



MINNEHAHA
COMMUNITY
WATER
CORP.

News & Notes

Minnehaha Community Water Corp.

47381 248th St
Dell Rapids, SD
57022-5305

(605) 428-3374
1-800-584-9243

Business Hours:
8:00-4:30, Mon.-Fri.

Directors:

Lloyd A. Rave,
President
Rodney Van Der Vliet,
Vice President

Paul Hentges,
Secretary

Brian Howe,
Treasurer

David Stearns
Kenny Sieverding
David Howard

Employees:

Scott Buss,
Executive Director
Ryan Allen,
Operations Supervisor
Nathan Vichota,
Chief Plant Operator

Greg Schmidt
Tom VanWell
Nathan Vrchota
David Fox
Sawyer Pals
Brian Benda
Ken Johnson
Brett Shumaker

Office:

Tanya Schmidt,
Office Manager
Tess Nelsen
Morgan Brown

Reminder Notice of 45th Annual Meeting of Members

Pursuant to Article VII of its By-laws, NOTICE IS HEREBY GIVEN that the Annual Membership Meeting of MINNEHAHA COMMUNITY WATER, CORP. will be held at the Minnehaha Community Water Corp office in Dell Rapids, South Dakota on Thursday, May 19th, 2022 from 1-3 pm.

David Stearns from Hartford, David Howard of Sioux Falls and Mike Cypher of Hartford have filed their nomination petition to seek election/re-election. Please read their bios on the bottom of page 4 as you can only vote for 2.

All members returning the voting ballot by May 19, 2022 will be registered for door prizes. The winners will be notified the following business day. The ballot can be found on the bottom of page 3 and can be mailed back with your May water payment. The ballot can also be submitted electronically by going to our website at www.minnehahacommunitywater.com.

Audit Report from KMWF & Assoc.

Report on the Financial Statements

We have audited the accompanying financial statements of Minnehaha Community Water Corporation (a nonprofit corporation), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, statements of changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Minnehaha Community Water Corporation as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Dell Rapids, South Dakota, May 18, 2022.

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"MCWC is an equal opportunity provider, and employer." If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at <http://www.ascr.usda.gov/complaintfilingcust.html>, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your complaint form or letter to us by mail at U.S Department of Agriculture, Director, Office of Adjudication, 1400 Independence Ave S.W., Washington, DC 20250-9410, or by fax (202) 690-7442, or email at program.intake@usda.gov.

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MINNEHAHA COMMUNITY WATER CORPORATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020

ASSETS

	<u>2021</u>	<u>2020</u>
Property, Plant and Equipment		
Land	\$ 417,154	\$ 363,771
Utility plant, pumps, wells, and distribution system	49,004,513	48,258,850
Office building, vehicles, shop and office equipment	2,648,634	2,593,173
Construction work in progress	871,262	566,386
	<u>52,941,563</u>	<u>51,782,180</u>
Less: Accumulated depreciation	<u>(23,084,291)</u>	<u>(21,835,762)</u>
Total Property, Plant and Equipment	<u>29,857,272</u>	<u>29,946,418</u>
Other Noncurrent Assets		
Investment in Shared Resources, Inc.	147,416	-
Investment in debt securities	1,261,387	1,148,259
Prepaid pension fund surcharge	205,238	233,478
Investment in Lewis & Clark Rural Water System, less accumulated amortization of \$431,831 in 2021 and \$384,533 in 2020	4,297,920	4,292,666
Total Other Noncurrent Assets	<u>5,911,961</u>	<u>5,674,403</u>
Current Assets		
Cash and cash equivalents	2,404,270	1,677,840
Trade accounts receivable	251,327	64,652
Interest receivable	-	942
Materials and supplies inventory	446,386	305,946
Prepaid expenses	88,417	88,582
Total Current Assets	<u>3,190,400</u>	<u>2,137,962</u>
Total Assets	<u>\$ 38,959,633</u>	<u>\$ 37,758,783</u>

EQUITIES AND LIABILITIES

	<u>2021</u>	<u>2020</u>
Net Assets		
Contributions for construction	\$ 17,793,770	\$ 17,621,549
Less accumulated amortization	(9,758,161)	(9,304,717)
Net contributions for construction	8,035,609	8,316,832
Membership investments	3,577,325	3,474,325
Retained earnings - designated capital reserve	168,086	167,278
Retained earnings - undesignated	23,382,494	21,729,017
Total Net Assets	<u>35,163,514</u>	<u>33,687,452</u>
Long-Term Debt, Net of Current Maturities	<u>2,012,334</u>	<u>2,510,545</u>
Current Liabilities		
Current portion of long-term indebtedness	498,211	480,467
Accounts payable	204,082	97,165
Accrued interest payable	9,429	12,259
Meter deposits	21,150	21,200
Prepaid customer accounts	16,625	15,241
Other current liabilities	74,284	60,306
Total Current Liabilities	<u>823,781</u>	<u>686,638</u>
Deferred Credits		
Refundable member advances for construction	954,893	869,466
Other deferred credits	5,112	4,682
Total Deferred Credits	<u>960,005</u>	<u>874,148</u>
Total Liabilities, Deferred Credits and Net Assets	<u>\$ 38,959,634</u>	<u>\$ 37,758,783</u>

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	2021	2020
Operating Income		
Metered sales to customers	\$ 5,309,588	\$ 4,554,745
Customer fees and charges	20,801	24,528
Service revenues	16,203	21,920
Good intention fees	10,400	6,800
Equipment rental	4,700	7,810
Miscellaneous	71,740	120,771
Total Operating Income	5,433,432	4,736,574
Operating Expense		
Source of supply expense	750,230	712,258
Pumping expense	251,197	211,896
Water treatment expense	476,496	402,867
Transmission and distribution expense	459,273	406,828
General operations expense	171,227	181,815
Administrative and general expense	911,733	871,689
Casualty claims expense	3,402	7,898
Amortization expense	47,298	46,772
Depreciation expense	877,110	857,760
Total Operating Expense	3,947,966	3,699,783
Net Income From Operations	1,485,466	1,036,791
Financial Income (Expense)		
Interest income	41,114	48,460
Interest expense	(105,862)	(121,695)
Financial Income (Expense), Net	(64,748)	(73,235)
Other Income (Expense)		
Other	160,471	-
Patronage dividend revenues	5,692	6,264
Gain/(Loss) on sale of inventory	48,442	10,799
Gain on sale of equipment	-	25,000
Investment earnings	18,962	5,088
Other (Expense) Income , Net	233,567	47,151
Net Income	\$ 1,654,285	\$ 1,010,707

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Minnehaha Community Water, Corp. Voting Ballot
Annual Meeting - May 19th, 2022

1. To be registered and counted as having been duly notified of said annual meeting and to be counted towards the quorum required (if any) for conduction the annual meeting.
2. I was provided the following:
 - a. Copy of the annual Audit Report (page 1, 2, and 3 of newsletter)
 - b. Copy of May 20th, 2021 Annual Meeting Minutes (top of page 4)
3. To state that I have received, read and considered the motion made and seconded and cast my vote for approval of the previous annual meeting minutes of May 20th, 2021 to be recorded as AYE NAY
4. To state that I have received, read and considered the motion made and seconded and cast my vote for approval of the Audit Report AYE NAY
5. To vote in election for two Directors
 The following members have filed nominating petitions:

Circle Vote

----- Please VOTE for TWO -----

- Mike Cypher**
 David Howard (incumbent)
 David Stearns (incumbent)

SIGNATURE: _____ DATE: _____

PRINT NAME: _____ Account #: _____

MINNEHAHA COMMUNITY WATER, CORP.

FORTY FOURTH ANNUAL MEMBERSHIP MEETING

Thursday, May 20th, 2021

Minnehaha Community Water, Corp. held its Forty-Fourth Annual Meeting using a Proxy only Format on the Thursday, May 20, 2021. All members were sent a ballot which registered them to vote; confirmed they were given the annual audit report, approved the minutes from last year, and cast two votes for Mike Cypher, Paul Hentges or Kenny Sieverding.

Quorum of 135 members were present by proxy. There were 125 votes to approve the minutes, 125 votes to approve the audit report, and 106 votes for Kenny Sieverding, 99 votes for Paul Hentges, and 61 votes for Mike Cypher. Kenny Sieverding and Paul Hentges were re-elected to the board.

All Members returning their ballots were given an opportunity to receive a \$50 water bill credit. The winners of the \$50 water bill credits were: Wyn Johnson of Baltic, Stanley Walton of Humboldt, Ken Mader of Colton, Terrence Fleming of Crooks, Roger Willard of Colton, and Tracy Koskela of Sioux Falls.

MEET THE CANDIDATES

Mike Cypher

My wife Eileen and I have lived in the Wall Lake area for a number of years. Our three sons were raised on rural water. I am an Ag Business consultant, my wife is a retired teacher.

I have served on Minnehaha planning commission for a number of years, have served on boards for professional organizations, youth sports organizations, and church council.

A plentiful, safe water supply is one of the most important assets a community can have. Our system is going to see more challenges as the area continues to grow. I would like to be on the board that oversees it's operation and continue success.

David Howard

My family has been a member of MCWC since 1998 when we built a home east of Sioux Falls. After graduation from SDSU in economics, my wife Mary and I had successful military careers and then moved back to Brandon in 1995. We have 3 grown children, Megan, Molly and Max. We started a grape vineyard and winery near Brandon in 1998. I have experience in retail, wholesale, and a business owner and I am semi-retired from the financial services industry. Mary has been a financial advisor for 31 years.

I believe that a supply of quality and stable drinking water is very important to facilitating a healthy population and promoting worthwhile development. Being on the MCWC board for 6 years has enlightened me on how much hard work and planning goes into providing some of the best water in SD. I have thoroughly enjoyed being a contributing member on your board from the Southeast service area and would be honored to serve on the board for another 3 years.

I ask for and thank you for your vote.

David Stearns

I have been on the board of MCWC for the past 11 years. I have attended 8 of the last 11 years of the SD Rural Water board training (with 1 cancelled) in Pierre, SD where I have gained valuable insight into the operation of Rural Water Boards.

I've enjoyed serving on the MCWC board and have appreciated your confidence in me the past 11 years and would like to continue to represent the rural residents of Minnehaha County for another term. My overall goal is to help MCWC have abundant, clean and affordable water. As a representative of the members of MCWC please feel free to email me anytime. (dstearns55@yahoo.com)

I'm a graduate of West Central High School, and the University of South Dakota/S. I retired from IBM after 35 years of service. I'm active in the volunteer community. I am currently the President of the Hartford Area Community Foundation, chairman of the Trustees at my church, which also includes the finance board and the administrative council.

I have been married 46 years, have 2 children and 5 grandchildren.

Thank you for your continued support.