



ANNUAL REPORT



2021

RECONNECTING

**2022 ANNUAL
MEMBERSHIP MEETING**

JUNE 2, 2022

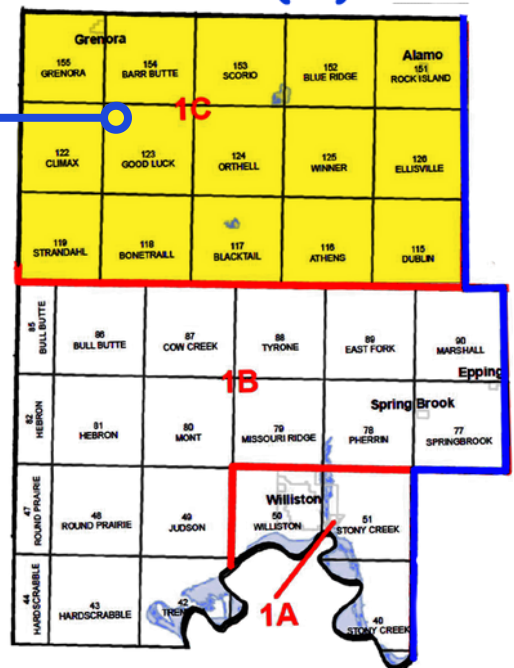
BOARD SEATS UP FOR ELECTION

West District 1C

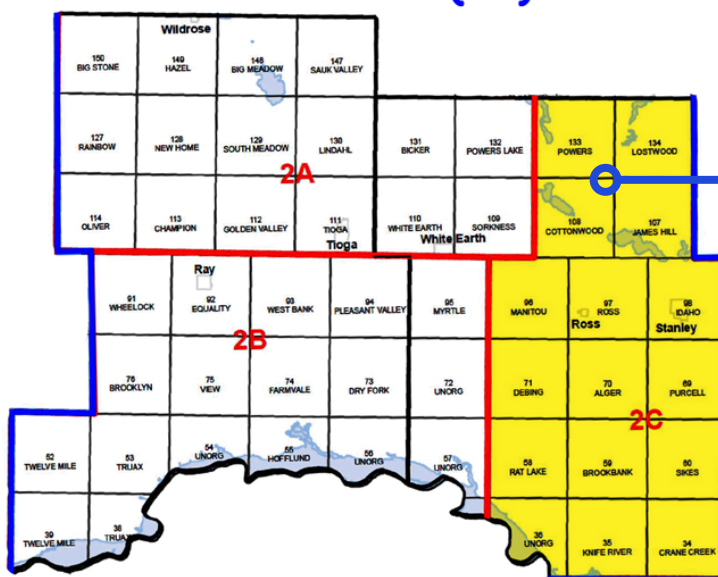
This precinct shall be comprised of the following townships in Williams County:

Grenora, Barr Butte, Scorio, Blue Ridge, Rock Island, Climax, Good Luck, Orthell, Winner, Ellsville, Strandahl, Bonetrail, Blacktail, Athens and Dublin.

WEST (01)



CENTRAL (02)



Central District 2C

This precinct shall be comprised of the following townships in Mountrail County:

Powers, Lostwood, Cottonwood, James Hill, Manitou, Ross, Idaho, Debing, Alger, Purcell, Rat Lake, Brookbank, Sikes, Knife River and Crane Creek, and Unorganized T153N-R93W.

EAST (03)



East District 3C

This precinct shall be comprised of the following townships in Mountrail County:

Wayzetta, Shell, Spring Coulee, Osborn, Van Hook, Parshall, Model, Plaza, Big Bend, Howie, Liberty, Fertile, Banner, Mountrail, T150-R93W, T150-R92W and T152-R93W.

AGENDA

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

CHAIRPERSON REPORT



BOB GRANT

Board Chairperson

WELCOME to the 31st Annual Meeting of Mountrail-Williams Electric Cooperative. With the events of the past couple years, we hope that this meeting will be a big part of our goal to RECONNECT with our members.

Our goal has always been --- and remains --- to keep our membership informed of what is happening at MWEC; we are looking for feedback from you - the members - to make sure we are all aligned in the same direction for the future.

The board is reconnecting with each other. We have had a lot of remote/virtual meetings in the past couple years, but are now focusing on in-person meetings with a virtual option. Technology is very helpful to allow board members and employees to take part in the meetings when conflicts arise - such as weather, health, work schedule or family. The unexpected death of Director Dick Ludwig left a void; he was so knowledgeable of the MWEC system and was dedicated to MWEC. Through a selection process and interviews, the board selected Brion Norby to serve the balance of Director Ludwig's term.

Covid and the slowdown in the oil field have actually benefited MWEC. It has given us time to take a breath and focus on upgrading parts of our system which is now over 80 years old. In other words - it is still a busy year.

One of the biggest highlights for me this year would be the opening of MWEC's new facility in New Town. It is a project that was well overdue and will help us be more efficient. The facility allows for more equipment to be located in New Town and creates a better quality of life for our employees. Stop in and look it over. We are continuing to look at updating the Stanley facility in the very near future.

Technology continues to be a big driver in upgrading our system for now and the future. Cyber security is very high on the list. Our IT department does a great job of staying current and working with experts in the field to keep our employees at a high awareness level. The board also goes through ongoing training sessions for cyber security.

In January, the board and employees held a two-day Strategic Planning Session. What will it take for MWEC - its board and employees - to meet the changes and challenges of the future and remain a strong and viable cooperative for our members?

The directors will be dedicating a portion of each board meeting with discussions on increasing our knowledge, understanding and education of the past and current culture of MWEC. We will discuss what will be needed to be ready to meet the future challenges as the industry evolves.

We are prepared to work with our neighbors throughout the Rural Electric Cooperative System to make sure we remain strong and relevant to you - our membership, now and in the Future by Staying CONNECTED!

GENERAL MANAGER REPORT

RECONNECTING.....

When we think about who we are and what we stand for as cooperatives, the theme RECONNECTING seems to fit quite well. Every year, Mountrail-Williams Electric Cooperative (MVEC) invites our members to share information, answer questions and hold elections, at our Annual Meeting.

MVEC recognizes that maintaining financial excellence, accountability and integrity are essential to RECONNECTING our members confidence. 2021 was a year of slower growth for MVEC, giving us the opportunity to revisit financial policies and practices to make sure your cooperative is CONNECTING to future member demands. By this I mean, that we have the tools to be prepared for the growth of new distributed energy resources, such as solar power and energy storage, along with the rapidly changing energy needs to serve our large and smaller members.

Your Cooperative Team is experienced and our transmission and distribution resources are operating with excellence. In 2021, we achieved 99.98% of the time with the power being on. Reliability does not happen by chance. Your Cooperative operates a 24/7 power control center, automated substation controls, automated switches, and an active outage management system. Line personnel are on call and available 365 days a year, along with the support team of all employees staying CONNECTED for continued member support.

Safety is the top priority at MVEC and MVEC has a strong culture of workplace safety. We make every effort to ensure our employees get home at the end of each workday. CONNECTED for each other.

MVEC is always looking for ways to improve our member's experience. I could go on and on about the effort and ideas that our employees get by the interaction with our members at all levels, CONNECTED!

As you read this annual report, I hope you see this employee commitment to MVEC, and that our responsibilities go beyond the poles and wires. We want this cooperative to be CONNECTED for our members.

I need to thank our Board of Directors for their leadership and guidance throughout 2021. Notably, we would like to extend our gratitude to our outgoing Past Board Chairperson, Roger Sorenson, for all the work and countless member calls, as well as the weekly, sometime daily calls to the cooperative. Roger was elected to the board in 1995. Thank you so much for your leadership and staying focused on the responsible growth during challenging times as MVEC rebuilt for the Bakken boom. Thank you again.

Director and past employee, Dick Ludwig, who was so knowledgeable and dedicated to MVEC, passed away following a short illness. MVEC cannot express the loss that this has left us. He leaves a legacy in the profound effect he had on MVEC.

On behalf of the Board of Directors, our management team and all the employees of MVEC, we say thank you for your support and all you do day in and day out. Let's all stay RECONNECTED!



DALE HAUGEN

General Manager

2021 ANNUAL MEETING MINUTES

The Annual Meeting of the members of Mountrail-Williams Electric Cooperative met at the Agri-Sports Complex in Williston, North Dakota on Thursday, June 3, 2021.

Chairperson Sorenson called the meeting to order at 2:20 p.m. Ryan Block, Safety Coordinator for the Cooperative, outlined the safety procedures which were in place for this meeting. The National Anthem was played.

NOTICE OF ANNUAL MEETING

The Cooperative mailed 8,229 notices on May 12, 2021, to members of the Cooperative in advance of the meeting.

APPROVAL OF 2020 ANNUAL MEETING MINUTES

In registering, each member was given a copy of the minutes from the 2020 Annual Meeting, which had been held on September 30, 2020. Upon a motion passed by the membership, minutes were approved as printed and presented.

AGENDA

The agenda was approved as presented.

QUORUM

Chairperson Sorenson reported there were 52 registered members in attendance and a quorum was declared present.

WRITTEN REPORTS

Chairperson Sorenson noted that there were several written reports available to the membership in its 2020 Annual Report.

INTRODUCTION OF BOARD OF DIRECTORS

Chairperson Sorenson introduced the current Board of Directors.

AUDIT REPORT

Jean Luke Arel of Eide Bailly, LLP, presented the results of the financial audit for the Cooperative for the year ending December 31, 2020. This audit showed operating margins of \$20,565,770 and operating revenues of \$305,532,492. The total margins were \$33,271,629, which included interest income and capital credits received by the Cooperative. The total equities of the Cooperative are now \$287,108,219. The total investment in the electric plant increased to \$645,796,731. The auditor went on to report that the firm 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 2020 meeting.

GENERAL MANAGER REPORT

Manager Haugen noted that 2020 had been a challenging year, and he thanked the Board of Directors for its management of the Cooperative during the COVID-19 pandemic. He reviewed with the membership the rate holiday that the Cooperative completed at the end of 2020. Manager Haugen highlighted that efficiencies have also helped the Cooperative keep its rates low and discussed the reliability that the Cooperative is striving to achieve. He thanked and recognized his team leaders and described their roles within the Cooperative. Manager Haugen recognized a number of employees for their work through the last year.

2021 ANNUAL MEETING MINUTES

ATTORNEY'S REPORT

Manager Haugen read the legal report on behalf of Brittany Foust who serves as general counsel for the Cooperative, but was unable to attend the annual meeting in person. Attorney Foust has attended special and regular board meetings for the Cooperative. She 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 also pointed out that the Cooperative has intervened in ongoing FERC cases and state court litigation. Manager Haugen also recognized Attorney Dwight Eiken, from Neff Eiken & Neff, who was present at the meeting.

ELECTION OF DIRECTORS

Chairperson Sorenson reviewed the process for nomination of members to serve as directors for three-year terms. Those candidates who had previously filed petitions before the deadline included:

West District:	Blaine Jorgenson
Central District:	Pete Peterson
East District:	Bob Grant

The candidate biographies were included in the meeting handout.

Chairperson Sorenson then called for a motion to cast a unanimous ballot for Blaine Jorgenson for the position of director from the West District. The motion was made and carried casting a unanimous ballot for Blaine Jorgenson.

Chairperson Sorenson then called for a motion to cast a unanimous ballot for Pete Peterson for the position of director from the Central District. The motion was made and carried casting a unanimous ballot for Pete Peterson.

Chairperson Sorenson then called for a motion to cast a unanimous ballot for Bob Grant for the position of director from the East District. The motion was made and carried casting a unanimous ballot for Bob Grant.

Chairperson Sorenson presented retiring Board Member Cheryl Hartsoch with a plaque recognizing her twenty-four years of service to the Cooperative. Vice-Chairperson Bob Grant also recognized and thanked Cheryl Hartsoch for her trailblazing service. He also discussed the benefits he has seen and experienced from the merger of Mountrail Electric Cooperative and Williams Electric Cooperative.

OLD BUSINESS

There was no old business brought forward for discussion.

NEW BUSINESS

Manager Haugen presented a letter request from a member asking the Board to consider providing scholarships to all Cooperative member high school seniors applicants.

ADJOURNMENT

There being no further business, the meeting was adjourned.

RULES

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

2. POINT OF ORDER: The Chairperson shall preserve order and decide all questions of order subject to the appeal to the convention.

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

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

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

6. MOTION TO BE SECONDED AND STATED BEFORE DEBATE: No motion shall be debated unless put forth and the same be seconded. It must then be stated by the Chairperson before the debate and any such motion must be reduced to writing if the Chairperson desires it.

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

8. MOTION ON DEBATE AND PROCEDURE: When a question is under debate, no motion shall be received but to table, to postpone, to amend, or substitute.

9. MOTION TO ADJOURN IN ORDER, WHEN: A motion to adjourn shall always be in order, except when a member is addressing the Chairperson or a vote is being taken.

10. CONDUCT BEYOND THESE RULES: On any point not covered in the above rules "Robert's Rules of Order" shall govern.

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

12. VOTING ELIGIBILITY: Each member shall be entitled to only one vote. Joint membership shall constitute a one joint vote.

FINANCIAL OPERATIONS REPORT

Mountrail-Williams is no different than any other company or you at home in that in 2021 we started to see an impact on our operations and expenses from inflation, supply chain issues and fuel prices. Nobody knows when it will end but I can tell you is that even with these challenges MVEC is in good financial shape for the foreseeable future.

Each year Mountrail-Williams goes through an extensive financial forecasting and budgeting process that brings in information from our department heads, our power supplier and our lenders. Information like kwh sales, operations expenses, plant construction, capital expenditures, and interest rates are all compiled into a forecasting program. What comes out is the forecast for the next ten years. Good news, the future is bright for MVEC. It showed that we will be able to build out and maintain the system needed to continue to bring you reliable electricity. Even better news, it showed we can do this while keeping the rates you pay stable.

The board and staff use this information to make financial decisions in budgeting, when and how much to borrow from bankers and when and how much capital to return to our members in the form of capital credit checks. Because of the strong financial performance, it allowed the board to remain on schedule with capital credit retirements sending out \$12.5 million last June.

In 2021, MVEC had operating margins mainly from the sale of electricity of \$26,699,248, this was up \$6.1 million from 2020. The primary reason for the increase in margins is due to some credits MVEC received from its power suppliers at the tail end of 2021. Our non-operating margins, which includes interest income plus patronage dividends we receive from other cooperatives, were down \$2.2 million from 2020 for a total of \$10,507,322. This brought our total margins for the year to \$37,206,575 for an increase of \$3,934,948 over 2020.

For the balance sheet side of things, our total assets are now at \$729 million, an increase of \$12 million over last year. Our largest asset is our electric plant which makes up 73% of the total assets. Liabilities came in at \$419 million which was an \$11 million decrease from last year. Our largest liability is our long term debt at \$340.3 million (81.2%). The final part of the balance sheet has to do with equity which is your ownership in Mountrail-Williams Cooperative. Patronage capital, which gets returned to members as the board retires it, increased by \$24 million to \$297 million, other equities decreased \$465,000 to \$13.6 million bringing total equities to \$310.6 million or 42.5%.

Eide Bailly, a certified public accounting firm, audits Mountrail-Williams annually. Eide Bailly completed the audit of Mountrail-Williams' books in February 2022 and issued a clean audit opinion on the financial statements and on compliance with rules and regulations. In other words, Eide Bailly found the financial records of your cooperative to be in good order. The audit was presented to and accepted by the board of directors on March 30, 2022.



JAY LUX
Chief Financial Officer

FINANCIALS

STATEMENT OF OPERATIONS AND PATRONAGE CAPITAL

Years ended December 31, 2021 and 2020

WHERE IT CAME FROM		
	2021	2020
OPERATING REVENUE:		
Electric	\$292,224,056	\$288,514,853
Lease	\$15,839,219	\$16,235,733
Other	\$1,020,831	\$781,906
Total Operating Revenue	\$309,084,106	\$305,532,492
WHERE IT WENT		
OPERATING EXPENSES:		
Cost of Power	\$216,908,597	\$222,309,128
Transmission Expense-Operations	\$1,401,155	\$1,044,419
Transmission Expense-Maintenance	\$1,511,113	\$1,389,590
Distribution Expense-Operation	\$10,598,870	\$10,231,848
Distribution Expense-Maintenance	\$4,887,479	\$3,936,914
Operations Costs	\$18,398,617	\$16,602,771
Customer Accounts Expenses	\$2,065,982	\$2,262,117
Customer Service & Info. Expense	\$415,408	\$398,236
Sales Expense		\$3,000
Administrative & General Expense	\$5,119,538	\$4,538,324
Administration Costs	\$7,600,928	\$7,201,677
Depreciation Expense	\$18,218,959	\$17,058,519
Accretion of Plant Reserve	\$2,495,035	\$2,365,564
Taxes	\$2,864,880	\$2,915,616
Interest on Long-Term Debt	\$15,665,107	\$16,041,617
Amortization of Loss on Reacquired Debt	\$181,401	\$181,401
Other	\$51,334	\$290,429
Total Operating Expenses	\$282,384,858	\$284,966,722
OPERATING MARGINS BEFORE CAPITAL CREDITS:	\$26,699,248	\$20,565,770
GENERATION AND TRANSMISSION AND OTHER COOPERATIVE CAPITAL CREDITS:	\$10,203,055	\$12,156,877
NET OPERATING MARGINS:	\$36,902,303	\$32,722,647
NON-OPERATING MARGINS:		
Merchandising, Less Costs & Expenses (2021 - \$313,291; 2020 - \$209,200)	(\$79,555)	(\$540)
Other Non-Operating Margins	\$214,280	-
Interest Income	\$169,548	\$549,522
Total Non-Operating Margins	\$304,273	\$548,982
NET MARGINS	\$37,206,576	\$33,271,629

FINANCIALS

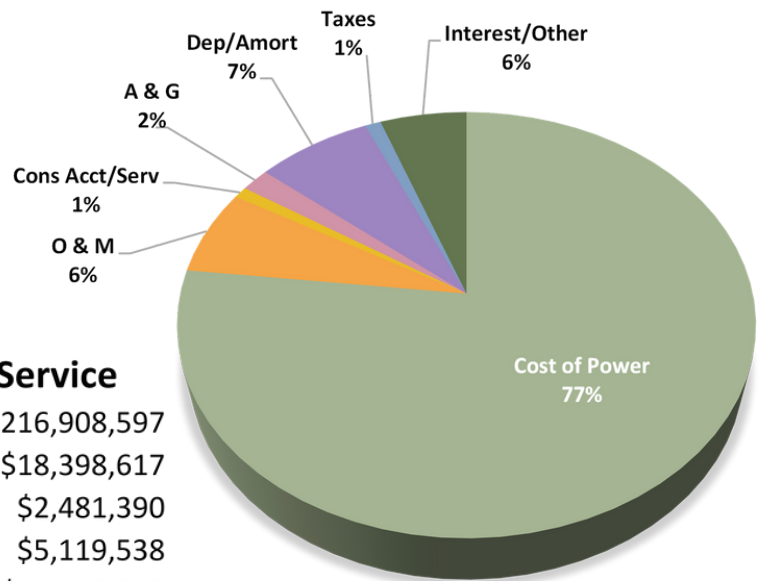
ASSETS:

	2021	2020
ELECTRIC PLANT:		
In Service	\$636,096,519	\$598,942,062
Under Construction	\$42,794,226	\$46,854,669
Total Investment in Electric Plant	\$678,890,745	\$645,796,731
Less Accumulated Provisions for Depreciation	\$143,917,763	\$130,083,307
Electric Plant - Net	\$534,972,982	\$515,713,424
OTHER PROPERTY AND INVESTMENTS:		
Investments in Associated Companies	\$113,773,534	\$105,832,787
Other Investments	\$255,425	\$259,665
Revolving Loan Fund	\$250,887	\$249,092
Special Funds	\$733,793	\$570,476
Total Other Property and Investments	\$115,013,639	\$106,912,020
CURRENT ASSETS:		
Cash and Cash Equivalents	\$665,981	\$837,535
Temporary Cash Investments	\$10,487,091	\$34,842,250
Current Portion of Notes Receivable	-	-
Accounts Receivable, Less Allowance for Uncollectible Accounts (2021 - \$5,077,566; 2020 - \$4,609,453)	\$17,070,578	\$16,193,395
Unbilled Revenue	\$27,600,174	\$21,651,936
Materials and Supplies	\$13,192,905	\$11,043,763
Prepayments	\$1,958,436	\$953,298
Interest Receivable	\$8,633	\$29,257
Total Current Assets	\$70,983,798	\$85,551,434
DEFERRED CHARGES:	\$8,432,714	\$9,227,921
TOTAL ASSETS:	\$729,403,133	\$717,404,799

EQUITIES & LIABILITIES:

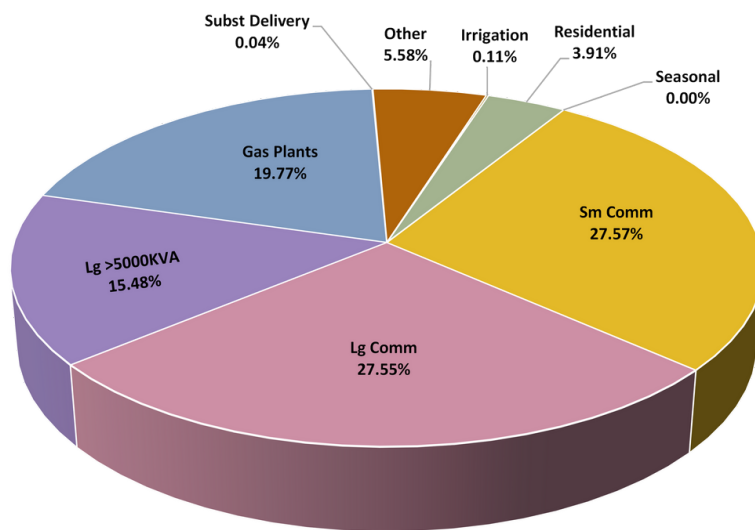
EQUITIES:		
Patronage Capital	\$296,987,222	\$273,058,697
Other Equities	\$13,584,993	\$14,049,522
Total Equities	\$310,572,215	\$287,108,219
LONG-TERM DEBT, LESS CURRENT MATURITIES:	\$340,357,733	\$350,588,926
OTHER NON-CURRENT LIABILITY:		
Deferred Revenue	\$12,000,000	\$12,000,000
Leased Plant Maintenance Reserve	\$711,923	\$711,923
Plant Retirement Reserve	\$19,934,126	\$17,439,098
Postretirement Benefit Obligation	\$101,196	\$115,234
Total Other Non-current Liabilities	\$32,747,245	\$30,266,255
CURRENT LIABILITIES:		
Current Maturities of Long-Term Debt	\$10,115,158	\$10,044,579
Accounts Payable	\$19,342,263	\$22,290,627
Customers Deposits	\$2,916,133	\$3,476,773
Taxes Accrued	\$5,962,728	\$5,980,131
Miscellaneous Accrued Current Liabilities	\$63,032	\$47,430
Accrued Compensated Absences	\$930,349	\$914,149
Postretirement Benefit Obligation-Current	\$16,800	\$18,130
Total Current Liabilities	\$39,346,463	\$42,771,819
DEFERRED CREDITS:	\$6,379,477	\$6,669,580
TOTAL EQUITIES & LIABILITIES:	\$729,403,133	\$717,404,799

FINANCIALS



2021 Cost of Electric Service

Cost of Power	\$216,908,597
O & M	\$18,398,617
Cons Acct/Serv	\$2,481,390
A & G	\$5,119,538
Dep/Amort	\$20,895,395
Taxes	\$2,864,880
Interest/Other	\$15,716,441
Total	\$282,384,858



2021 Operating Revenue

Residential	\$13,631,998
Seasonal	\$15,839,219
Sm Comm	\$88,768,078
Lg Comm	\$88,279,586
Lg >5000KVA	\$41,775,339
Gas Plants	\$58,872,068
Subst Delivery	\$509,259
Other	\$1,040,230
Irrigation	\$368,328
Total	\$309,084,105

CHIEF OPERATIONS OFFICER REPORT

Customer Service Department

MWEC's Customer Service department is the first group to assist members when they call or stop in the office. In 2021, they did this by answering 17,884 member phone calls, processing 28,917 payments, and signing up 944 new members. In addition, we expanded our use of electronic signature software, which has allowed members to complete and sign paperwork at their convenience. Although we needed to help members remotely over the past couple of years, we were glad to see the number of members visiting our offices in person return to normal levels by the end of the year.

Billing Department

MWEC's Billing department continued its efforts to provide timely and accurate billing for our members in 2021. The department worked hard at cross-training within the group, so all billing personnel was well-versed in the entire billing process. Also, the department added a new billing position in our New Town office to provide better service to our members in that area.

Metering Department

The metering department worked hard to maintain, test, and optimize the cooperative's metering system. The metering system has always been the foundation of providing accurate bills for our members, but it has become essential for other areas of cooperative business. For example, our dispatchers use the metering system daily for timely response to power outages. Also, our engineers use meter data in designing and configuring MWEC's grid. Finally, our members gain detailed insights into their electric use with MWEC's metering system data.

In recent years, we have focused on implementing SmartHub, our online payment and account management platform. Even though 63% of our members use SmartHub, that leaves about 3,000 members who do not.

MWEC's monthly printed bills are the only account information provided regularly to members who do not use SmartHub. To help these members, in 2021, multiple departments worked together to bring a modern design to our printed bills. The colorful redesign provides many of the same features SmartHub provides. The new printed bill includes detailed information about members' usage in graphs of monthly electric usage and average temperature. The new bill also contains multiple usage comparisons between the current month and the same month from the previous year. Another feature of the new bill is the expanded options for communications to members about cooperative news. I am excited about our new bill format's ability to reconnect more effectively with our members each month.

The MWEC staff had a busy year and worked hard to keep the cooperative running smoothly in 2021; I am proud of their accomplishments. We look forward to further serving and reconnecting with our members in 2022!



ALEX VOURNAS
Chief Operations Officer

ENGINEERING REPORT



SCOTT IVERSON

Senior Electrical
Engineer
Distribution and Load
Forecasting

When an engineer speaks about electrical load, they are referring to megawatts (MW) or kilowatts (kW). 1000 kW equals 1 MW. Think of kW as horsepower (HP) as they are mathematically comparable. Meters at the service point measure the kW used in load forecasting.

MWEC electrical load has recovered from the drop that occurred from COVID in the spring of 2020. The 2021-2022 winter peak, now the all-time system peak, was 565 MW. Last year's winter peak was 519 MW, and the previous all-time high of 545 MW was from the 2019-2020 winter. The electrical load increased for various reasons, such as wells that were shut off at the beginning of COVID are now producing, wells drilled around the spring of 2020 have been completed, and new wells have started to use electricity.

It has been a productive year for distribution system improvements. Our workload for new services was lower than years prior, which allowed us to focus on our distribution system. A total of eleven system improvement projects were completed in 2021. Those eleven projects came in at a cost of around \$5.5 million. MWEC replaced around 66 miles of line and constructed 2 miles of new line for system improvements. Most of the line replaced had deteriorated and experienced frequent outages.

The production of oil and gas is the largest contributor to the electrical load at MWEC. The Oil and Gas Division of the North Dakota Industrial Commission (NDIC) forecasts a continued increase in oil production for the next 20 years and gas for the next 30 years. The NDIC forecast is an input into the MWEC Load Forecast and reflects their increased production trends. This continued load growth is good for all members of OUR coop.

MWEC has started an aggressive plan to reduce the number of outages on our single-phase lines. This was important to the Engineering Department and will continue into 2022. 80% of the faults the electric utility industry experiences on overhead lines are temporary. In simple terms, a fault is a short circuit on the wire. An example of a temporary fault is a tree limb falling on the wires. The tree limb shorts the wires together and then generally falls to the ground. A temporary fault typically lasts seconds, and then the problem goes away. A temporary or permanent fault on the MWEC overhead system burns a fuse open, and consequently the line is no longer energized. The consumers downstream of an open fuse would then experience an outage. Circuit breakers are replacing fuses in most homes, shops, or barns. MWEC is following the same strategy of replacing fuses with a device that is like the circuit breakers in your homes. The plan is to install approximately eighty devices which are called TripSavers. The TripSaver is like a circuit breaker because it opens the circuit when a fault occurs. The TripSaver's name is due to its ability to SAVE our crews from taking a TRIP to a location which has an outage from a temporary fault. The TripSaver also automatically closes the breaker after a brief period. In the example above where the tree hits the wire, the TripSaver allows the tree limb to fall away from wire before the line is re-energized. And once it is re-energized, it stays energized since there is no longer a fault on the line. So, there is only a blink and not an outage. If it would have been a fuse, it would have opened, and we would have sent a MWEC crew for the outage. If you ever see your lights turn off and then turn back on again, it may be from a TripSaver, or a similar device that is on the distribution system.

MWEC works hard at providing the two most important things, electricity and service, while doing it safely! Take care and have a wonderful year ahead!

OPERATIONS REPORT

As Mountrail-Williams Electric Cooperative continues to grow and diversify, our commitment to serve and safely provide outage response continues to improve. The cooperative continues to leverage new tools and technologies to help improve response time and reliability.

Training

To provide the best service possible, training is a large piece of the puzzle. As new technologies emerge, we are continually exploring how they can work for us to help make MWEC a safer, and more reliable cooperative. While field experience is crucial, we also participate in classroom style learning several times a month. We use this time to have discussions that help drive the best decisions during the most crucial times.

Safety

Training leads us right into safety, which includes everyone at MWEC. Safety does not have a final goal or a completion date, it is an ongoing culture of keeping every employee/crew/community member safe. The safety department has and will continue to reach out to community emergency responders to help educate and inform of electrical hazards that exist on our system. Not just first responders, we also reach out during several shows, exhibits, and career fairs to make sure we are reaching out to members of all ages, regardless of background. We want to get information out to the public.

Growth and Reliability

With the uncertainty of the last couple of years, many wondered what the future would hold for cooperative growth. MWEC has grown and is continuing to grow. Along with the growth comes diversification and learning of emerging technologies. We will continue to work with members to help serve the loads and provide the service and reliability they expect. Reliability means keeping as many members on as possible. We have a few different ways to accomplish the reliability standards. Proactively, we can work on system hardening and line maintenance. As a response to faults, we can deploy several intelligent protective devices (breakers/relcosers/sectionalizers) to lessen the number of members affected by an outage. We are using all our available tools to make sure we can safely limit the scope of an outage. In 2022 we have roughly 12 system improvement projects to help cut down on outages and provide additional reliability. These projects range from replacing aging cable, to providing additional back-feeds for remote substations.

We will keep safety at the forefront as we continue to maintain approximately 5,000 miles of distribution line and approximately 450 miles of transmission line. The challenges ahead are exciting, MWEC will be working to stay on top of all emerging technologies to make sure MWEC members see the benefits.

Thank you for all your support.



MATT GLUECKERT
Operations Manager

HIGH VOLTAGE TRANSMISSION REPORT



MATTHEW STOLTZ
Senior Electrical Engineer
Transmission System

The MWEC service area is connected to the regional grid via a robust network of 345KV and 230KV transmission lines owned by Basin Electric Power Cooperative and Western Area Power administration. This system delivers power to MWEC's network of 115KV transmission lines which are connected to member delivery substations across the MWEC footprint.

These facilities are part of the Southwest Power Pool (SPP) Regional Transmission Organization (RTO). A RTO is a nonprofit corporation mandated by the Federal Energy Regulatory Commission to ensure reliable supplies of power, adequate transmission infrastructure and competitive wholesale electricity prices on behalf of its members. SPP is located in Little Rock Arkansas and serves a 17-state region across the central United States.

SPP provides several services as part of its RTO function, but in 2021 one of its most impactful functions to MWEC was its Integrated Transmission Plan (ITP). Each year SPP gathers up electrical load forecasts from its members and performs a consolidated reliability analysis of its system over the next 10 years. As electrical load growth increases over time, the stress on the transmission system increases. At a certain point this stress will cause certain facilities to fail the performance criteria. The ITP analysis models many different scenarios over short term and long term time periods. It captures transmission deficiencies and then working with its stakeholders, identifies the system improvements needed to maintain performance criteria. These improvements are implemented by sending a Notice to Construct (NTC) to the affected SPP transmission owner.

MWEC received several NTC's as a result of the 2021 ITP study. These include the following:

- A voltage support facility at MWEC's New Town Substation. This will help maintain a satisfactory voltage profile in this area of high load growth.
- A 115KV terminal at MWEC's East Fork Substation to accommodate a new electrical delivery from the nearby Basin Electric 345KV line.
- A new 115KV line connecting the MWEC Folvag Substation to the MWEC NE Williston Substation.
- A new 115KV substation and 115KV line in the Van Hook area to accommodate a new electrical delivery from a future Basin Electric 345KV line.

MWEC will begin the engineering and design of these facilities in 2022. Updates will be provided to the SPP project tracking system. Upon completion, the cost of these facilities will be placed in the SPP transmission tariff for cost recovery.

Meanwhile the new Basin Electric 230KV line project from Neset Substation (near Tioga) to a new North Shore Substation (near Ross) continues to progress. MWEC is building a 115KV line from New Town to the future North Shore Substation in coordination with this project. These transmission lines will provide support to the New Town Area and will be in service in 2023.

The additions of these facilities will ensure that MWEC will continue to accommodate its members load growth over the next 10 years.

SUBSTATION/DISPATCH/ SECURITY REPORT

The MWECC substation department consists of two crews – a utility crew and a technician crew.

The utility crew visits each of our substations and transmission switching stations monthly or quarterly to inspect equipment for problems and retrieve data for analysis. In 2021, MWECC purchased an infrared camera and implemented a program in which utility crews annually photograph and document substation equipment. This has proven to be a valuable tool at finding failing equipment and loose connections, giving MWECC the opportunity to make repairs before an outage occurs. Utility crews are also responsible for the mowing, weed and erosion control, housekeeping, and many other maintenance tasks at nearly 100 MWECC sites.

Substation technicians perform a wide range of duties. New substations continue to be built every year that require many hours of testing and preparation to ensure that the new equipment is safe to energize. Protective relays are programmed and tested for accuracy. These relays are the brains that sense fault conditions on the electrical system and open circuit breakers, de-energizing the line and isolating the problem in fractions of a second to protect personnel and equipment. MWECC's SCADA (supervisory control and data acquisition) System displays real-time information from substations and field equipment which is monitored by the Dispatch Department. Substation Technicians are tasked with initial testing at new sites to verify that information is displayed correctly. Currently, MWECC is in the process of installing a new SCADA system. The Substation Department along with many others will have a large part of making this project a success. Other duties include switching to isolate equipment/redirect power, testing of equipment following the guidelines set forth by the North American Electric Reliability Corporation (NERC), and the repair/replacement of aging or damaged equipment.

The Dispatch Department monitors MWECC's facilities and oversees the electrical system 24 hours a day. With substations and distribution equipment being monitored by SCADA, dispatchers have information from over 135 sites (and growing) to monitor and control. With safety being of the highest priority, field crews are in constant communication with dispatchers regarding location and tasks. New equipment is being installed providing dispatchers with the tools to help locate faults from their computers, isolate the fault using automated switches, and restore power to as many people as possible. This process, also known as FLISR, will also reduce outage times because dispatch will be able to narrow down the location of the fault, helping field crews locate the problem quicker. One benefit of the new SCADA system is being able to take full advantage of FLISR, which will continue to grow throughout MWECC's system. Switching is also a large part of the dispatcher's job. When field crews need to repair/replace equipment, the dispatchers are tasked with writing and directing a detailed step by step process to safely isolate the problem. When the repairs have been made, dispatchers also direct the process of re-energizing the equipment. Often this can be done without affecting the member's power. A significant amount of time is devoted to this during the warmer construction months. Dispatchers also monitor the OMS system. When outages occur, they have tools to help locate potential problems and notify field crews of the situation. Dispatchers also work hand in hand with the Security Department to monitor the security/camera system, generator systems for the offices, and the heating/cooling systems at the offices.

The MWECC Security Department is responsible for overseeing access to MWECC facilities, as well as creating procedures for and handling of emergency situations and security risks. Training for emergencies and safety is also provided by the Security Department. With the electric grid and copper being a high-risk target for terrorism and theft, MWECC continues to make improvements to its facilities and procedures to minimize risk and react appropriately. Electronic key card access to offices and substations is continually monitored and updated. Compliance paperwork related to access and background checks is completed and maintained. The installation of security cameras on MWECC properties continues with 24 hours surveillance and recording. Review of camera footage and alarms is a daily task performed by the Security Department. Other duties include working with facility maintenance and safety staff to perform building, ventilation system, and fire alarm inspections. One major security project just getting underway is planning and overseeing the installation of a security fence around the Williston Campus.

With new construction, system upgrades, and general maintenance, MWECC is anticipating another busy year in 2022.



STEVE PETERSON

Division Manager:
Substations/Dispatch/
Security



JERRY REHAK

IT/ Compliance /
Special Projects
Manager

INFORMATION TECHNOLOGY/MAPPING/ COMPLIANCE REPORT

We have had a very busy year.

MWEC successfully completed the launch of Operation Analytics (OA). This was an extensive collaborative effort between MWEC's Engineering and Mapping Departments. One of the major features of OA, is to provide our Engineering Department with the ability to evaluate the sizing of your transformers. Our goal is to identify transformer issues, and resolve them, before they cause an outage.

We also implemented a new application for our underground cable locators. This application allows them to work more productively. When you make an 811 ND One Call request, our locators will now be able to receive, identify, resolve, document, and provide a "Positive Response" more efficiently.

We completed the launch of Mosaic. Mosaic is a cloud-based tool that helps MWEC better leverage data and identify trends. Mosaic is a "Big Picture" tool that allows MWEC to make informed and sound business decisions.

We are currently in the process of upgrading our Supervisory Control and Data Acquisition (SCADA) system. SCADA helps us monitor, and control substation/field equipment from MWEC's dispatch center. After many decades with the same vendor, our staff painstakingly evaluated several potential replacement vendors. Survalent was our vendor of choice, and the implementation of this new system will wrap up in the fourth quarter of 2022.

MWEC completed its 400-mile high-speed fiber optic loop. This loop now connects MWEC's offices in Willison, Stanley, and New Town. This loop also connects to our substations and field equipment and allows us to utilize SCADA control. This fiber loop also substantially improved our interoffice network bandwidth.

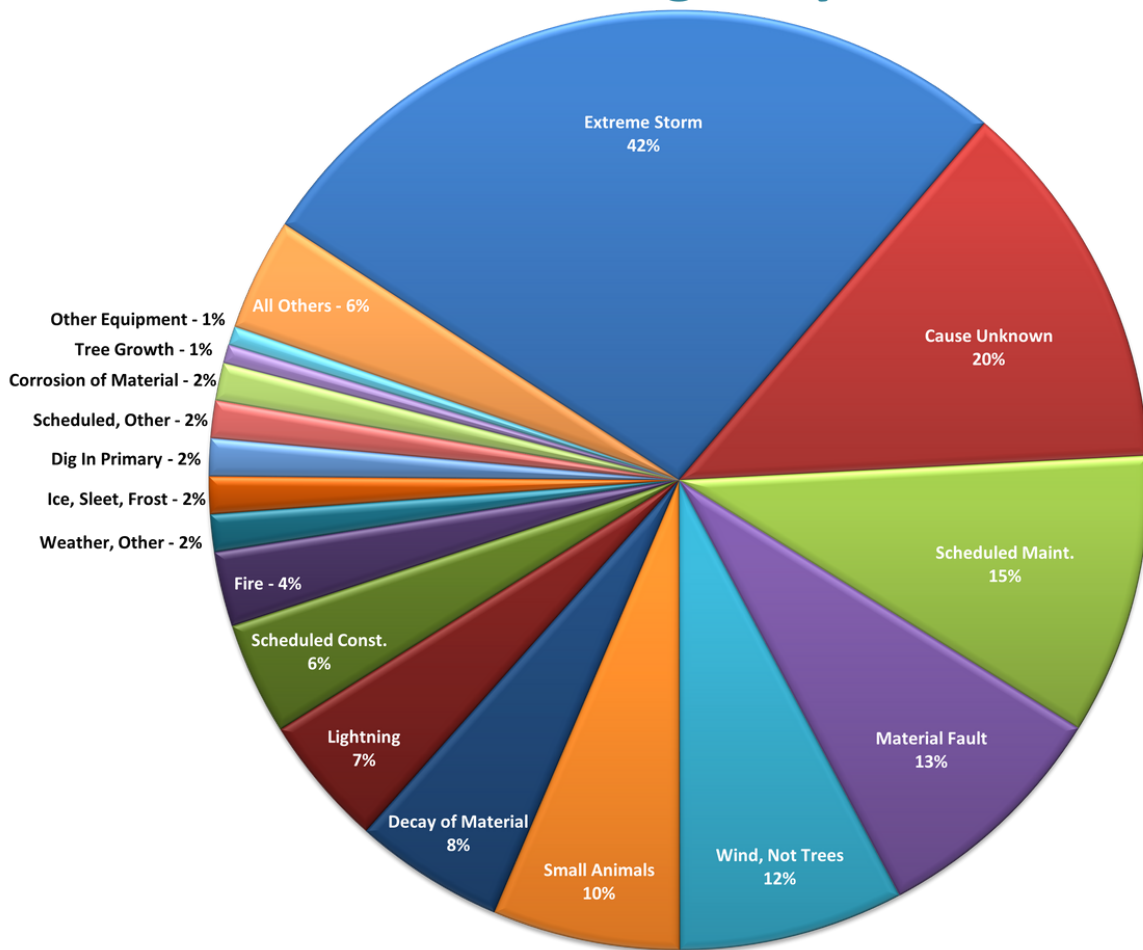
Our IT department continues to "harden" our cyber network. We stay ever vigilant protecting your data from outside forces whose malicious actions are a threat to MWEC's cyber security. Along with our day-to-day activities we also commissioned a "penetration test". For this test we hired ethical hackers to simulate a cyber-attack on our cyber network. It is designed to identify weaknesses in our network. We also employed an outside firm to complete a network security audit. I am happy to report that MWEC garnered positive results in both the penetration test and security audit. These activities also provided a roadmap for MWEC to continue to improve and better secure our cyber network.

Our Compliance Department continues to monitor the planning, construction, and operation of MWEC's Bulk Electric System (BES). We actively track 49 separate NERC standards. Each of which is developed using a results-based approach that focuses on performance, risk management, and entity capabilities. MWEC's BES system consists of 44 substations and 60 line segments.

In 2021 MWEC's Compliance department also successfully completed and passed a Midwest Regional Organization (MRO) Q1 self-certification of our CIP-003 standard. We also submitted a Q4 PRC-004 self-certification. That self-certification is still being evaluated by the MRO.

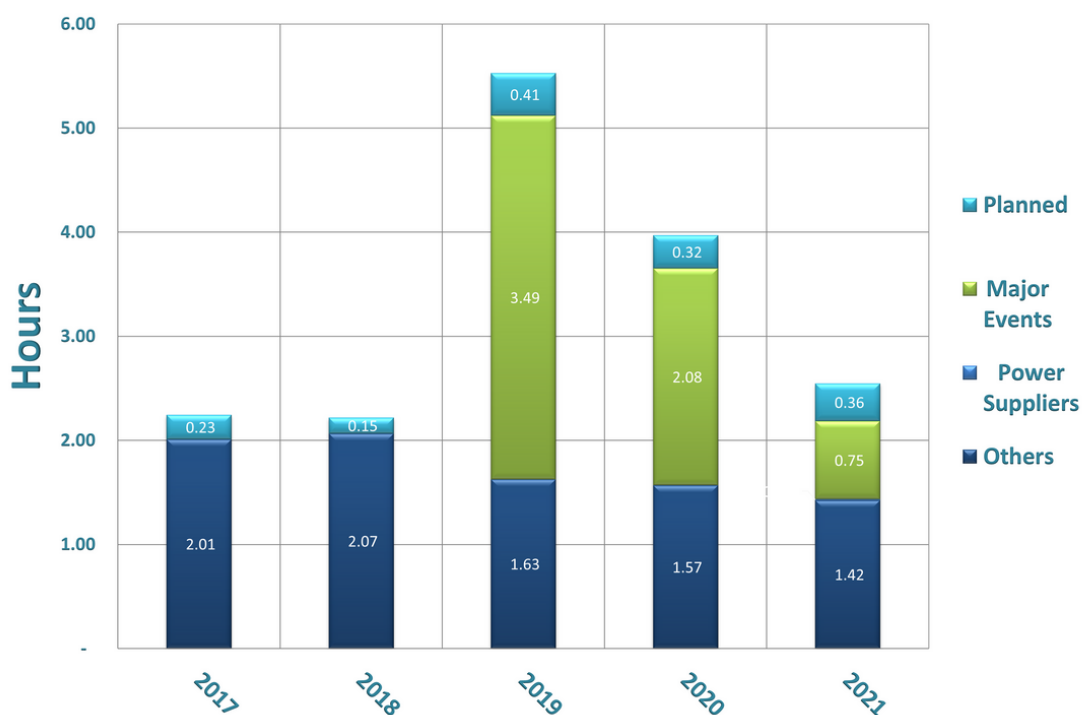
OUTAGE REPORT

2021 Outages by Cause



5 Year Overview

Hours Without Power Per Meter





CHRIS BROSTUEN

ROW/PR &
Communications
Manager

RIGHT OF WAY/PR & COMMUNICATIONS

ROW

One of the more challenging communication functions of the Public Relations/Communications Department is that of Right-of-Way (ROW) acquisition. A powerline, be it underground or overhead, can't be built without easements signed by landowners. After a decade of busy oil and gas development, many landowners have become fatigued by the frequent demands for drilling pad, road access, pipeline, and other related right-of-way requests. Fortunately, most landowners understand that the electric cooperative's requests for ROW are often not related to just oil and gas development, but for the increase of electric capacity for different classes of member-consumers. With that understanding, and the Cooperative's understanding of the landowner's issues and frustrations, ROW is acquired. As the economy of the MWEC service area recovered from the COVID challenges of 2021, the workload for the ROW department grew in 2021. In 2021, ROW agents secured easements on 271 parcels, consisting of 29 miles of transmission line, and 142 miles of distribution line. In 2021, MWEC purchased one parcel of property for a transmission line switching facility.

Member Services

Member service activities in 2021 included the continuation of the \$500 rebate for the installation of qualifying water heaters. Water heaters installed in 2021 through the rebate program totaled 105. The Cooperative's promotion of efficient and economical electric heat netted an increase of 193 heat meters in 2021. Year-end 2021, the Cooperative served 4,522 heat meters. Other than activities related to water heaters and electric heat, department staff have been busy advising member-consumers on energy usage, electric technology, and a growing interest in renewable energy options.

Community and Communications

Some of 2021 was spent the way most of 2020 was, virtual and drive through events. However, the end of March saw the return of the API Chili Cook-off where Team MWEC/VFW Post 12169 won 1st for Best Team Booth (Remember the Fallen), Best Chili, and also won 3rd for most money raised. It was a great way to continue connecting with our membership and show our commitment to our community.

Many of our year-to-year events and programs such as Clean Williston, scholarships, UMFV Co-op BBQ, Medora Musical Sponsorship in partnership with Touchstone Energy, Chokecherry Festival, and Spring Lake Holiday Lights Drive went on with some changes, but it was good to get out and be with our members and communities.

We added some new event involvement such as the WPRD Kids Camp and the NDSU Extension Center School Program where area youth were taught electrical safety from MWEC Safety Coordinator Ryan Block. The students really enjoyed the Power Town demonstration.

Another way that MWEC gave back to the community was partnering with Grillz Cheeze N, an area food truck, to help raise funds for the Williston Basin United Way. We also began a partnership with Thrivent-Northwest North Dakota Financial Associates to host an Angel Tree to help give area families in need items for Christmas.

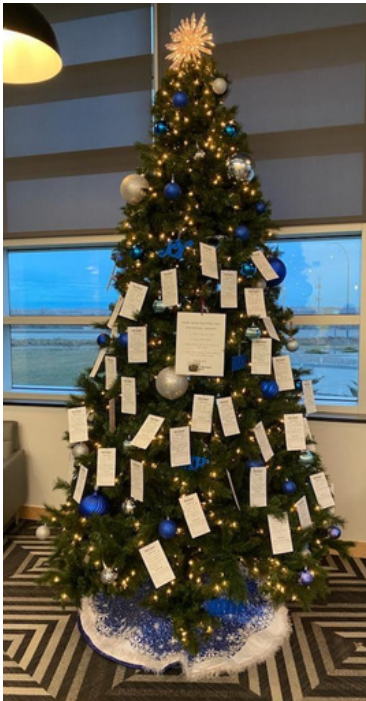
Our biggest yearly event, the Annual Meeting, was a bit smaller as there continued concerns with COVID-19. Though the crowd was smaller we had a BIG farewell to our first female director, Cheryl Hartsoch. Cheryl was a MWECC Director for 24 years and for 21 years was the only woman on the board.

In October we welcomed our members to our new New Town Facility. Members and community members joined staff and directors for a ribbon cutting, were able to tour the new location, and have lunch. The new facility allows for the storage and usage of larger equipment and is able to better serve the continued growth of system and staff.

Through communications we continue to battle with SCAMS and weather. The number of members contacting our offices informing us that scammers are calling and even stopping by their homes requesting immediate payment has continued to trouble our members. We remind our members that we will NEVER call and request your payment information over the phone. We do make calls as well as send messages in regard to past due accounts or upcoming outages. We will direct you to our payment options which include our automated pay by phone, SmartHub, kiosk, drop box, or pay by mail.

Storms, such as a hail storm that hit the Williston area in June, caused flash flooding and power outages. Staff worked together and many, including dispatch and line crews, worked many hours to get power restored to all our members.

Though 2021 saw the return of several events and programs, we look forward to many more returning as well as new ones. The return of the Youth Tour and our Annual Meeting will be an exciting return for 2022.



OPERATION ROUND UP



Operation Round Up is a program where members voluntarily "round up" their electric bills to the next whole dollar amount. The extra money is put into a trust in which a voluntary board meets and grants the funds to community-based, nonprofit organizations serving Mountrail and Williams Counties.

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

Since it's inception in 1997

OVER \$375,000

*has been awarded through
Operation Round Up*

2021 Disbursements

Mountrail Cooperative Trust:	\$11,841.66
Williams Cooperative Trust:	\$16,400.00
Total:	\$28,241.66

Recipients in 2021

Dakota Prairie Quilt Guild
Fort Union Association
Gnarly Barley Run
James Memorial Preservation Society
Korner Lions Club
Little Lamb's Childcare, Inc.
Mon-Dak Gymnastics Support Group
Ray Community Nutrition & Resource Council
Ray Public Schools
Tioga Norseman Museum
Williston Coyote Foundation
Zahl Community Club

Arthur Solie Post 121 American Legion (Parshall)
Western Wranglers (Horse Clinics)
Bethel Lutheran Church Quilters (Batting/Material)
New Town Marina (Picnic Tables)
New Town City Library (Lego Club)
SACK (Stanley Summer Lunch Program)
NT PD (Dare Program)
NT Eagles Backpack Food Program (Weekend Meals)
Stanley Park District (Skittle Skool)
Parshall Booster Club (Holiday Jamboree)
Stanley Commercial Club (Main St. Xmas)
Stanley Cares for Kids (Christmas)

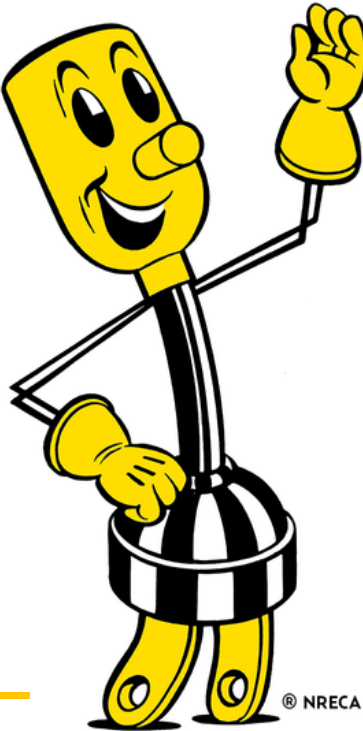


ABOUT US

MWEC was formed in 1991 following the merger of Mountrail Electric Cooperative and Williams Electric Cooperative in Northwestern North Dakota.

We serve rural members of Mountrail and Williams Counties, City of New Town and a portion of Williston.

We currently serve 8,000+ members, have 120+ employees, have close to 5,000 miles of distribution line and have a 99.95% system reliability.



MISSION

Mountrail-Williams Electric Cooperative is a member-owned electric cooperative that exists to meet the changing needs of its membership, to provide them with personal, excellent service and to keep them fully informed about their cooperative. Our mission includes playing a leadership role in the community and contributing to improving the quality of life in our service area. We seek to accomplish these purposes by providing professional and personal development opportunities for employees and directors. Further, we seek to meet our responsibilities through prudent management and with rates that are fair and equitable.

Anniversaries

5 Years Levi Wittmayer Scott Payne Alan Billehus Colby Rehak Kayla Anderson Paul Herrala Zach Scalzo Lane Schmitt Brandon Braun Scott Iverson	10 Years Jason Koehn Calvin Peterson Jessica George Brandy Hansen Chris Nordloef Brian Manson Jennifer Kaiser Colton Brostuen Mark Sommerfeld Nevin Jenner Jodi Bohmbach Chris Johnson	15 Years Jodi Collings Wendy Johnson	20 Years Brady Ellis Jeremy Folven
		25 Years Audrey Staples	35 Years Chris Brostuen

BOARD OF DIRECTORS



BOB GRANT
CHAIRPERSON
BERTHOLD, DISTRICT 3B
MOUNTRAIL COUNTY
Elected 1981



GARRETT LALIM
VICE CHAIRPERSON
TIOGA, DISTRICT 2A
WILLIAMS COUNTY
Elected 2014



BLAINE JORGENSON
SECRETARY
WILLISTON, DISTRICT 1B
WILLIAMS COUNTY
Elected 2006



KYLE DETIENNE
TREASURER
NEW TOWN, DISTRICT 3C
MOUNTRAIL COUNTY
Elected 2019



ROGER SORENSON
DIRECTOR
ROSS, DISTRICT 2A
MOUNTRAIL COUNTY
Elected 1995



JENNIFER WADE
DIRECTOR
GRENORA, DISTRICT 1C
WILLIAMS COUNTY
Elected 2019



CHARLENE AUBOL
DIRECTOR
NEW TOWN, DISTRICT 3A
MOUNTRAIL COUNTY
Appointed 2019
Elected 2020



PETE PETERSON
DIRECTOR
EPPING, DISTRICT 2B
WILLIAMS COUNTY
Elected 2021



BRION NORBY
DIRECTOR
WILLISTON, DISTRICT 1A
WILLIAMS COUNTY
Appointed 2022