

**McDONOUGH POWER COOPERATIVE
BOARD MEETING MINUTES**

May 26, 2026

The regular monthly meeting of the Board of Directors of McDonough Power Cooperative was held on Tuesday, May 26, 2026, at 3:00 PM, in the Cooperative Board Room.

The following Directors were present in person or via Teams:

Courtney Chandler	Walt Lewis
Michael Cox	Ryan Litchfield
Robert Dwyer	David Lueck
Steve Hall	Jeffrey Moore

Director Bedwell was absent. The meeting convened in regular session with President Mike Smith, Finance and Accounting Manager Tracy Camden and Attorney John McMillan also present in person.

Chairman Lewis asked if anyone wanted an executive session. None was requested.

Chairman Lewis stated that our auditor, Kevin Kelso, of Kelso Lynch, had joined the meeting remotely via Teams and that we would start the meeting with the Report on the 2025 audit. Mr. Kelso began his report by noting that 2025 was a year of transition for the Cooperative accounting program, resulting in the review of two sets of books, as the Cooperative continues the migration of its books and records from the Meridian program to the NISC program. Kevin complemented Tracy Camden on her work through this process.

Mr. Kelso emphasized the requirement of Independence for his firm as the auditor of the Cooperative books and records and his conclusion that the auditing firm was able to submit an Unmodified Audit Opinion for the Cooperative.

Mr. Kelso continued with a review of the Income Statement for both 2024 and 2025, noting that there was no significant difference between 2024 and 2025. Our Modified Debt Service Coverage is 1.73%, which meets the requirements of the Cooperative lending institutions. Kevin also noted the breakdown for the labor expense, between a current expense and capitalization of the labor expense that is a part of new construction. Kevin noted that the major adjustments for the Statement of Cash Flow is the addition of depreciation and the reduction for the G & T and other capital credits that are non-cash allocations.

Mr. Kelso moved to the Balance Sheet, discussed our equity and our 6.55% return on equity. Attorney McMillan raised the question of whether the negative figure

on the balance sheet, from the merger of the MPC Energy subsidiary into the Cooperative, could be offset with the proceeds of sale of the former MPC Energy property. This will be addressed in the 2026 audit.

Mr. Kelso stated that he prepared the IRS Form 990 Federal Income Tax Return for the Cooperative and asked if the Directors had any questions. Mr. Kelso left the meeting at the conclusion of his Audit Report.

Chairman Lewis asked if anyone had corrections for the April minutes. Director Chandler made a motion to approve the April 21, 2026 Board meeting minutes, as printed. Director Litchfield seconded the motion, which passed on a voice vote.

Chairman Lewis stated that the Cooperative did not have any 90-day old Uncollectible Accounts this month.

President Smith reviewed the financials for the month of April. Mike noted that our kWh sales remain below budget. However, our margins are good and our year-to-date Operating Margin of \$242,886 is above budget. Director Cox made a motion to approve the Financial Report. Director Hall seconded the motion. On a roll call vote, all Directors present voted aye.

Chairman Lewis called upon Attorney McMillan for the Attorney Report. John reported that the Eminent Domain case against BNSF had been filed with the Commerce Commission, had been assigned by the Clerk to the wrong division and would be refiled. For the transfer of the Switch Station to PPI, all Mortgage and Financing Statement Releases have been recorded and filed. CoBank is wanting us to prepare an updated statement of the property we own and John's office is working on that. We have finished the Denver title insurance work. The Nominating Committee is to meet on June 4.

Chairman Lewis stated that the first item on President Smith's Management Report was the acceptance of the 2025 audit report and the IRS Form 990 Tax Return. Director Moore made a motion that the Board accept the Audit Report for 2025 and approve the Form 990 Tax return prepared by our auditor for the 2025 calendar year. Director Lueck second the motion, which passed without objection on a voice vote.

President Smith reported on donations made by Operation Round Up and the application of the CoBank Sharing Success funds. Mike noted that CoBank now distributes the funds directly to the recipients, rather than through the Cooperative. The Cooperative needs to approve the matching funds. Director Cox made a motion to approve a donation of \$2000 to Helping Hands of Roseville and a donation of \$3500 to the McDonough Power Cooperative Cares Fund, for the Coats for Kids program. Director Hall seconded the motion. On a roll call vote, all Directors voted Aye.

President Smith stated that our Line Superintendent was not in attendance, but

that the minutes of the last Safety Committee Meeting are included in the Board Report. The next Safety Committee meeting is scheduled for July 23, 2026.

President Smith and Director Cox reported on their participation in the NRECA Legislative Conference in Washington, DC. Renewable Energy is a continuing topic of discussion.

Director Cox reported on the AIEC monthly meeting held last Thursday. Mike reported that the new CFC Director will be from Illinois and gave the names of the candidates. The CEO gave his report and presented the proposed budget. Dues will be going up. The AIEC attorney discussed the new CRGA legislation that goes into effect June 1. AIEC will monitor Cooperative websites for compliance.

Director Lueck reported on the PPI meetings he attended on May 12 and 13. David displayed the graphs showing the PPI sources of power for the month of March. The wholesale power cost for March was above budget and sales were lower. For the month of April, the Prairie State plants operated at 95%.

President Smith reported that our new trencher has been delivered and has already broken down. There are no other items to be covered under the Old, New or Unfinished Business Agenda.

With no further business to come before the Board, the meeting was adjourned at 5:05 pm.



Steve Hall, Secretary