



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
Brian Benda,
Chief Plant Operator
Greg Schmidt
Tom VanWell
Nathan Vrchota
David Fox
Sawyer Pals
Reese Warne

Office:

Tanya Schmidt,
Office Manager
Tess Nelsen
Madison Page

Reminder Notice of 43rd 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 Wednesday, May 20th, 2020. Due to the Coronavirus, we have cancelled our open house portion in the office.

Lloyd Rave of Dell Rapids, Rod Van Der Vliet of Colton, and Brian Howe of Sherman have filed their nomination petition to seek re-election.

All members returning the voting ballot by May 20, 2020 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, 2019 and 2018, and the related statements of activities, statement of changes in equities, 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, 2019 and 2018, and the changes in its equities 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, March 31, 2020.

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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, 2019 AND 2018

<u>ASSETS</u>		
	2019	2018
Property, Plant and Equipment		
Land	\$ 311,909	\$ 257,378
Utility plant, pumps, wells and distribution system	47,737,911	46,665,648
Office building, vehicles, shop and office equipment	2,479,447	2,368,120
Construction work in progress	48,171	40,725
	50,577,438	49,331,871
Less: Accumulated depreciation	(20,594,937)	(19,379,344)
Total Property, Plant and Equipment	29,982,501	29,952,527
Other Noncurrent Assets		
Investment in debt securities	875,300	666,123
Notes receivable, net of current maturities	-	17,416
Prepaid pension fund surcharge	266,163	276,199
Investment in Lewis & Clark Rural Water System, less accumulated amortization of \$290,989 in 2019 and \$290,989 in 2018	4,339,438	4,386,210
Total Other Noncurrent Assets	5,480,901	5,345,948
Current Assets		
Cash and cash equivalents	1,420,680	1,777,251
Trade accounts receivable	21,505	76,275
Interest receivable	4,014	3,916
Materials and supplies inventory	306,400	300,563
Current portion of note receivable	-	3,364
Prepaid expenses	88,728	72,095
Total Current Assets	1,841,327	2,233,464
Total Assets	\$ 37,304,729	\$ 37,531,939
<u>EQUITIES AND LIABILITIES</u>		
	2019	2018
Net Assets		
Contributions for construction	\$ 17,273,887	\$ 17,154,011
Less accumulated amortization	(8,841,237)	(8,383,683)
Net contributions for construction	8,432,650	8,770,328
Membership Investments	3,407,325	3,349,325
Retained earnings - designated capital reserve	167,278	160,660
Retained earnings - undesignated	20,718,310	20,154,446
Total Net Assets	32,725,563	32,434,759
Long-Term Debt, Net of Current Maturities	2,991,199	3,454,369
Current Liabilities		
Current portion of long-term indebtedness	463,170	446,861
Accounts payable	110,271	167,371
Accrued interest payable	14,991	17,630
Meter deposits	20,750	19,550
Prepaid customer accounts	14,094	13,564
Other current liabilities	78,065	90,789
Total Current Liabilities	701,341	755,765
Deferred Credits		
Refundable member advances for construction	854,518	817,420
Other deferred credits	32,108	69,626
Total Deferred Credits	886,626	887,046
Total Liabilities, Deferred Credits and Net Assets	\$ 37,304,729	\$ 37,531,939

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	2019	2018
Operating Income		
Metered sales to customers	\$ 4,080,307	\$ 3,898,391
Customer fee and charges	24,714	25,389
Service revenues	22,319	24,878
Good intention fees	6,100	8,100
Equipment rental	5,130	6,260
Miscellaneous	50,750	129,081
Total Operating Income	4,189,320	4,092,099
Operating Expense		
Source of supply expense	619,402	407,589
Pumping expense	211,743	243,522
Water treatment expense	349,120	388,194
Transmission and distribution expenses	469,657	485,031
General operations expense	204,569	182,616
Administrative and general expense	881,278	814,729
Casualty claims expense	2,112	1,502
Amortization expense	46,772	46,772
Depreciation expense	821,105	769,185
Total Operating Expense	3,605,758	3,339,140
Net Income From Operations	583,562	752,959
Financial Income (Expense)		
Interest income	103,518	42,839
Interest expense	(137,657)	(153,471)
Financial Income (Expense), Net	(34,139)	(110,632)
Other Income (Expense)		
Patronage dividend revenues	3,944	2,579
Gain/(Loss) on sale of inventory	1,390	(37,808)
Gain on sale of equipment	8,600	23,121
Investment earnings	7,128	(13,709)
Other (Expense) Income, Net	21,062	(25,817)
Net Income	\$ 570,485	\$ 616,510

**Minnehaha Community Water, Corp. Voting Ballot
Annual Meeting - May 20th, 2020**

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 22nd, 2019 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 22nd, 2019 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 of directors: Rod Van Der Vliet of Colton, Lloyd Rave of Dell Rapids and Brian Howe of Sherman, have filed nominating petitions with the office for election. AYE NAY
I elect to cast a unanimous ballot electing them to a new 3 year term.

Circle Vote

SIGNATURE: _____

DATE: _____

PRINT NAME: _____

Account #: _____

MINNEHAHA COMMUNITY WATER, CORP. FORTY SECOND ANNUAL MEMBERSHIP MEETING Wednesday, May 22nd, 2019

Minnehaha Community Water, Corp. held its Forty-Second Annual Meeting using a “Come and Go” Format on the Wednesday, May 22, 2019. Members were invited to visit the office between the hours of 1:00 p.m. to 3:00 p.m. There was an attendance of approximately 3 members and 1 guest.

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 2 votes for to elect David Stearns, David Howard or Mike Cypher. Quorum of 126 members were present in person or by proxy. There were 126 votes to approve the minutes and 0 Nays, 126 votes to approve the audit report and 0 Nay, and 101 votes for David Stearns, 84 for David Howard and 65 for Mike Cypher. David Stearns and David Howard were re-elected to the board.

Those attending the meeting were given registration gifts. 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: Steven Karli of Sioux Falls, Benjamin Matthies of Hartford, Steven Bott of Renner, Timothy Tripp of Hartford, Richard Kalb of Hartford, and Gary Darland of Dell Rapids.



You now have online access to your hourly water usage information via Eye On Water!

As part of our ongoing efforts to improve services to our customers, the website Eye On Water helps you monitor your water usage by offering you direct and secure access to your water usage data. Eye on Water is a secure online website and smartphone app to review and analyze your usage patterns. With these tools, you are now able to view your hourly usage activity and gain greater understanding and control of the amount of water you use. You are also able to establish leak alerts that will notify you when you have a leak that occurs for more than 24 hours.

To view your account online you must visit <https://eyeonwater.net/signup>

1. Enter your zip code.
2. You will enter your account number xxxxx.xx
3. Enter your email address to be used as your user name.
4. Create and confirm a password.

MCWC staff periodically review unusual water use, but it is ultimately the customer's responsibility to monitor their own account. Please take advantage of the leak alert feature with Eye On Water to receive the fastest notification of leaks. You can be alerted via email or text message when you have a leak