REGULAR MONTHLY MEETING OF THE BOARD OF DIRECTORS
SPOON RIVER ELECTRIC COOPERATIVE

The Regular Meeting of the Board of Directors of Spoon River Electric Cooperative was held at the Browning Senior Center, Browning, Illinois, on July 27, 2026, at 6:30 p.m. Present were the following Directors: JoDee Pedigo, Ty Putnam, Tom Shafer, John Disharoon, Dan Williams, Kurt Duncan, Wes Strode, Bernard Marvel and Chairman Joe Davis. Also present was President/CEO, Josh DeWees and Cooperative attorney Nicholas N. Tinsman.

The Chairman then presented the Consent Agenda for discussion by the Board. The Minutes of the June 2026 Board meeting were reviewed and discussed. The Minutes of the 2026 Reorganizational Meeting of the Board were reviewed and discussed. No changes were suggested. Following this discussion, the Motion was properly made, duly seconded and unanimously adopted by voice vote:

MOTION: To accept the Minutes of the Regular Board meeting and the Reorganizational Board meeting as presented.

The Chairman then called on JoDee Pedigo to provide the Treasurer's report. JoDee reported the beginning bank balance was $323,000 for the month. Receipts totaled $2.1M. Expenditures totaled $2.17M for the month including a power bill of $542,000. This caused an ending bank balance of $297,000 for the month. JoDee also reviewed the check list and Form 7 with the Board and discussed some questions about the expenses for the month. The Board had a lengthy discussion about the check list as well.

The Chairman then called on Josh to provide the Subsidiaries report. Josh provided the Subsidiary report, as follows:

- Mechanical had a net loss of ($9,200) for the month, bringing the year-to-date losses to ($82,000). Mechanical has $307,000 cash on hand at the end of the month. Total assets of Mechanical are $985,000 and total Equity is $1.0M

- Storage had a income of $15,500 for the month and a year-to-date net profit of $11,000.

There was then a lengthy discussion regarding the continued losses at SRM. Following a discussion on the subsidiaries, the following motion was properly made, duly seconded, and unanimously adopted by voice vote:

MOTION: To accept the Consent Agenda as presented.

The Chairman then called on Bernard Marvel to report on the Statewide Association meeting. Bernard indicated the AIEC had no board meeting this month as their annual meeting will be occurring next week. Everyone is invited and encouraged to attend. This year's annual meeting is in East Peoria.

Following this, the Chairman then called on Josh and Wes to provide the PPI report. Wes reported that no PPI meeting occurred this month, but a conference call was held last week to discuss various items. Large Load Policies were discussed in detail. The new policies will allow PPI to negotiate directly with large loads such as data centers. The Rate Payer Protection Pledge was discussed and it was agreed that a lot of misinformation about the pledge has been circulated. NRECA has come out in favor of the pledge. The Board then discussed in detail the language of the pledge.

The Chairman then called on Josh to provide his CEO's report, which should include the the Statement of Operations for the month which was previously overlooked on the agenda. Josh indicated that June financials show an increase in kWh sold, an increase in revenue for the month and an increase in expenses. Unfortunately the net result was another lower margin than expected. Josh provided details, as follows:

- Revenue for the month was $1.1M. Cost of Purchased Power was $643,000 for the month. This created a Net Electric Revenue of $511,000.

- Total Expenses for the month were $587,000. Operating Margins were ($75,000) for the month and Total Margins were ($76,000). Year to date numbers reflect Total Margins of ($1,700) versus $430,000 this time last year.

- Josh specifically discussed the significant increase in Distribution Expense – Maintenance, over last year's numbers. This number is up $403,000, or 41%, versus last year's numbers at this time. Josh would not expect that distribution expense number to be that high at this time in the year. Josh is having Chad look into whether some of these expenses were mis-categorized causing the numbers to be inaccurate. If not, the Board may need to look at adding another wholesale power cost adjustment onto the Members' bill in order to get the margins to turn around.

- A review of Heating/Cooling Degree Days shows that HDD and CDD were both below average for the month. The Cooperative's peak was 14,147 KW for the month. Ameren's peak occurred on June 30th, at 8pm and PPI's peak occurred on June 29th, at 6pm. Chad's financial notes reflect that June of 2026 showed a loss of ($26,000) versus a gain of $56,000 last year. The rate increase in June was completely offset by the cost of power increase in June. A work comp audit adjustment of $39,000 was also paid in June, while June storm expenditures exceeded $40,000.

The Board then engaged in a lengthy discussion about the Operations Report. Following the Operations Report, Josh continued with his CEO's report. He reported on McDonough Power's annual meeting to occur in September. Adams Electric is having a drive-through annual meeting this year in Mount Sterling and it will occur in August. All board members are invited to attend these other cooperative annual meetings as they can be very informative and provide an insight into other forms of annual meetings. Josh also reported that staking engineer, David Whitehurst, has provided his resignation letter. He has accepted a position at Corn Belt Energy. Tyler Fulton has also provided notice that he will be leaving the Cooperative as well.

The Board then engaged in a discussion with Josh regarding the CEO's report. After this, a Motion was properly made, duly seconded, and unanimously adopted by voice vote:

MOTION: To enter executive session.

[THE BOARD ENTERS EXECUTIVE SESSION]

[THE BOARD RESUMES REGULAR SESSION]

The Chairman called on JoDee to provide an Operation Round-Up update. JoDee reported that Operation Round Up committee will be meeting tomorrow night with seven applications to discuss.

The Chairman then provided the Chairman's report. The Chairman had one thank you note to share which was received from Easton Orwig who was the recipient of one of the Spoon River Electric Scholarships at this year's Annual Meeting. Easton intends to get a college education in land surveying.

The Chairman then recognized Bernard Marvel to address the Board. Bernard announced to the Board that he was not planning on seeking re-election at the end of his current term, which is still several years away. Bernard has already begun the process of discussing the board seat with several individuals that he feels would be appropriate and who may have expressed an interest in the past.

The Chairman then indicated that since has recently become the Chairman of the Board, he is now in possession of the Executive Session minutes from prior years that have been deposited with the prior Chairman, Bernard Marvel. The Chairman wishes to avoid having to keep these original documents in his possession at his home and would prefer to keep them with the Cooperative Attorney who has a fire-proof safe for that very kind of deposit. The Board then made the following Motion, which was duly seconded and unanimously adopted by voice vote:

MOTION: To authorize the Chairman to deposit all Executive Session Minutes at the Cooperative Attorney's office for safekeeping.

The Chairman asked if there was any new or old business to come before the Board, at which time Josh reported on an update from the Cooperative Building Solutions which was previously authorized to begin their assessment of the Cooperative's current needs. CBS was on site last week and performed some reviews with employees and review of the facilities. Some documents have already been drafted and provided to Josh for review. Josh will continue to update the Board as progress continues. There being no other new or old business, the Chairman indicated that the next Board meetings will occur on August 31, September 28, 2026 and October 26, 2026. There being no other business to come before the Board, the Motion was properly made, duly seconded, and unanimously adopted by voice vote:

MOTION: To adjourn the meeting.

____

Secretary