



Mountrail-Williams Electric Cooperative

Your Touchstone Energy® Cooperative 

WILLISTON
577-3765

STANLEY
628-2242

NEW TOWN
627-3550

Plan to Attend

Mountrail-Williams *Electric Cooperative*

Annual Meeting



Tuesday, June 6, 2017

Stanley High School gymnasium
Stanley

Registration will begin at 5:30 p.m.

An evening meal will be served at 6 p.m., followed by a business meeting including guest speaker Vern Dosch, president and CEO of the National Information Solutions Cooperative

- Free gifts for each registered member
- Movie for children during the meeting

The following directors have expiring terms:
Western District – Nick Haugen
Central District – Garrett Lalim
Eastern District – Warren Bratvold

Door prizes will be awarded during the meeting.

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



Absent voters' ballots available

The 2017 Mountrail-Williams Electric Cooperative annual meeting has been set for June 6 in Stanley. 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 mailed to the member or provided to the member's authorized agent at the office 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 5. 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 2017 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 6, 2017

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, 2016 and 2015

WHERE IT CAME FROM

OPERATING REVENUE:	2016	2015
Electric	\$217,153,556	\$205,612,453
Lease	\$ 7,903,934	\$ 5,639,040
Other	\$ 203,551	\$ 251,453
Total Operating Revenue	\$225,261,041	\$211,502,946

WHERE IT WENT

OPERATING EXPENSES:

Cost of Power	\$ 153,959,756	\$ 133,476,178
Transmission Expense-Operations	\$ 103,631	\$ 488,283
Transmission Expense-Maintenance	\$ 1,388,028	\$ 861,773
Distribution Expense-Operation	\$ 7,973,920	\$ 9,001,498
Distribution Expense-Maintenance	\$ 3,248,235	\$ 3,503,052
Customer Accounts Expense	\$ 1,844,308	\$ 1,844,809
Customer Service & Info. Expense	\$ 688,783	\$ 527,232
Sales Expense	\$ 7,000	\$ 12,894
Administrative & General Expense	\$ 4,710,423	\$ 3,745,504
Depreciation Expense	\$ 13,791,785	\$ 14,008,039
Accretion of plant reserve	\$ 2,177,136	\$ 2,108,834
Taxes	\$ 2,134,344	\$ 1,124,631
Interest on Long-Term Debt	\$ 14,880,754	\$ 14,565,741
Amortization of Loss on Reacquired Debt	\$ 181,401	\$ 181,401
Other	\$ 22,324	\$ 18,536
Total Operating Expenses	\$207,151,828	\$185,468,405

OPERATING MARGINS BEFORE CAPITAL CREDITS:	\$ 18,109,213	\$ 26,034,541
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GENERATION AND TRANSMISSION AND OTHER COOPERATIVE CAPITAL CREDITS:	\$ 18,649,413	\$ 7,748,319
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NET OPERATING MARGINS:	\$ 36,758,626	\$ 33,782,860
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NON-OPERATING MARGINS:

Merchandising, Less Costs & Expenses (2016 - \$252,170; 2015 - \$363,888)	\$ 102,790	\$ 274,952
Other Non-Operating Margins	\$ 162,178	\$ (7,974)
Interest Income	\$ 81,571	\$ 290,389

Total Non-Operating Margins	\$ 346,539	\$ 557,367
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NET MARGINS:	\$ 37,105,165	\$ 34,340,227
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BALANCE SHEET

As of Dec. 31, 2015 and 2014

WHAT WE OWN

ASSETS:	2016	2015
ELECTRIC PLANT:		
In service	\$471,080,273	\$408,142,900
Under construction	\$53,229,565	\$ 95,520,469
Total investment in electric plant	\$524,309,838	\$503,663,369
Less accumulated provisions for depreciation	\$ 84,743,471	\$ 72,657,223
Electric plant – net	\$439,566,367	\$431,006,146
OTHER PROPERTY AND INVESTMENTS:		
Investments in associated companies	\$ 49,969,889	\$ 32,444,271
Other Investments	\$ 234,326	\$ 234,802
Revolving loan fund	\$ 244,700	\$ 244,184
Special funds	\$ 235,966	\$ 193,076
Total other property and investments	\$ 50,684,881	\$ 33,116,333
CURRENT ASSETS:		
Cash and cash equivalents	\$ 5,880,821	\$ 3,214,289
Temporary cash investments	\$ 3,418,599	\$ 2,571,274
Current portion of notes receivable	\$ 9,059	\$ 12,612
Accounts receivable, less allowance for uncollectible accounts (2016 - \$2,583,066; 2015 - \$2,382,199)	\$ 16,432,457	\$ 13,384,366
Unbilled revenue	\$ 20,333,173	\$ 17,228,871
Materials and supplies	\$ 9,546,141	\$ 8,603,965
Prepayments	\$ 202,369	\$ 174,163
Interest receivable	\$ 8,621	\$ 8,621
Total current assets	\$ 55,831,240	\$ 45,198,161
DEFERRED CHARGES:	\$ 11,973,392	\$ 12,652,901
TOTAL ASSETS:	\$ 558,055,880	\$ 521,973,541

EQUITIES AND LIABILITIES

WHAT WE OWE

EQUITIES & LIABILITIES:	2016	2015
EQUITIES:		
Patronage capital	\$156,995,565	\$123,298,170
Other equities	\$ 9,168,272	\$ 8,795,518
Total equities	\$166,163,837	\$132,093,688
LONG-TERM DEBT, LESS CURRENT MATURITIES:	\$ 326,962,934	\$ 324,770,291
OTHER NON-CURRENT LIABILITY:		
Deferred Revenue	\$ 8,000,000	\$ -
Leased Plant Maintenance Reserve	\$ 708,687	\$ 400,000
Plant retirement reserve	\$ 8,133,969	\$ 5,956,834
Postretirement Benefit Obligation	\$ 183,233	\$ 199,550
Power cost reserve	\$ 534,942	\$ 1,035,355
Total other non-current liabilities	\$ 17,560,831	\$ 7,591,739
CURRENT LIABILITIES:		
Line of Credit	\$ 4,000,000	\$ 13,000,000
Current Maturities of Long-Term Debt	\$ 6,343,000	\$ 6,516,000
Accounts Payable	\$ 16,702,310	\$ 13,267,403
Checks in excess of cash	\$ -	\$ -
Customers' deposits	\$ 2,819,590	\$ 2,062,629
Taxes accrued	\$ 4,352,058	\$ 3,655,184
Accrued interest	\$ -	\$ -
Miscellaneous accrued current liabilities	\$ 35,804	\$ 35,318
Accrued Compensated absences	\$ 553,069	\$ 482,316
Power cost reserve – Current portion	\$ 542,554	\$ 528,461
Customer construction advances – Current	\$ -	\$ -
Post retirement benefit obligation – Current	\$ 17,200	\$ 17,200
Total current liabilities	\$ 35,365,585	\$ 39,564,511
DEFERRED CREDITS:	\$ 12,002,693	\$ 17,953,312
TOTAL EQUITIES & LIABILITIES:	\$ 558,055,880	\$ 521,973,541

Scholarship winner announced

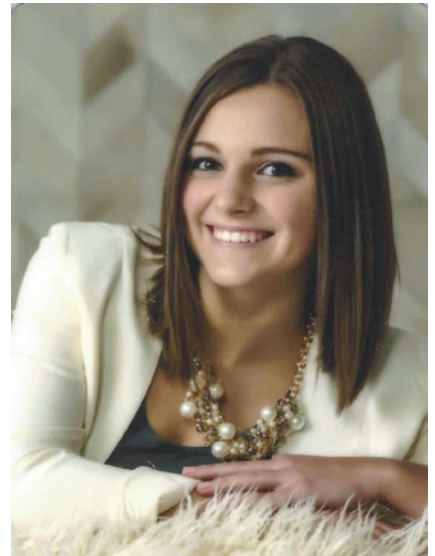
Kelsey Perdue is the recipient of the 2017 Basin Electric Power Cooperative \$1,000 scholarship.

Perdue is the recipient of the scholarship on behalf of Mountrail-Williams Electric Cooperative (MWEC). She is the daughter of Bernadette and Steve Perdue of Ray. She will graduate from Ray High School this spring and plans to attend North Dakota State University in Fargo in the fall. She plans on pursuing a major in management with a minor in agribusiness in the hopes of working for an agricultural cooperative as a human resources or public relations manager.

While attending Ray High School, Kelsey participated in basketball, volleyball, fast-pitch softball, was a member of the National Honor Society and was selected as valedictorian of her class.

MWEC would like to congratulate Kelsey on her accomplishments and wishes her the best in her future endeavors.

MWEC would also like to thank everyone who took the time to apply for the Basin scholarship this year and wish them the very best in their future. Choosing a scholarship winner was very difficult. ■



Williams County Cooperative Trust allocates Operation Round Up funds

At their February meeting, the Williams County Cooperative Trust board members allocated funds to applicants of the Mountrail-Williams Electric Cooperative Operation Round Up program. This year's recipients were:

- Boy Scout Troop 316
- Acro Stars Gymnastics
- Epping Lutheran Church
- Fort Union Cooperating Association
- James Memorial Preservation Society
- Mon-Dak Gymnastics Support Group
- Ray After Prom
- Ray High School FBLA
- Tioga EDC/Fire Department
- Tioga Senior Citizens Club
- Western N.D. Women of the ELCA

The board granted a total of \$8,050 to area nonprofit organizations.

The tentative next meeting date is in October.

If you are part of a nonprofit organization and are interested in applying for Operation Round Up funds, go to www.mwec.com or call us at 1-800-279-2667 ■



Watt's Current Corner

What is a heat meter and the heating program? How do I sign up for it?

A heat meter is a sub-meter that is added to your service to provide you with a reduced rate for your electric heating or air-conditioning use. Our office will provide you with the needed supplies for an electrician to wire your service. Once you have had an electrician do this, our office will send someone out to verify everything is correct and connect the meter. Your electric bill will now show two separate meters, one labeled "heat sub meter." The meter keeps track of kilowatt-hours (KWH) used for your electric heat or air conditioning usage and is connected to your main meter. Each month, the KWH from your heat meter is subtracted from the KWH on your main meter to determine how many KWH were used for other electrical usage. Here is an example:

Main meter 12345 – 4,682 KWH
Heat sub meter 54321 – 2,908 KWH
4,682-2,908 = 1,774 KWH used for other electrical usage

SO, WHAT IS THIS REDUCED RATE?

KWH is billed out as follows:

Normal electrical usage 8.4 cents for the first 1,200 KWH and 7.2 cents for all the remaining

Reduced heating program rates

Heat rate: 3.8 cents October-April

AC rate: 4.3 cents May-September

Using the usage example above, here is what your bill for KWH would look like with and without our heating program.

WITHOUT HEAT METER

Main meter usage – 4,682 KWH
1,200 KWH at 0.08400 = \$100.80
3,482 KWH at 0.07200 = \$250.71
Total: \$351.51

WITH HEAT METER

Main meter usage – 1,774 KWH (4,682 KWH-2,908 KWH)
1,200 KWH at 0.08400 = \$100.80
574 KWH at 0.07200 = \$41.33
Total: \$142.13
Heat meter – 2908 KWH
2908 KWH at 0.03800 = \$110.51
GRAND TOTAL: \$252.64 (\$142.13+\$110.51)

That's a total savings of \$98.87 for one bill! For your air-conditioning usage, you would change the charge for heat meter from 3.8 cents to 4.3 cents per KWH.

If you are installing electric heat into your home, please contact us at 1-800-279-2667 and ask about signing up for our electric heat program.

Do you have a question you would like answered?

Send it to us at

Mountrail-Williams Electric Cooperative

Attn: Watt's Current Corner

P.O. Box 1346

Williston, ND 58802

Email: jessicam@mwec.com

Subject: Watt's Current Corner

Facebook message: www.facebook.com/mwelectric/





Kids have a good time learning how to ride a Segway.



Basin Electric Power Cooperative employee Michael Riedman teaches attendees how to ride a Segway.

High-voltage safety

Our commitment to our members

At this year's Ag Expo in Williston, area electric cooperatives came together to teach the community about high-voltage safety.

Burke-Divide Electric, Sheridan Electric, Lower Yellowstone Electric and Mountrail-Williams Electric each took turns showing the Ag Expo attendees the dangers of high voltage and how to stay safe.

The presentation began by teaching the audience how our lineworkers test their gear each day to make sure they are safe before going out for the day. Then, the audience learned some basic electric information. For example, electricity tries to find the easiest, fastest route to the ground.

This is where the demonstrations began. First the co-op lineworkers showed what happens when an object connects two lines together. The sparks and sound made from this interaction made many jump. So what would happen if a person connected an energized line to the ground? For this demonstration, a hot dog was used because it is made of similar materials as you and I – meat, water and fat.

A lineworker then connected a power line with the hot dog and sparks flew. The hot dog looked OK on the outside, but after cutting it open and showing those in

attendance they could see that the interior had burned up. That is what would happen to a person in that situation.

Safety precautions were then stated to the crowd so that we can keep everyone safe. Examples included the importance of tree trimming, to stay away from downed lines, how to exit a vehicle that has come into contact with a power line/power pole and not to shoot insulators.

If you would like to see this presentation, you can check it out on our Facebook page www.facebook.com/mwelectric or Mountrail-Williams Electric Cooperative on YouTube. ■



5 tips to spring into summer

Now is the perfect time to begin saving energy around the home. By taking advantage of the mild weather, you can make the improvements needed to transition into summer. Here are five ways to spring into summer:



- 1. Replace your air filter.** Replacing a dirty, clogged air filter allows your system not to work so hard to circulate the air. Spring is also a great time to get your HVAC system serviced to make sure it is operating most efficiently.
- 2. Seal the cracks and gaps.** Keep outside air from leaking into your home. Inspect the cracks and penetrations around the home. You may need to re-apply caulking or foam where cable lines, dryer vents and telephone lines may penetrate your home. Look around windows for gaps and install door seals to the exterior doors.
- 3. Install a smart or programmable thermostat.** No need to cool an empty home. Installing an advanced thermostat can yield significant savings when programmed to work around your schedule.

- 4. Lower your water heating costs.** Turn down the temperature of your water heater to the warm setting of 120 degrees. Washing clothes in cold water will help save energy and money.
- 5. Save in the laundry room.** The dryer is one of the larger appliances in a home. Make sure your dryer is operating at full efficiency by inspecting the dryer vent and cleaning the lint trap after every use. Air drying your clothes will help limit your laundry costs.



Your Touchstone Energy® Cooperative 

For more ideas to save energy, visit www.touchstoneenergy.com.



Unofficial minutes of regular board meeting March 29, 2017

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

Directors absent: Bratvold and Haugen.

Others present: Manager Haugen, in-house counsel Ellis, attorney Foust, staff members and Derek Flanagan from Eide Bailly.

The meeting was called to order at 9:30 a.m. Minutes of the Feb. 22, 2017, board meeting were approved as presented.

The agenda was approved as presented.

2016 audit: Derek Flanagan with Eide Bailly presented the 2016 Mountrail-Williams Electric Cooperative (MWEC) financial statement report.

Executive session: Board members met in executive session to discuss the financial statements audit.

There was a motion to approve the 2016 MWEC financial statement report/audit. Motion carried and audit was approved as presented.

Operating/financial reports: Jay Lux presented the operating report for the year to date and for the month of February. For the year to date, operating revenues were \$41,071,500. The total cost of electric service was \$38,600,272, operating margins were \$2,471,228 and the total margins were \$2,560,777. TIER is 2.01; MDSC is 3.14; and equity is 30.89.

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

Closeout 654	\$1,048,582.94
Closeout 655	\$138,599.37
Closeout 656	\$68,208.31
Closeout 657	\$2,555.90
TOTAL	\$1,257,946.52

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

Beatrice H. Goebel estate.....	
Glenn K. Flaten estate	
Harry Skorick Jr. estate	
Mildred Roggenbuck estate	
Sarabelle Braaten estate.....	

Bad debts: The board approved the transfer from accounts receivable to bad debts. Efforts will continue to collect these sums including the retention of capital credits.

Attorney's report: In-house counsel Ellis presented the attorney's report. She briefly updated the board on the official registration with NERC for compliance purposes and reviewed the process being used to create the new policies and programs that will be implemented at MWEC for compliance.

In-house counsel Ellis presented a resolution that the board recognizes, approves and directs the policies and supporting internal programs to implement and keep in compliance. The board approved the resolution as presented.

In-house counsel Ellis also discussed the purchase of the Lindahl Switching Station from Burke-Divide Electric Cooperative Inc. She presented the proposed sale documents, and the board approved them as presented.

Manager's report: Manager Haugen presented the SPP overview. He reviewed and discussed the zonal placement changes and cost shifts. He also reviewed the zonal placement process.

Manager Haugen presented the process and the recruiting agency the cooperative is utilizing to recruit and hire for key positions.

He also discussed easement negotiations with a landowner for a transmission line.

Manager Haugen gave a brief report on the in-house safety meeting he attended. Federated has also scheduled its annual visit to the cooperative.

The outage report was provided as well as an operations update. A motion was made to replace all reclosures manufactured between 2012 and 2015. After discussion, the motion passed.

Manager Haugen gave an update on the multipurpose building and new office progress. He also presented construction notes on moving a transmission line for the Highway 1804 expansion.

A motion was presented and approved to retire the remainder of year 2009 and a portion of year 2010 capital credits.

Cybersecurity: The board participated in a training exercise on social engineering, which included spoofed email and CEO fraud/business email compromise that infects the system with malware. The staff is also participating in more extensive training on cybersecurity.

Members concerns: Member presented concerns about rates and the board took them under advisement.

President's report: Chairman Sorenson discussed the potential recruitment of a

new employee.

Meeting reports:

RESCO – Chairman Sorenson requested director candidate nominations and a written report was presented.

UPPER MISSOURI – Jorgenson reported on a meeting of the board of Upper Missouri Power Cooperative. A part of his report, the general manager's report, board meeting notice and agenda and annual meeting notice were presented.

NDAREC – Grant reported on a North Dakota Association of Rural Electric Cooperatives meeting, National Rural Electric Cooperative Association task force and the upcoming NDAREC 75th anniversary. Written reports were also presented.

CFC – Hartsoch reported on the recent Cooperative Finance Corporation annual meeting and a written report was presented.

BASIN ELECTRIC POWER – A written report was presented from Basin Electric Power Cooperative.

NRECA – Jorgenson presented a written report on the NRECA annual meeting.

NISC – Becky Cornell reported on the National Information Solutions Cooperative annual meeting.

Federated Insurance – Jorgenson presented a report on the Federated Insurance annual meeting.

Adjournment: There being no further business, the meeting was adjourned. ■

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	Chairperson
Robert Grant	Co-chairperson
Blaine Jorgenson	Secretary
Cheryl Hartsoch	Treasurer
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

OFFICE PHONE NUMBERS:

Williston	(701) 577-3765
Stanley	(701) 628-2242
New Town	(701) 627-3550
WATS	(800) 279-2667

A Touchstone Energy® Cooperative

