

JULY 2014

MWVEC

Mountrail-Williams Electric Cooperative

A Touchstone Energy® Cooperative



WILLISTON
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628-2242

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Cooperative shares news at annual meeting



Karen Fox of Williston reads the program before the meeting.



Members gather for a steak dinner at the Mountrail-Williams annual meeting.

Cooperative shares news at annual meeting

BY TIM PEDERSON

Boom! Mountrail-Williams Electric Cooperative (MWEC) is growing. With thousands of miles of new line, dozens of new substations, and nearly doubling the amount of employees, the cooperative is a busy place.

About 400 members and guests gathered June 5 at The Well at Williston State College to hear what went on at their electric cooperative this past year.

MWEC Board President Roger Sorenson greeted patrons to a night of information, steaks and door prizes during the 24th annual meeting entitled “The Member Driven Future.”

“Thanks to all in attendance for participating in this very important event of your co-op,” Sorenson stated. “Thank you to the staff and employees and their dedication and hard work in getting this member meeting all put together.”

General Manager Dale Haugen

enlisted a panel of his management team to provide information on the operations of the cooperative in 2013. He stated his appreciation for the members who came to the annual meeting.

Even planning the meeting meal and deciding how many of the people will participate is difficult since there are now more than 3,000 apartments in the service area, he said. He called on his team to bring patrons up-to-date on operations of Mountrail-Williams Electric Cooperative.

Jerry Rehak, IT department manager, explained the busy information side of the business. His department handles everything with “an on-off switch” – computers, printers, communications, GPS, 11 file servers, networks, scanners, faxes and more.

“In today’s electrical co-ops, communications is a very important part of the puzzle,” Rehak said. Equipment

“talks” between devices to keep power to customers. If problems arise, power can be rerouted or operators can even “ping” a customer’s meter to see if power has been restored.

“Our goal is to keep your power on at all times, and if it does go out to restore it as soon as possible,” he added.

In 2006, the cooperative had 19 substations and currently it has 52. By the end of this summer, MWEC will have close to 70 substations, necessitating additional hardware and support from the IT department.

“We have a state-of-the-art facility,” he said. “The majority of the co-op has been rebuilt ... and we are still doing more.”

Leah Johnson Ellis, in-house legal counsel, stated her appreciation for the landowners. “Without the members and the landowners, this really wouldn’t be possible. Thank you to each of you who

has worked with us on easements and plant purchases.”

Her office is currently looking at purchasing 16 pieces of property. After engineers and surveyors finish, her office completes the title and abstract, and works with the landowners and planning and zoning offices to ensure the properties are ready for purchase.

“All of these things take time ... and they’ve all been pretty challenging in the last few years,” she said. “A lot of these processes have become slower for us. ... We appreciate your patience.”

She reminded landowners that if contractors do something that bothers them to call the cooperative so they can take care of the problem.

Employee hiring and retention has been challenging also, added Brandy Hansen, human resource manager. In 2000, MWEC employed 50 full-time people and in 2010, it employed 60. Today, the co-op employs more than 100 full-time workers.

“It is a fast-paced cooperative. Your co-op is changing tremendously,” Hansen stated. “We have been forced the past few years to adapt to the changes and not a lot of time to do it.”

MWEC used to be able to promise stability and benefits when hiring, now that is out the window. Applicants are from all over the United States and new employees want two weeks on and two weeks off to be able to go home and see family, Hansen said.

The cooperative has had to become a travel agent and landlord. The cooperative currently has 23 single-family units between mobile homes and apartments it leases to families.

He said they also have had to deal with day care since employees cannot afford care for their children at \$1,400 per month for a caregiver.

Haugen added that the cooperative also is family, sometimes summoned to the hospital to sit with a sick employee.

Jay Lux, chief financial officer, explained the growth of the cooperative.



Dale Haugen, general manager for Mountrail-Williams Electric Cooperative, visits with guests before the annual meeting.

He explained the number of meters has grown from 7,000 in 2004 to 15,375 in 2014. Long-term debt also has risen from \$20 million to \$268 million last year.

“We borrowed the money to build substations, transmission line and system upgrades,” he said, benefiting the membership with reliability of service.

Much of the transmission line provides power for the system, Haugen added, meaning other power companies and cooperatives lease power transmission through those power lines.

Board Treasurer Blaine Jorgenson pointed out in 2008, 27 percent of MWEC revenues came from residential accounts including towns, parks and cabins. Today, it is 8.5 percent. Even though it is a smaller percentage, it is more members. “We’ve actually had quite a bit of growth in the residential area as well,” he said.

The board has concentrated on retention of employees and taking care of the quality employees. “We talk about the culture of safety at every board meeting now. ... They are not just employees. They are husbands and wives. They have families

and friends.”

The cooperative has come up with a process and goals to help ensure the safety of people, he said.

Patrons commemorated MWEC Board Secretary Dorvan Solberg of Ray for 30 years of service as he chose not to run for re-election from the Central 2A District.

“It’s truly amazing how fast 30 years goes by. It seems like a couple years ago I was a freshman director and I would drive to Williston for a board meeting and on a busy day, you might meet 10 cars,” Solberg stated.

He also said that 30 years ago when he started, Williams Electric had an \$11 million plant. Today, it is about \$90 million and has gone from about 70 percent rural three decades ago to 90 percent industrial today.

“It’s been a great ride,”

Solberg added.

Solberg thanked fellow board members, friends and General Manager Dale Haugen and his staff for their help. “You run a good ship. ... We have a lot of talent there,” he said in his praise of Haugen and his staff.

Solberg also challenged his successor Garrett Lalim. “Thank you for stepping

up to the plate. As humans, the easiest thing to do is to criticize, but the hardest is to step up to the plate and say 'I will be a candidate.'”

Mark Martens, Eide, Bailly LLP, gave MWEC a clean audit report and explained some of the increases from the 2012-2013 budget. The cooperative has good internal control and the books are in good standing, he said.

“During the audit, we found there has been substantial growth in the financial information for Mountrail-Williams,” he said.

He noted operating revenues were up from \$82.3 million in 2012 to more than \$131.4 million in 2013. But expenses also rose, mostly because of the cost of power to the cooperative, making up 65 percent of the expenses and almost the total of the operating revenue from 2012.

The other thing that stood out was the increase in depreciation expense, due to about \$75 million in new plant that was energized during the past year.

Martens noted a line in the current assets for unbilled revenue which was power delivered the last 20 days of December but billed in January. The \$14.4 million asset was more than revenues for Mountrail-Williams for an entire year when Martens began doing the audits for MWEC.

“There is a large change in numbers, but if you drive around the service territory, you see a lot of growth in plant and that plant is generating margins for the cooperative,” he said.

In other news, patrons:

- Elected Garrett Lalim to the MWEC board from the Central 2A District; and re-elected Warren Bratvold, East 3A District, and Nick Haugen from West 1A District.
- Held a moment of silence for Chantz Ramberg, a lineworker who died of natural causes last year.
- Witnessed Dave Walters, RESCO, as he gave a \$836,000 return on the cooperative’s capital credits. Haugen said the expansion would be more



Mountrail-Williams Electric Cooperative President **Roger Sorenson**, right, hands **Dorvan Solberg** a plaque to commemorate 30 years of service to the cooperative.

difficult if it was not for RESCO, a cooperative partner of MWEC.

- Heard from Heather Feiring on the status of Operation Round Up, a program that allows members to voluntarily round their monthly bill to the next dollar to benefit area projects. Since its inception, Operation Round Up has earned \$235,000 in just Williams County. Mountrail County has its own program. Last year, more

than \$16,000 was given to local projects.

- Heard from a concerned township director on the setback of some poles in his area. He was concerned the township would end up paying the bill to have the poles moved if the county took over the township road in the future. Johnson-Ellis said she would look into the matter. ■



Mountrail-Williams Electric Cooperative General Manager **Dale Haugen** moderates a panel discussion to inform patrons and guests of the happenings at the cooperative during the past year.



Karla Mogus of Alamo helps her son, Wyatt, prepare for supper at the Mountrail-Williams annual meeting June 5.



Employees register members for the annual meeting.

Before you use a power tool outdoors:

- *Make sure it is intended for outdoor use.*
- *Study all instructions carefully.*
- *Inspect products for damaged cords, plugs or wiring.*
- *Only use extension cords marked for outdoor use.*



SAFELY POWER INTO SUMMER

With the arrival of warm weather, outdoor projects begin. But before you start those power tools for your next do-it-yourself project, remember that these electrical devices must be handled with care.

When working with power tools in your home or yard, safety should always be the first rule. Heed the following tips from your local electric cooperative:

- Do not carry tools by their cords.
- Unplug a tool from the outlet by the plug, not by pulling on the cord.
- Do not use power tools in wet or damp job sites. Store them in a dry place when not being used.
- Keep outdoor outlets covered and dry between uses.
- Use ground-fault circuit interrupters (GFCIs) with every power tool to protect against electric shock hazards.
- If a power tool trips a safety device, such as a GFCI, take the tool to a manufacturer-authorized repair center for service.
- Tools should only be plugged in and switched on when in use.
- Unplug tools when cleaning or fixing, or while changing other parts of the tool, such as blades or bits.
- Don't leave a tool unattended where a curious child may pick it up.
- Ensure your work area is well-lit.
- Ensure that all extension cords are not worn or frayed. Do not use power tools with an extension cord that exceeds 100 feet.
- Wear proper clothing – no loose items that could get caught in the tool. Appropriate personal protective gear, such as safety goggles, should be worn when using power tools.
- Never use power tools near live electrical wires or water pipes.
- Do not use power tools without the proper guards.

CAPITAL CREDIT RETIREMENT

The following people had 2013 capital credit checks returned to Mountrail-Williams Electric due to no forwarding address. If you know the address or status of any of the following people, please notify Mountrail-Williams Electric Cooperative, P.O. Box 1346, Williston, ND 58802 or P.O. Box 129, Stanley, ND 58784 or call 701-628-2242, 701-577-3765, or 800-279-2667.

Almer, Michael.....New Town	Grady, Darryle J..... Bismarck	Prospective Inv. & Trading Co. .Tulsa, Okla.
Alpine Oil Services Williston	Grady, FredaNew Town	R&W Fertilizer Plant Ray
An Hau Inc. c/o Frank & Jo Anderson	Grauman, James Watford City	Rauser, James Bismarck
..... Garrison	Gronos, JamesNew Town	Reinbold, JoeHebron
Anderson, Ethel.....Kenmare	Hagen, JackNew Town	Ring, Arne & Ragna Williston
Anderson, Johan E.....Crosby	Hagen, Lillian J. Stanley	Roberts, Cassidy Grand Rapids, Minn.
Arcand, Elaine Williston	Hall, Mervel Watford City	Rocket Sales & Rental Co. Ltd. Williston
Baer, Jeff & Cindy..... Berthold	Halseth, Betty Williston	Rodgers, Joseph.....New Town
Baker, AlmedaNew Town	Hauge, Earl & Ann Loveland, Colo.	Roggenbuck, Lila B.New Town
Balbinot, Robert Williston	Hjelmstad, Minnie Mandan	Ross, John A. & Ina M Williston
Barenthsen, Fred & Carole Powers Lake	Holmes, Wayne Towner	Ryder, Larry L. & Rachele Williston
Barkie, Joyce..... Williston	Holte, Cameron Powers Lake	Ryder, Starla Williston
Barnes, KiaNew Town	Hellman, Dwayne & Carmin Dickinson	S&L Bar c/o Burton Bell New Town
Bearquiver, Ronnie Minot	Hoffer, Lyle & Lylia, Bismarck	Satermo, Neva Fargo
Beckman, Ray Williston	Hold the Enemy, Al Lame Deer, Mont.	Shuman, R.H. Minot
Bibler, Charles V. Williston	Howling Wolf, Shari.....New Town	Sell, Amy Power, Mont.
Bill, Vivian..... Devils Lake	Illerbrun, Gerald..... Williston	Serv Chem..... Williston
Bird Bear, ThomasAlbuquerque, N.M.	Irwin, Pauline.....New Town	Skabo, Jeff & Terry Bainville, Mont.
Bjella, Glenn Williston	JW Gibson Well Service c/o Key Energy	Smith, GordonWildrose
Blaze ConstructionFarmington, N.M.	Service..... Williston	Sowitch, Lorenz..... Williston
Bock, Fred..... Garrison	Jacobson, Maynard Minot	Stamp Drilling..... Williston
Bjarko, JamesScobey, Mont.	Jones, Thomas & Karolyn..... Williston	Star, HazieNew Town
Blank, Gerald Williston	Karlin, Reuben & Naomi Valley City	Steele, Kenny..... Parshall
Boeshans, Eugene Bismarck	Klein, TravisWessington Springs, S.D.	Steen, Richard & PaulaWallace, Idaho
Braun, Michael & Sharla..... Garrison	Kouba, David Fargo	Steinke, Corey R. Mesa, Ariz.
Breslin, Paul V. Minot	Lahtinen, SylviaNew Town	Steinke, Jerry Jr. Williston
Brothers, Earl & Leta Williston	Langager, Doris Ray	Steinke, Timothy D..... Mesa, Ariz.
Brown, Barry Minot	Larson, Warren D. Williston	Stevens, Garvin..... Williston
Bruce, LeviNew Town	Leach, Sharon..... Bismarck	Stout, Roger & Carol Williston
Carmona, David & Mauri Carmona.....	Lockwood, June Poplar, Mont.	Trulson, Phyllis Stanley
.....Hankinson	Lorenz, Troy..... Williston	Tufto, Donald & Abner Williston
Charging, JohnNew Town	Martinson, James Williston	Turbiville, Sharon.....Las Vegas, Nev.
Chamley, Percy..... Stanley	Matchett, R.V. Bismarck	Turnbull, Marlys Williston
Chesapeake Operating... Oklahoma City, Okla.	Mattson, W.G. (estate) c/o Susan Paine	Twite, Melvin G. Williston
Chumas, George & Effie..... Minot Cedar Rapids, Iowa	Urban, Dan..... Williston
Cotton, Andrea Williston	McKenzie, Randal & Lisa..... Williston	Vollum, Harlen E. Williston
Czap, Dave Williston	Melberg, Wayne & Jana..... Williston	Walstad, Margit (trust) Williston
Daniel, Gary Williston	Mis chke, Kari Grenora	Wheeler, Ralph Minot
Danks, CurtisNew Town	Miller, Cordell Parshall	Whitebody, WadeNew Town
Davis, Margaret Williston	Moe, Todd..... Phoenix, Ariz.	Widmer, Wesley..... Williston
Duhe, Don..... Fargo	Moody, Alan..... Bismarck	Williams, Donald Williston
Duletsky, Marvin S. Williston	Mork, Douglas & Darla Denver, Colo.	Williston Mansony Inc. c/o Ethel Conklin
Dye, AlginNew Town	Mulanax, Kathleen..... Las Vegas, Nev. Williston
Dye, LarryNew Town	Nehring, Danny..... Williston	Yetter, Shayne Beulah
Eide, Lynden Stanley	Olson, Elwood..... Tioga	Wold, John.....Black River Falls, Wisc.
Engen, Kim & Donald L. Hustad ... Williston	Olson, Viola Cheyenne, Wyo.	Young Bear, Dorine Poplar, Mont.
Evezich Enterprises c/o Ron Evezich	PHH Home Equity c/o Anderson Real Estate	Zeman, Jesse..... Clearwater, Minn.
..... Bellevue, Wash. Williston	
Frerichs, Todd..... Valentine, Neb.	Paetz, Lawrence..... Hazen	
Goff, Michelle M..... Deering	Pearl, Don c/o Paula Pearl.... Livingston, Mont.	

Regular board meeting of May 28, 2014

Directors Present: Sorenson, Grant, Hartsoch, Johnson, Lynne, Jorgenson, Bratvold and Solberg.

Directors absent: Haugen.

Others present: General Manager Haugen, attorney Eiken, in-house counsel Ellis and staff members.

The meeting was called to order at 8:30 a.m. at the Williston office. The agenda for the meeting was approved as amended. The board minutes of the April 30, 2014, were approved as presented.

Attorney's report: Attorney Eiken and in-house counsel Ellis discussed the title search on the possible land purchase in Stanley and also the preliminary results of the environmental analysis of the property. A notice from N.D. Department of Transportation related to construction delays and the reply from the cooperative was discussed. The lease on the radio tower, and condemnation proceedings by Basin Electric Power Cooperative were discussed. Ellis also discussed a possible new oil lease on cooperative property.

Chairman's report: Chairman Sorenson discussed his attendance at the recent oil conference in Bismarck and also the new Heritage Center.

Financial reports: Jay Lux presented a summary of the operating and financial reports for the year through April. Operating revenues are \$58,003,814; the cost of electric service is \$44,120,834; operating margins are \$13,882,980; and total margins are \$14,179,118. TIER is 5.47 and equity is 19.72 percent.

Capital credit retirements: The

board approved the retirement of the following capital credit accounts:

- Marge Foster estate
- R. W. Fenner estate

Special equipment/work order closeouts:

The board approved the closeout of the following special equipment /work order closeouts:

Work order closeout 501:	\$11,894,780.60
Work order closeout 502:	\$2,764,132.99
Work order closeout 503:	\$528,668.27
Work order closeout 504:	\$1,729,655.73
Work order closeout 505:	\$1,774,807.79
TOTAL:	\$18,692,045.38

Safety report: Mark Holter reported there were no lost time accidents in the past month and there had been no motor vehicle accidents. He discussed efforts to address safety issues and some of the safety training for employees.

Annual meeting report: Jessica Martin updated the board on plans for the upcoming annual meeting of the members. The meeting will be at Williston State College on June 5.

Manager's report: Manager Haugen gave a brief employee update. He reported on his trip to New York for a Cooperative Finance Corporation (CFC) meeting. This was a special meeting for cooperatives being financed 100 percent by CFC.

He updated the board on the status of construction on various projects. Generally, the projects are on or ahead of schedule but rainy days may cause some delays. He also presented the PEP report dated May 22 on various construction projects.

Manager Haugen reported on options being explored by Basin Electric Power Cooperative related to new power generation, a collection substation, and related transmission lines in the Stateline area. Any final decisions on this project will need to be made soon so that construction can be completed by the end of 2015.

He also reported on his attendance at the Williston Basin Petroleum Conference in Bismarck. Roger Sorenson also discussed some of the meetings he attended.

Meeting reports: Robert Grant reported on RDFC.

Dorvan Solberg reported about his attendance at a quarterly Mid-West Electric Consumers Association meeting.

Chairman Sorenson attended a RESCO meeting, and he reviewed information about Upper Missouri Power Cooperative.

There being no further business, the meeting was adjourned at 1:10 p.m. ■

MOUNTRAIL-WILLIAMS ELECTRIC COOPERATIVE

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DIRECTORS

- Roger SorensonPresident
- Robert Grant Vice President
- Blaine JorgensonTreasurer
- Cheryl Hartsoch Director
- Nick Haugen..... Director
- Larry Johnson..... Director
- Warren Bratvold..... Director
- Aaron Lynne..... Director
- Garrett Lalim..... Director
- Neff, Eiken
& Neff, PC.....Project Attorney
- Dale Haugen General Manager

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- New Town.....(701) 627-3550
- WATS.....(800) 279-2667

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