



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

Office:

Tanya Schmidt,
Office Manager
Tess Nelsen
Madison Page

Reminder Notice of 44th Annual Meeting of Members

Pursuant to Article VII of its By-laws, NOTICE IS HEREBY GIVEN that the Annual Membership Meeting held by proxy of MINNEHAHA COMMUNITY WATER, CORP. will be Thursday, May 20th, 2021.

Ken Sieverding of Humboldt, Paul Hentges also from Humboldt, 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 vote for 2.

All members returning the voting ballot by May 20, 2021 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, 2020 and 2019, and the related statements of activities, statement of changes 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, 2020 and 2019, 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, April 20, 2021.

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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, 2020 AND 2019

ASSETS

	2020	2019
Property, Plant and Equipment		
Land	\$ 363,771	\$ 311,909
Utility plant, pumps, wells, and distribution system	48,258,850	47,737,911
Office building, vehicles, shop and office equipment	2,593,173	2,479,447
Construction work in progress	566,386	48,171
	<u>51,782,180</u>	<u>50,577,438</u>
Less: Accumulated depreciation	<u>(21,835,762)</u>	<u>(20,594,937)</u>
Total Property, Plant and Equipment	<u>29,946,418</u>	<u>29,982,501</u>
Other Noncurrent Assets		
Investment in debt securities	1,148,259	875,300
Prepaid pension fund surcharge	233,478	266,163
Investment in Lewis & Clark Rural Water System, less accumulated amortization of \$384,533 in 2020 and \$337,761 in 2019	<u>4,292,666</u>	<u>4,339,438</u>
Total Other Noncurrent Assets	<u>5,674,403</u>	<u>5,480,901</u>
Current Assets		
Cash and cash equivalents	1,677,840	1,420,680
Trade accounts receivable	64,652	21,505
Interest receivable	942	4,014
Materials and supplies inventory	305,946	306,400
Prepaid expenses	<u>88,582</u>	<u>88,728</u>
Total Current Assets	<u>2,137,962</u>	<u>1,841,327</u>
Total Assets	<u><u>\$ 37,758,783</u></u>	<u><u>\$ 37,304,729</u></u>

EQUITIES AND LIABILITIES

	2020	2019
Net Assets		
Contributions for construction	\$ 17,621,549	\$ 17,273,887
Less accumulated amortization	<u>(9,304,717)</u>	<u>(8,841,237)</u>
Net contributions for construction	8,316,832	8,432,650
Membership investments	3,474,325	3,407,325
Retained earnings - designated capital reserve	167,278	167,278
Retained earnings - undesignated	<u>21,729,017</u>	<u>20,718,310</u>
Total Net Assets	<u>33,687,452</u>	<u>32,725,563</u>
Long-Term Debt, Net of Current Maturities	<u>2,510,545</u>	<u>2,991,199</u>
Current Liabilities		
Current portion of long-term indebtedness	480,467	463,170
Accounts payable	97,165	110,271
Accrued interest payable	12,259	14,991
Meter deposits	21,200	20,750
Prepaid customer accounts	15,241	14,094
Other current liabilities	<u>60,306</u>	<u>78,065</u>
Total Current Liabilities	<u>686,638</u>	<u>701,341</u>
Deferred Credits		
Refundable member advances for construction	869,466	854,518
Other deferred credits	<u>4,682</u>	<u>32,108</u>
Total Deferred Credits	<u>874,148</u>	<u>886,626</u>
Total Liabilities, Deferred Credits and Net Assets	<u><u>\$ 37,758,783</u></u>	<u><u>\$ 37,304,729</u></u>

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	2020	2019
Operating Income		
Metered sales to customers	\$ 4,554,745	\$ 4,080,307
Customer fees and charges	24,528	24,714
Service revenues	21,920	22,319
Good intention fees	6,800	6,100
Equipment rental	7,810	5,130
Miscellaneous	120,771	50,750
Total Operating Income	<u>4,736,574</u>	<u>4,189,320</u>
Operating Expense		
Source of supply expense	712,258	619,402
Pumping expense	211,896	211,743
Water treatment expense	402,867	349,120
Transmission and distribution expense	406,828	469,657
General operations expense	181,815	204,569
Administrative and general expense	871,689	881,278
Casualty claims expense	7,898	2,112
Amortization expense	46,772	46,772
Depreciation expense	857,760	821,105
Total Operating Expense	<u>3,699,783</u>	<u>3,605,758</u>
Net Income From Operations	<u>1,036,791</u>	<u>583,562</u>
Financial Income (Expense)		
Interest income	48,460	103,518
Interest expense	<u>(121,695)</u>	<u>(137,657)</u>
Financial Income (Expense), Net	<u>(73,235)</u>	<u>(34,139)</u>
Other Income (Expense)		
Patronage dividend revenues	6,264	3,944
Gain/(Loss) on sale of inventory	10,799	1,390
Gain on sale of equipment	25,000	8,600
Investment earnings	<u>5,088</u>	<u>7,128</u>
Other (Expense) Income , Net	<u>47,151</u>	<u>21,062</u>
Net Income	<u>\$ 1,010,707</u>	<u>\$ 570,485</u>

Minnehaha Community Water, Corp. Voting Ballot
Annual Meeting - May 20th, 2021

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, 2020 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, 2020 to be recorded as
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
5. To vote in election for two Directors
The following members have filed nominating petitions:

Circle Vote

AYE NAY

AYE NAY

Please VOTE for TWO

☐ Mike Cypher

☐ Paul Hentges (incumbent)

☐ Ken Sieverding (incumbent)

SIGNATURE: _____

DATE: _____

PRINT NAME: _____

Account #: _____

MINNEHAHA COMMUNITY WATER, CORP.

FORTY SECOND ANNUAL MEMBERSHIP MEETING

Wednesday, May 20th, 2020

Minnehaha Community Water, Corp. held its Forty-Third Annual Meeting using a Proxy only Format on the Wednesday, May 20, 2019. The open office portion was cancelled due to Covid-19. 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 unanimous vote re-electing Lloyd Rave, Rod Van Der Vliet and Brian Howe.

Quorum of 124 members were present by proxy. There were 123 votes to approve the minutes and 1 Nay, 123 votes to approve the audit report and 1 Nay, and 123 votes to approve and 1 Nay casting a unanimous vote re-electing the three board members.

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: Roger Schroeder of Valley Springs, George Carlson of Renner, Jeff Schmidt of Sioux Falls, Chris Almont of Renner, Glen Krogstad of Colton, and Lowell Grave of Hartford.

MEET THE CANDIDATES

Mike Cypher

My wife, Eileen, and I live in the Wall Lake area. We have three sons and 6 grand children. We have been MCWC customers for over 30 years. We have experienced firsthand the difference quality water makes in our daily lives, that is what has always spurred my interest in rural water.

Experience:

- Graduate of SDSU
- Extension Agent for 3 years
- Worked for Land O Lakes for 30 years as :
 - o Dairy Field Rep
 - o Sioux Falls Milk Receiving Station Manager
 - o Dairy Nutritionist
 - o Dairy Farm Business Consultant
- Last 14 years have operated Cypher Dairy Business Consulting, an ag business consulting firm.
- Served on Minnehaha Planning & Zoning Commission for 20 years as a member and as chairman
- Have served on Professional Boards, South Dakota Dairy Producers Board, Church Councils, Youth Sports Boards, and am active in the Hartford Community

Paul Hentges

I live on our family farm south of Humboldt. My father was one of the founding members of MCWC and served on the board for 30+ years. I have served on the MCWC board for the past 12 years and look forward to continuing my service. I am a graduate of West Central high school and I currently work for Rosenbauer in Lyons and have been employed there since 1991 as a purchasing agent. I also serve on the administrative board for my church.

Kenny Sieverding

I have been a member of MCWC for 35 years. My wife Kris and I have been married 31 years. We live in rural Humboldt where I farm and raise cattle. We have two daughters and two grandchildren.

Experience

Served on the following Boards: MCWC • Hartford Elevator with two years as chairman • Humboldt Township

Planning for future water supply needs and providing quality water for the people we serve are my top priorities. Working with the Board and Employees to ensure MCWC is fiscally sound and runs efficiently is something I've enjoyed being a part of.

Thank you for your continued support.