We exist only to serve you and meet your needs for safe, reliable and affordable power.

As you can see, we're different. We're working together to keep your electric bills affordable. We're controlling costs through innovation. And we're continuing to put you, our members, first. No matter what the future brings, one thing is certain—we're looking out for you!

Entertainment

Mark & Pam Fisher

Mark and Pam Fisher bring a new, inspirational, high-energy Southern Gospel music ministry to Central Illinois churches. Performing as Pam Gilbert, Pam has been a featured regular or guest at nearly every Midwest country music show since the late 60's. Learning to sing on grandma's lap in church at age four, she appeared on the Grand Ole Opry at 17, and was a featured performer for "The Illinois Country Opry" based in Petersburg, Illinois. DeLand, Illinois native Mark Fisher was featured on the Mason City, Illinois-based "Nashville Sound Country Opry". The duo has been blessed with numerous awards, most recently the Illinois Country Music Association's "2009 Gospel Duo/Group of the Year", and Pam was honored to receive their "Pioneer" award in 2007.

Mark & Pam appeared as guests with several other secular music shows, but felt a burning need to share the Gospel through their performances. While serving the Lord in their home church's praise and worship team, they often



discussed singing as a Christian ministry. Since 2003, the couple has performed Southern Gospel music at churches and events all over Illinois. Mark & Pam have been richly blessed and enjoy presenting their entertaining, Christ-centered music program.

Mission Statement:

M.J.M. Electric Cooperative shall be the electric provider of choice, dedicated to providing the services and products our members want and need.

MJM Annual Meeting Minutes

March 13, 2010

The Annual Meeting of Members of M.J.M. Electric Cooperative, Inc. was held at the Carlinville High School, Carlinville, Illinois, on Saturday, March 13, 2010.

Registration began at 8:30 a.m. and the meeting was called to order at 10:00 a.m. by Chairman Robert Lehmann. The members present then sang the National Anthem led by Frankie Miller. The members remained standing for the invocation by Director Gary Morrison.

Chairman Lehmann then welcomed M.J.M. Electric Cooperative members, guests, and friends to the 71st Annual Meeting of Members. Next, Chairman Lehmann turned the meeting over to Vice Chairman Paul Bartlett, who awarded the early bird prizes.

Chairman Lehmann announced that a quorum was present and called to order the business session of the 2010 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 one 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 one of the 2010 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, 2009 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 were made to adopt these recommendations as the Rules of the Day. Upon a voice vote, the motion carried. Attorney Plummer then returned the chair to Chairman Lehmann, who called upon Secretary Dennis Matthews to present the notice of the meeting.

Secretary Matthews read the Official Notice of the 2010 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 14, 2009. He stated the 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 contained in the Annual Meeting Notice. He reported that MJM's audit for 2009 had

Continued on page 5 ►

◀ Continued from page 4

been completed by the firm of Bennett & Middendorf, Certified Public Accountants of Quincy, Illinois. 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 Bennett & Middendorf is available at the Cooperative office for any member that wishes to review it.

Chairman Lehmann then presented his report to the members.

Chairman Lehmann then introduced Chris Spears, President/CEO of MJM, who presented his report to the members.

Mr. Duane Noland, CEO of the Association of Illinois Electric Cooperatives, then addressed the membership.

Kathy Joyce, Vice President of Administration of Wabash Valley Power Association then made a presentation to the members present.

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 and he called upon Clayton Wadlow, Chairman of the 2010 Election and Credentials Committee. Registration was closed at this time. Mr. Wadlow 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:

W. Kay Schultz,
Godfrey, Illinois – District 1;

William Heyen,
Gillespie, Illinois – District 6;

Gary Morrison,
Fieldon, Illinois – District 9;

At the close of Mr. Wadlow's report, there was a motion and second to elect by acclamation the candidates for districts 1, 6 and 9 as certified by the Election and Credentials Committee. Upon voice vote, the motion carried and the candidates for Districts 1, 6 & 9 were elected Directors as follows: W. Kay Schultz, Godfrey, Illinois – District 1, William Heyen, Gillespie, Illinois – District 6, and Gary Morrison, Fieldon, Illinois – District 9. A copy of the Election and Credentials Committee report is attached hereto and made a part of these minutes.

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 the next item on the agenda was a 30-minute question 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 this 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.

Pay your bills online!

MJM Electric Cooperative members can now pay and view their bills online by logging onto MJM's website - www.mjmec.coop - and clicking on the Ebill option under Billing.

Once you've created an account, you will have the option to view your current bill, view your usage history, enter meter readings, and pay bills - all online.

Creating an account does not require you to pay bills online or to stop receiving a bill in the mail. You can use as many or as few options as you want!



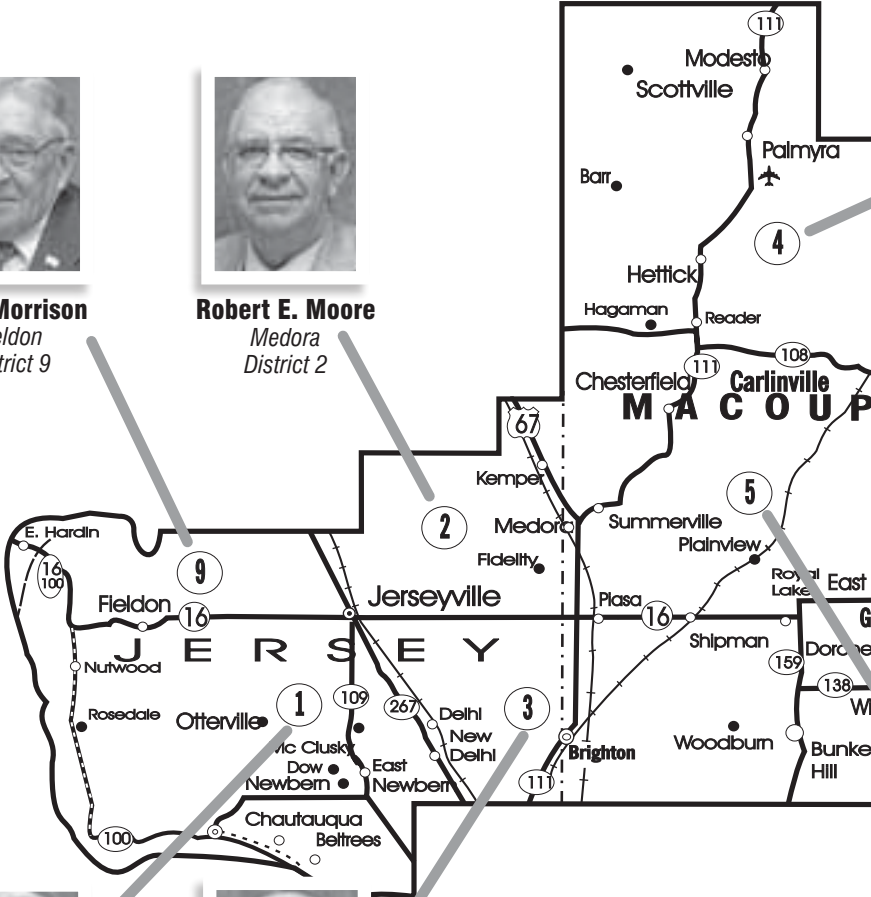
Your neighbors serving as your cooperative's directors



Gary Morrison
Fieldon
 District 9



Robert E. Moore
Medora
 District 2



W. Kay Schultz
Godfrey
 District 1



Paul Bartlett
Brighton
 District 3



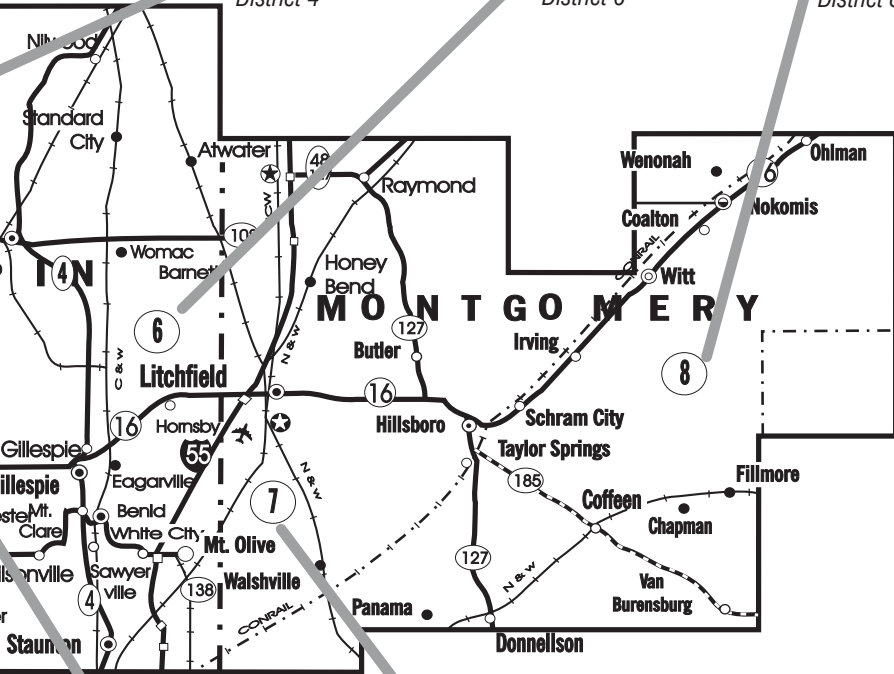
Robert Lehmann
*Girard
District 4*



William R. Heyen
*Gillespie
District 6*



Dennis J. Stewart
*Nokomis
District 8*



Louis Johnson
*Shipman
District 5*



James Niemann
*Litchfield
District 7*



Lee J. Plummer
*Jerseyville
Attorney*

Election and Credentials Committee report

Carlville, Illinois – February 7, 2011

We, the undersigned, being the members of the Election and Credentials Committee, do 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 March 19, 2011.

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 Lehmann
Girard, Illinois - District 4;
Louis Johnson
Shipman, Illinois - District 5;
James Niemann
Litchfield, Illinois - District 7;

Signed:

Address:

Leslie Bisenhoff 8058 E. 1st RD Litchfield, Ill
Paul Brock 22102 Knoll Rd Carlville, IL
James Johnson 3364 W 8th Litchfield, IL
James Niemann 142 DeVries Cir New Douglas IL
Ronald K. Wick 26614 Donaldson Rd Girard, IL
Robert Lehmann 6411 Mond Ln Shipman Ill
Patrick Reed 3415 Bachman Rd Shipman Ill.



Touchstone Energy®

Touchstone Energy® is a nationwide network of locally-owned electric cooperatives who work together sharing ideas, resources and technology for the benefit of the communities they serve. You can count on M.J.M. Electric Cooperative, your Touchstone Energy Cooperative; for reliable, responsible electric service, today and tomorrow.

The Touchstone Energy community was developed to make sure that the unique characteristics of electric cooperatives remain consistent in a changing marketplace where these values and differences matter more each day.

Touchstone Energy Cooperatives emphasize the significance of each individual electric cooperative's local presence and unique ties to the community, while offering the resources of a nationwide network that brings added value and benefit to all customers, large and small.

Board candidate profiles

District 4 - Robert Lehmann



Robert Lehmann of Girard was a partner with his brother in their farming operation since 1964 but recently retired at the end of the 2010 farming season. Bob and his wife, Betty, of 11 years together have six children: Tresa, Cindy, Scot, Craig, Curt and Chris. They are blessed with 13 grandchildren and just became great grandparents. A graduate of Girard High School, Lehmann served 16 years on the Girard Unit District 3 School Board; is South Otter Drainage Ditch Commissioner; and is a member of the United Methodist Church, Carlinville. He is past member of the M.J.M. Advisory Committee,

past board member of Soyland Power Cooperative and a current board member of Wabash Valley Power Cooperative.

Bob has been a member of M.J.M. for 47 years..

District 5 - Louis Johnson



Louis Johnson of Shipman has been a member of M.J.M. for 42 years. He and his wife Patricia are residents of Shipman and have three grown children and four grandchildren. Louis is a grain farmer in the Shipman area and a credentialed director with M.J.M. Electric Cooperative. He graduated from Southwestern High School and Devry Tech with an Associates Degree in Engineering. Louis is an active member of the Methodist Church in Shipman and past trustee of Hilyard Township. He and his wife enjoy camping and spending time with their family and friends.

District 7 - James Niemann



James Niemann of Litchfield has a grain farming operation with his son in a family corporation south of Litchfield. He and his wife, Della, have three children. Jay and his wife, Connie, live in Litchfield and have one daughter; Terry and his wife, Amy, live in Robbinsdale, MN and have three daughters; and Crystal and her husband Jeff Swanson, live in Plymouth, MN and have one son.

Jim is a member of Zion Lutheran Church in Litchfield, Montgomery County Farm Bureau Board, Mid-State Collectors Club, and a former 4-H leader. Niemann plays the washtub base with

his wife's musical group, "Singing for Joy" and is a collector of antique Allis Chalmers farm equipment.

He has been a member of M.J.M. for 42 years.

Comparative Balance Sheet

December	2010	2009
<u>What we own</u>		
The total cost of our system	\$ 38,658,003	\$ 36,658,875
We estimate it has depreciated	(12,732,411)	(12,136,163)
Which leaves a net value of	25,925,592	24,522,712
We have cash in the bank amounting to	474,151	42,814
Customers owe us (current billing)	1,460,360	1,646,074
Our stock of materials and supplies is worth	512,725	437,427
We have made prepayments of insurance of	67,671	63,460
We also have a regulatory asset of	1,736,767	2,033,242
Interest earned	7,050	7,050
And investments in associated organizations	3,905,773	3,543,643
Making our total assets	\$ 34,090,089	\$ 32,296,422
<u>What we owe</u>		
We owe our lenders for long term debt	\$ 19,238,974	\$ 19,434,987
We owe for short term debt	743,236	144,313
We have an obligation for taxes, interest, etc.	308,600	297,443
Consumer deposits	1,108,000	1,142,653
Memberships	55,650	55,580
Members' capital credits	11,953,485	11,017,760
Other deferred liabilities	517,776	184,668
Net operating margins	130,017	(18,806)
Net non-operating margins	34,351	37,824
Making our total liabilities	\$ 34,090,089	\$ 32,296,422

Use your Co-op Connections card to receive discounts at participating businesses and pharmacies. So far, Co-op members have saved over \$24,000 on prescription medications alone!

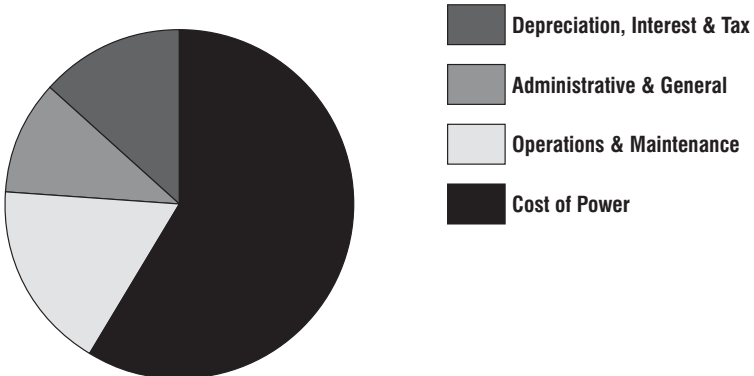
Visit www.mjmec.coop and click on the Co-op Connections card for a complete listing of participating businesses or pick up a list at MJM's office in Carlinville.



Statement of Revenue and Patronage Capital

<u>Our Receipts</u>	2010	2009
From electric service	\$ 19,127,167	\$ 17,975,311
Our Expenses		
Purchased power	\$ 10,955,255	\$ 9,932,383
Operating & maintenance costs	5,218,237	4,864,520
Depreciation expense	1,305,930	1,512,902
Taxes	62,881	61,190
Interest paid on debts	1,076,293	1,124,368
Total cost of electric service	\$ 18,618,596	\$ 17,495,363
Operating margins	508,571	479,948
Non-operating margins	34,351	37,825
Earned capital credits	538,153	455,777
	\$ 1,081,075	\$ 973,550
Sources of Revenue Comparison		
Residential	16,206,160	15,022,342
Large commercial	2,009,498	2,163,511
Small commercial	519,086	507,738
Public street lighting	12,449	12,830
Other revenue	379,974	268,890
Total	\$ 19,127,167	\$ 17,975,311

Total Cost of Electric Service



Registration

On the back page you will find a “Registration Card” with your name on it. Please remove it and bring it to the meeting with you. This will speed up the registration line.

To qualify to register for voting and attendance prizes, you must be an active member. An active member is a person, firm, association, corporation, or body politic or subdivision thereof who has a membership certificate issued to them and is presently receiving electric service from the cooperative in their name.

If for some reason you will not be able to attend, you can still qualify your vote by properly filling in the proxy on the back page of this notice and assigning it to an active member who is going to attend.

The signed proxy from the back cover of this notice will be the only proxy form accepted during registration or pre-registration.



HomE funds remain for heating and cooling upgrades

MJM Electric Cooperative members still have time to take advantage of the HomE program. Federal funding for this program was obtained with help from the Association of Illinois Electric Cooperatives and the State of Illinois.

Qualifying participants who live in an existing home are eligible for rebates of \$350 on central air units or gas furnaces, \$1,000 on air source heat pumps, or \$1,500 on geothermal systems. Members can qualify for only

one heating or cooling rebate, but can also get rebates of up to \$500 on insulation and of \$250 on heat pump water heaters.

An energy assessment must be completed at the home before any equipment is installed; there is a charge of \$25 for the assessment.

For more information, call 217-854-3137 or visit www.mjmec.coop and click on Member News.



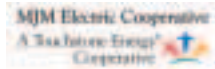
Your fridge needs a retirement plan.

Get \$35 when you recycle your old fridge. Plus, save up to \$150 a year in energy costs.

It doesn't make financial sense to keep an old fridge or freezer in your garage or basement – not when it uses up to four times the energy of newer models. And throwing it away isn't a good long-term plan for the environment. Why not let us recycle it? We'll haul it away free of charge, you'll get \$35 and you can save up to \$150 a year in energy costs. Talk about a good return on investment.

Call 877-395-5535 or visit www.mjmec.coop for pickup.

GET
\$35
SAVE UP TO
\$150/YR
IN ENERGY COSTS



Refrigerators and freezers must be in working condition, and must be between 10 and 30 cubic feet in size, using inside measurements. Wabash Valley Power Association (WVPA) contracts with JACO Environmental, an appliance recycler, to pick up and recycle refrigerators and freezers that are in working condition. This program is funded by WVPA and is available to residential electric customers in MJM Electric Cooperative's territory on a first-come, first-served basis until funding is expended. Customers must own the unit(s) being recycled. Limit two units per residential address. A check will be mailed to participants within 4-6 weeks after the appliance collection. Some restrictions apply.

Important!

Save this proxy

KNOW ALL MEN BY THESE PRESENTS, that I, the undersigned member of M.J.M. Electric Cooperative, Inc., do constitute and hereby appoint:

_____ my lawful attorney and proxy to vote in my place and stead at the annual meeting of members of the M.J.M. Electric Cooperative, Inc., to be held at the Carlinville High School, Carlinville, Illinois, on March 19, 2011, and at any and all adjournments of said meeting, and I hereby ratify and confirm my proxy's vote in my stead on all matters properly brought before said meeting, including the election of directors.

Witness my hand and seal this _____ day of _____, 2011.

Signature of member giving proxy

NOTE: A member attending can vote no more than one (1) proxy.

PERIODICAL
POSTAGE
PAID

Bring this card with you

Present this card at the registration table.
It will save you time and possibly eliminate standing in line to register.

M.J.M. Electric Cooperative, Inc.

72nd ANNUAL MEETING OF MEMBERS

10 a.m. • Saturday, March 19, 2011

Carlinsville High School Gym

We're Different

WE'RE LOOKING OUT FOR YOU

