**McDONOUGH POWER COOPERATIVE**
**BOARD MEETING MINUTES**

June 23, 2026

The regular monthly meeting of the Board of Directors of McDonough Power Cooperative was held on Tuesday, June 23, 2026, at 3:00 PM, in the Cooperative Board Room.

The following Directors were present in person or via Teams:

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| Bryson Bedwell | Steve Hall |
| Courtney Chandler | Walt Lewis |
| Michael Cox | Ryan Litchfield |
| Robert Dwyer | David Lueck |

Director Moore was absent. The meeting convened in regular session with President Mike Smith, Finance and Accounting Manager Tracy Camden, Line Superintendent Doug Bear and Attorney Ryan Baxter also present in person.

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

Chairman Lewis asked if anyone had corrections for the May minutes. Director Cox made a motion to approve the May 26, 2026 Board meeting minutes, as printed. Director Chandler seconded the motion, which passed on a voice vote.

Chairman Lewis stated that the Board needed to take action on the Uncollectible Accounts. Director Hall made a motion to transfer the Uncollectible Accounts, in the amount of $54.05, to the written off category. Director Litchfield seconded the motion, which passed on a voice vote.

President Smith reviewed the financials for the month of May. Mike noted that it was a typical May with mild temperatures. This led to another month of kWh sales being below budget. The low kWh sales led to increased power costs as well and negative margins for the month. A potential PPAC for June may be installed to make up for the negative margins. This led to a discussion regarding budgeted expenses and the work to be done to update the substation. Director Chandler 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 Baxter for the Attorney Report. Ryan provided the Board with a draft update to Policy 209 to codify the posting of the agenda on the Cooperative website as required by statute. After discussion, Director Cox made a motion to have the Policy Committee review the update. Director Litchfield seconded the motion, which passed on a voice vote.

Ryan also reported that the Eminent Domain case against BNSF has had slow progress in getting a Motion to Withdraw filed so it may be refiled. Ryan finished his report discussing the Nominating Committee results.

Chairman Lewis stated that the first item on President Smith's Management Report was the Capital Credit Allocation, which the Board needs to make for the 2025 calendar year. The information presented to the Board included a breakdown of the PPI capital credits that will be allocated, but will not be included in capital credit refunds at this time. This will not change the total capital credit allocation that the Board needs to make for income tax purposes. After discussion, Director Lueck made a motion to allocate a total 2025 capital credits, in the amount of $1,147,679 (Co-op $686,071 & PPI $461,608) to the members on a patronage basis. Director Hall seconded the motion, which passed on a voice vote.

The next item on the Management Report agenda was the approval of the capital credit retirement for 2026. Mike presented slides showing where we are on our retirement and explained how the refund amount is calculated according to Cooperative policy. Based on Cooperative policy, the retirement made this year should be $314,023. This refund will represent the remaining regular capital credits allocated to the membership for 2005 and 48.5% of the capital credits allocated to members for the 2006 operating year. Director Litchfield made a motion to approve the $314,023 capital credit retirement. Director Hall seconded the motion. On a roll call vote, Directors Bedwell, Chandler, Cox, Hall, Lewis, Litchfield and Lueck voted aye, Director Dwyer voted nay.

Director Cox reported on the AIEC monthly meeting held June 19, 2026. Mike reported that Matt Simmons is a new Safety Inspector of Southern IL. They are looking for a new manager for the Line School. The Line School also secured a digger truck out of Indiana. There is a Joint Purchase initiative for cooperatives regarding AI control. The Annual Meeting is to be held in July in East Peoria July 29-31st.

Director Lueck reported on the PPI meetings he attended on June 9 and the Annual Meeting on June 10. David displayed the graphs showing the PPI sources of power for the month of April. The wholesale power cost for March was above budget and sales were lower. For the month of May, the Prairie State plants operated at about 90%. David also discussed the ACES Energy Conference he and President Smith attended on May 28, 2026 in Indianapolis. Presentation topics included natural gas buildout and its challenges and commercial fusion.

There are no other items to be covered under the Old, New or Unfinished Business Agenda. Under Miscellaneous, President Smith discussed the Region 5 attendance, which is to be held September 21-23, 2026 in Minneapolis MN. Mike also provided an update to the Camp Creek Wind Farm and let the Board know the new bucket truck has arrived.

With no further business to come before the Board, the meeting was adjourned at 4:28 pm.

Steve Hall

Steve Hall, Secretary

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