

## ANNUAL MEETING OF MEMBERS – 2025

The annual meeting of the members of West Kentucky Rural Electric Cooperative Corporation was held July 11, 2025, at West Kentucky Rural Electric Cooperative Corporation's headquarters at 1218 West Broadway in the City of Mayfield, Graves County, Kentucky, at 7:00 p.m. CDT. The meeting was broadcast online to all members. Board President Bob Hargrove opened the meeting by extending an official welcome to all members and asked for Director Mark Elliott to give the invocation and to lead the Pledge of Allegiance. Following the playing of the national anthem, Board President Hargrove proceeded to introduce each member of the Board of Directors. Board President Hargrove continued and recognized the eight scholarship winners from the four districts in the Cooperative's service area and the three winners of the trade school scholarships. Board President Hargrove then introduced Greg Carter, the Board Attorney for West Kentucky Rural Electric Cooperative Corporation, to serve as Chairman of the business meeting.

Chairman Carter welcomed the members to the 87th annual meeting of their electric cooperative and reported that 1,465 members had registered for the annual meeting Friday, July 11, 2025. He announced that such number was sufficient to constitute a quorum and, therefore, the Chairman called the business session to order.

Chairman Carter began the order of business by offering to read the roll call of the members but notified the group that the Chair would entertain a motion to dispense with the roll call. The Chair received a motion and second to dispense with the roll call and based on the oral votes and electronic ballots presented at registration, the Chairman declared that the motion to dispense with the reading of the roll call carries.

Chairman Carter stated there would now be a reading by the Secretary of the Notice of Meeting and the Proof of Affidavit of Mailing or that the Chair would entertain a motion to dispense with those formalities. Upon a motion and a second, based on the oral votes and the electronic ballots presented at registration, the Chairman declared that the motion to dispense with the reading of the Notice of Meeting and the Proof of Affidavit of Mailing carries.

Chairman Carter stated there would now be a reading of the unapproved minutes of the 2024 Annual Meeting of the Members by the Secretary or that the Chair would entertain a motion to dispense with the reading and approve the minutes as written. Upon a motion and a second, based on the oral votes and the electronic ballots presented at registration, the Chairman declared the 2024 Annual Meeting of the Members minutes be approved as written and annexed to the minutes of this meeting.

The Chairman stated that the Treasurer's report would be given by the Director Benny Adair on behalf of Chad Willett, the Board's Secretary-Treasurer, and the Cooperative's CEO David Smart would follow with the President's report.

Director Adair gave the financial report and referred to the financial material that had been mailed to the members in *Kentucky Living* magazine. Mr. Adair gave a brief but informative report on the financial condition of the Cooperative and emphasized that the Cooperative and its Board members are striving hard to meet the financial requirements while keeping the rates as low as feasibly possible and providing safe and reliable electric service. Mr. Adair mentioned that \$1,598,976.00 was added to member equity resulting in 51.20% total equity of the Cooperative. Adair noted the Cooperative had total operating expenses of \$21,127,871.00 with \$3,000,000.00 being used to maintain the Cooperative's right-of-way program. He continued by informing the members that the Cooperative increased the total utility plant by \$14,529,694.00 and pointed out 63% of the Cooperative's total overall revenues are provided by the residential members. Mr.

Adair closed by notifying the members the Cooperative took rate action for the first time since 2009 in April and October of 2024 as part of a multi-year rate plan to contend with inflationary impacts on material and labor.

David Smart, the Cooperative's President & CEO, gave the President's report and referred to the article that had been mailed to the members in *Kentucky Living* magazine. Mr. Smart reflected on how reliability, affordability, and the demand for electric power have and will continue to impact the Cooperative and the Tennessee Valley Authority (TVA).

Since the formation of TVA in 1933 through the TVA Act, TVA has provided reliable electricity. TVA's generation assets have always met the demand for electricity in TVA's service area. Excess generation capacity, efficiency improvements, and low population growth led to a period in which TVA had no need to build additional generation capacity. Over time, rules and regulations put into place by the Environmental Protection Agency forced TVA to begin retiring some of TVA's coal generation assets. The reduction in generation capacity combined with recent population growth in the TVA service area, along with the growth of crypto currency mining and artificial intelligence data centers, has placed TVA in a position in which TVA does not own enough generation capacity to meet the demand for electricity during extremely hot and cold conditions. In order to meet the rising demand for electricity, TVA is constructing new generation assets at a time when the cost per MWh is very expensive. As a result, Cooperative members can expect to see cost increases for electric service.

The Chairman entertained a motion and a second to approve the Treasurer's Financial Report as presented and as written in the July 2025 edition of *Kentucky Living* magazine. Upon a motion and second, based on the oral votes and electronic ballots presented at registration, the Chairman declared that the Treasurer's report was approved.

The Chairman entertained a motion and a second to approve the President's Report as presented and as written in the July 2025 edition of *Kentucky Living* magazine. Upon a

motion and second, based on the oral votes and electronic ballots presented at registration, the Chairman declared that the President's report was approved.

The Chairman noted that the audit of the Cooperative was available for inspection after the meeting and ordered that it be annexed to the minutes of this meeting.

The Chairman then announced that the election of directors was the next order of business and declared that voting was closed as of 6:00 p.m. on Friday, July 11, 2025. He noted that the terms of directors in Calloway, Graves and Marshall Counties had expired and that a Nominating Committee was appointed and met on April 10, 2025, and nominated the following members, who are incumbents for election to the Board of Directors: District 1 (Calloway County) – Robert "Bob" Hargrove; District 3 (Graves County) – Chad Willett; and District 4 (Marshall County) – Troy English. The Chairman directed that the Nominating Committee report be annexed to the minutes of the meeting. The Chairman announced that a Petition had been filed in District 3 by Kenneth "Pete" Galloway and that the Petition be annexed to the minutes of this meeting.

The Chairman conducted the director elections for District 1, District 3, and District 4, and announced that no nominations from the floor were allowed under the Bylaws. In accordance with the Cooperative's bylaws, as an unopposed nominee, the Chairman declared by acclamation the election of Robert "Bob" Hargrove for District 1 (Calloway County) to the Board of Directors of West Kentucky Rural Electric Cooperative Corporation for the term of July 11, 2025, through July 13, 2029.

In accordance with the Cooperative's bylaws, as an unopposed nominee, the Chairman declared by acclamation the election of Troy English for District 4 (Marshall County) to the Board of Directors of West Kentucky Rural Electric Cooperative Corporation for the term of July 11, 2025, through July 13, 2029.

Next, the Chairman announced that the candidates for District 3 director were Chad Willett and Kenneth "Pete" Galloway. Based on the electronic ballots presented at

registration, the Chairman announced that the votes in District 3 were Chad Willett – 197 and Kenneth “Pete” Galloway – 496. The Chairman then declared the election of Kenneth “Pete” Galloway as director of District 3 for a four-year term of July 11, 2025, through July 13, 2029.

There was no old, new, or unfinished business.

Upon motion duly made and seconded, the Chairman declared that the meeting was adjourned.

Prizes were then awarded.

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Secretary

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President

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Chairman