



Shane L. Larson,
Chief Executive Officer

Report from the Chief Executive Officer and the Chairman of the Board



Clark Schoonover,
Chairman of the Board

COMMITTED TO OUR MEMBERS, COMMITTED TO COMMUNITY

Moving Forward in 2021 & Beyond

In 2020 our annual meeting was moved from March to September as the pandemic hit all of us and forced everyone to adjust. There is a great deal of planning to hold an annual meeting each year, and we all agreed we had to make major adjustments in 2020. Ultimately, the board also decided to hold last year's event as a "business meeting" only, which is what we will be doing again this year at our annual meeting on Sept. 27, 2021. Even though there will not be a dinner, a scholarship presentation, or kids' activities, the event will proceed as an in-person meeting (business only), and we hope to see you there.

While we were able to delay the annual meeting last year and push it back to a different date, we could not put our mission on hold, because safely keeping the lights on for our members is a 24/7 job and it has always been our number one priority. We quickly realized that the only way to do that during the pandemic was to keep our employees safe from this virus by making some adjustments, such as closing our office lobbies to members, having some employees work from home, and by following a number of other safety/sanitizing protocols and other safety measures.

MOVING FORWARD TO THE PRESENT: Even though we have made some adjustments to the way our annual meeting is run, our office lobbies are now open to members, masks are not required (for those who are vaccinated), and life appears to be getting back to normal as we move forward.

SAFETY & RELIABILITY

In order to continue to provide reliable service, in 2021 Rock Energy dedicated a significant amount of resources for tree trimming and line maintenance. Tree trimmers traverse our 1,200 miles of line to remove tree branches and other



Rock Energy works diligently on line maintenance throughout the year. Pictured above, a Rock Energy crew works on a pole replacement project on Clover Road in Rockton, IL, in the spring of 2021.

vegetation growing too close to power lines in the rights-of-way.

Safety and reliability are our priorities. Most everyone can agree that trees are beautiful and an important part of our landscape. However, they can become dangerous for kids playing in the neighborhood if the branches grow too close to power lines and become energized. Trees also can be a power line's worst enemy. Strong winds, heavy snow, and ice can cause trees and their branches to snap, pulling down power lines and causing outages.

Line maintenance involves more than just tree trimming, as we continually inspect poles and lines every year. If certain issues are discovered, repairs are made.

Working to minimize and prevent outages is a year-round effort. We maintain proper engineering and currently have an adequate inventory of parts, and we also continually train our employees. Everything we do focuses on providing you—our members—with reliable electricity. If we can do a better job servicing your energy needs, please let us know.

(Continued on page 20C)

Statement of Revenue & Patronage Capital

	Years Ended December 31,	
	2019	2020
Operating Revenue	\$ 57,987,313	\$ 56,827,076
Operating Expenses:		
Cost of Power	39,474,869	34,513,476
Distribution- Operations	1,716,553	1,597,316
Distribution- Maintenance	2,865,837	3,513,403
Member Accounts	1,094,593	1,157,197
Member Service & Information	388,071	379,911
Administrative & General	2,388,833	2,654,144
Depreciation	3,897,844	4,581,948
Taxes	409,476	451,203
Other Deductions	188,636	182,980
Total Operating Expenses	52,424,712	49,031,578
Operating Margins -before Fixed Charges	5,562,601	7,795,498
Fixed Charges:		
Interest on Long-Term Debt	1,861,265	2,467,751
Interest on Short-Term Debt	243,090	82,411
Total Fixed Charges	2,104,355	2,550,162
Operating Margins -after Fixed Charges	3,458,246	5,245,336
Patronage Capital Allocations	346,768	342,629
Net Operating Margins	3,805,014	5,587,965
Non-Operating Income:		
Interest Income	219,054	224,496
Equity Investments & Other	212,540	311,103
Total Non-Operating Income	431,594	535,599
Net Margins for Period	4,236,608	6,123,564
Patronage Capital- Beginning of Period	38,859,048	41,620,939
	43,095,656	47,744,503
Retirement of Capital Credits	1,474,717	2,309,462
Patronage Capital- End of Period	\$ 41,620,939	\$ 45,435,041

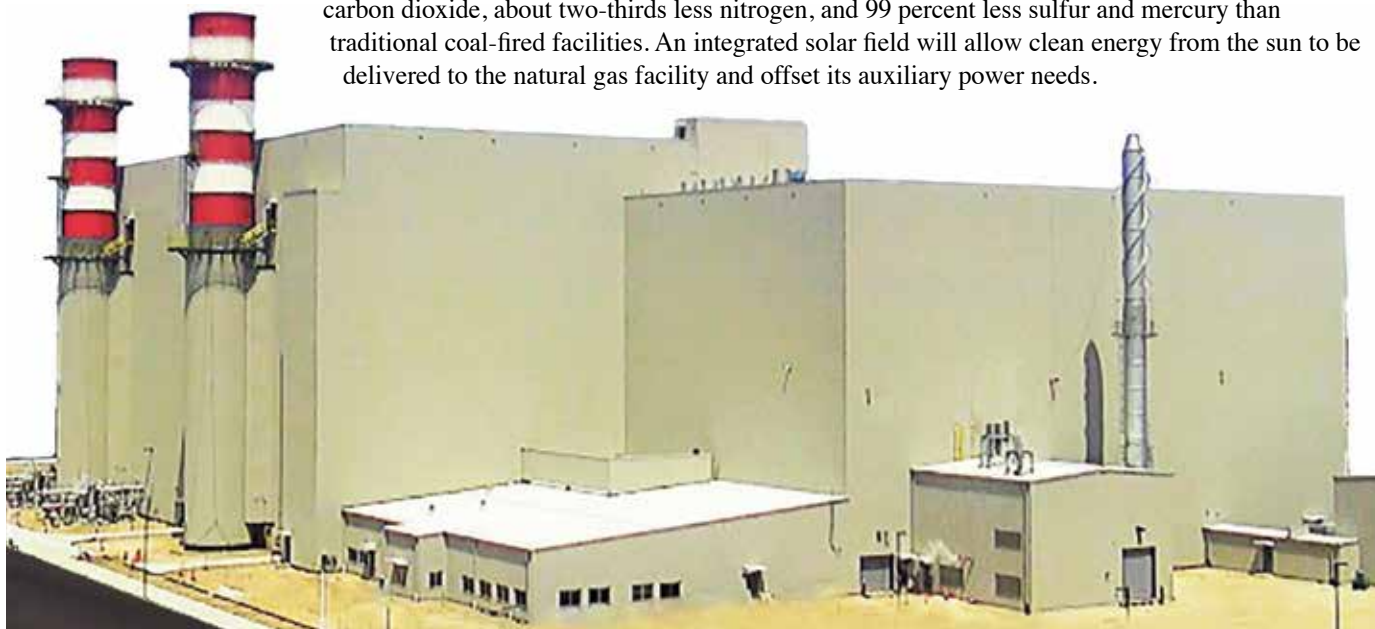
Balance Sheets

	As of December 31,	
	2019	2020
ASSETS		
Utility Plant:		
In Service	\$ 117,699,754	\$ 145,514,739
Construction Work in Process	3,138,185	3,167,431
	120,837,939	148,682,170
Less: Accumulated Depreciation	44,454,873	47,541,721
Net Utility Plant	76,383,066	101,140,449
Investments:		
Associated Organizations	4,522,815	4,684,739
Other Investments	2,452,538	2,913,834
Total Investments	6,975,353	7,598,573
Current Assets:		
Cash & Temporary Investments	4,848,788	1,619,841
Accounts Receivable	3,823,135	4,330,452
Inventory, Materials & Supplies	1,495,509	1,327,332
Other current assets	308,369	338,735
Total Current Assets	10,475,801	7,616,360
Deferred Debits	24,735,729	2,064,478
Total Assets	\$ 118,569,949	\$ 118,419,860
EQUITIES & LIABILITIES		
Equities:		
Patronage Capital	\$ 41,620,939	\$ 45,435,041
Other Equities	1,489,953	1,532,581
Total Equities	43,110,892	46,967,622
Long-Term Obligations	63,622,864	60,676,340
Current Liabilities:		
Current Maturities of Long-Term Debt	2,195,007	2,818,928
Notes Payable- Line of Credit	335,874	-
Accounts Payable	3,983,981	3,728,649
Member Deposits	521,434	576,260
Accrued Taxes	626,350	602,311
Other Current Liabilities	2,061,344	2,180,963
Total Current Liabilities	9,723,990	9,907,111
Deferred Credits	2,112,203	868,787
Total Equities & Liabilities	\$ 118,569,949	\$ 118,419,860

WEST RIVERSIDE ENERGY CENTER — AN INVESTMENT IN THE FUTURE

As reported, Rock Energy has partnered with Alliant Energy and has made an investment in the West Riverside Energy Center in Beloit Township. Construction of the facility was finished in 2020, and Rock Energy now has 3.7 percent ownership of the advanced technology, highly efficient natural gas facility. This partnership helps us control our electric power costs and represents a unique opportunity for our membership to benefit financially for many years. It also provides power for future generations.

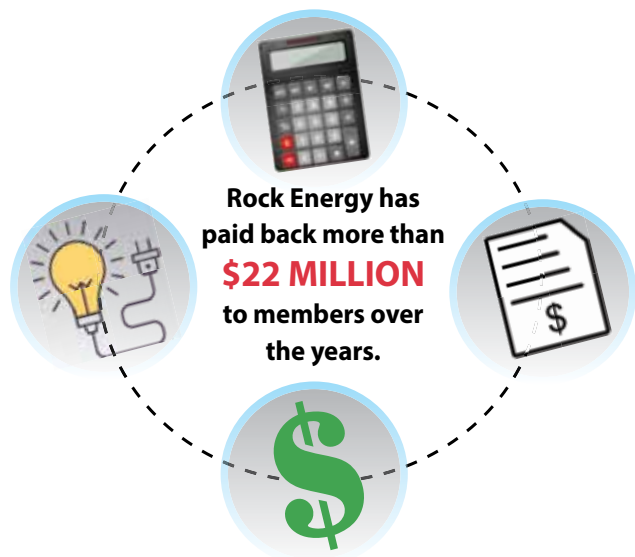
The new power plant is part of Alliant Energy's long-term transition to a cleaner energy mix. It will emit less than half the carbon dioxide, about two-thirds less nitrogen, and 99 percent less sulfur and mercury than traditional coal-fired facilities. An integrated solar field will allow clean energy from the sun to be delivered to the natural gas facility and offset its auxiliary power needs.



Pictured above is the West Riverside Energy Center, located in Beloit Township.

CAPITAL CREDITS - A MEMBER DIFFERENCE

Unlike other utilities, your co-op exists to make sure your energy needs are met, not to make a profit. As a member, you share in the profits in the form of capital credits. That money is used to maintain and upgrade the system and repay associated indebtedness. When the co-op's financial situation allows, some of the capital is returned to members.



The co-op works hard every day to keep your rates as low as possible. But it's sure nice to know that when there are profits, they ultimately come back to the member. Capital credits are based on usage, so the more energy purchased, the more capital

credits are allocated and eventually returned.

In 2021, Rock Energy is distributing more than \$1.1 million in capital credits to current members and about \$300,000 to past members. Since it was founded 85 years ago, more than \$22 million has been paid back to past and current members.

Also, REC does everything it can to ensure that former members get their retired capital credits. Each fall we publish a list of unclaimed capital credits. Any money that isn't claimed is placed in Rock Energy's Federated Youth Foundation account and used for educational purposes, including scholarships and youth programs in both Wisconsin and Illinois.

Your financial 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 you—our members.

On behalf of the co-op's directors and employees, we invite you to join us for the 85th Annual Meeting on Monday, September 27, at the Eclipse Center in Beloit. As a member, you can participate in the democratic process by electing fellow members to the board of directors. At the annual meeting, members will elect directors in three districts. Turn to the back cover for information about the candidates. Members also will consider changes to the co-op's Articles of Incorporation and Bylaws. Those changes are outlined on the back page of this issue.

As always, it is a privilege to serve your energy needs. We look forward to working with you for the remainder of 2021 and beyond.



YOUR ANNUAL MEETING

The Rock Energy Cooperative 85th Annual Meeting has been scheduled to take place on Monday, Sept. 27, 2021, at the Eclipse Center in Beloit, WI. However, please note that the event date is subject to change pending any unforeseen COVID-related mandates.

Taking into consideration the health and well-being of our members, this year's event will be a business meeting only, expected to last around 30-45 minutes. No dinner will be served, nor scholarships presented. There will be no guest speakers or kids' activities as well. Attending parties should be limited to two people maximum per membership (yourself and one other person) in order to allow for adequate social distancing. Every attendee should bring a mask with them to the event (masks may be required).

TO REGISTER TO ATTEND, PLEASE CALL 866-752-4550. RSVP by Monday, Sept. 20.

NOMINATING COMMITTEE MINUTES

The nominating committee of the Rock Energy Cooperative met at Cooperative Headquarters on June 22, 2021, at 1 p.m. Board Chairman Clark Schoonover called the meeting to order.

Those in attendance:

- Clark Schoonover – Board Chairman
- Shane Larson – CEO
- Joseph Wollinger – District 1
- Jane Metcalf – District 3
- Steve Gustafson – District 5

A motion was made, seconded, and carried unanimously, to elect Joe Wollinger as Committee Chairperson.

A motion was made, seconded, and carried unanimously, to elect Jane Metcalf as Committee Secretary.

CEO Larson and Chairman Schoonover reviewed cooperative policies dealing with board positions and nominations. A handout was previously mailed to each committee member outlining director duties and qualifications.

- District 1: Barbara Miller
- District 3: Theresa Huber
- District 5: William Fischer

Being no future business for the committee, the meeting adjourned at 1:10 p.m.

Respectfully yours, Jane Metcalf, Secretary

84th ANNUAL MEETING MINUTES

Rock Energy Cooperative 84th Annual Meeting – October 5, 2020

Chairman William Dietsch welcomed all in attendance at the 84th business-only annual meeting of Rock Energy Cooperative at the Eclipse Center in Beloit, WI. Introductions of the directors, CEO and attorney were made.

This was a business-only meeting due to the COVID-19 pandemic requiring wearing protective face masks and social distancing by those in attendance.

Chairman Dietsch called the meeting to order at 6 p.m. on October 5, 2020. He called for a membership count and declared a quorum with 28 voting members present.

The reading of the notice of the meeting and proof of mailing were waived by unanimous consent.

In the interest of time, given this year's extraordinary circumstances, Chairman Dietsch referred members to the cooperative's financial reports printed in the March magazines which were placed on their seats.

Annual reports from Chair Dietsch and CEO Larson indicated Rock Energy as being in good financial shape. The new AMI system has helped to make decisions using timely data. Infrastructure in electric and gas distribution continues to be improved. The theme Envisioning Tomorrow continues to be shown by many improvements such as the PaySite kiosk in South Beloit, an upgrade for the Smart-Hub mobile App, and over 3.4% ownership in the West Riverside Energy Center natural gas facility in Beloit Township.

CEO Shane Larson reported on the changes initiated in March 2020 which included closing the offices to the public. Extra help was extended to members through the Rock Cooperative Care program resulting from increases contributed by members to Project Lift Up. Crews have remained busy and safe. A big "Thank You" was extended to all employees for their continued great service, dedication, and safety during these trying circumstances.

Attorney Niles Berman conducted the election. William Dietsch, District 7, and Ronald Richards, District 8, were uncontested and therefore reelected. Three candidates, Randall Johnson, Clark Schoonover, and Gary Yeiser, vied for the District 6 position. Each spoke briefly. Clark Schoonover was reelected to represent District 6.

There was no unfinished or new business to be conducted.

Due to COVID, the scholarship presentations and the usual dinner were not included in the business-only annual meeting.

Two door prizes were awarded. In honor of the co-op's 84th annual meeting, each winner received an \$84 credit on their Rock Energy bill.

The meeting adjourned at 6:20 p.m.

Respectfully submitted, Marian Trescher, Secretary

Shane Larson, CEO

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Jonas Berberich, Editor



**ROCK ENERGY
COOPERATIVE**
Empowering Members Since 1936

Second summer

Summer is over, children are back in school, and we may experience summer-like weather despite it being fall. Even if it feels like winter will never come, don't be fooled. Winter is coming, and now is the time to prepare.

Look around your home. See any gaps around your doors or windows? A 1/12-inch gap around an exterior door is like having a 4x5-inch hole in the wall. Add cracks around other doors and windows, and you could allow a lot of cold air into your home this winter.

Plugging those leaks will increase your comfort, and it pays for itself in reduced energy bills. Just weather stripping around doors and windows can cut heat loss by nearly half. Caulking, additional insulation and storm doors and windows are other measures that will make your home even more energy efficient.

Visit touchstoneenergy.com/efficiency or call your local electric cooperative for more information on weatherization plans that will fit your budget and pay off in lower energy costs. Then, sit back and enjoy these second summer days before frost really sets in.



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