



Forward Momentum

WALTON EMC 2026 CEO REPORT



Every October running enthusiasts gather in Athens for the AthHalf. At this annual fundraising event, which our own Walton Gas helps to sponsor, participants aim to complete a half-marathon, a distance of 13.1 miles. Jeff Paul, our co-op's member services director, has been among those runners for more than 15 years.

After working here at Walton EMC all day, Jeff puts in extra hours training alongside others to prepare for the race. They encourage and push each other to stay the conditioning course that involves a slow build of running more and more miles over a period of months.

These folks understand the meaning of that well-known phrase "no pain, no gain." They run in the rain, in the heat, in the cold, up and down hills. They deal with sore muscles and blisters. Whatever the obstacle, they find a way around it or through it, knowing that every step propels them closer to accomplishing the goal of crossing the finish line at the AthHalf.

Though I'm not a distance runner, this dedication to a goal is very familiar to me. It's the same commitment your co-op's employees demonstrate daily to ensure that Walton EMC remains true to its promise of delivering safe, reliable, affordable electricity to our customer-owners.

The moment one becomes an employee of Walton EMC, you enter a race. Competing in this race means having a mindset of being dissatisfied with where we are. The goal is to always be better. Such improvement requires tangible, deliberate progress — moving forward on intentional momentum.

Amid the demands of 2025, your cooperative demonstrated the same resilience and steady progress that has characterized our customer-owned utility for nine decades. Here are some key highlights from the year.

CONTROLLING COSTS

A key to Walton EMC's forward momentum is providing service at the lowest possible cost. Achieving this goal begins with controlling expenses. Like every other business and household, Walton EMC is operating in an environment of escalating costs.

To give you an idea of the cost increases we deal with at Walton EMC, I thought we'd take a common hardware item, the eyebolt. You've probably used one for a home improvement project at your house. We annually use thousands of utility-grade eyebolts to build and maintain our physical electrical distribution system. Purchasing specialist Brian Willard helped me out with some numbers to give you an idea of how this one material item has increased in price.

Let's go back to 1936 when we began using this hardware to build the first 90 miles of Walton EMC's grid. We don't have internal records regarding that cost, but industry records tell us that, back then, a utility-grade eyebolt could be bought for as little as two cents each.

Now, let's fast-forward to 1996, when we do have purchase records. After increasing significantly over the 60-year period, the price of an eyebolt was then \$1.80. The size, material and thickness of the bolts we were using had also improved.



Ron Marshall
President/CEO



Walton EMC and Walton Gas runners celebrate at the finish of the 2025 AthHalf in Athens. From left: Derrick Hendricks, Jeff Paul, Philip Peters (retired, Walton Gas) and Jeff Davis.

Between 1996 and 2006, the price of eyebolts rose to \$2.70 each with no significant improvement in the item itself. By 2016, each eyebolt cost \$3.05. In 2021, after the supply shortages brought on by the pandemic, we were paying \$3.25 per bolt. Now, just five years later, that price has escalated to \$4.27 each. That's a 40% increase in the last decade.

The rising cost of the eyebolt tells the bigger story of how much material costs have climbed. If an eyebolt has gone up that much, you can only imagine what's happened to transformers and the other major equipment Walton EMC needs to keep power reliable.

The co-op's greatest expense continues to be the cost we pay for power. In 2025, about 80 cents of every dollar you paid on your electric bill was used to purchase the power we distributed. And, despite all the price increases, every other expense Walton EMC has, from payroll to power poles, was paid from the remaining 20 cents.

This efficiency has allowed Walton EMC to continue providing your electricity at rates below those of neighboring utilities. Last summer, those receiving power bills from investor-owned Georgia Power paid an average of 33% more than Walton EMC members.

Another bright spot in the co-op's financial performance is the ongoing success of our subsidiaries. EMC Security and Walton Gas continue to be profitable with greater growth potential. Our ownership in Georgia Right of Way saves the co-op money on clearing and maintaining rights of way as well as supplemental emergency services after storm damage (when needed). Each subsidiary ultimately returns money back to Walton EMC and helps stabilize rates for our members.

MEETING ENERGY DEMAND

The need for electricity within Walton EMC's service area, and Georgia as a whole, has reached unprecedented levels.

Walton EMC members' kilowatt-hour usage increased by 8.4% in 2025. A similar trend can be seen statewide. Georgia is one of the nation's high-growth regions and ranked fifth in the nation for electricity consumption in 2024 according to the U.S. Energy Information Administration.

Power generation capacity to meet this growing demand is getting tight. Decisions for how we will meet this increased demand must be made far in advance because it takes years to build large-scale generation facilities.

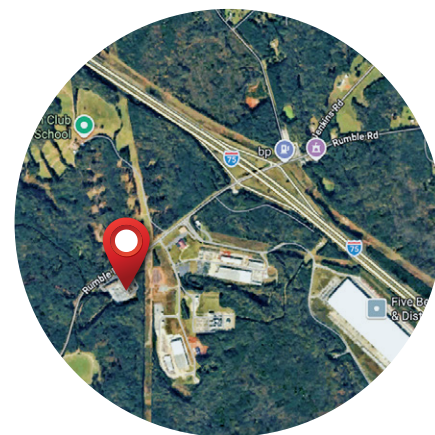
Walton EMC staff and management are acting now to prepare for members' power needs in 2030 and beyond. Our strategic plan is to blend our costs over a range of generation assets, by:

- Purchasing existing plants.
- Building new facilities.
- Contracting for power.



Eyebolt cost over the last 90 years:

1936	\$0.02
1996	\$1.80
2006	\$2.70
2016	\$3.05
2021	\$3.25
2026	\$4.27



Once constructed, the **Smarr CC will be among the highest performing, lowest-emitting and most efficient natural gas plants in Georgia.**

CHAMPIONING SAFETY

Delivering safe, reliable electricity is a daily priority at Walton EMC. This long-term commitment provides momentum that is propelling our employee team to new heights.

Last year, the employees of Walton EMC recorded zero minor accident injuries and zero days lost due to injury across our entire organization. That kind of record doesn't happen by chance; it reflects a tremendous focus on working safely and looking out for one another.

Our numbers were not zero in vehicle incidents and property damage, but given the round-the-clock work we do serving more than 145,000 members across 10 counties, they were minimal. Your co-op employees are always working to improve, and I am confident this team will continue to raise the bar.

Many Walton EMC employees were honored for their skills and safe practices in 2025. Among them was the Snellville underground utilities crew, recipient of the Golden Backhoe Award presented by the Georgia Utility Coordinating Council (GUCC) for exceptional efforts in avoiding utility damage while digging. Over the years, many Walton EMC crews have earned this prestigious statewide award. This indicates the co-op's consistency in doing the hard, careful work of protecting underground infrastructure — work that determines whether members' lights stay on, their internet remains connected and their water faucets work.

Team members who work on the co-op's overhead lines also earned accolades. Walton EMC apprentice linemen swept the electric cooperative division at last October's International Lineman's Rodeo, regarded as the Super Bowl of the electric utility profession. Earning three out of the top five positions in the co-op division against national competition is a testament to the quality of their motivation to learn, Walton's training program and the commitment of our entire team.

Just last month, the momentum from last fall continued as Walton EMC fielded its largest team ever to compete in the 2026 edition of the Georgia Lineman's Rodeo. Our apprentice linemen dominated the competition, claiming the division championship and having seven of the top eight overall scores, including first through fifth place. This kind of sweeping result is historic for the co-op, and the entire team, coaches and staff involved are to be commended for making the name Walton EMC synonymous with excellence.

More important than the awards won is what they represent: expertise. The knowledge and skill these linemen displayed in competition is the same caliber of work and commitment to safety that Walton EMC members benefit from in the form of a well-maintained grid and exceptional response during outage events.

BUILDING A STRONGER TEAM

Though not all are recognized with awards, it takes every one of Walton EMC's 270 employees working as a team to sustain the co-op's forward momentum. What the typical member sees — whether the helpful teller at one of our offices or linemen at work on a roadside — is only a small part of the workforce involved in the co-op's efficient, effective operation. That's why we prioritize strengthening our team right along with hardening our electric grid.



The Snellville underground crew was a recipient of the Golden Backhoe Award for exceptional efforts in avoiding utility damage while digging.



Lineman apprentice Cody Wright competes at the 2026 Georgia Lineman's Rodeo.

In 2025, we did internal work to improve the flow of information across our organization. A cross-department team was brought together to share ideas to make sure employee voices are heard at all levels of the co-op. This project has yielded positive results, such as greater communication and productive collaboration across the system.

We're also strengthening our team through education. Many employees are taking advantage of the Employee Educational Assistance program, which provides financial aid for education ranging from commercial driver's license courses to advanced college degrees. While it supports personal growth, the program also brings new knowledge and skills back into the co-op.

Accounting Manager Kristi Milam credits the program with helping her finish her degree.

"Walton EMC allowed me to further my education without going further in debt," she said. "I am truly blessed to work for a company that wants to see their employees grow and succeed."

We have also launched the company-wide Walton EMC Volunteer Program. This initiative encourages employees to live out our co-op's commitment to community through active volunteerism. The program's first project is a partnership with Athens Area Habitat for Humanity to help build subsidized housing for formerly homeless students working toward their college degrees.

MOVING FORWARD

Throughout this year, we have been celebrating the milestones and moments that have formed the building blocks upon which Walton EMC stands today. As its 90 years of history have proven, our cooperative has been built little by little by leaders and employees who have a forward-leaning mindset. It will take more of the same to keep the momentum going. I'm pleased to report that your Board of Directors in tandem with the co-op's team of employees are aligned in this philosophy. Working together, we're pushing Walton EMC to be better — always.

In closing, I want to express my deep appreciation for the commitment and collaborative spirit that greets me each day at Walton EMC. Having held a variety of positions and roles I have been fortunate to call Walton EMC home since 1989. I will retire early next year after 37 years and I will miss all that is Walton EMC. Your Board of Directors is in the process of determining who will become the next CEO. They will do an excellent job in selecting the best individual to lead Walton EMC and continue our forward momentum into the future.



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