

MAY 2014



Mountrail-Williams Electric Cooperative

A Touchstone Energy® Cooperative



WILLISTON
577-3765

STANLEY
628-2242

NEW TOWN
627-3550

plan to attend!

Mountrail-Williams
Electric Cooperative

ANNUAL
MEETING

THURSDAY
JUNE
5
2014



door prizes
will be awarded
during meeting

Mark your calendar,
bring the family and
take part in your
annual meeting!

Registration will begin at 5:30 p.m.

- An evening meal will be served at 6 p.m. followed by the business meeting.
- Free gifts for each registered member.
- Movie for children during the meeting
- The following directors have expiring terms:
 - Western District - **Nick Haugen**
 - Central District - **Dorvan Solberg**
 - Eastern District - **Warren Bratvold**



ABSENT VOTERS' BALLOTS AVAILABLE

The 2014 Mountrail-Williams Electric Cooperative annual meeting has been set for June 5 in Williston. For those members unable to attend the meeting, bylaws allow members to vote by absent voters' ballots and a board policy outlines the procedure to be used to cast these ballots.

An application for an absent voters' ballot may be obtained at the offices in New Town, Stanley or Williston. Applications from members out of state may be sent by fax. No absentee ballot may be requested on the day of the election. A member who receives an absentee ballot may attend the annual meeting but will not be allowed to vote at the meeting.

The ballot will be provided to the members, mailed to the member or provided to the member's authorized agent at the

offices in New Town, Stanley or Williston. A return envelope and instructions for voting will also be included.

All absent voters' ballots must be received by the cooperative before 5 p.m. June 4. Any ballot either delivered personally or received in the mail after this time will not be counted.

The cooperative also allows organizations such as school districts, churches or townships to designate a voting representative by filling out the form shown below or one available at any office.

All members are invited and encouraged to attend and participate in the 2014 annual meeting of the members. However, if you cannot attend, please vote by absentee ballot. ■

Authorization of voting representatives for school districts, churches, townships, etc.

*This will certify that _____
has been appointed representative of _____
_____ and is authorized to vote on all matters of concern to members of the annual
meeting of Mountrail-Williams Electric Cooperative on June 5, 2014*

Date _____

Signed _____ Title _____

This authorization must be completed before presenting it at the registration desk.

STATEMENT OF OPERATIONS AND PATRONAGE CAPITAL

Years Ended December 31, 2013 and 2012

WHERE IT CAME FROM

OPERATING REVENUE:	2013	2012
Electric	\$131,240,352	\$ 82,168,627
Other	\$176,836	\$130,433
Total Operating Revenue	<u>\$131,417,188</u>	<u>\$82,299,060</u>

WHERE IT WENT

OPERATING EXPENSES:	2013	2012
Cost of Power	\$ 80,945,987	\$53,852,622
Transmission Expense-Operations	\$ 14,011	\$31,729
Transmission Expense-Maintenance	\$ 35,229	\$12,656
Distribution Expense-Operation	\$ 5,533,748	\$4,487,802
Distribution Expense-Maintenance	\$ 3,462,260	\$4,186,936
Customer Accounts Expense	\$ 1,289,564	\$884,868
Customer Service & Info. Expense	\$ 284,869	\$266,303
Sales Expense	\$ 10,000	\$8,400
Administrative & General Expense	\$ 3,043,177	\$2,461,633
Depreciation Expense	\$ 8,580,231	\$5,451,439
Taxes	\$ 1,502,852	\$937,989
Interest on Long-Term Debt	\$ 9,986,459	\$5,026,060
Amortization of Loss on Reacquired Debt	\$ 151,167	-
Other	\$ 9,742	\$ 11,211
Total Operating Expenses	<u>\$114,849,296</u>	<u>\$ 77,619,648</u>

OPERATING MARGINS BEFORE CAPITAL CREDITS:	\$ 16,567,892	\$ 4,679,412
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GENERATION AND TRANSMISSION AND OTHER COOPERATIVE CAPITAL CREDITS:	\$ 6,488,398	\$ 3,260,969
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NET OPERATING MARGINS:	<u>\$ 23,056,290</u>	<u>\$ 7,940,381</u>
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NON-OPERATING MARGINS:

Merchandising, Less Costs & Expenses (2013 - \$558,105; 2012 - \$281,561)	\$ 113,502	\$ 137,840
Loss on the Sale of Dairy Investment	\$ -	\$ 1,000
Interest Income	\$ 444,820	\$ 645,881

Total Non-Operating Margins	\$ 558,322	\$ 784,721
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NET MARGINS:	<u>\$ 23,614,612</u>	<u>\$ 8,725,102</u>
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BALANCE SHEET

As of Dec. 31, 2013 and 2012

WHAT WE OWN

ASSETS:	2013	2012
ELECTRIC PLANT:		
In service	\$219,245,681	\$135,563,346
Under construction	\$157,981,104	\$166,653,373
Total investment in electric plant	\$377,226,785	\$302,216,719
Less accumulated provisions for depreciation	\$ 51,008,959	\$ 45,036,050
Electric plant – net	<u>\$326,217,826</u>	<u>\$257,180,669</u>
OTHER PROPERTY AND INVESTMENTS:		
Investments in associated companies	\$ 19,495,641	\$ 13,764,951
Other Investments	\$ 238,605	\$ 195,823
Revolving loan fund	\$ 230,130	\$213,752
Special funds deferral-reserved cash	\$ -	\$ 600,000
Special funds	\$ 126,021	\$ 87,323
Total other property and investments	<u>\$ 20,090,397</u>	<u>\$ 14,861,849</u>
CURRENT ASSETS:		
Cash and cash equivalents	\$ 1,099,661	\$ 205,055
Temporary cash investments	\$ 701,961	\$ 1,055,463
Current portion of notes receivable	\$ 36,207	\$ 42,425
Accounts receivable, less allowance for uncollectible accounts (2013 - \$427,030; 2012 - \$135,166)	\$ 14,642,725	\$ 9,089,883
Unbilled revenue	\$ 14,422,034	\$ 9,614,806
Materials and supplies	\$ 12,179,765	\$ 6,881,728
Prepayments	\$ 272,324	\$ 113,794
Interest receivable	\$ 8,308	\$ 11,500
Total current assets	<u>\$ 43,362,985</u>	<u>\$ 27,014,654</u>
DEFERRED CHARGES:	<u>\$ 14,413,696</u>	<u>\$ 173,897</u>
TOTAL ASSETS:	<u>\$404,084,904</u>	<u>\$299,231,069</u>

EQUITIES AND LIABILITIES

WHAT WE OWE

EQUITIES & LIABILITIES:	2013	2012
EQUITIES:		
Patronage capital	\$ 58,297,467	\$ 35,809,944
Other equities	\$ 7,608,910	\$ 6,872,170
Total equities	<u>\$ 65,906,377</u>	<u>\$ 42,682,114</u>
LONG-TERM DEBT, LESS CURRENT MATURITIES:	<u>\$268,633,707</u>	<u>\$103,763,007</u>
SHORT-TERM OBLIGATIONS EXPECTED TO BE REFINANCED WITH LONG-TERM DEBT	\$ -	\$ 90,375,000
OTHER NON-CURRENT LIABILITY:		
Other regulatory liabilities	\$ -	\$600,000
Post retirement benefit obligation	\$ 230,384	\$ 191,501
Power cost reserve	\$ 2,002,416	\$ 2,453,759
Total other non-current liabilities	<u>\$ 2,232,800</u>	<u>\$ 3,245,260</u>
CURRENT LIABILITIES:		
Line of Credit	\$ 12,000,000	\$ 4,000,000
Current Maturities of Long-Term Debt	\$ 3,939,000	\$ 2,403,000
Accounts Payable	\$ 13,582,734	\$ 16,290,238
Checks in excess of cash	\$ -	\$223,899
Customers' deposits	\$ 819,874	\$ 329,506
Taxes accrued	\$ 2,829,118	\$ 1,992,227
Accrued interest	\$ 55,000	\$ -
Miscellaneous accrued current liabilities	\$ 33,671	\$ 25,002
Accrued compensated absences	\$ 326,568	\$ 310,402
Power cost reserve – Current portion	\$ 493,479	\$ 488,725
Customer construction advances – Current	\$ 2,072,000	\$ 2,072,000
Post retirement benefit obligation – Current	\$ 15,000	\$ 14,000
Total current liabilities	<u>\$ 36,166,444</u>	<u>\$ 28,148,999</u>
DEFERRED CREDITS:	<u>\$ 31,145,576</u>	<u>\$ 31,016,689</u>
TOTAL EQUITIES & LIABILITIES:	<u>\$404,084,904</u>	<u>\$299,231,069</u>



May is National Electrical Safety Month

BACK TO THE BASICS

May is National Electrical Safety Month, and Mountrail-Williams Electric Cooperative wants you to be aware of potential home electrical hazards and the importance of electrical safety. This year's campaign, "Back to the Basics," challenges consumers to make home electrical safety assessments a priority.

According to the Consumer Electronics Association, the average home today has a minimum of three televisions, two DVD players, at least one digital camera, one desktop computer, and two cell phones.

Many homes and their electrical systems were built before most modern-day home electronics and appliances were even invented. Today's increased demand for energy can overburden an older home's electrical system.

Mountrail-Williams Electric Cooperative offers the following tips to help identify and eliminate electrical hazards to protect yourself, your family and your home:

- Make sure entertainment centers and computer equipment have plenty of space around them for ventilation.
- Use extension cords as a temporary solution, and never as a permanent power supply.
- Do not place extension cords in high-traffic areas, under carpets or across walkways, where they pose a potential tripping hazard.
- Use a surge protector to protect your computer and other electronic equipment from damage caused by voltage changes.
- Heavy reliance on power strips is an indication that you have too few outlets to address your needs. Have additional outlets installed by a qualified, licensed electrician.
- Keep liquids, including drinks, away from electrical items such as televisions and computers.

Here, we offer other tips:

BASICS FOR THE KIDS

As the weather warms, kids will soon head outside to play. Before they do, teach them a few basic rules about outdoor power lines and equipment:

- Never fly a kite near a power line. Kites could easily become tangled in power lines and become energized.

- Don't climb trees that are near power lines and poles. Those branches could be hiding some hazards.
- Stay far away from power lines lying on the ground. You can't tell if electricity is still flowing through them. If there's water nearby, don't go in it. Water is the best conductor of electricity.
- Obey signs that say "danger" and "keep out" around large electrical equipment, like substations. These signs aren't warnings; they're commands to keep you safe.
- Never climb a power pole.

OUTDOOR BASICS FOR ADULTS

- If power lines run through your trees, ask Mountrail-Williams Electric Cooperative to trim the branches.
- If they're not already, consider upgrading your outdoor receptacles – or any outlets that could come in contact with water – to ground-fault circuit interrupters (GFCIs). GFCIs immediately interrupt power flow when a plugged-in device comes in contact with water. Regardless, keep your outlets and cords dry and covered outside.
- Use only weather-resistant, heavy-duty extension cords marked for outdoor use.
- Carefully check the location of all overhead wires before using a ladder. All ladders, even those made of wood, that contact a power line can shock or electrocute people coming in contact with them.
- Unplug outdoor tools and appliances when not in use.
- Inspect power tools and appliances for frayed cords, broken plugs and cracked or broken housing. Repair or replace damaged items.
- Water does not mix with electricity. Avoid damp conditions - including wet grass - when using electricity.

REMEMBER 811

Remember that power lines and other utilities run underground, too. Call 811 to have utility lines marked before you start digging.

Go online at www.ndonecall.com or call 800-795-0555 or 811.

It's free, it's simple and it's the law. ■



Use that computer efficiently

If you wonder when you should turn off your personal computer for energy savings, here are some general guidelines to help you make that decision.

Though there is a small surge in energy when a computer starts, this small amount of energy is still less than the energy used when a computer is running for long periods of time.

For energy savings and convenience, consider the following guidelines:

- Turn off the monitor if you aren't going to use your computer for more than 20 minutes.
- Turn off both the CPU and monitor if you're not going to use your computer for more than two hours.

Make sure your monitors, printers and other accessories are on a power strip/surge protector. When this equipment is not in use for extended periods, turn off the switch on the

power strip to prevent them from drawing power even when shut off. If you don't use a power strip, unplug extra equipment when it's not in use.

Most computers reach the end of their "useful" life due to advances in technology long before the effects of being switched on and off multiple times have a negative impact on their service life. The less time a computer is on, the longer it will last. Computers also produce heat, so turning them off reduces building cooling loads.

USE EXTRA FEATURES

Many computers available today come with a sleep mode or power management feature. Energy Star estimates that using these features will save you up to \$30 each year on your electricity bills. Make sure you have the power-down feature set up on your computer through your operating system software. This has to be done

by you; the power management features usually are not already enabled when a computer is purchased.

Energy Star-rated monitors consume 2 watts or less in sleep mode. Follow the instructions for your particular model to ensure power management features are enabled so your monitor will automatically go into sleep mode after a period of inactivity. You can save even more by manually turning off your monitor when you're not using it; Energy Star-qualified monitors consume 1 watt or less when off.

Note that screen savers are not energy savers. Using a screen saver may in fact use more energy than not using one, and the power-down feature may not work if you have a screen saver activated. In fact, modern LCD color monitors do not need screen savers at all. ■



Know what's below:
call before you...

Dig

Whether it's a deck addition or a landscaping masterpiece, summer weather is a great time for outdoor improvement plans to be completed.

But if your planned projects include digging, like planting a tree or using a backhoe for trench work, you'll have to wait a few more days so the job can be done safely. Underground utilities, such as buried gas, water and electric lines, can be a shovel thrust away from turning a summer project into a disaster.

To find out where underground utility lines are located on your property, dial 811 a few days prior to digging. Your call will be routed to a local "one-call" center. Tell the operator where you are planning to dig and what type of work you will be doing, and affected local utilities will be notified.

In a few days, a locator will arrive to designate the approximate location of any underground lines, pipes and cables with flags or marking paint so you'll know what's below. Then the safe digging can begin.

Although many homeowners tackling do-it-yourself

digging projects are aware of "call before you dig" services, the majority don't take advantage of the service. A national survey showed that only 33 percent of homeowners called to have their lines marked before starting digging projects, according to the Common Ground Alliance, a federally mandated group of underground utility and damage prevention industry professionals.

Although light gardening typically doesn't call for deep digging, other seemingly simple tasks like planting shrubs or installing a new mailbox post can damage utility lines.

A severed line can disrupt service to an entire neighborhood, harm diggers and potentially result in fines and repair costs.

Never assume the location or depth of underground utility lines. There's no need: the 811 service is free, prevents the inconvenience of having utilities interrupted, and can help you avoid serious injury. For more information about local services, visit www.call811.com. ■

Sources: Common Ground Alliance, SafeElectricity.org

Dorvan Solberg: three decades of service

Thirty years ago, Dorvan Solberg from Ray decided to get involved with his local electric cooperative. This year, Dorvan will be stepping down from the Mountrail-Williams Electric Cooperative (MWEC) board of directors to spend more time riding his cutting horse, traveling, working with his cattle, and spending more time with the family.

In 1984, when Dorvan made the decision to run for the Williams Electric Cooperative board of directors, he never thought we would be asking him about his three decades of service.

During his 30 years as a director, there have been many changes, challenges and accomplishments. Seeing MWEC change from an agricultural-based membership to an industrial/commercial membership is one of the greatest challenges Dorvan has seen which he never thought would happen during his time as a director. He also had the opportunity to see a great accomplishment when Williams Electric Cooperative and Mountrail Electric Cooperative merged in 1991 to form Mountrail-Williams Electric Cooperative. This was the first successful merger in the state of two electric cooperatives, which has been a benefit to all members.

Although he will no longer be a board member, he will continue to be a valued member of MWEC and says he will still attend the annual meetings.

Dorvan still rides his cutting horse daily and will continue to do so as long as he is able. With a passion for horse riding, Dorvan has also taken up antiquing with his wife, Eileen, and has quite the collection of bits, spurs and pocket knives.

MWEC thanks Dorvan for his 30 years and wishes him the best in the future. ■



MOUNTRAIL-WILLIAMS BOARD MINUTES

Regular board meeting of March 26, 2014

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

Directors absent: Solberg and Haugen.

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

The meeting was called to order at 9:30 a.m. at the Williston office. The agenda for the meeting was approved as presented. Minutes of the Feb. 26 meeting were approved as presented.

Attorney's report: Leah Ellis discussed a title issue on a small parcel of land near New Town. This parcel has been used by a member business, although the title is in the name of this cooperative. The board considered taxes which may have been paid and other expenses which or will be necessary. After discussion, the board agreed to sign a quit claim deed for \$5,000 so if the offer is accepted, a deed will then be signed on this small plat.

Ellis also discussed the status of land purchases for substation sites. There was also a discussion related to the land to be conveyed back to a member on the old Belden substation, which has been removed and the land has been reclaimed. The board agreed that the deed would include a reservation of whatever mineral interests are now owned.

There was also a review of the director district composition as required in the bylaws. They reviewed the number of members currently in the districts and precincts. It is likely the areas around Williston and New Town will be growing rapidly with new members as apartments and high-density areas are completed.

Safety report: Mark Holter presented the report from the Safety Committee including information on an accident involving an employee. This happened late at night related to a power outage. The problem was at an underground cable cabinet. The lineworker suffered electrical burns while changing elbows in this cabinet. After hospitalization, the employee is now expected back at work in the near future. Safety practices and procedures were discussed along with existing policy 505 related to discipline or termination and a decision will be made on that by the general manager.

Mark Holter also discussed a traffic accident involving a company vehicle. There was property damage but no personal

injuries.

Financial reports: Jay Lux presented a summary of the operating and financial reports for the year through February. Operating revenues are \$29,028,034; the cost of electric service is \$22,479,748; operating margins are \$6,548,286; and total margins are \$6,668,866. TIER is 4.28 and equity is 19.04 percent.

Capital credit retirements: The board approved the retirement of the following capital credit accounts:

Ruth Hedlund estate
Mary Ellen Olson estate
Oswald Schenfisch estate

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

Work order closeout 490: \$2,541,212.58
Work order closeout 491: \$302,426.46
Work order closeout 492: \$758,452.74
Work order closeout 493: \$142,739.56
Work order closeout 494: \$57,779.43
Work order closeout 495: \$13,401,535.59
TOTAL: \$17,204,146.36

Debt limit: The current authorized debt limit of the cooperative is \$450 million. The current long-term debt is \$227,779,806. The existing line of credit is \$40 million and the 2013-2014 work plan anticipates another \$120 million dollars needed to complete this work.

Total capital credits: Lux reported that the unretired capital credits of members going back to 1998 now totals \$42,060,206.68 with another \$15,874,137.45 from G&T capital credits for a total of \$57,934,344.13. These are totals through the 2013 operating year.

Deferred compensation plan: The board discussed the deferred compensation plan which has been in place for a number of years. In order to continue the plan, the board adopted a resolution to re-adopt.

Manager's report: Jerry Rehak presented the reliability and outage report for February. Alex Vourmas displayed new options members have to pay their bill online and get other information about their account.

Manager Haugen reported on a One Call near miss on a gas line. This involved independent contractors hired by the cooperative, but no employees were involved.

He reported on projections by Basin Electric Power Cooperative of available power and loads. This would be substantially affected if the planned power lines are delayed.

He also discussed plans for some changes at the Williston office site because of proposed highway changes. There are plans for a new office building, but the board continues to explore options with the changing dynamics of land development in north Williston. The board gave the manager their thoughts on how this future expansion should take place.

The board then revisited changing district and precinct boundaries. After review and discussion, the board approved a motion to keep the districts and precincts with no changes.

The board discussed a member concern over reconnection fees.

Manager Haugen discussed an upcoming visit with Cooperative Finance Corporation. He also addressed the Heritage Center events.

Meeting reports: Robert Grant gave a meeting report about the North Dakota Association of Rural Electric Cooperatives.

Chairman Sorenson provided an update on RESCO. He also reviewed Upper Missouri G&T Electric Cooperative's last board meeting and its annual meeting.

Blaine Jorgenson gave a report on the National Association of Rural Electric Cooperatives meeting.

There being no further business, the meeting was adjourned at 4 p.m. ■

MOUNTRAIL-WILLIAMS ELECTRIC COOPERATIVE

P.O. Box 1346
Williston, N.D. 58802-1346

P.O. Box 129
Stanley, N.D. 58784-0129

DIRECTORS

Roger Sorenson Chairman
Robert Grant Vice Chairman
Dorvan Solberg Secretary
Blaine Jorgenson Treasurer
Cheryl Hartsoch Director
Nick Haugen Director
Larry Johnson Director
Warren Bratvold Director
Aaron Lynne Director
Neff, Eiken
& Neff, PC Project Attorney
Dale Haugen General Manager

OFFICE PHONE NUMBERS:

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A Touchstone Energy® Cooperative 