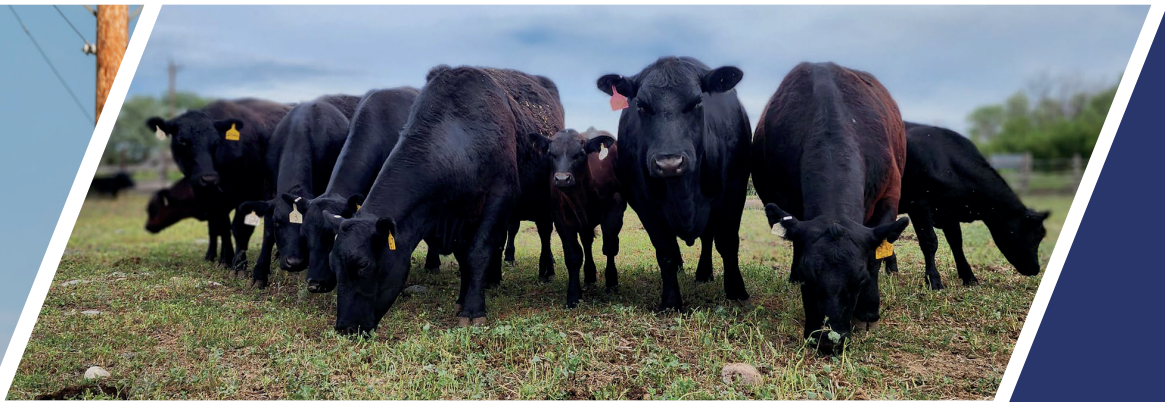


MWEC



2023 ANNUAL REPORT

**MEMBER FOCUSED.
MEMBER DRIVEN.**

CHAIRPERSON REPORT



BOB GRANT
Board Chairperson

Welcome to the 33rd Annual Meeting of Mountrail-Williams Electric Cooperative (MVEC). It's always a highlight of my year to be here among members, the cooperative board, staff and friends. The annual meeting is an opportunity for us to report back to you, our member-owners, what we are doing behind the scenes to meet your electric needs.

There are many more that work with us each day such as contractors, local businesses and individuals that always provide invaluable support and assistance.

Dale led by example. He stressed integrity, work ethic, willingness to learn, and willingness to serve the membership. His greatest assets were a strong cooperative philosophy and cooperative values. Our MVEC staff saw how his values served as a guiding principle in decision-making, and we thank Dale for the impact he has had on our cooperative family.

The board chose an executive search firm to oversee the process of selecting a new GM. Through thoughtful conversations and several interviews, we ultimately recognized that the ideal candidate was already among us – Alex Vournas. Alex officially assumed the role as GM on January 1, 2024.

Over the years, Dale established a great team, with Alex leading alongside him. With this strong foundation, we are in great shape to meet the challenges of the future and will continue to be *Member Focused, Member Driven!*

SINCE THE BEGINNING

Rural electric cooperatives were created to improve the quality of life for the population living in rural America. MVEC continues our commitment to this mission by prioritizing the needs and desires of our membership. Through action of our cooperative principles, we ensure that we stay *Member Focused, Member Driven* in everything we do.

POWERING INDUSTRY

In 2023, we experienced significant growth in kilowatt-hour sales, keeping us financially strong. Every week, we address inquiries from a variety of industries looking to expand or establish roots in the communities we serve. Our commitment to economic development is focused on delivering reliable, affordable power to all members within our service area.

TRANSITIONING LEADERSHIP

The biggest challenge for our Board this year was to hire a new general manager (GM) to succeed Dale Haugen. As emphasized to me by many people – the most important decision a director can make is hiring a new leader.

Dale was very influential in developing strong relationships with our cooperative neighbors and partners. Relationships have been paramount for MVEC, our employees and board members. With these partners by our side, we were able, and continue, to work through any obstacles and challenges before us. This list is long – but I will name a few: North Dakota Association of Rural Electric Cooperatives (NDAREC), our education and coordination partner; Cooperative Finance Corporation (CFC) our banker/financial advisor; Rural Electric Supply Cooperative (RESCO), our major supply distributor; National Information Solutions Cooperative (NISC), our software supplier; HDR Engineering, our consulting engineer; Federated Insurance, our insurance and safety compliance partner.

YEAR IN REVIEW

The 2023 Annual Report contains highlights of the year, reports from department managers, as well as a financial report. These reports show the strong foundation of your cooperative. You will also read about challenges facing the electric industry, particularly concerning reliability and affordability in the future, as well as the efforts of MVEC and cooperative partners to address them. Because of our greatest asset, our employees, MVEC is well positioned to meet the needs of the membership today and in the future. ■

2024 MVEC ANNUAL MEETING AGENDA

- **Call to Order**
- **Presentation of Colors**
- **National Anthem**
 - Freya Throntveit
- **Invocation**
- **Member Quorum Report**
- **Notice of Annual Meeting and Mailing**
- **Annual Meeting Minutes**
- **Recognition of Guests**
- **Introduction of Directors**
- **Business Session**
 - Attorney Report
 - Proposed Bylaw Changes
 - Director Candidates
 - Appointment of Tellers
 - Voting
 - Financial Report
- **Guest Speaker**
 - Trent Loos
- **Presentation of Reports**
 - Board/Management Panel
- **Report of Elections**
- **Unfinished Business**
- **New Business**
- **Adjournment**

ON THE COVER

Top - Wade Family Farm:
Ryan and Jennifer Wade

Left Middle: MVEC lineworker

Right Middle - Eastfork Angus:
Josh and Karen Fox

Bottom: Lineworker Program Tour

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 Chairperson and remain standing before proceeding to speak until he is recognized by the Chairperson.
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 the bylaws.
12. **VOTING ELIGIBILITY:** Each member shall be entitled to only one vote. Joint membership shall constitute a one joint vote.

GENERAL MANAGER REPORT



ALEX VOURNAS
General Manager

As we reflect on the past year, it is with a sense of gratitude and pride that I present the General Manager's Report. Embracing our theme, *Member Focused, Member Driven*, this report is a testament to our unwavering commitment to put our members at the heart of everything we do. In 2023, we made great progress towards our mission of delivering safe, reliable, and affordable electricity to our members.

I start with safety because it is an essential, non-negotiable priority at Mountrail-Williams Electric Cooperative (MWEC). I applaud our employees for their commitment to their own safety, as well as the safety of our members and the public. We will continue to provide ongoing safety training for our staff, so they are well-prepared to respond in a moment's notice, both at work and in the community.

In 2023, your electric cooperative continued to excel operationally, achieving an

impressive **99.95%** reliability rate. This is the result of your team's hard work and the cooperative's ongoing investments in infrastructure improvements. We believe that a proactive approach towards maintenance and upgrades is crucial in ensuring our members have the energy they need when they need it.

Financially, MWEC remains strong and stable. Through prudent financial management, we have successfully balanced the need to invest in our cooperative's future with the importance of keeping electricity affordable for our members. You will learn more in this report about your cooperative's solid financial position and the benefits of your patronage in 2023.

Our cooperative's commitment to the community extends beyond providing energy. We partnered with the Bismarck Public Schools Career Academy to launch a new lineworker summer school program for high school students in North Dakota. MWEC sponsored six area students for the one-week program, where they learned about career possibilities in the industry. Other highlights include our scholarship program, community event sponsorships, and safety education in our local schools. You will learn more about these topics later in this report.

As we look ahead, the future is bright, but we do face challenges. We've all felt the pressure from rising prices due to inflation over the last few years, electric utilities included. Additionally, proposed federal regulations pose threats to the power supply, revolving around a national debate of what forms of energy our country should use in the future. We constantly monitor these risks, and work with our cooperative partners to minimize the impact to our members.

I extend my heartfelt thanks to each and every one of our members for your engagement, trust, and collaboration. Also, thank you to our board of directors for their wisdom and guidance, and to our employees for their dedication and hard work. It is your collective *Member Focused, Member Driven* efforts that make our cooperative successful. ■

2023 ANNUAL MEETING MINUTES

JUNE 1, 2023

The Annual Meeting of the members of Mountrail-Williams Electric Cooperative met at the Northern Lights Community Center in New Town, North Dakota on Thursday, June 1, 2023.

Ryan Block, Safety Coordinator for the Cooperative, outlined the safety procedures which were in place for this meeting. The childcare and movie location were pointed out.

Chairperson Grant called the 2023 Annual Meeting to order at 7:03 p.m.

AGENDA

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

INVOCATION

Marva Pretends Eagle provided the invocation and led a prayer.

WELCOME

North Segment Councilwoman Monica Mayer, M.D. welcomed and addressed the members and guests in attendance.

NATIONAL ANTHEM

The National Anthem was led by LeeAnn Brady in two languages.

QUORUM

Chairperson Grant reported there were 253 registered members in attendance. A quorum was declared present.

NOTICE OF ANNUAL MEETING

Secretary Jorgenson read the official notice of the 2023 Annual Meeting. It was reported that 8,343 notices of the Annual Meeting were mailed out.

APPROVAL OF 2022 ANNUAL MEETING MINUTES

A motion was seconded and carried to suspend the reading of the 2022 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, legislators, 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. Director Wilhelmi was not present.

RECOGNITION OF OTHERS PRESENT

Chairperson Grant recognized Attorney Foust and In-House Counsel Johnson Ellis, and noted that Manager Haugen was unable to attend.

ELECTION OF DIRECTORS AND RESULTS

Attorney Foust reported 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:

East District and within Precinct 3A: Charlene Aubol
Central District and within Precinct 2A: Garrett Lalim
West District and within Precinct 1A: Brion Norby

The candidate biographies were included in the meeting handout.

Chairperson Grant called for a motion to cast a unanimous ballot for the West District, Brion Norby. A motion was made to cast a unanimous ballot for the West District, Brion Norby, and the motion was seconded and carried. Chairperson Grant called for a motion to cast a unanimous ballot for the Central District, Garrett Lalim. A motion was made to cast a unanimous ballot for the Central District, Garrett Lalim. The motion was seconded and carried. Chairperson Grant called for a motion to cast a unanimous ballot for the East District, Charlene Aubol. A motion was made to cast a unanimous ballot for the East District, Charlene Aubol. The motion was seconded and carried.

The candidates elected to serve 3-year terms were:

East District and within Precinct 3A: Charlene Aubol
Central District and within Precinct 2A: Garrett Lalim
West District and within Precinct 1A: Brion Norby

AUDIT REPORT

Courtney Richman, CPA, of Eide Bailly, LLP, presented the results of the financial audit for the Cooperative for the year ending December 31, 2022. 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 2023 meeting.

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 that the Cooperative continues to participate as an intervenor in the ongoing State lawsuit brought by McKenzie Electric Cooperative against Basin Electric and Upper Missouri and that trial was anticipated in 2024. She also informed the membership 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 or claims that would impact the integrity of the Cooperative.

GUEST SPEAKER

Reed Barrett, a magician, and Air Force fighter pilot was the keynote speaker. He also holds a degree in Psychology and specializes in human potential and communication, and shared about his career and experiences.

WRITTEN REPORTS

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

BOARD/MANAGEMENT REPORT

Manager Haugen was not able to attend the meeting. Chairperson Grant gave a combined Board/Management report and announced Manager Haugen's retirement after 43 years. He expressed his thanks and gratitude toward Manager Haugen and his family for his dedication to the Cooperative. Grant also went through the "question and answer" report he and Manager Haugen were planning to present to the membership.

UNFINISHED BUSINESS

There was a member comment from the floor regarding term limits.

NEW BUSINESS

The Smart Hub winners were announced as Pat Herbel and Randy Jarmin. There was no other 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 2023, Mountrail-Williams Electric Cooperative (MWECC) continued our financial success, with margins surpassing those of the previous year. As your member-owned electric cooperative our goal is to provide affordable and reliable power when and where you need it.

Balancing affordability and reliability can be a challenge. Prioritizing affordability can result in cost-cutting measures and aging infrastructure.

While prioritizing reliability requires a significant investment which in turn can impact affordability.

AFFORDABILITY

MWECC takes pride in offering one of the lowest residential rates in the nation. One unique way we give back to our members is through a rate holiday. Over the last five years, MWECC has given \$44 million back to members. You might be asking "If 2023 was such a good financial year, why wasn't there a rate holiday"? The answer is simple, **system reliability**.

RELIABILITY

The snowstorm in April 2022 identified supply chain as a vulnerability to our electric system. By the end of 2023, MWECC nearly doubled the size of inventory, with additional inventory on the way. This increased inventory will limit supply chain issues and help us stay on track with regular maintenance, new construction and storm response efforts. With more inventory readily available, we are able to get the power back on faster by not having to wait for truckloads of material. In addition, inventory will act as a safeguard against rising expenses for system maintenance, construction and repairs.

In 2023, MWECC also invested in hardening our electric system through maintenance, improvements and investments in cutting-edge technology.

OPERATING MARGINS

Getting into the 2023 numbers, MWECC increased its revenue from electricity sales by \$115 million from 2022. While that sounds spectacular, we also must pay for all that power we sold. Our cost of power, which is our largest expense, increased a little over \$100 million for the year. Our operating margins ended the year at \$27.3 million compared to \$20.2 million and our total margins which include interest income and capital credit allocations from other cooperatives finished the year at \$55 million which

was about a \$4 million increase over 2022.

CHECKS AND BALANCES

For the balance sheet side of things, our total assets are now at \$893 million, an increase of \$89 million over last year. Our largest asset is the electric plant which makes up 65% of the total assets. Liabilities came in at \$504 million which was a \$47.5 million increase from last year. Our largest liability is our long-term debt at \$368.5 million (73%).

The final part of the balance sheet has to do with equity which is your ownership in MWECC. Patronage capital, which gets returned to members as the board retires it, increased by \$39.5 million to \$373.5 million, other equities increased \$1.6 million to \$15.8 million bringing total equities to \$389.3 million or a 43.6% increase.

MWECC returned \$14.6 million of its equity in the form of capital credit checks to its members in 2023 and the board of directors has approved another \$15.9 million to be returned in 2024.



FINANCIAL INTEGRITY

Eide Bailly, a certified public accounting firm, audits MWECC annually. The 2023 audit was completed in March 2024, resulting in a clean audit opinion on the financial statements and compliance with regulatory standards. In other words, Eide Bailly confirmed the excellent state of your cooperative's financial records. The audit was presented and reviewed by the board of directors on March 27, 2024.

LOOKING AHEAD

The key is to increase reliability without affecting affordability. How do we achieve this?



Consistent Growth



Increased Electricity Sales

If we continue to grow and sell more electricity, MWECC is well positioned to maintain financial stability, offer competitive rates, while improving system reliability. As your local electric cooperative we are focused and driven by you, our member-owner, to be fiscally responsible while keeping the lights on. ■

FINANCIALS

STATEMENT OF OPERATIONS AND PATRONAGE CAPITAL

Years Ended December 31, 2023 and 2022

WHERE IT CAME FROM

OPERATING REVENUE:	2023	2022
Electric	\$417,635,769	\$303,710,327
Lease	17,300,857	15,990,234
Other	1,009,751	910,135
TOTAL OPERATING REVENUE	\$435,946,377	\$320,610,696

WHERE IT WENT

OPERATING EXPENSES:		
Cost of Power	\$333,857,478	\$233,119,713
Transmission Expense-Operations	1,193,327	1,109,832
Transmission Expense-Maintenance	791,769	1,483,876
Distribution Expense-Operation	11,803,578	10,207,069
Distribution Expense-Maintenance	7,567,049	4,480,380
Customer Accounts Expense	1,769,519	2,172,247
Customer Service & Info. Expense	265,617	320,039
Administrative & General Expense	6,809,380	5,735,198
Depreciation Expense	20,353,782	19,537,479
Accretion of Plant Reserve	2,665,377	2,539,741
Taxes	4,526,539	3,312,712
Interest on Long-Term Debt	16,767,213	16,079,303
Amortization of Loss on Reacquired Debt	181,401	181,401
Other	49,000	61,000
TOTAL OPERATING EXPENSES	\$408,601,029	\$300,339,990

OPERATING MARGINS BEFORE CAPITAL CREDITS:	\$27,345,348	\$20,270,706
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GENERATION AND TRANSMISSION AND OTHER COOPERATIVE CAPITAL CREDITS:	25,428,771	29,668,234
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NET OPERATING MARGINS	\$ 52,774,119	\$ 49,938,940
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NON-OPERATING MARGINS:		
Merchandising, Less Costs & Expenses (2023 - \$644,491; 2022 - \$720,819)	\$76,109	\$31,070
Other Non-Operating Margins	(1,604)	91,157
Interest Income	2,126,831	750,760
TOTAL NON-OPERATING MARGINS	\$2,201,336	\$872,987

NET MARGINS	\$54,975,455	\$50,811,927
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FINANCIALS

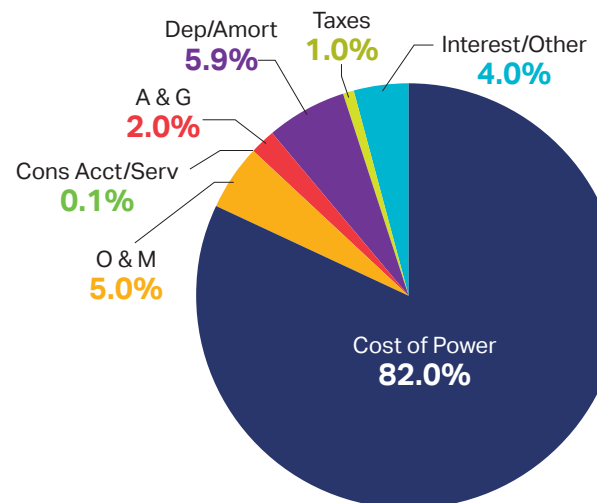
BALANCE SHEET

As of December 31, 2023 AND 2022

ASSETS:	2023	2022
ELECTRIC PLANT:		
In Service	\$696,816,636	\$668,038,822
Under Construction	61,867,957	36,604,554
TOTAL INVESTMENT IN ELECTRIC PLANT	\$758,684,593	\$704,643,376
Less Accumulated Provisions for Depreciation	\$176,809,140	\$157,720,499
ELECTRIC PLANT – NET	\$581,875,453	\$546,922,877
OTHER PROPERTY AND INVESTMENTS:		
Investments In Associated Companies	\$163,869,568	\$140,877,921
Other Investments	263,246	258,449
Revolving Loan Fund	253,650	252,412
Special Funds	809,654	623,048
TOTAL OTHER PROPERTY AND INVESTMENTS	\$165,196,118	\$142,011,830
CURRENT ASSETS:		
Cash And Cash Equivalents	\$4,494,595	\$545,358
Temporary Cash Investments	24,476,589	35,456,211
Accounts Receivable, Less Allowance for Uncollectible Accounts (2023 - \$5,558,430; 2022 - \$5,573,635)	17,094,093	12,908,795
Other Accounts Receivable – FEMA	18,006,426	17,672,855
Unbilled Revenue	38,638,136	21,462,789
Materials and Supplies	29,524,298	18,054,531
Prepayments	6,545,971	1,726,206
Interest Receivable	99,500	25,153
TOTAL CURRENT ASSETS	\$138,879,608	\$107,851,898
DEFERRED CHARGES	\$7,312,652	\$7,741,454
TOTAL ASSETS	\$893,263,831	\$804,528,059

2023 COST OF ELECTRIC SERVICE (Numbers found on page 9)

Cost of Power	\$333,857,478
O & M	\$21,355,723
Cons Acct/Serv	\$2,035,136
A & G	\$6,809,380
Dep/Amort	\$23,200,560
Taxes	\$4,526,539
Interest/Other	\$16,816,213
Total	\$408,601,029



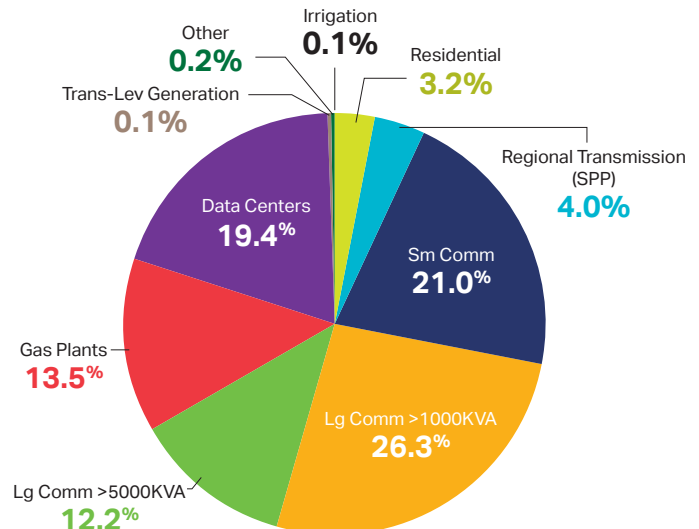
FINANCIALS

EQUITIES AND LIABILITIES

	2023	2022
EQUITIES:		
Patronage Capital	\$373,511,696	\$333,922,943
Other Equities	15,785,704	14,160,124
TOTAL EQUITIES	\$389,297,400	\$348,083,067
LONG-TERM DEBT, LESS CURRENT MATURITIES	\$368,538,364	\$354,577,473
OTHER NON-CURRENT LIABILITY:		
Deferred Revenue	\$12,000,000	\$12,000,000
Leased Plant Maintenance Reserve	711,923	710,923
Plant Retirement Reserve	25,139,250	22,473,877
Postretirement Benefit Obligation	72,796	89,196
TOTAL OTHER NON-CURRENT LIABILITIES	\$37,923,969	\$35,273,996
CURRENT LIABILITIES:		
Current Maturities of Long-Term Debt	\$10,980,223	\$10,349,513
Line of Credit	18,000,000	–
Accounts Payable	37,217,741	31,018,863
Customers Deposits	3,162,737	3,039,625
Taxes Accrued	7,929,311	6,349,844
Accrued Interest	22,515	–
Miscellaneous Accrued Current Liabilities	43,951	59,574
Accrued Compensated Absences	1,043,984	988,661
Postretirement Benefit Obligation – Current	15,400	14,400
TOTAL CURRENT LIABILITIES	\$78,415,862	\$51,820,480
DEFERRED CREDITS	\$19,088,236	\$14,773,043
TOTAL EQUITIES & LIABILITIES	\$893,263,831	\$804,528,059

2023 OPERATING REVENUE

Residential	\$14,129,793
RTO	\$17,300,857
Sm Comm	\$91,336,899
Lg Comm >1000KVA	\$114,811,294
Lg Comm >5000KVA	\$53,166,383
Gas Plants	\$58,809,185
Trans-Lev Generation	\$397,462
Data Centers	\$84,661,500
Other	\$1,028,016
Irrigation	\$304,988
Total	\$435,946,377



HIGH VOLTAGE TRANSMISSION REPORT



MATTHEW STOLTZ
Electrical Engineer
Transmission System Consultant

Mountrail-Williams Electric Cooperative (MWECC) set another record peak demand of 819 megawatts (MW) in December of 2023.

Due to the increased demand for electric power, various transmission system and generation station additions are underway. MWECC coordinates with the Southwest Power Pool (SPP), our Regional Transmission Organization (RTO), to identify these

projects. Annually, electric power providers within the SPP footprint submit their forecasts for demand to SPP, which consolidates and analyzes them for system reliability. When deficiencies are identified, SPP proposes a series of projects to address them, assigning local transmission owners to carry them out. As a result of this process, MWECC has several ongoing projects.

2023 Projects assigned to MWECC by SPP include:

- Energized a 115KV line from New Town to the new North Shore Substation in June 2023. This line provides another connection to the New Town area from the higher voltage network transmission system.
- Started construction of the voltage support facility at MWECC's New Town Substation with a service of December 2024. This facility will maintain a satisfactory voltage profile in this area of high load growth.

SPP and MWECC have identified the need for growth across our MWECC footprint including:

- A 115KV terminal at MWECC's East Fork Substation to accommodate a new electrical delivery from the nearby Basin Electric 345KV line.
- A 115KV line connecting the MWECC Folvag Substation to the MWECC NE Williston Substation.
- A 115KV substation and 115KV line in the Van Hook area to accommodate a new electrical delivery from a future Basin Electric 345KV line.

Transmission lines serve as the backbone of the electric grid, moving electricity over long distances from power plants to substations. These investments mark a significant victory for local reliability while enhancing reliability across the SPP footprint. Upon completion of these facilities, MWECC will be reimbursed for the enhancement costs by users of the SPP transmission system.

Given the ever-growing demand for reliable power, investment in transmission will continue to be a priority. MWECC is a member of Basin Electric Power Cooperative (BEPC). BEPC is very busy in our area with several new projects needed to ensure they continue to meet their obligations to their members. In September 2023, BEPC broke ground on their largest single-site electric generation project in 40 years. This generation facility is going to generate nearly 580 MW of natural gas fueled dispatchable generation to western North Dakota. The expansion will offer nearly 350 MW of new generation in 2025 with the remaining generation going online in 2026.



BEPC Expansion - Pioneer Generation Station

In addition to the Pioneer Generation Station expansion, BEPC is developing a 175-mile long 345KV transmission line connecting the Leland Olds power plant to Tande Substation near Tioga. It is scheduled to be in service in 2027. This project will include a connection to the MWECC transmission system in southeastern Mountrail County.

These member-driven generation and transmission projects demonstrate MWECC and BEPC's commitment to not only meeting, but exceeding the evolving needs of our member-owners. MWECC is proud to serve you. ■

ENGINEERING REPORT



SCOTT IVERSON

Distribution Electrical Engineer
Distribution and Load Forecasting

As Mountrail-Williams Electric continues to grow, we understand the importance of enhancing power quality and reliability. Our Engineering Department plays an important role in building electrical infrastructure by providing technical expertise while always keeping safety, cost efficiency and growth in mind.

Aging is inevitable for all of us, just as it is, for the electrical distribution

system. Spanning nearly 5,000 miles of line, with an average lifespan of 40-50 years, continuous maintenance is required. Our current engineering plan is to invest nearly \$11,000,000 annually, allowing us to replace approximately 100 miles of line each year.

When selecting distribution lines for replacement, there are four main factors to consider:

1. Number of members impacted

A main three-phase section of the distribution line has more members downstream and typically provides the largest overall benefit when you're only looking at the number of members impacted by outages. Single-phase lines connect to these main three-phase lines and power our residential, farm, and ranch members. In large outages, time spent repairing a line with little to no members takes time and delays crews repairing main lines to restore power to more members. This paradox is why we do not choose lines for replacement based on the number of members alone.

2. Condition of the line

An aging electrical system can impact reliability. However, the condition of a line depends on multiple factors beyond its age. Some lines experience harsher conditions and consequently deteriorate faster. Some lines get hit by farm equipment. Soil conditions can accelerate pole decay at ground level. There are several things that contribute to the line's condition, each holding equal importance to the other factors noted in this report.

3. Outages

The assessment of outages is more complex than it appears. Outage duration and frequency are two areas we analyze. Would you rather have 10 outages that last 10 minutes long or one long outage that is 100 minutes long? Unfortunately, this question has no definite answer when it

comes to our membership, but we ask this question every time we evaluate outages to pick lines for replacement.

4. Costs

The costs of building a single-phase line are much less than a three-phase line, but this is not the only cost component. Our engineers also focus on the evaluation of system losses. System loss refers to the amount of energy lost during the delivery of energy from the substation to our members, often due to factors such as the length of power lines and equipment efficiency. When system losses occur, MVEC must purchase additional energy to meet demand. In other words, system loss costs money. While system losses are at times unavoidable, the evaluation process has helped us to identify construction projects to minimize the impact. There are instances where projects were created solely due to the cooperatives system losses costing members more than the costs of construction.

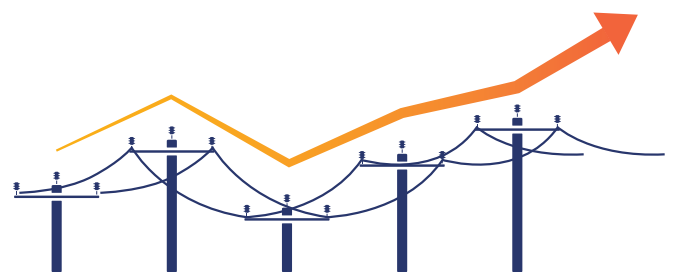
TECHNOLOGY

The Engineering Department designs equipment that provides large amounts of data and functionality for the electric grid of today and tomorrow. The goal is to have adaptability, enabling the MVEC distribution system to strengthen the smart grid in the future. In 2023, the Engineering Department also worked closely with other departments to make Fault Location Isolation and Service Restoration (FLISR) a reality. FLISR is the first of many steps in the creation of a smart grid.

LOAD FORECAST

MVEC reached an all-time system demand peak of 819 megawatts (MW) on December 11, 2023. This is an increase of 25.6% from last year's peak of 652 MW. The projected peak for 2024 is 949 MW, an increase of 15.9% from our peak in 2022! The growth at MVEC is well above the 4-6% range experienced by most utilities. This trend allows us to enhance our system to better serve the needs of our members.

Take care and have a wonderful year ahead! ■



Peak Demand Definition:

Amount of electricity used in any given moment in time.

OPERATIONS REPORT



MATT GLUECKERT
Operations Manager

Mountrail-Williams Electric Cooperative continues to demonstrate our dedication to innovation and technological advancements by going beyond the status quo. As the electric industry evolves, so does your cooperative, actively pursuing cutting-edge technologies that strengthen our ability to provide safe timely response to any outage issues that arise.

individual trainings. These trainings ranged from electrical safety, CPR/First Aid, Hazardous materials, etc.

Our safety and public relations department actively works with the community to provide electrical safety education. Area schools, fire departments, first responders and so many more community partners have made a commitment to provide ongoing, up-to-date information to their students and staff on the benefits and hazards of electricity.

Our commitment to being *Member Focused*, *Member Driven*, is always our priority. As we look into the future, we are excited to work for our members and do what we can to keep the lights on. ■

SERVICE

In 2023, investments in equipment and technology remained our top priority. Last year we installed 12 distribution loops around our service area. Why are loops important? Simply put, loops create an alternative power source. Loops coupled with the implementation of our new Fault Location Isolation Service Restoration (FLISR) software allow us to redirect the flow of electricity, safely repair the primary electrical pathway, and restore electricity safely and in less time.

Looking ahead, our continuous commitment to technology, training and safety will allow us to become as efficient as possible. As we strive to be member focused, communication with our members is a focal point of everything we do. We are currently reaching out to you, our member-owner, for any planned outages in your area. In the future we are working towards live updates during times of outages or extended outages.

CONSTRUCTION ADVANCEMENTS

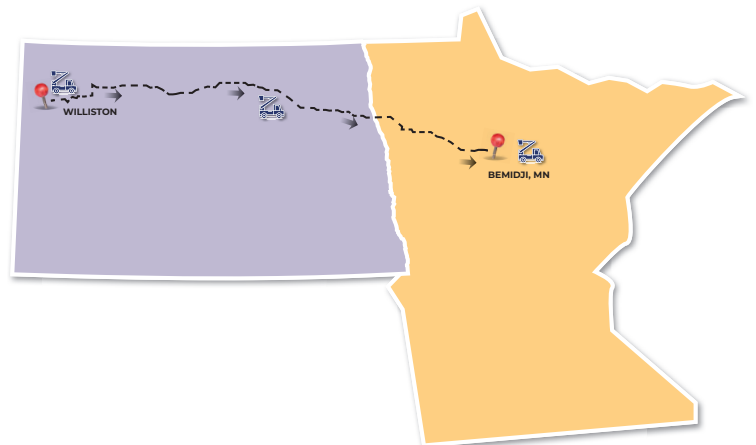
Long-term sustainability is always our focus when reviewing our annual construction plan. We understand the importance of keeping up with industry knowledge, standards, and best practices when it comes to responsible growth and accountability. In 2023, we invested nearly \$7 million burying main tie lines, nearly \$2 million on burying overhead road crossings, and approximately \$4.5 million on replacing aging infrastructure. Over time these solutions will help create the most robust system possible and continue to cut down on outage time and frequency.

SAFETY

Safety, unlike planned projects or outages, never has a completion date. Safety must be the focus to make sure everyone gets home safe at the end of the day, every day, and that includes every employee, crew, and community member. In 2023, MWEC staff participated in nearly 40

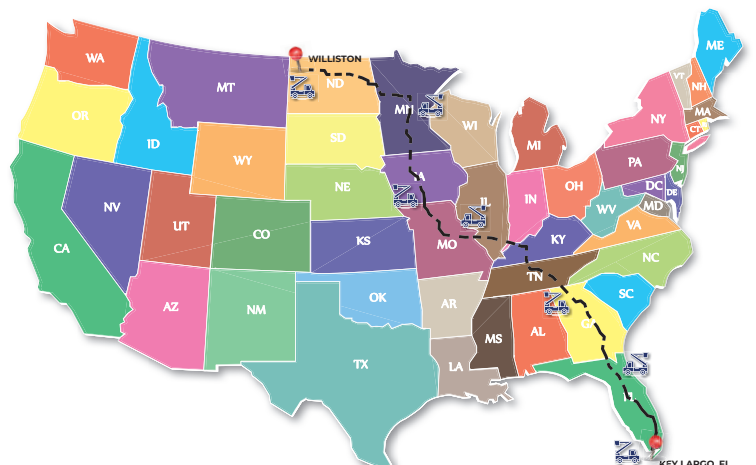
450 MILES OF TRANSMISSION LINE

That's the distance between Williston and Bemidji, MN!



5,000 MILES OF DISTRIBUTION LINE

Like driving from Williston ND to Key Largo FL and back



SUBSTATION/DISPATCH/SECURITY REPORT



STEVE PETERSON
Division Manager:
Substation/Dispatch/Security

It has been another busy year for the Substation, Dispatch, and Security departments.

The demand for electricity is greater than ever before and continues to drive new construction projects in our service area.

In 2023, we allocated resources to test and maintain the electric grid to improve reliability. Testing and maintenance of current equipment is critical for continuing smooth operations

helping us to be proactive, not reactive, when it comes to addressing small issues early on.

As technology evolves, Mountrail-Williams Electric Cooperative (MWEC) continues to invest in the latest technology aiming to minimize outage frequency, duration, and the impact on our members. We understand the value of time, whether it's for drying grain, running a business, or hosting a holiday celebration.

SUBSTATION

MWEC's substation department is made up of a utility crew, relay crew, and apparatus crew. They are tasked with operating and maintaining 110 sites, spanning from Grenora to Plaza, with more sites planned for this year (2024).

Utility crews inspect these sites monthly and perform general maintenance and groundskeeping. They also do annual inspections using infrared thermography searching for minor issues before they cause large outages. Infrared cameras expose a variety of issues including:

- Internal hot spots on degrading equipment
- Loose bolts or fittings where connections are made
- Heater failures on outdoor equipment
- Oil cooling system issues on oil filled equipment
- Dielectric loss of insulating materials

Relay and apparatus crews are responsible for testing and maintaining equipment within the substation, which includes but is not limited to, transformers, circuit breakers, protective relays, and DC battery banks. A wide range of skills are required to perform these tests, interpret the results, and if needed, make physical repairs

to equipment or update settings in the protective relays to keep the grid operating properly. These crews also ensured accurate information was transmitted from the substation to our Supervisory Control and Data Acquisition (SCADA) system.



Infrared thermography

DISPATCH

The dispatch department is staffed 24/7 to monitor the electrical and security systems. If you have received a phone call from MWEC regarding a power outage, this call most likely came from someone working in dispatch. Safety and communication are two priority areas for dispatch staff, as they work closely with field crews during outages and can energize/de-energize power lines remotely from their computers. They also have the important task of writing and directing switching orders, which entail detailed step-by-step instructions to reconfigure the electrical system safely and when possible, without interrupting power.

SECURITY

In accordance with our *Member Focused, Member Driven* approach, it is important for MWEC to proactively take measures to enhance the physical security of critical electric infrastructure. Security plans are created and directed by the security department to ensure the security of our MWEC electrical system and our member-owners.

MWEC remains committed to providing safe and reliable service to you, our member-owner. We look forward to another safe, productive year in 2024. Thank you for your continued support. ■

INFORMATION TECHNOLOGY/MAPPING/ COMPLIANCE REPORT



JERRY REHAK
IT/Compliance/Special Projects
Manager

At Mountrail-Williams Electric Cooperative (MWEC) serving you, our member-owner, is our top priority. Each year, we invest significant time and resources to enhance your cooperative experience.

CYBERSECURITY

We value the trust you place in us to safeguard your personal and business information from cybersecurity threats. In today's technological landscape, it is important to take the

threat of cybersecurity attacks seriously when it comes to protecting the electric grid and our member information. In 2023, we worked with a third-party partner to simulate a cyber security/ransomware attack aimed at evaluating the effectiveness of our Cybersecurity Incident Response Plan. This exercise identified our strengths and areas of opportunity, improving our preparedness to respond to a cybersecurity incident if needed.

IT

Your IT department has had a very busy year. In 2023, we installed 14 miles of fiber optic lines to improve network communication speed and reliability, and installed 90 substation cameras throughout our service area.

Additionally, our IT department finished the implementation of Multi-Channel Messenger (MCM). MCM allows us to communicate with our members in three ways: texts, emails, and phone calls. We are working hard to determine the best methods to keep our members informed, while keeping in mind everyone's right to privacy.

MWEC has wrapped up the second phase of the Supervisory Control and Data Acquisition (SCADA) system initially rolled out in 2022. Hardware and software teams worked with our electrical engineers, substation electricians, distribution automation technicians and dispatchers to bring this project to a "fully implemented" status. There are many exciting features of this project, but the one that impacts our members the most is the implementation of FLISR system as mentioned in our operations report.

MAPPING

The Mapping Department continues to make great strides in delivering mapping, staking and inspection solutions to field personnel, and our members. Our maps aren't just pretty pictures; they are interactive tools filled with data, utilized across all departments. You have likely seen these maps in SmartHub or when accessing the Outage Center on the MWEC website.

Another milestone this year, was the implementation of a new inspection program. This program will ensure one-third of our electrical system is inspected each year. These inspections are part of our commitment to invest in preventative maintenance measures that will identify minor problems before they become major problems.

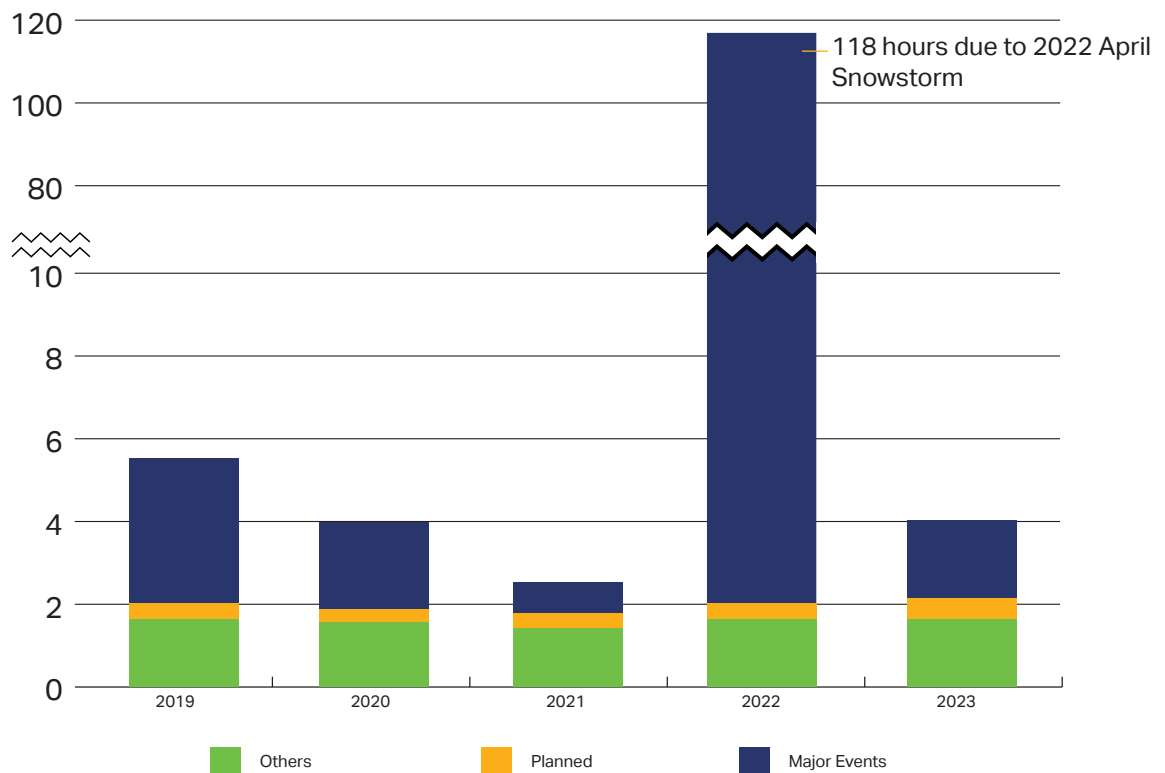
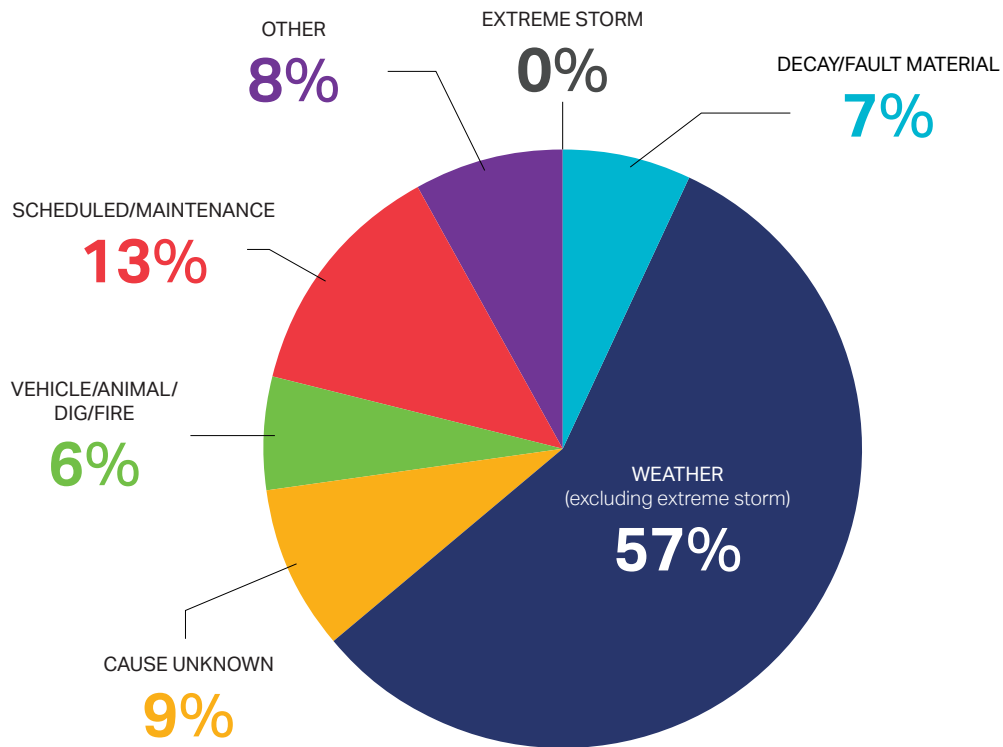
COMPLIANCE

Behind the scenes, the compliance department continues to play an integral role by actively working with our compliance and enforcement partners North American Electric Reliability Corporation (NERC) and Midwest Reliability Organization (MRO). Through this collaboration we have implemented fifty-two required standards which define reliability requirements for planning and operating the North American bulk power system. These standards have been developed using a results-based approach that focuses on performance, risk management, and entity capabilities. Cyber security, physical security, reliability, communications, accountability, training, event reporting, and system protection are all addressed.

I'm very proud of every member of our IT, Mapping, Compliance and Cyber Security teams. Their *Member Focused, Member Driven* approach drives their work every day. They constantly strive to make MWEC the best cooperative it can be. ■

OUTAGE REPORT

2023 Outages by Cause



PUBLIC RELATIONS/COMMUNICATIONS



DUBI CUMMINGS

PR & Communications Manager

At Mountrail-Williams Electric Cooperative (MWEC) we take pride in providing you the electricity that powers your life. You have heard the saying 'The electric grid is one of the most complex machines in the world', and it's true. The dynamics of the electric grid are ever-changing. Energy policy, inflation, and outside threats are situations that we can't control. However, our hope is to effectively communicate, educate and engage in a way that

resonates with every one of our member-owners.

COMMUNICATION

Some of you may have recently received an email from marketresearch@nreca.coop asking you to complete a survey about your experience with MWEC. Members were chosen at random by our third-party partner to complete the online survey. We are excited to analyze and share the survey results with you later this summer. We believe that this survey will give us an opportunity to adapt and identify ways to be intentional in everything we do.

The communications team also works with managers on a daily basis regarding outage response, upcoming projects, electrical education and industry trends impacting your local cooperative.

COMMITMENT TO COMMUNITY

At MWEC we believe that investing in our community is vital to our mission. This is why we continue to sponsor local events and programs throughout our service area. To name just a few:

- Antelope Society's Little Shell Celebration
- Freedom Fest
- Gnarly Barley Run
- Injury Military Wildlife Program
- Korner Lions Club
- Marketplace for Kids
- Mountrail County Achievement Days
- White Earth Valley Saddle Club
- New Town Car Show

In 2023, we also had the opportunity to meet members by attending Chamber, Economic Development and Commercial Club meetings and events. We value these

partnerships and firmly believe there is value in face-to-face interactions to build trust and community.

FOCUS ON THE FUTURE

In 2023, we developed a school education plan, focused on safety, to guide our efforts. Throughout the year, we invited students from schools across the service area to MWEC and tailored our educational programs to meet their needs. We also traveled to local schools and provided electrical education to students throughout our communities.

In alignment with our cooperative principle, *education, training, and information*, the MWEC Board of Directors approved the enhancement of our college scholarship program. It was a record year for applications received and scholarships awarded.

17 applications
MWEC-BEPC Scholarship

26 applications
Haugen Family

31 applications
Community Scholarship

Nearly \$20,000 awarded
(\$2,500 in 2023)

We are also proud to support the potential of our youth through educational opportunities. Last year we sponsored an all-expense paid youth tour trip to Washington, DC, and a summer lineman program for area youth.

And although the electric grid continues to present new challenges, we are faced with the opportunity to step up, adapt and communicate in ways that are meaningful to you, our member-owner. At MWEC we strive to be *Member Focused, Member Driven* in the work we do to provide reliable, affordable power. Because at the end of the day, that is what being a cooperative is all about. ■

2024 SCHOLARSHIPS

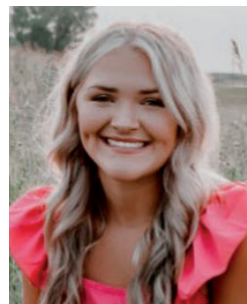
COMMUNITY SCHOLARSHIPS



GRAHAM WRIGHT
Grenora High School
\$1,000



ELLYSE BRIONES
New Town
High School
\$1,000



HANNAH BRAAFLAT
North Shore
High School
\$1,000



MADDIX FALK
Ray High School
\$1,000



MOLLY LUND
Stanley High School
\$1,000



KENNEDI KEEVER
Tioga High School
\$1,000



KENDRA HALL
Williston High School
\$1,000



JAMES RICHARDS
Williston Trinity
Christian
\$1,000

MWEC/BEPC SCHOLARSHIPS

HAUGEN FAMILY SCHOLARSHIP



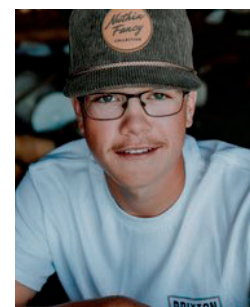
BROOKE VACHAL
Tioga High School
\$2,000



NIKKI BRISTOW
Williston High School
\$1,500



LANE VACHAL
Stanley High School
\$1,000



JACE ANDERSON
Stanley High School
\$5,000

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 volunteer 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 its inception in 1997
OVER \$410,000

has been awarded through Operation Round Up

2023 DISBURSEMENTS

Mountrail Cooperative Trust: \$7,120

Williams Cooperative Trust: \$13,700

TOTAL: \$20,820

2023 RECIPIENTS

Acro Stars Gymnastics
Aurthur Solie American Legion Post 121
Coyote Clay Target League
Dakota Prairie Quilt Guild
Fort Buford Sixth Infantry
Fort Union Association
Gnarly Barley Run
HER Inspiration Resource Center
Injury Military Wildlife Program of ND
Lady Outlaws Basketball Traveling Program
Light of Christ Lutheran Church
Little Lambs Child Care

McVay PTO
Miss ND Preliminary
Mon-Dak Gymnastics
New Town Chamber
New Town City Library
Royals Youth Basketball Team Powers Lake
Sibyl Center for the Arts
Stanley Commercial Club
The Crazy Cat Crew
Vipers Basketball Traveling Program
Western Wranglers
Williston Sea Lions



1. New Town Train Project
2. Acrostars Gymnastics
3. Coyote Clay Target

RIGHT-OF-WAY



LEAH JOHNSON ELLIS
In-House Legal Counsel/ROW

As Mountrail-Williams Electric Cooperative (MWEC) continues to grow, new construction is not possible without the cooperation of our members and landowners. In 2023, MWEC constructed approximately 11 miles of new transmission lines, 110 miles of new distribution lines, and secured approximately 400 easements. These easements grant MWEC access to land for the purpose of building, repairing and maintaining the electrical system.

Within our organization, the ROW department is continually working to refine the right-of-way process and work with other departments to ensure the Cooperative continues to meet the growing electrical demand in this region. MWEC always appreciates the opportunity to sit down with landowners and is committed to 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.

LINEWORKER PROGRAM

MWEC teamed up with Bismarck Public Schools Career Academy to enhance Career and Technical Education (CTE) opportunities for high school students across North Dakota. The week-long program took place at Bismarck State College, offering students a taste of dorm-life while learning more about the electrical trade. The curriculum included a broad range of subjects, including but not limited to:

- Understanding direct/alternating current theory
- Testing equipment hands-on
- Learning line worker tools and safety
- Understanding the electrical grid
- Participation in industry tours

2023 Attendees

Zane Soiseth – Alexander Public School
Casyn Bieri – Stanley High School
Jace Anderson – Stanley High School
Hunter Speagal – Stanley High School
Jacob Kjorstad – Williston High School
Samuel Arnsen Erwin – Williston High School



EMPLOYEE ANNIVERSARIES

30 YEARS

Jay Lux

20 YEARS

Lynn Heinle

Ben Hettich

15 YEARS

Ashley Kuster

Matt Elsbernd

10 YEARS

Janet Graff

Todd Bustad

Beth Moberg

Kevin Otteson

Karlyne Mickolio

Casey Axtman

Brant Cartwright

Shelby Barsh

Andrew Davis

Kyle Sorenson

Ryan Faber

5 YEARS

Jeff Holte

Rory Borho

Olivia Oster

Tanner Burnett

Lukas Dahl

Dustin Bertsch

Heidi Wittmayer

Hunter Bowker

Jordan Carpenter

Allen Reep

YOUTH TOUR PROGRAM

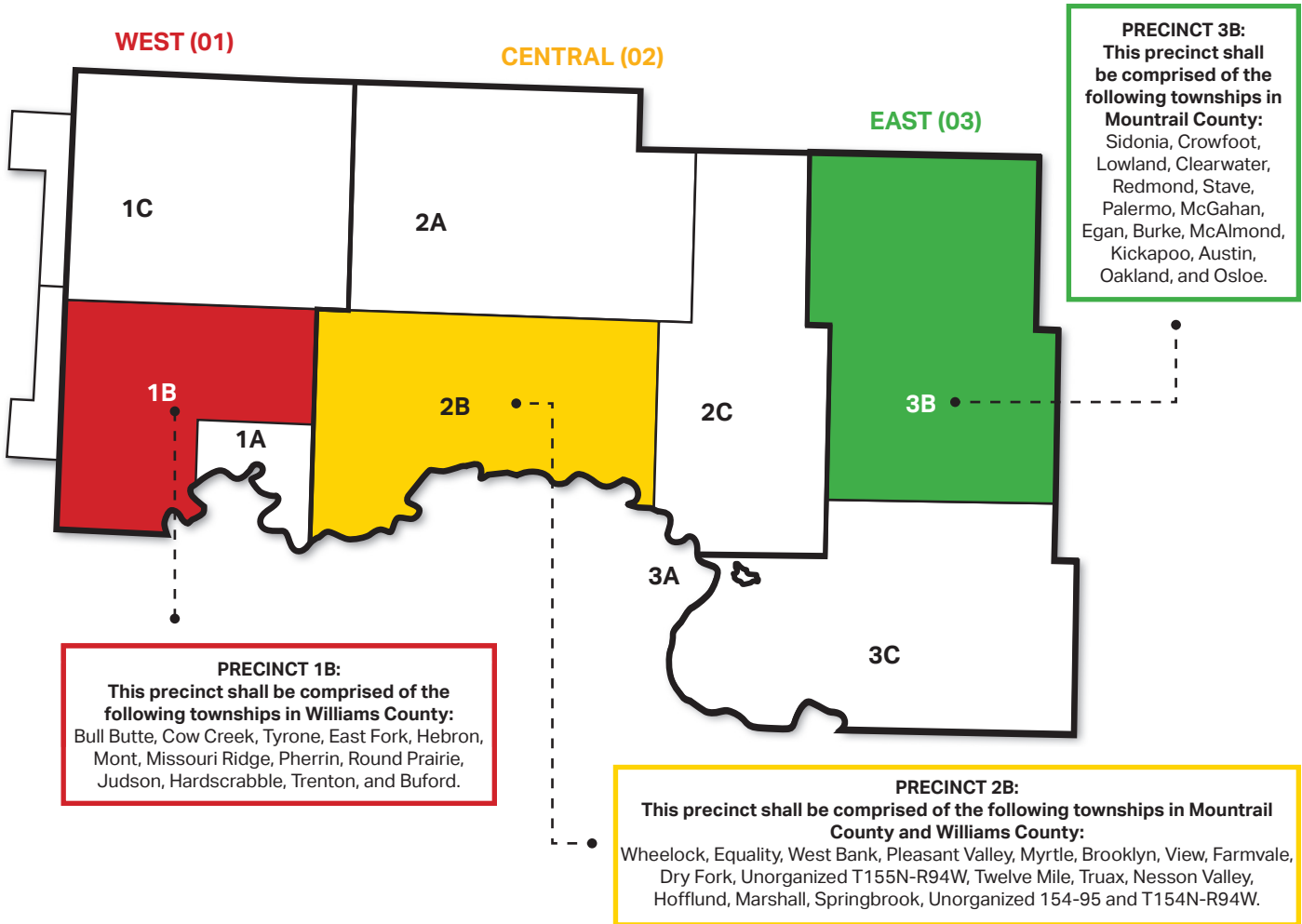
Each year MVEC sends a member-dependent on the trip of a lifetime.

Winners get an all-expenses-paid trip to Washington D.C. where they get to visit unforgettable historic monuments, museums and a chance to meet with North Dakota Senators and Congressman.

Learn more about the 2025 Youth Tour at www.mwec.com/youth-tour or scan the QR code.



BOARD SEATS UP FOR ELECTION



2024 GUEST SPEAKER TRENT LOOS

Loos Tales is dedicated to exploring the interesting people and places of Rural America. It is the creation of Trent Loos, a sixth generation United States farmer with a passion for the rural lifestyle.

Loos records, produces and sends his radio programs from wherever his travels take him using his laptop computer and the internet. He presently has a radio listening audience of 4 million and can be heard on more than 100 stations across the country.

Loos also can frequently be found addressing agricultural and non-agricultural groups alike. His audiences vary in age, background, mission and profession, but they all come away enthused about bridging the gap between food producers and consumers. Among his favorite audiences are our nation's youth where he takes the opportunity to talk with them about the importance of food as a matter of



national security and the value of their involvement in today's food production system.

Trent was raised on a diversified farm near Quincy, IL. He entered the hog business at a young age and has been involved in livestock production ever since. He and his wife Kelli operate a purebred Limousin and Angus herd. They enjoy working cattle, training horses and raising their three daughters on their ranch in central Nebraska.

BOARD OF DIRECTORS



JENNIFER WADE
DIRECTOR
DISTRICT 1C
Serving Since 2019



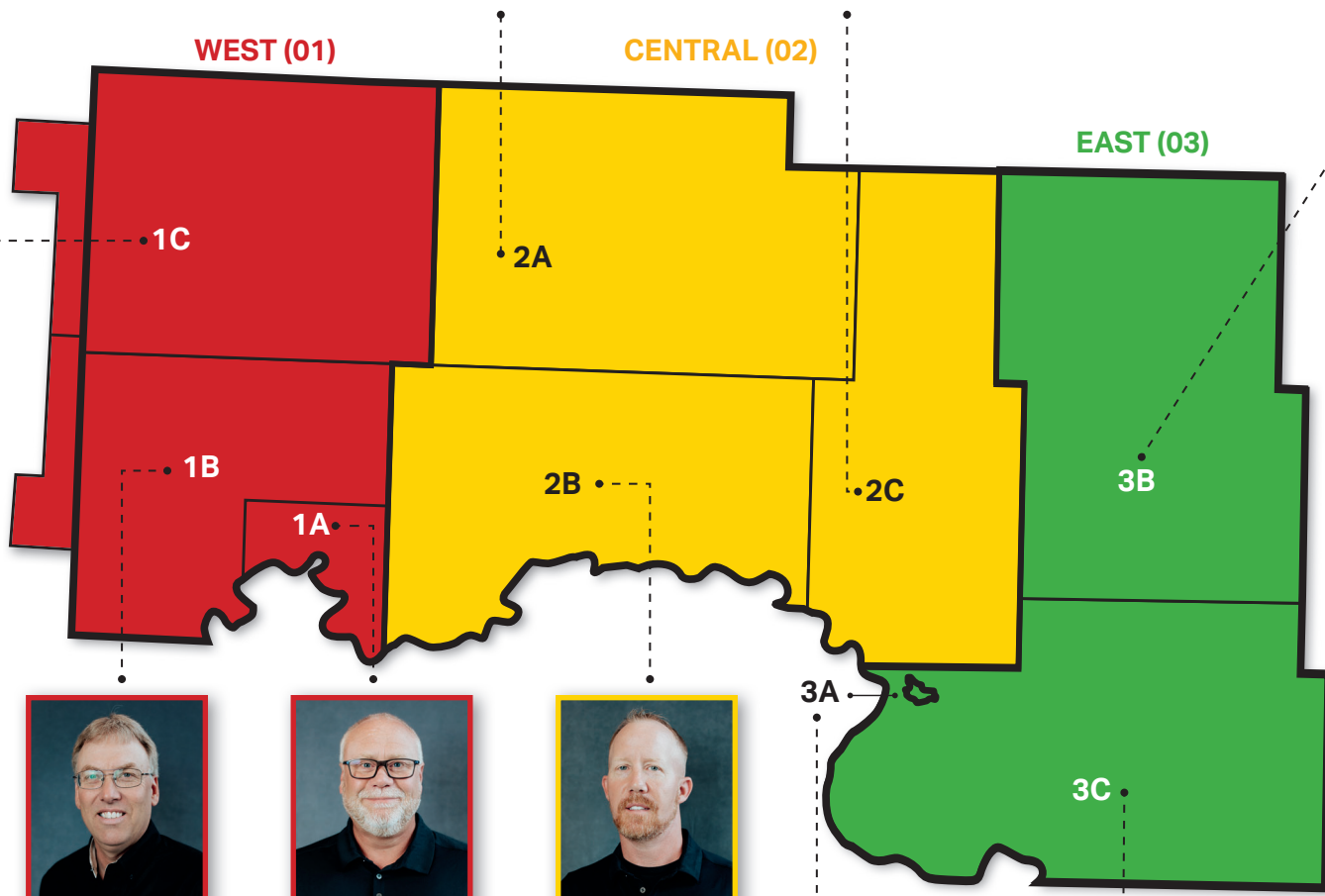
GARRETT LALIM
VICE CHAIRPERSON
DISTRICT 2A
Serving Since 2014



RYAN WILHELMI
DIRECTOR
DISTRICT 2C
Serving Since 2022



BOB GRANT
CHAIRPERSON
DISTRICT 3B
Serving Since 1981



BLAINE JORGENSEN
SECRETARY
DISTRICT 1B
Serving Since 2006



BRION NORBY
DIRECTOR
DISTRICT 1A
Serving Since 2021



PETE PETERSON
DIRECTOR
DISTRICT 2B
Serving Since 2021

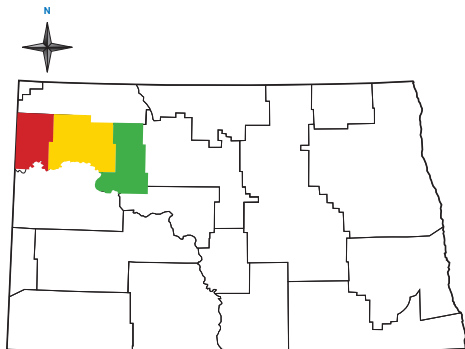
3A



VACANT
DIRECTOR
DISTRICT 3A



KYLE DETIENNE
TREASURER
DISTRICT 3C
Serving Since 2019



MWEC

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