

2024 Annual Meeting

Monday, April 8 Eclipse Center • Beloit, WI

FOCUSED ON:
**Community
Care
Cooperation**





REPORT FROM:

Chairman of the Board and Chief Executive Officer



Clark Schoonover,
Chairman of the Board



Shane Larson,
Chief Executive Officer

88th Annual Meeting
Monday, April 8, 2024

- Eclipse Center in Beloit
- Doors opens at 4:30 p.m. (day of event)

Other activities will include:

- Full-service adult dinner
- 2023 REC Scholarship recipient recognition
- Director elections for districts 1, 3, & 5
- Prize giveaways

To attend the annual meeting, you must register in advance. You can register on-line or by calling 866-752-4550.

TO REGISTRATION ON-LINE, GO TO:
Rock.coop/annual-meeting
or click on the QR code here.



Registration Deadline: MARCH 19

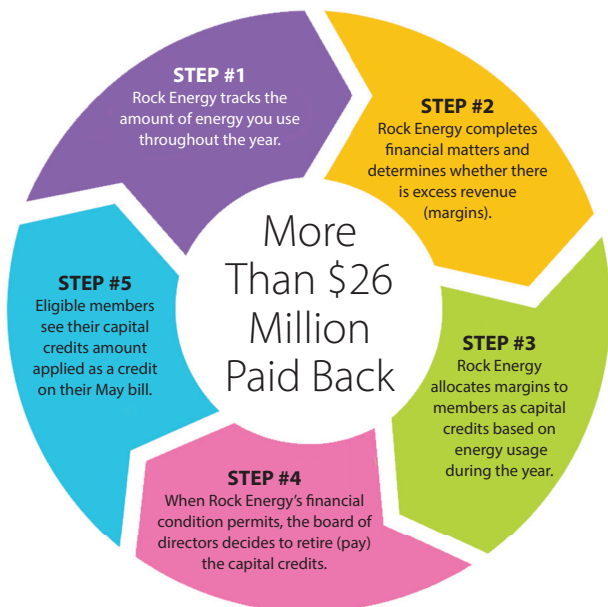
As a Rock Energy Cooperative member, you can count on your co-op to deliver safe and reliable energy at an affordable cost. It's what we do 24/7, and we do it well.

We also want to make sure that all of our members are informed about the co-op operations, finances and activities. One of the ways we communicate with our members is by holding an in-person annual meeting. This year's meeting, the 88th annual meeting, will be held on Monday, April 8, at the Eclipse Center in Beloit, WI. At this year's meeting, we are excited to let you know that we are bringing back the full-service meal for our members. We had to forego the meal the past three years due to COVID-related issues, but it is now back and on the annual meeting schedule.

If you would like to attend this year's meeting (meal included), you must register to attend. Please see registration details on this page to the right.

We hope to see you there!

CAPITAL CREDITS



Members' Economic Participation Financially

The cooperative is in good shape financially. All obligations in 2023 were satisfied, and another positive year is forecasted to take place in 2024. We encourage you to review the financial statements on page 17.

As a member of the cooperative, you participate financially in the form of capital credits. (The capital credit process is displayed on this page to the left.) That money is used as working capital to operate, maintain, and upgrade the co-op's energy distribution system. When the co-op's financial situation allows, some of that capital is returned. In 2023, Rock Energy distributed more than \$1.7 million to current and past members. Since the co-op was founded 88 years ago, more than \$26 million has been paid back.

Your economic participation in Rock Energy is one of the many qualities that make energy co-ops different from other types of utilities. We don't need to make profits for out-of-town investors. We exist solely for our members.

We truly appreciate the opportunity to be your energy provider and hope to visit with you on April 8.

2023 IN REVIEW

2023 was a very busy and eventful year for Rock Energy Cooperative and its members! Here is a quick pictorial review of some of the events that took place in 2023.



"Hot Line Demo" presented to students at Milton Northside.



Safety Grant presented to Orfordville Fire Protection District.



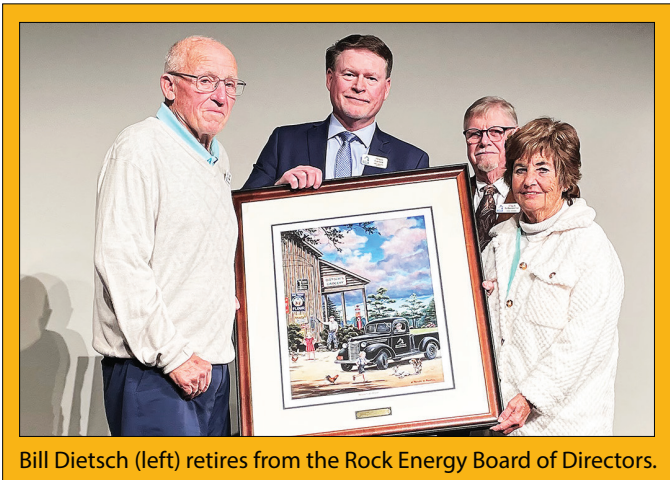
A major ice storm hits the area - Rock Energy crews respond.



Trunk-or-Treat in South Beloit, IL



Youth Tour in Washington D.C.



Bill Dietsch (left) retires from the Rock Energy Board of Directors.



Pancake breakfast at Member Appreciation Day.



ROCK ENERGY COOPERATIVE

Statements of Revenue & Patronage Capital

(subject to audit)

	Years Ended December 31,	
	2022	2023
Operating Revenue	\$ 68,990,737	\$ 63,895,409
Operating Expenses:		
Cost of Power	49,121,679	40,704,175
Distribution- Operations	2,117,439	1,955,793
Distribution- Maintenance	4,356,393	4,685,217
Member Accounts	1,228,275	1,287,541
Member Service & Information	384,116	403,717
Administrative & General	2,759,854	3,067,359
Depreciation	5,249,282	5,447,483
Taxes	446,170	508,206
Other Deductions	180,600	189,331
Total Operating Expenses	65,843,808	58,248,822
Operating Margins -before Fixed Charges	3,146,929	5,646,587
Fixed Charges:		
Interest on Long-Term Debt	2,480,535	2,418,601
Interest on Short-Term Debt	112,950	232,136
Total Fixed Charges	2,593,485	2,650,737
Operating Margins -after Fixed Charges	553,444	2,995,850
Patronage Capital Allocations	342,558	353,152
Net Operating Margins	896,002	3,349,002
Non-Operating Income:		
Interest Income	255,064	161,457
Equity Investments & Other	2,804,502	335,795
Total Non-Operating Income	3,059,566	497,252
Net Margins for Period	3,955,568	3,846,254
Patronage Capital- Beginning of Period	49,313,062	51,149,068
	53,268,630	54,995,322
Retirement of Capital Credits	2,119,562	1,770,133
Patronage Capital- End of Period	\$ 51,149,068	\$ 53,225,189

Balance Sheets

(subject to audit)

	As of December 31,	
	2022	2023
ASSETS		
Utility Plant:		
In Service	\$ 160,429,407	\$ 166,416,409
Construction Work in Process	1,195,064	3,623,349
	161,624,471	170,039,758
Less: Accumulated Depreciation	55,528,577	59,616,958
Net Utility Plant	106,095,894	110,422,800
Investments:		
Associated Organizations	5,033,409	5,233,184
Other Investments	3,260,519	3,581,763
Total Investments	8,293,928	8,814,947
Current Assets:		
Cash & Temporary Investments	88,713	1,923,573
Accounts Receivable	6,082,693	4,180,929
Inventory, Materials & Supplies	3,005,667	2,109,298
Other current assets	351,731	514,584
Total Current Assets	9,528,804	8,728,384
Deferred Debits	1,748,706	1,591,590
Total Assets	\$ 125,667,332	\$ 129,557,721
EQUITIES & LIABILITIES		
Equities:		
Patronage Capital	\$ 51,149,068	\$ 53,225,189
Other Equities	1,757,078	1,749,151
Total Equities	52,906,146	54,974,340
Long-Term Obligations	54,676,182	55,293,363
Current Liabilities:		
Current Maturities of Long-Term Debt	3,015,188	3,081,764
Notes Payable- Line of Credit	4,900,000	-
Accounts Payable	5,767,548	6,618,885
Member Deposits	545,028	506,085
Accrued Taxes	645,113	667,456
Other Current Liabilities	2,588,446	2,877,255
Total Current Liabilities	17,461,323	13,751,445
Deferred Credits	623,681	5,538,573
Total Equities & Liabilities	\$ 125,667,332	\$ 129,557,721

87th Annual Meeting Minutes

Rock Energy Cooperative 87th Annual Meeting – April 24, 2023

Chairman Clark Schoonover welcomed all in attendance at the 87th annual meeting of Rock Energy Cooperative on Monday, April 24, 2023, at the Eclipse Center in Beloit, WI. He called the meeting to order at 5:30 p.m. A quorum was declared with 50 voting members in attendance. Introductions of the board of directors, CEO, and attorney were made.

The reading of the notice of the meeting was waived by unanimous consent. The minutes of the previous annual meeting were approved as printed. The year-end financial reports were printed in the April magazines for review by members.

Chairman Schoonover and CEO Larson made their reports to the memberships. Schoonover and Larson both mentioned the financial challenges faced last year. Inflation and cost increases, due to supply-chain and power cost issues were high on the list. A significant rise in natural gas prices caused the board of directors to plan a slight necessary rate adjustment in 2023. The co-op continues to be very strong financially. \$2.1 million was retired in capital credits this past year.

Attorney Niles Berman conducted the election of directors. The reading of the nominating committee minutes was waived by unanimous consent. The minutes were approved as printed in the magazines. The candidates were:

- District 6: Clark Schoonover, incumbent
- District 7: Derik Roth
- District 8: Ron Richards, incumbent

Since all the candidates were uncontested, pursuant to the Bylaws a voice vote was taken. All three were elected unanimously.

The 2023 Rock Energy Scholarship winners were introduced by board member/secretary, Marian Trescher. The 15 winners came on stage and were presented scholarship certificates by education committee members Barb Miller and Bill Fischer.

There was no unfinished business.
No new business was presented.

Retiring Rock Energy board member, Bill Dietsch, from District 7 was recognized for his 24 years of dedicated service. Bill served as board chair, Rock Energy's board delegate on the Association of Illinois Electric Cooperative's board, as well as serving on many essential committees. Over the years he devoted time attending numerous state, regional and national meetings representing Rock Energy Cooperative. Bill and wife, Janie, were presented with a beautiful, framed co-op painting.

Six door prize drawings were awarded. Three winners received an \$87 credit on their monthly REC bill in honor of the 87th annual meeting. The other three winners received a gift valued at \$50 each.

The meeting adjourned at 6:13 p.m.

Respectfully submitted,
Marian Trescher, Secretary

Nominating Committee Minutes

Rock Energy Cooperative Nominating Committee Minutes January 12, 2024

The nominating committee of the Rock Energy Cooperative met at Cooperative Headquarters on January 12, 2024. The meeting was called to order at 10:01 am via conference call.

Those in attendance:

- Marian Trescher - Board Member
- Shane Larson - CEO

Nominating Committee Members:

- Ryan Nelson - District 1
- Tom Knauer - District 3
- Lucy Dack - District 5

ELECTION OF COMMITTEE CHAIRPERSON:

A motion was made, seconded, and carried unanimously, to elect Ryan Nelson as Committee Chairperson.

ELECTION OF COMMITTEE SECRETARY:

A motion was made, seconded, and carried unanimously, to elect Tom Knauer as Committee Secretary.

NOMINATING COMMITTEE DUTIES:

CEO Larson reviewed cooperative policies dealing with board positions and nominations.

NAMES PLACED IN NOMINATION:

After discussion, the committee voted to place the following members in nomination at the 2024 Annual meeting:

- District 1: Barb Miller
- District 3: Theresa Huber
- District 5: Bill Fischer

Being no future business for the committee, the meeting adjourned at 10:23 am.

**Committee Secretary,
Tom Knauer**

Shane Larson, CEO

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P.O. Box 126, 15229 Willowbrook Rd., South Beloit, IL 61080
866-752-4550

Jonas Berberich, Editor



NOTICE OF ANNUAL MEETING

Rock Energy Cooperative

April 8, 2024 • 5:30 p.m.

NOTICE IS HEREBY GIVEN that the annual meeting of Rock Energy Cooperative will be held at the Eclipse Center, Beloit, Wisconsin, on Monday, the 8th day of April, 2024, at 5:30 p.m. for the purpose of transacting whatever business may lawfully come before it. The order of business pursuant to the Bylaws shall be as follows:

1. Call to Order. Quorum Determination
2. Reading of Notice of Meeting
3. Approval of Minutes of Previous Annual Meeting
4. Reports of Officers, Directors, and Committees
5. Election of Three (3) Directors
6. Unfinished Business
7. New Business
8. Adjournment

Dated this 8th day of March, 2024.

Marian Trescher, secretary,
Rock Energy Cooperative

- Members must attend this meeting if they wish to vote on co-op business items.
- Only one ballot per member will be issued at time of registration.
- Proxy and absentee voting are not allowed.

88th ANNUAL MEETING PROGRAM

Doors Open..... 4:30 p.m.

Annual Meeting..... 5:30 p.m.

- Including Scholarship Presentation

Adult Dinner..... 6:30 p.m.

Children's Room:

- Open 5 to 7:15 pm
- Ages 3-12
- Snack, Pizza Dinner and Drink

ADULT DINNER MENU

- **Fresh Garden Salad** - Ranch and Italian Dressing
- **Stuffed Chicken Risotto** - with Mushrooms, Parmesan and Herb Butter Sauce
 - **Garlic Smashed Red Potatoes**
 - **Steamed Green Beans**
 - **Dinner Rolls and Butter**
 - **Individual Dessert** - Chocolate Layered Cake
 - **Water, Coffee and Tea**

MEET YOUR DIRECTOR CANDIDATES

DISTRICT 1



BARBARA MILLER

Incumbent Candidate

Barbara Miller lives in Porter Township. She was elected to the board in 2017 and currently serves as the board vice president. She grew up on the family farm in Center Township and has lived on co-op lines for more than 50 years.

"I know from that experience the value of this cooperative's service to the rural community and appreciate its dedication to meet the needs of its members," she said.

Miller is retired after serving as a Brodhead School District teacher for 30 years. She received a bachelor's degree in education from UW-Whitewater and a master's degree in environmental education from the College of Natural Resources at UW-Stevens Point.

"I am impressed with REC's interest in our youth through the leadership opportunities offered, as well as celebrating their academic success by awarding scholarships within its membership," said Miller, who has served on the co-op's scholarship committee.

She said she feels strongly about the cooperative business model and wishes that more co-ops existed in the area.

"I realize the challenges any utility company faces with providing quality economical service, yet being environmentally sustaining."

Miller is a WECA Board Member, serving on WECA Executive and Finance Committees, and serves on the Federated Youth Board.

"I am impressed with REC's interest in our youth through the leadership opportunities offered, as well as celebrating their academic success by awarding scholarships within its membership."

DISTRICT 5

William "Bill" Fischer resides in Turtle Township and he has lived on Rock Energy lines for more than 40 years. He has served as a director for 20 years. He is also a director with WECA.

"I am thankful to the Rock Energy members for allowing me to serve as a director," he said. "I would feel privileged to represent you for another three years. Good decisions made today will

bring great rewards for the co-op tomorrow."

Fischer is a former farmer, raising crops, hogs and beef, and he is a journeyman electrician. He has served as past president and past treasurer of the Clinton Kiwanis Club and has been active in many volunteer organizations in the Clinton area, including the Clinton After-School Program.



BILL FISCHER

Incumbent Candidate

"I am thankful to the Rock Energy members for allowing me to serve as a director. I would feel privileged to represent you for another three years. Good decisions made today will bring great rewards for the co-op tomorrow."

MEET YOUR DIRECTOR CANDIDATES (continued)

DISTRICT 3



Theresa Huber

Incumbent Candidate

Theresa Huber lives in Johnstown Township. She has been on the Rock Energy Cooperative Board since September of 2021. She has received her Credentialed Cooperative Board Director Certification and has nearly completed the Board Leadership Certification courses.

“My first term as a REC Director has shown me the dedication, caring and responsibility the REC Staff and Board of Directors embrace to ensure that all of our members are provided with the safest, reliable and affordable service possible,” said Huber.

Huber has a bachelor’s degree from UW-Whitewater. She has worked as a Social Worker and has owned her own business.

Theresa and her husband Scott

live on the family homestead east of Janesville. The homestead was established in 1898 and they are the fourth generation to live there. Huber is currently the President of the Johnstown Center Cemetery Board. She is involved with her church, Rock Prairie Presbyterian Church, serving currently as a Deacon, a member of the Worship committee and has been a Sunday School Teacher and Trustee. When her children were young, Huber was an active volunteer in the Janesville School District, a Girl Scout Leader and assisted with their son’s Boy Scout Troop. She continues to be very involved in her community and has considerable knowledge of the community in which she lives and the surrounding areas.

“I have and will continue to take my responsibilities as a Director seriously and keep educated and up-to-date on current issues to improve my part in helping best serve all of our members. I am honored to be a Director serving the Rock Energy Cooperative members and their communities. I appreciate you considering me for another term.”

Districts up for election are:

- **District 1:** Dunkirk, Albion, Porter and Fulton Townships in Wisconsin
- **District 3:** Johnstown, Bradford and Darien Townships in Wisconsin
- **District 5:** Turtle, Clinton and Sharon Townships in Wisconsin; and Roscoe, Manchester, Leroy, Chemung, Alden and Hebron Townships in Illinois.

