



# 2022 ANNUAL REPORT



# Powering Your Purpose



# CHAIRPERSON REPORT

## BOB GRANT • BOARD CHAIRPERSON



Welcome to the 32nd annual meeting of Mountrail-Williams Electric Cooperative (MWEC). This is your annual meeting. The board and employees are here to inform you of the activities of your cooperative and give you a look into the future. Today's meeting offers you, our member-owner, an opportunity to share your perspective.

MWEC is here to bring power to you – for your purpose. Power to light and heat your home, dry grain, run the irrigation pumps, energize your business, pump and transport oil and natural gas – we are humbled to power what brings meaning to you and our communities.

The board of directors and employees are committed to meeting the challenges before us head on. Challenges such as increasing costs, inflation, supply chain issues, high volatility in the electricity market, and changing regulations to name a few. We will continue to focus on the needs of our membership as we access and adopt new technology and innovation.

Although we are often challenged, the need for affordable and reliable power has never

been greater. We are always communicating and working with our Rural Electric Cooperative family as we look into the future. Reliability, safety, and affordability are three key factors we consider in every decision made as a cooperative.

The Annual Report 2022 contains highlights of the year, reports from department managers, as well as a financial report. You will see that we are a very strong company and are well positioned for the future. MWEC's strong foundation is a result of our most valued resource – OUR EMPLOYEES. They are very dedicated, professional and committed to you – the membership. They understand that what they do each day powers your purpose. And that's what being part of a cooperative is all about!

Today's meeting offers you, our member-owner, an opportunity to share your perspective. We encourage you to talk with us throughout today's meeting – we are here to serve you.

### ON THE COVER:

Top: North Dakota Youth Tour participants

Bottom Left: Crow Flies High State Recreation Area, New Town, ND

Bottom Right: Multi-generational farming family

# 2023 MVEC ANNUAL MEETING

## JUNE 1, 2023

### AGENDA

- **Call to Order**
  - Invocation**
  - Welcome**
    - Dr. Monica Mayer
  - National Anthem**
    - LeeAnn Brady
  - Member Quorum Report**
  - Notice of Annual Meeting and Mailing**
  - Annual Meeting Minutes**
  - Recognition of Guests**
  - Introduction of Directors**
  - Business Session**
    - Director Candidates
    - Appointment of Tellers
    - Voting
    - Financial Report
    - Attorney Report
  - Guest Speaker**
    - Reed Barrett
  - Presentation of Reports**
    - Board/Management Panel
  - Report of Elections**
  - Unfinished Business**
  - New Business**
- **Adjournment**

# RULES

## **1. CALL TO ORDER:**

The Chairperson shall take the chair at the time set forth for the opening of the annual meeting or the time to which the annual meeting has been adjourned and shall call the convention to order.

## **2. POINT OF ORDER:**

The Chairperson shall preserve order and decide all questions of order subject to the appeal to the convention.

## **3. RECOGNITION BY THE CHAIR:**

Every member previous to his speaking shall rise from his seat and address the Chair and remain standing before proceeding to speak until he is recognized by the Chair.

## **4. WHO RECOGNIZED:**

When two or more members rise at the same time to speak, the Chairperson must designate the member who is to speak but in all cases, the member who shall rise first and address the Chairperson may speak first.

## **5. RULES AS TO SPEAKING, NUMBER OF TIMES, AND DURATION:**

No member shall speak more than twice on the same subject without permission of the convention nor more than once until every member choosing to speak on the subject pending shall have spoken. Nor shall any member occupy more than five minutes at the first time nor more than three minutes the second time without the consent by a majority of the members present. After all members have spoken any director, manager, employee or attorney may speak.

## **6. MOTION TO BE SECONDED AND STATED BEFORE DEBATE:**

No motion shall be debated unless put forth and the same be seconded. It must then be stated by the Chairperson before the debate and any such motion must be reduced to writing if the Chairperson desires it.

## **7. MOTION MAY BE WITHDRAWN:**

If the motion has been stated by the Chairperson, it shall be deemed to be in possession of the convention, but may be withdrawn at any time before amendment upon decision of the delegate offering it with consent of the seconder.

## **8. MOTION ON DEBATE AND PROCEDURE:**

When a question is under debate, no motion shall be received but to table, to postpone, to amend, or substitute.

## **9. MOTION TO ADJOURN IN ORDER, WHEN:**

A motion to adjourn shall always be in order, except when a member is addressing the Chairperson or a vote is being taken.

## **10. CONDUCT BEYOND THESE RULES:**

On any point not covered in the above rules "Robert's Rules of Order" shall govern.

## **11. VOTING:**

All questions shall be decided by a vote of a majority of the members voting thereon in person, except as otherwise provided by law, the Articles of Incorporation, or these bylaws.

## **12. VOTING ELIGIBILITY:**

Each member shall be entitled to only one vote. Joint membership shall constitute a one joint vote.



# GENERAL MANAGER REPORT

DALE HAUGEN • GENERAL MANAGER

## Powering Your Purpose

At Mountrail-Williams Electric Cooperative (MWEC), we have shared many years together as a cooperative family. A phrase you will hear me say often is 'the only thing certain is uncertainty'. In 2022, an increase in major weather events caused havoc to our electrical system and supply chain challenges created uncertainty – yet both were met with innovation and resilience. Natural gas markets worldwide have continued to be uncertain and volatile – yet, for the oil and gas partners we serve in Williams and Mountrail County, the last few years have shown an explosive growth.

As I reflect on the years I have worked at MWEC, I have found one phrase to encompass my life, *Powering Your Purpose*. This has been the firm foundation on which MWEC was built. I see it every day, employees who work together to power your homes, your farms, your businesses... your purpose.

Success is accomplished with a thoughtful strategy for the future where leadership is passed from generation to generation. Cooperative people invest today to see an impact tomorrow. From the early beginnings you, our member owners, have elected good Board members who have been committed to representing our members and landowners. Through these investments, thoughtful planning resulted in a well-planned high voltage transmission system, state-of-the-art substations and miles of distribution line connecting each member.

The biggest event of my 42 years has been when our members voted to take two good electric cooperatives and merge them together to make one great cooperative, Mountrail-Williams. Because of this merger, MWEC has been well positioned for tremendous growth across both counties. The magnitude of work and financing that was required took the power of two as one cooperative.

I've been fortunate to work here for a membership that understands responsible growth during good times and stressful times. MWEC was at a turning point because of having a lot of worn-out facilities and required rebuilding. We had the opportunity to grow with a member-focused strategy. There were no excuses. Rebuild with the right risk, be the best place to work and share that success with our communities.

My love for cooperatives is deeply rooted in my family tree. My grandparents were involved with cooperatives, my parents were involved with their local ag and electric cooperative, and today I teach the cooperative way to my children and grandchildren. I want to say thank you to our Members, Board of Directors, Employees, Suppliers, and finally my family for a wonderful and fulfilling 42 years at MWEC.

Your employees are honored to work alongside you to continually power your purpose. Together you are positioned well for the future.



# 2022 ANNUAL MEETING MINUTES

The Annual Meeting of the members of Mountrail-Williams Electric Cooperative met at the Agri-Sports Complex in Williston, North Dakota on Thursday, June 2, 2022.

Ryan Block, Safety Coordinator for the Cooperative, outlined the safety procedures which were in place for this meeting. The childcare, provided by Little Lamb Child Care, and movie location were pointed out. Williston Mayor Klug welcomed and addressed the membership.

Chairperson Grant called the 2022 Annual Meeting to order at 6:57 p.m. The Pledge of Allegiance and National Anthem were led and performed by Cooperative employee, Kim Wilson.

## AGENDA

A motion to approve the agenda as printed and presented was seconded and carried.

## QUORUM

Chairperson Grant reported there were 229 registered members in attendance and 413 absentee votes had been presented. A quorum was declared present.

## NOTICE OF ANNUAL MEETING

Secretary Jorgenson read the official notice of the 2022 Annual Meeting.

## APPROVAL OF 2021 ANNUAL MEETING MINUTES

A motion was seconded and carried to suspend the reading of the 2021 Annual Meeting Minutes and accept the minutes as printed and presented in the annual meeting booklet provided to the attending members.

## ANNUAL MEETING RULES

A motion was seconded and carried to adopt the annual meeting rules as printed and presented.

## INTRODUCTION OF GUESTS

Chairperson Grant recognized and welcomed all Mountrail-Williams guests, legislatures, neighboring cooperative directors and employees, consultants and suppliers of the Cooperative and noted the letters of greetings received from numerous political offices.

## INTRODUCTION OF BOARD OF DIRECTORS

Chairperson Grant introduced the current Board of Directors.

## RECOGNITIONS

Director Roger Sorenson chose not to re-run for election and was recognized and thanked for his 27 years of service, and 14 years as Chairperson, on the Mountrail-Williams Electric Cooperative Board of Directors. He was presented a plaque for his years of commitment and dedication to the Cooperative and a gavel for his unwavering support and unrelenting guidance as chairperson. Sorenson addressed the membership.

Director Jennifer Wade was recognized for completing the National Rural Electric Cooperative Association Credentialed Cooperative Director program and presented with the Credentialed Cooperative Director certificate and pin.

Former Cooperative employee and Director, Dick Ludwig, was remembered following his passing following a short illness.

## PROPOSED BYLAW CHANGES

In-House Counsel Johnson Ellis explained the proposed bylaw changes to the membership.

## LEGAL REPORT

Attorney Brittany Foust presented the legal report. It was reported Attorney Foust and In-House Counsel Johnson Ellis attended the special and regular board meetings for the Cooperative. Attorney Foust noted that the Board's actions in the past year had complied



with the bylaws of the Cooperative as well as the laws of the State of North Dakota. She informed the membership the Cooperative continues to participate as an intervenor in the pending State lawsuit brought by McKenzie Electric Cooperative against Basin Electric and Upper Missouri, and that the Cooperative continues to monitor and participate in relevant, ongoing FERC cases that could impact the Cooperative. It was reported there are no other known or anticipated specific or threatened litigation, claims or assessments that would impact the integrity of the Cooperative.

## **ELECTION OF DIRECTORS**

Attorney Foust reviewed the procedure for nomination of members to serve as directors for three-year terms. It was noted in 2019 the membership voted to update the qualifications of directors and eliminate nominations from the floor except in instances where no candidate petition was submitted. There were three petitions submitted, one for each district. Those candidates who filed petitions before the deadline and met candidate qualifications and background checks in accordance with the bylaws included:

- West District and within Precinct 1C:  
Jennifer Wade
- Central District and within Precinct 2C:  
Ryan Wilhelmi
- East District and within Precinct 3C:  
Kyle DeTienne

The candidate biographies were included in the meeting handout.

Chairperson Grant appointed an election committee consisting of Heidi Gross from the West District; Sylvia Fladeland from the Central District; and Kelly Horst from the East District.

Chairperson Grant noted the Cooperative was using Survey and Ballot Systems to run ballot votes through their system and that each member cast a ballot vote for the proposed bylaws and director candidates. He called for a motion to cast a ballot vote for the proposed bylaw changes. The motion was made and carried to cast a ballot vote for the proposed bylaw changes. Chairperson Grant then called for the membership to cast their ballot vote for the proposed bylaw changes and for the

director positions. The ballots were collected and brought to a separate room for Survey and Ballot Systems to run.

## **WRITTEN REPORTS**

Chairperson Grant noted the written reports printed in the annual meeting booklet and encouraged the membership to review the reports.

## **AUDIT REPORT**

Derek Flanagan, CPA, of Eide Bailly, LLP, presented the results of the financial audit for the Cooperative for the year ending December 31, 2021. The auditor went through some of the findings from the audit and informed the membership that Eide Bailly, LLP had issued an unmodified audit opinion for the Cooperative. The Financial Report was given in full and accepted as presented by the Board of Directors at its March 2022 meeting.

## **BOARD/MANAGEMENT PANEL**

Chairperson Grant and Manager Dale Haugen discussed the major ice and snow storm that affected the Cooperative's service area in April/May 2022. They also answered questions and took comments of the members.

## **ELECTION RESULTS**

The report of the Election Committee was presented by Attorney Foust. The candidates elected to serve 3-year terms were:

- West District and within Precinct 1C:  
Jennifer Wade
- Central District and within Precinct 2C:  
Ryan Wilhelmi
- East District and within Precinct 3C:  
Kyle DeTienne

It was also reported the membership passed the proposed bylaw changes.

## **UNFINISHED BUSINESS**

There was no unfinished business brought forward for discussion.

## **NEW BUSINESS**

There was no new business brought forward for discussion.

## **ADJOURNMENT**

There being no further business, a motion was seconded and carried to adjourn.

# FINANCIAL OPERATIONS REPORT

JAY LUX • CHIEF FINANCIAL OFFICER



In 2022, we saw the return of some financial challenges we haven't seen for quite some time. These challenges were due to factors outside of our control including supply chain issues, inflation, and the wrath of mother nature.

## Increase In:

- ✓ Maintenance and construction materials
- ✓ Interest rates to finance construction
- ✓ Storm restoration expenses (\$20 million)

Fortunately, because of the growth Mountrail-Williams Electric Cooperative (MWEC) has experienced, and with a little help from the Federal Emergency Management Agency (FEMA) on storm damage reimbursement, we were able to absorb these costs without affecting our membership. MWEC bucked the national trend of raising prices and kept our rates the same. In fact, if you factor in the rate holiday for electrical usage in November (December bill) and December (January bill), we actually lowered our rates from the previous year.

## Operating Margins

In 2022, MWEC had operating margins of \$20,270,706. Even though we sold more electricity, our margins were down almost \$6.5 million from the previous year. This was due to substantial credits MWEC received from our power supplier (18.3 million). Rather than wait 15-20 years to return these margins through our capital credit retirement process, the MWEC board selected to return the margins to current members through a rate holiday credit.

The MWEC non-operating margins, which includes interest income plus patronage dividends we receive from other cooperatives, were up \$20 million from 2021 for a total of \$30,541,221. This brought our total margins for the year to \$50,811,927 for an increase of \$13,605,351 over 2021.

## Balance Sheet

For the balance sheet side of things, our total assets are now at \$804 million, an increase of \$75 million over last year. The largest asset is our electric plant which makes up 68% of the total assets. Liabilities came in at \$456 million which was a \$37 million increase from last year. Our largest liability is our long-term debt at \$354.6 million (77.7%).

The final part of the balance sheet has to do with equity which is your ownership in MWEC. Patronage capital, which gets returned to members as the board retires it, increased by \$37 million to \$334 million, other equities increased \$500,000 to \$14.1 million bringing total equities to \$348.1 million or 43.3% increase.

## Checks and Balances

Eide Bailly, a certified public accounting firm, audits MWEC annually. An audit was completed in March 2023, and they issued a clean audit opinion on the financial statements as well as compliance with rules and regulations. In other words, Eide Bailly found the financial records of your cooperative to be in good order. The audit was presented and accepted by the board of directors on March 29, 2023.

## Looking Ahead

This past year, MWEC's financial strength and stability carried the cooperative through many challenges. As your member-owned cooperative, we understand the importance of safe, reliable and affordable power – to you, our members. Although we would prefer a year with a little less drama, 2022 ended up being a pretty good year for MWEC and our members. Last year, our board gave nearly \$32 million back to our members in the form of capital credit retirements and rate holiday credits. We hope that with a little extra cash in your pocket, you can focus more on the purpose that powers you – and we will do our part in *Powering Your Purpose*.



# FINANCIALS

## STATEMENT OF OPERATIONS AND PATRONAGE CAPITAL

Years Ended December 31, 2022 and 2021

### WHERE IT CAME FROM

	2022	2021
<b>OPERATING REVENUE:</b>		
Electric	\$303,710,327	\$292,224,056
Lease	\$15,990,234	\$15,839,219
Other	\$910,135	\$1,020,831
<b>Total Operating Revenue</b>	<b>\$320,610,696</b>	<b>\$309,084,106</b>

### WHERE IT WENT

<b>OPERATING EXPENSES:</b>		
Cost of Power	\$233,119,713	\$216,908,597
Transmission Expense-Operations	\$1,109,832	\$1,401,155
Transmission Expense-Maintenance	\$1,483,876	\$1,511,113
Distribution Expense-Operation	\$10,207,069	\$10,598,870
Distribution Expense-Maintenance	\$4,480,380	\$4,887,479
<b>Operations Costs</b>	<b>\$250,400,870</b>	<b>\$235,307,214</b>
Customer Accounts Expenses	\$2,172,247	\$2,065,982
Customer Service & Info. Expense	\$320,039	\$415,408
Administrative & General Expense	\$5,735,198	\$5,119,538
<b>Administration Costs</b>	<b>\$8,227,484</b>	<b>\$7,600,928</b>
Depreciation Expense	\$19,537,479	\$18,218,959
Accretion of Plant Reserve	\$2,539,741	\$2,495,035
Taxes	\$3,312,712	\$2,864,880
Interest on Long-Term Debt	\$16,050,769	\$15,665,107
Amortization of Loss on Reacquired Debt	\$181,401	\$181,401
Other	\$89,534	\$51,334
<b>Total Operating Expenses</b>	<b>\$300,339,990</b>	<b>\$282,384,858</b>

<b>OPERATING MARGINS BEFORE CAPITAL CREDITS:</b>	<b>\$20,270,706</b>	<b>\$26,699,248</b>
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<b>GENERATION AND TRANSMISSION AND OTHER COOPERATIVE CAPITAL CREDITS:</b>	<b>\$29,668,234</b>	<b>\$10,203,055</b>
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<b>NET OPERATING MARGINS:</b>	<b>\$49,938,940</b>	<b>\$36,902,303</b>
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<b>NON-OPERATING MARGINS:</b>		
Merchandising, Less Costs & Expenses (2022 - \$720,819; 2021 - \$313,391)	\$31,070	(\$79,555)
Other Non-Operating Margins	\$91,157	\$214,280
Interest Income	\$750,760	\$169,548
<b>Total Non-Operating Margins</b>	<b>\$872,987</b>	<b>\$304,273</b>

<b>NET MARGINS</b>	<b>\$50,811,927</b>	<b>\$37,206,576</b>
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**ASSETS:****ELECTRIC PLANT**

In Service	\$668,038,822	\$636,096,519
Under Construction	\$36,604,554	\$42,794,226
<b>Total Investment in Electric Plant</b>	<b>\$704,643,376</b>	<b>\$678,890,745</b>
Less Accumulated Provisions for Depreciation	\$157,720,499	\$143,917,763
<b>Electric Plant - Net</b>	<b>\$546,922,877</b>	<b>\$534,972,982</b>

**OTHER PROPERTY AND INVESTMENTS**

Investments in Associated Companies	\$140,877,921	\$113,773,534
Other Investments	\$258,449	\$255,425
Revolving Loan Fund	\$252,412	\$250,887
Special Funds	\$623,048	\$733,793
<b>Total Other Property and Investments</b>	<b>\$142,011,830</b>	<b>\$115,013,639</b>

**CURRENT ASSETS**

Cash and Cash Equivalents	\$545,358	\$665,981
Temporary Cash Investments	\$35,456,211	\$10,487,091
Accounts Receivable, Less Allowance for Uncollectable Accounts(2022 - \$5,573,635; 2021 - \$5,077,566)	\$12,908,795	\$17,070,578
Other Accounts Receivable - FEMA	\$17,672,855	-
Unbilled Revenue	\$21,462,789	\$27,600,174
Materials and Supplies	\$18,054,531	\$13,192,905
Prepayments	\$1,726,206	\$1,958,436
Interest Receivable	\$25,153	\$8,633
<b>Total Current Costs</b>	<b>\$107,851,898</b>	<b>\$70,983,798</b>

**DEFERRED CHARGES**

<b>TOTAL ASSETS</b>	<b>\$7,741,454</b>	<b>\$8,432,714</b>
	<b>\$804,528,059</b>	<b>\$729,403,133</b>

**EQUITIES AND LIABILITIES:****EQUITIES**

Patronage Capital	\$333,922,943	\$296,987,222
Other Equities	\$14,160,124	\$13,584,993
<b>Total Equities</b>	<b>\$348,083,067</b>	<b>\$310,572,215</b>
<b>Long-Term Debt, Less Current Maturities</b>	<b>\$354,577,473</b>	<b>\$340,357,733</b>

**OTHER NON-CURRENT LIABILITY:**

Deferred Revenue	\$12,000,000	\$12,000,000
Leased Plant Maintenance Reserve	\$710,923	\$711,923
Plant Retirement Reserve	\$22,473,877	\$19,934,126
Postretirement Benefit Obligation	\$89,196	\$101,196
<b>Total Other Non-current Liabilities</b>	<b>\$35,273,996</b>	<b>\$32,747,245</b>

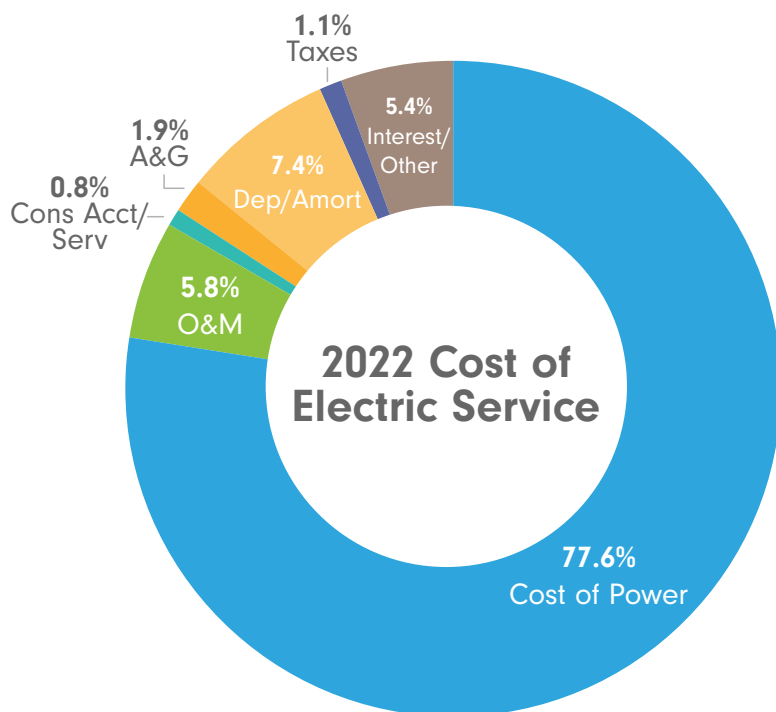
**CURRENT ASSETS**

Current Maturities of Long-Term Debt	\$10,349,513	\$10,115,158
Accounts Payable	\$31,018,863	\$19,342,263
Customers Deposits	\$3,039,625	\$2,916,133
Taxes Accrued	\$6,349,844	\$5,962,728
Miscellaneous Accrued Current Liabilities	\$59,574	\$63,032
Accrued Compensated Absences	\$988,661	\$930,349
Postretirement Benefit Obligation-Current	\$14,400	\$16,800
<b>Total Current Liabilities</b>	<b>\$51,820,480</b>	<b>\$39,346,463</b>

**DEFERRED CREDITS**

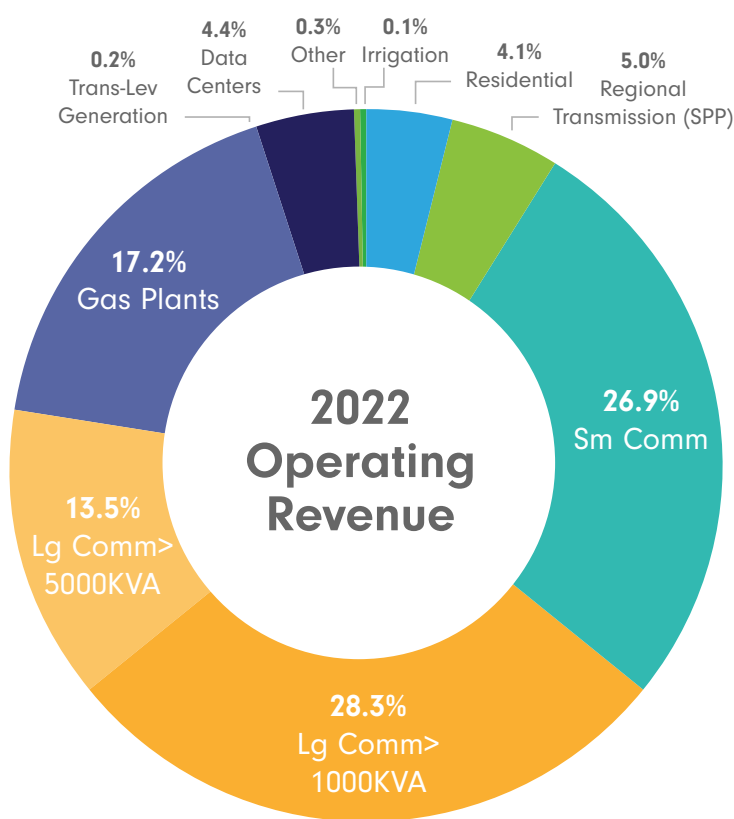
<b>TOTAL EQUITIES &amp; LIABILITY</b>	<b>\$14,773,043</b>	<b>\$6,379,477</b>
	<b>\$804,528,059</b>	<b>\$729,403,133</b>





#### 2022 Cost of Electric Service

Cost of Power	\$233,119,713
O& M	\$17,281,157
Cons Acct/Serv	\$2,492,286
A & G	\$5,735,198
Dep/Amort	\$22,258,621
Taxes	\$3,312,712
Interest/Other	\$16,140,303
<b>Total</b>	<b>\$300,339,990</b>



#### 2022 Operating Revenue

Residential	\$13,280,263
Regional Transmission (SPP)	\$15,990,234
Sm Comm	\$86,140,608
Lg Comm>1000KVA	\$90,723,701
Lg Comm>5000KVA	\$43,282,348
Gas Plants	\$55,294,487
Trans-Lev Generation	\$496,514
Data Centers	\$14,179,796
Other	\$928,369
Irrigation	\$294,376
<b>Total</b>	<b>\$320,610,696</b>

# CHIEF OPERATING OFFICER REPORT

ALEX VOURNAS • CHIEF OPERATING OFFICER



It's easy to take the importance of electricity in our everyday lives for granted. It's something many of us have grown up with and have come to depend on. Almost every aspect of our daily life depends on electricity in one way or another, ranging from heating and lighting our homes to streaming the latest episode of our favorite show. It isn't until we are without electricity that we are reminded how much we depend on it. Everyone here at Mountrail-Williams Electric Cooperative knows how important it is to provide our members with safe, reliable, and affordable electricity. But in the end, electricity is not the goal; it is merely a tool to improve your quality of life and make your jobs and tasks easier. We take great pride in the fact that you, our members, have entrusted us with this job of *Powering Your Purpose*.

## Customer Service Department

Our customer service team members are the first to answer the phone when you call or give a friendly "Hello" when you visit the office. Assisting members in signing up for new services, making changes to their accounts, and making payments are just a few of the many things they do.

One of the essential parts of their job is to log reports of power outages from our members. During the 2022 April storm outage, they took over 2,000 phone calls from our members. Answering these calls is a crucial first step in getting power restored.

## Billing Department

Our billing team members are experts in all aspects of our members' accounts and bills. They are here to help our members resolve billing problems, including concerns about higher-than-expected power bills.

In 2022, MWEC had a good financial year, with lower-than-expected power costs; the MWEC Board of Directors chose to give those savings back to our members in the form of a Rate Holiday. The billing department was instrumental in implementing the Rate Holiday bill credit that lowered our members' bills in December (November usage) and January (December usage).

## Metering Department

Our metering team members work primarily behind the scenes and are responsible for the final touch that makes electrification possible – the meter. Without meters there is no connection to keep the lights on. Meters serve the important role of connecting power from MWEC lines to any residence, farm or business we serve. The key function of the meter is measuring a member's electrical usage, providing information by which MWEC can accurately bill members. A metering system also plays a key role in outage response and engineering analysis. After the 2022 April storm, the metering department did what was best for our members and put their regular work aside to assist the line crews in restoration efforts.

Every day at MWEC, we take our responsibility to provide safe, reliable, and affordable electricity for our members to heart. Admittedly, we aren't perfect; there is always room for improvement. We achieve this improvement by continually asking ourselves, "What is best for our members?" Through this constant focus on you, our member, we continue our efforts on *Powering Your Purpose*.

# HIGH VOLTAGE TRANSMISSION REPORT

**MATTHEW STOLTZ • TRANSMISSION SYSTEM ELECTRICAL ENGINEER •  
TRANSMISSION SYSTEM**

Mountrail-Williams Electric Cooperative (MWEC) experienced a record peak load of 652 MW during the winter months, 2022. Peak load is the amount of electricity used in any given moment in time. What does this mean? Simply stated – our members used more electricity, in one moment in time, than they ever have in the past.

*Powering Your Purpose* will require planning and investment today and tomorrow. In anticipation of this growth several area transmission system and generation station additions are underway. This load growth was forecasted several years ago and laid into the Southwest Power Pool (SPP) Regional Transmission Organization (RTO) transmission planning process so that long lead time projects would be ready in time.

Several projects are in the works to add loops/paths to our electrical service area. These enhancements will increase the number of ways electricity can flow to our members, improving reliability.

Projects assigned to MWEC by the SPP RTO include:

- A voltage support facility in MWEC's New Town Substation. In 2022, the project was awarded to Mitsubishi Electric. Design, engineering, and equipment procurement is underway with a scheduled in-service date of late 2024. This project will help a satisfactory voltage profile in this area of highload growth.
- A 115KV terminal at MWEC's East Fork Substation to accommodate a new electrical delivery from the nearby Basin Electric 345KV line.

- A new 115KV line connecting the MWEC Folvag Substation to the MWEC NE Williston Substation.
- A new 115KV substation and 115KV line in the Van Hook area to accommodate a new electrical delivery from a future Basin Electric 345KV line.

Upon completion, the cost of these facilities will be placed in the SPP transmission tariff for cost recovery. Thus, MWEC will be reimbursed for the cost of these enhancements by all users of the SPP transmission system.

MWEC's power supplier through Upper Missouri Power Cooperative (UMPC), Basin Electric Power Cooperative (BEPC), is very busy working on several new projects needed in our service area.

The BEPC 230KV line project from Neset Substation (near Tioga) to a new North Shore Substation (near Ross) was placed in service in late 2022. The associated MWEC 115KV line from New Town to the new North Shore Substation is under construction and will be in service by the summer of 2023. These transmission lines will provide support to the New Town area.

BEPC is also adding new generation at their existing Pioneer Generation Station located west of Williston. They plan to have a new 240MW simple-cycle combustion turbine and a series of reciprocating engines totaling 108MW in service in 2025 and then add another 240MW simple-cycle combustion turbine in 2026. Lastly, a 175-mile long 345KV line is being developed to connect the Leland Olds power plant to Neset Substation near Tioga.

Investing in today, will ensure MWEC will have the infrastructure to power your purpose for years to come.





# ENGINEERING REPORT

**SCOTT IVERSON • DISTRIBUTION SYSTEM ELECTRICAL ENGINEER •  
DISTRIBUTION AND LOAD FORECASTING**



New technologies will continue to shape the electrical system today and in the future. The goal of our Engineering Department is to make sure these changes improve reliability for our members' needs while continuing to offer affordable rates.

## Distribution System

The condition of our distribution systems continues to change. On an annual basis a work plan guides and prioritizes the work that we do to improve reliability. In 2022, \$7.7 million was budgeted to replace and improve infrastructure. Unfortunately, the April 2022 storm shifted our work from proactive infrastructure enhancement to rebuild and restoration efforts. Although only \$2 million of the projects budgeted were completed, the storm restoration efforts did result in unplanned improvements accomplished in a very quick timeline.

## Construction

Our team also had a busy construction season connecting new wells, homes, and other services. On the oil side of things, there were 125 new services connected which included 1 gas compressor station. Residential and commercial saw the addition of 72 new services.

## Technology

Technology continues to be a primary focus at Mountrail-Williams Electric Cooperative (MVEC). Although mother nature threw a few curve balls in 2022, technological advancements continued.

Distribution Automation (DA) has been one of these areas of advancement. DA is equipment on the distribution power line that can be controlled and monitored from the MVEC office. This allows our dispatchers to switch equipment, find faults, and in some circumstances isolate those faults and restore power resulting in quicker power restoration. This is step one of a long-term project. \$2 million was spent on DA equipment in 2022 and we have already started to see the benefits.

Step two is upgrading our Supervisory Control and Data Acquisition (SCADA) system. This upgrade includes the installation of software that will allow our distribution system to self-heal. Self-healing is the ability of software and equipment to communicate and make decisions autonomously in a more time-efficient manner. This will increase the availability of electricity for our members' needs as well as reduce the costs to find and repair the cause of the outage.

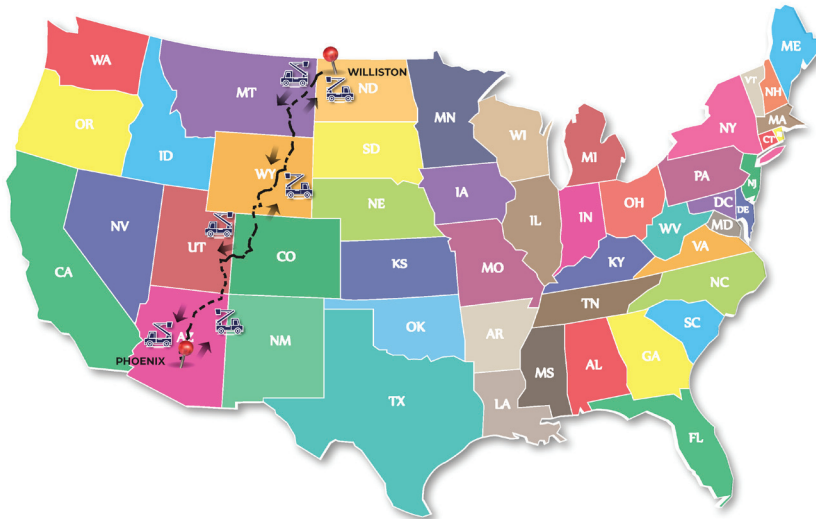
Safety is also a huge benefit of the DA equipment. All DA equipment installed will have a manual means to create an open point to de-energize the system downstream of the device. This allows the line crews to manually de-energize the line and visually see a break in the path of electrical flow. This is a standard work practice and ensures their safety from equipment operating on its own.

MVEC is a unique coop in many ways, and this includes the amount of electricity used in our service area. We hit a new winter peak of 652 MW on December 2, 2022. This is up from last years peak of 528MW, an increase of 23.4%. The projected peak for 2023 is 794MW, an increase of 14.8 percent from our peak in 2022! As we continue to grow, we will explore new ways to build and invest in today while always keeping in mind tomorrow – so that we do our part in *Powering Your Purpose*.

Take care and have a wonderful year ahead!

## MILES OF DISTRIBUTION LINE

5000 miles of distribution line  
(like driving Williston to Phoenix more than 3X)



# OPERATIONS REPORT

## MATT GLUECKERT • OPERATIONS MANAGER

As Mountrail-Williams Electric Cooperative (MWEC) grows, we continue our commitment to providing the best outage response for our members. We continue to use the most up to date technology to identify, isolate, and repair any issues that might arise.

### Outage Response

Keeping up with industry trends is key to improving reliability. Advancements in equipment and technology strengthen our electrical grid while also reducing the size and length of outages experienced by our members. Short-term and long-term plans are in place to guide our efforts, help prioritize installation of new equipment, and measure outage restoration times. In the coming year, we plan to install several loops around our distribution system. This will increase the number of ways electricity can power your purpose – whether that is your home, farm, business and beyond. Crews also participate in ongoing training so they can confidently leverage equipment and technology with safety in mind.

### Construction Update

Construction techniques and standards are constantly changing. To keep current with best practices and mitigate risk, we review our construction plans on an annual basis. This year, as in years past, we made several changes to our standard building techniques. You may notice these changes in action this year. Some changes include converting overhead lines across roadways to underground lines, larger poles for specific applications, steel poles for some main distribution lines, just to name a few.

Many of our upcoming budgeted projects include the retirement of overhead lines, with the installation of new underground conductors. Throughout the construction season, and beyond, we will continue to review our construction standards to make sure we are building the most robust system possible and making the smartest decision for each project with our members in mind.

### Safety

Unlike planned projects or outages there is no completion date for safety. Our first priority is to make sure everyone gets home safe at the end of the day, every day, and that includes every

employee/crew/community member. Our safety team develops a curriculum to ensure employees stay up to date on safety training processes. This curriculum is changed as safety topics are identified to ensure we are offering the latest industry training needs.

We work with community partners to educate and inform the public about electrical safety. Our safety department speaks to area schools, fire departments, first responders, and various community events/conferences to make sure everyone can identify and respond to electrical hazards.

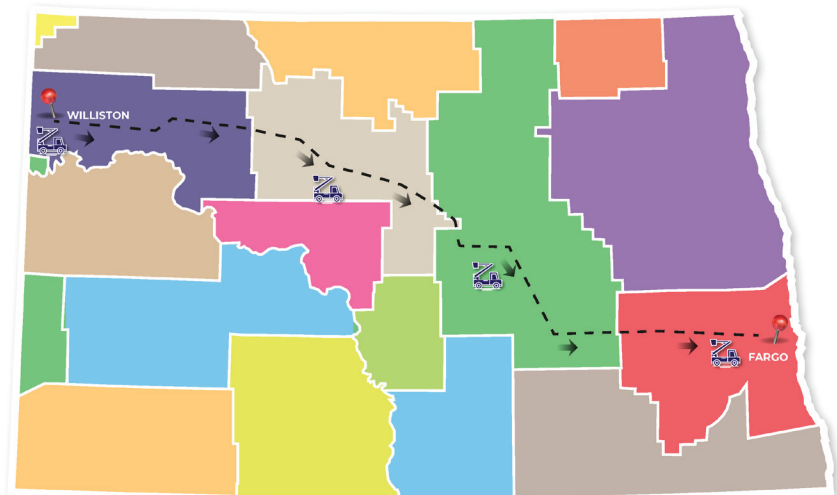
Safety will remain at the forefront as we continue to maintain approximately 5,000 miles (driving Williston to Phoenix – more than 3 times!) of distribution line and 450 miles of transmission line. Although challenges will continue, we will work each day to stay on top of emerging technologies and utilize the best equipment to make sure MWEC members see the benefits and value of their cooperative.

Thank you for all your support.



## MILES OF TRANSMISSION LINE

450 miles of transmission line  
(like driving to Fargo and then heading back)



# INFORMATION TECHNOLOGY/ MAPPING/COMPLIANCE REPORT

## JERRY REHAK • IT/Compliance/Special Projects Manager



When it comes to delivering electricity there are many employees behind the scenes supporting the front lines. As our teams responded to the aftermath of the April, 2022 storm, each department worked hand-in-hand to restore power with one common goal, *Powering Your Purpose*.

### IT Response

Other than a few downed fiber optic lines it was business as usual for the IT department. Our storm support involved making sure all computers, radios, iPad, SCADA and OMS systems were running properly.

### Mapping Response

The key to 'getting the lights on' after an outage is having the right information at the right time. Our Mapping Department provided maps and data to the Operations and Engineering Departments to assist them in their coordinated effort to restore power as quickly and safely as possible.

### Compliance Response

Electricity is generated at power plants and moves through a complex system, often referred to as 'the grid'. Our Compliance Department monitored and evaluated numerous transmission events impacting the flow of electricity through the system. Working with the Substation Department and our engineering firm we evaluated the performance of Mountrail-Williams Electric Cooperatives (MWEC) transmission grid and continuously looked for ways to improve its reliability.

### Progress

MWEC completed the implementation of phase one of our new Survalent Supervisory Control and Data Acquisition (SCADA) system. The IT Departments hardware and software groups worked with the Substation Electrician, Distribution Automation Technicians and Dispatchers to wrap up this year-long project. This was a heavy lift for MWEC, but a necessary one to improve our ability to monitor and respond to outages big and small.

Phase two of this project is gaining traction and will focus on reducing the number and length of outages and monitoring the quality of power as it is delivered to your home.

The overall goal of the Compliance Department is to ensure that MWEC can provide our members with reliable power. MWEC coordinates power delivery with our power suppliers and neighboring cooperatives. MWEC's Compliance Department also continues to monitor the planning, construction, and operation of MWEC's Bulk Electric System (BES).

The Mapping Department continues to make great strides in delivering our mapping, staking and inspection solutions to MWEC field personnel.

### Looking Ahead

As we innovate for tomorrow's energy needs, we must invest in the safety of our electric grid. Physical security continues to be a top priority. Through the installation of a wide fiber optic network and multiple cameras at substations and MWEC offices, we will continue to improve the security and response times as issues arise.

Cyber Security continues to be a concern for MWEC. At MWEC we take this seriously and are committed to protecting the electric grid to ensure the privacy of our members' and employees' information. This is why MWEC has implemented several defense strategies to protect us from cybersecurity events:

**Training** - All employees and board members are required to complete ongoing cybersecurity training throughout the year.

**Desktop Exercises** - The IT team participates in multiple cyber security desktop exercises designed to test policies and procedures.

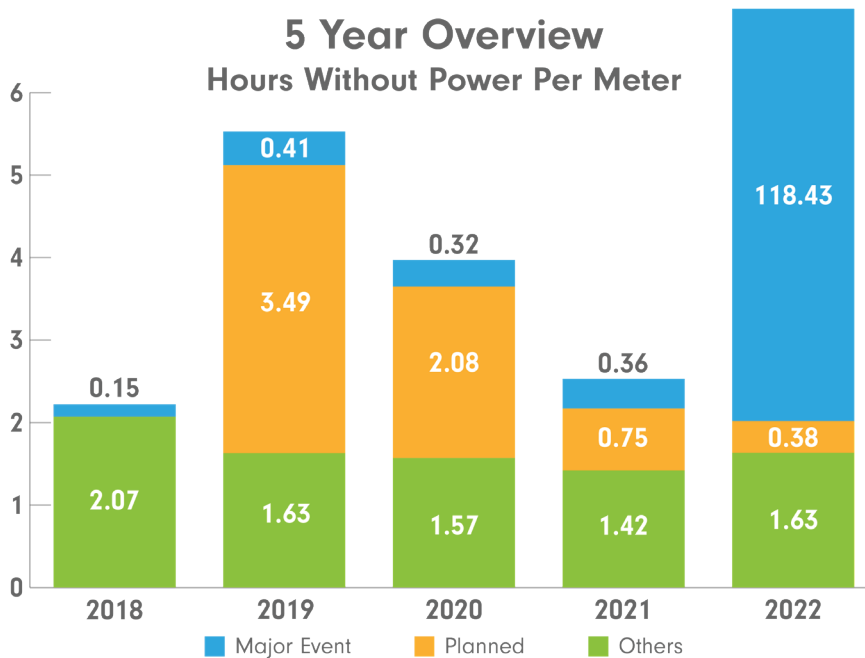
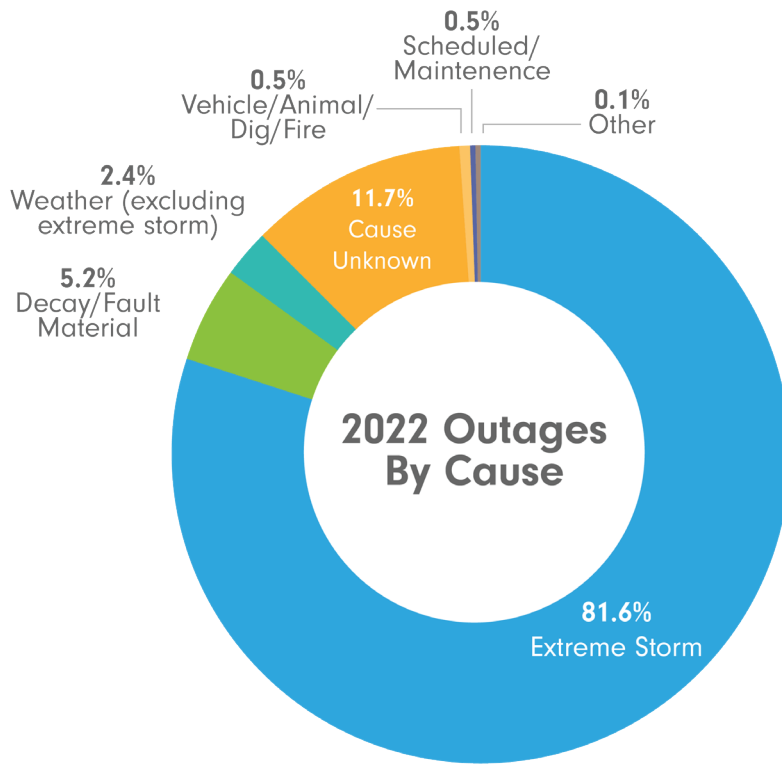
**Cybersecurity Software** - We have committed substantial resources to prevent cyber security threats. A combination of hardware and software mechanisms protect our network from any type of suspicious activity.

**Cybersecurity Incident Response Plan** - The goal of this detailed plan is to guide next steps, improve response time and minimize the impact experienced by our members and employees.

As the demand for electricity continues to grow in our region, our ability to provide secure and current information and support will remain constant. Thank you for your continued support!



# OUTAGE REPORT



# SUBSTATION/DISPATCH/SECURITY REPORT

STEVE PETERSON • SUBSTATION/DISPATCH/SECURITY DIVISION MANAGER



The strength of Mountrail-Williams Electric Cooperative was on full display as mother nature took charge in April, 2022. Prior to the storm, we had many projects on the horizon. However, these plans quickly shifted gears from the maintenance and strengthening of the electrical grid to rebuilding and restoring power to homes, farms, and businesses. During the storm recovery process our substation, dispatch, and security teams played a vital role in our emergency response and communication efforts.

## Substation Response

Immediately after the storm, substation crews were busy wiring in generators at our substations that had lost power to keep our battery systems charged. The battery bank is considered the “heart” of the substation, powering relays which protect the electric grid during faults. Crews were also tasked to clear roadways, haul materials to job sites, assess damage, and isolate power lines to ensure safe restoration efforts.

## Security Response

Several co-ops answered the call for assistance to restore power. The security department managed the logistics of having roughly two hundred new workers at MWEC. Adjustments were made to allow extended access into buildings for material, equipment maintenance, vehicle washing and meals.

## Dispatch Response

In an effort to restore power to as many people as possible, many changes were made to the configuration of our electrical system. The dispatch department was tasked with tracking outages and identifying areas of damage on our outage map. This data was also on the maps used by our field crews for restoration efforts, which was vital for safety and real-time understanding of the system.

## Progress

After the dust (rather snow) from the storm had settled, we reignited our efforts to resume scheduled projects. This past year, new substations were built to serve the oil and gas industry and data mining facilities. To meet the anticipated growth, our power supplier worked with us on additional power sources to make the construction of new substations in 2023 and beyond possible. New transmission lines were also built to provide alternate paths of power, improving reliability.

## Looking Ahead

As we look ahead, we know that investing in our substation and distribution system and finalizing the SCADA monitor and control system will play a key role in *Powering Your Purpose*. We take the responsibility to power your homes, farms, and businesses to heart.

We also believe there are steps we can take to improve member communications. Soon our dispatchers will have the ability to notify members, that opt in for notifications on SmartHub, about planned outages and other important information via text messages and email.

Reflecting on the past year, I am impressed by the way that our cooperative works together in times of need. From everyone at MWEC, to neighboring utilities, to contractors, and material suppliers – everyone stepped up to answer the call. Last year we were presented with many challenges, but these challenges resulted in growth, lessons learned, and a stronger cooperative moving forward.

# OPERATION ROUND UP

Operation Round Up is a program where members voluntarily “round up” their electric bills to the next whole dollar amount. The extra money is put into a trust in which a voluntary board meets and grants the funds

to community-based, nonprofit organizations serving Mountrail and Williams Counties.

The average contribution is 50¢ per month or about \$6 per year.

Since it's inception in 1997  
**OVER \$390,000**

has been awarded through Operation Round Up.

## 2022 Disbursements

Mountrail Cooperative Trust: \$7,500

Williams Cooperative Trust: \$13,036

**Total: \$20,536**

## Recipients in 2022:

Edwin Loe Elementary  
Stanley Area Cares for Kids  
Crazy Cat Crew  
Parshall Boosters  
Stanley Blue Jay Boosters  
Arthur Solis American Legion  
New Town Prairie Quilters  
Parshall High School  
Sybil Center for the Arts  
New Town City Library  
Western Wranglers  
Dakota Prairie Quilt Guild  
Fort Union Blacksmiths

Gnarly Barley Run  
James Memorial Preservation Society  
Kay Michael Lee Fundraising  
Little Lamb's Childcare, Inc  
Mon-Dak Gymnastics Support Group  
Ray Community Nutrition & Resource Council  
Ray Public School  
Tioga Norseman Museum  
Williston Coyote Foundation  
Korner Lions Club

# RIGHT-OF-WAY

LEAH JOHNSON ELLIS • IN-HOUSE LEGAL COUNSEL/ROW



As the Cooperative continues to grow, new construction is not possible without the cooperation of our members and landowners. At the end of 2022, Mountrail-Williams Electric Cooperative (MWEC) has approximately 450 miles of transmission line and 5,000 miles of distribution lines. In 2022, right-of-way (ROW) representatives secured approximately 310 new easements.

Internally, the ROW department is continually working to refine the right-of-way process and work with other departments to coordinate how the Cooperative can continue to meet the growing electrical demand in this region.

The Cooperative always appreciates the opportunity to sit down with landowners, and we strive to keep open and honest lines of communication. If you have any concerns or questions about right-of-way on your land, whether it's planning, construction, or reclamation, please do not hesitate to reach out and contact one of our ROW representatives.

The Cooperative would like to recognize and thank Chris Brostuen for his 35 years of dedication to our members and landowners. Wishing you the best as you enjoy your retirement.





# PR/COMMUNICATIONS

## DUBI CUMMINGS • PR & COMMUNICATIONS MANAGER

Last year, our goal to focus on our members and communities remained the foundation of everything we did. As your member-owned electric cooperative we understand the huge responsibility of working together to create vibrant families and communities.

### Commitment to Community

We believe that community involvement is vital to our mission. Mountrail-Williams Electric Cooperative continues to support yearly events and programs throughout the communities we serve. To name just a few:

- Clean-up day at all offices
- Fill the bucket (Co-op partnership event)
- Various youth and community rodeo's
- Farm to Table
- Upper Missouri Valley Fair Co-op BBQ (Co-op partnership event)
- Chokecherry Festival
- New Town's Harvest Festival

Community partnerships have given us the opportunity to support more people that might need a helping hand in our community. This past year, we partnered with Thrivent Financial-NW North Dakota, for the 2nd year, to assemble 'care bags' for patients receiving cancer treatment in our community.

MWEC also partnered with Thrivent and New Town - Head Start to host 'Angel Trees' this past holiday season. Gifts were donated by employees and community members and given to local families in need.

### Community Engagement

We love our communities, and this is why we take pride in our involvement in several community groups and organizations. We continue to work and strengthen our relationship with various organizations including

but not limited to: chamber of commerce, commercial clubs, economic development and school programs.

### Focus on the Future

Today's youth are tomorrow's future. That is why we have continued our commitment to working with schools and youth programs to offer various opportunities. A few include: college scholarships, all-expense paid youth tour, facility tour, in-house electrical education programs.

Power Town demonstrations were given by our Safety Department at various community and youth events. Students enjoyed the hands-on learning and seeing how electricity and safety come together.

### Communication

How our members use technology and prefer to receive information is constantly changing. We communicate through our local media partners (radio, newspaper) while taking advantage of digital options to communicate important messages. Our team continues to research the best way to get you the information you need, when and where you need it. We believe the best way to achieve this is to connect with you, our member, and ask questions. In 2023-2024, you can expect a survey to be sent your way to ask these very questions. Through your responses we will have an improved understanding of ways to connect with you - your way.

As always, you can reach us by email, phone or by visiting us at one of our many community events. We are honored to do our part in *Powering Your Purpose*.



# ANNIVERSARIES

## Employee Anniversaries

### 5 YEARS

Dennis Wheeler  
Virginia Collings  
Jacob Natwick  
Shawn Erickson  
Matt Meland  
Mitchell Quist  
Tanner Holte  
Kim Willson  
Tucker Lien

### 10 YEARS

Mason Moe  
Kisty Wenstad  
Jeanne Knudsvig  
Christine Svaleson  
Jonathon Currier  
Jasmin Holm  
Alex Vournas  
Luanne Axelson

### 15 YEARS

David Enander  
Cole Arndt  
Jerry Rehak  
Kyle Jessen  
Dusty Fladeland  
Devin Dorval

### 20 YEARS

Kirk Hawkinson

### 30 YEARS

Darin Swensrud

# 2023 SCHOLARSHIP WINNERS

## \$1000 Scholarship Winner

### Caleb Osborn

Caleb is a senior at Williston High School and he plans to attend Montana State University, majoring in Business Management. He would like to return to Williston following college with the hopes of using his degree to help the community and economy. He is the son of Rob and Toby Osborn of Williston.

Hills State University-Spearfish, majoring in Pre-med/Biology. She is the daughter of Nick and Teddi Fredricksen of Powers Lake.

### Charlee Schenfisch

Charlee is a senior at North Shore Plaza High School and intends to attend the University of North Dakota, majoring in Medical Laboratory Sciences and minoring in Pre-medicine. She is the daughter of Richard and Shawna Schenfisch of Makoti.

## \$500 MVEC Scholarship Winners

### Savanna Fredricksen

Savanna is a senior at Powers Lake High School and intends on attending either the University of North Dakota or Black

### Kayleigh Haaland

Kayleigh is a senior at Minot High School and intends to attend the University of North Dakota, majoring in Business and minoring in Criminal Justice. She is the daughter of Blair and Jamie Haaland of Minot.



Caleb Osborn



Savanna Fredricksen

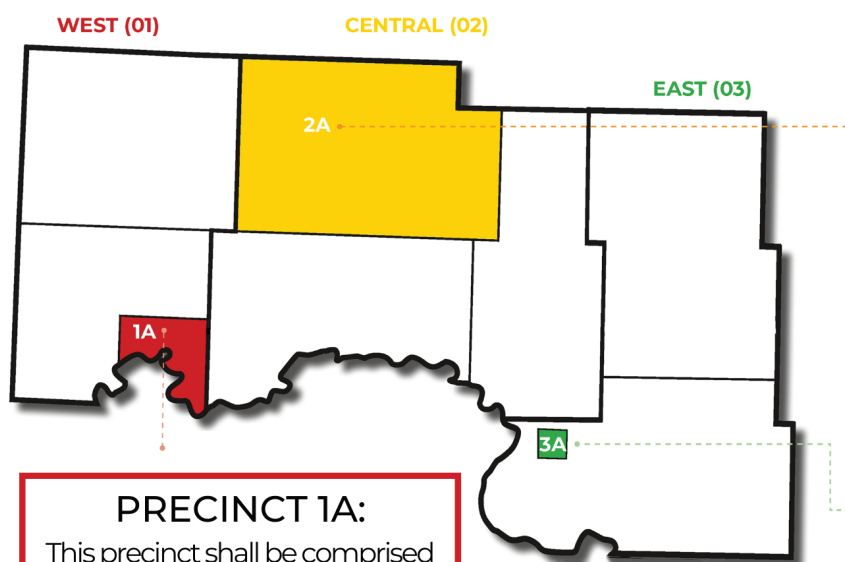


Charlee Schenfisch



Kayleigh Haaland

# BOARD SEATS UP FOR ELECTION



## PRECINCT 1A:

This precinct shall be comprised of the following townships in Williams County:  
Williston and Stony Creek

## PRECINCT 2A:

This precinct shall be comprised of the following townships in Mountrail County and Williams County:  
Big Stone, Hazel, Big Meadow, Sauk Valley, Rainbow, New Home, South Meadow, Lindahl, Bicker, Powers Lake, Oliver, Champion, Golden Valley, Tioga, White Earth and Sorkness

## PRECINCT 3A:

This precinct shall be comprised of the following townships in Mountrail County:  
Within the city boundaries of the City of New Town

## GUEST SPEAKER

A man with a background you'd likely not guess was true, Reed Barrett is a young award-winning Keynote speaker, Magician and Air Force Fighter Pilot. He holds a degree in Psychology and specializes in human potential and communication.

In 2014, Reed was Honorably Discharged from the United States Air Force during Pilot Training as doctors discovered a heart condition that could be fatal if left untreated.

After his discharge Reed worked as a professional Magician/Mentalist across the United States from 2014-2020.

Then in April of 2020, Reed graduated F-16 B-course in Phoenix, AZ and now resides in Washington, DC where he's stationed.



## ENTERTAINMENT

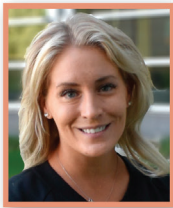
The Waddington Brothers are from south western North Dakota and have been performing together since 2004.

They spent many years touring the United States and Canada with their family as the Waddington Family performing Gospel music.

In 2009, Ethan won second place in the National Bluegrass Banjo Championship in Winfield Kansas and the brothers took home 1st place at the 2023 Society for Preservation of Bluegrass Music of America in Nashville, Tennessee.



# MWEC DIRECTOR DISTRICT MAP



**JENNIFER WADE**  
DIRECTOR  
Grenora, District 1C  
Williams County  
Serving Since 2019



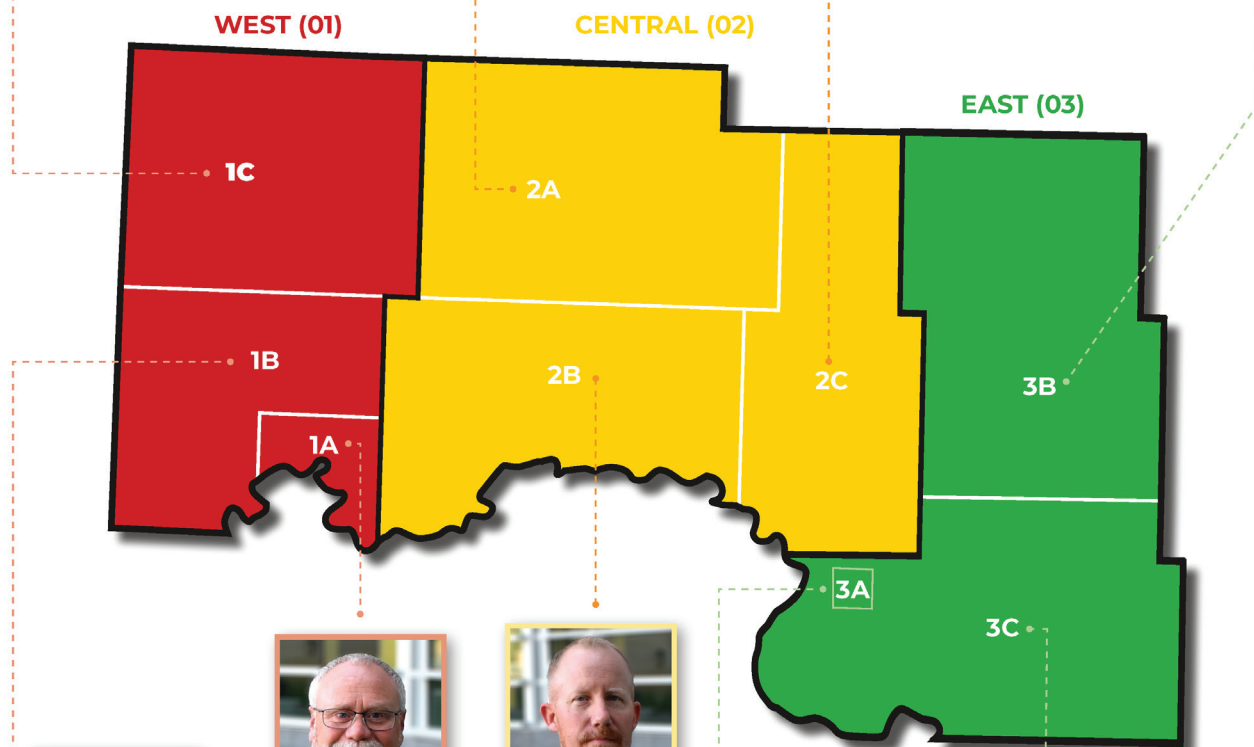
**GARRETT LALIM**  
VICE CHAIRPERSON  
Tioga, District 2A  
Williams County  
Serving Since 2014



**RYAN WILHELM**  
DIRECTOR  
Stanley, District 2C  
Mountrail County  
Serving Since 2022



**BOB GRANT**  
CHAIRPERSON  
Berthold, District 3B  
Mountrail County  
Serving Since 1981



**BLAINE JORGENSON**  
SECRETARY  
Williston, District 1B  
Williams County  
Serving Since 2006



**BRION NORBY**  
DIRECTOR  
Williston, District 1A  
Williams County  
Serving Since 2021



**PETE PETERSON**  
DIRECTOR  
Epping, District 2B  
Williams County  
Serving Since 2021



**CHARLENE AUBOL**  
DIRECTOR  
New Town, District 3A  
Mountrail County  
Serving Since 2019



**KYLE DETIENNE**  
TREASURER  
New Town, District 3C  
Mountrail County  
Serving Since 2019

