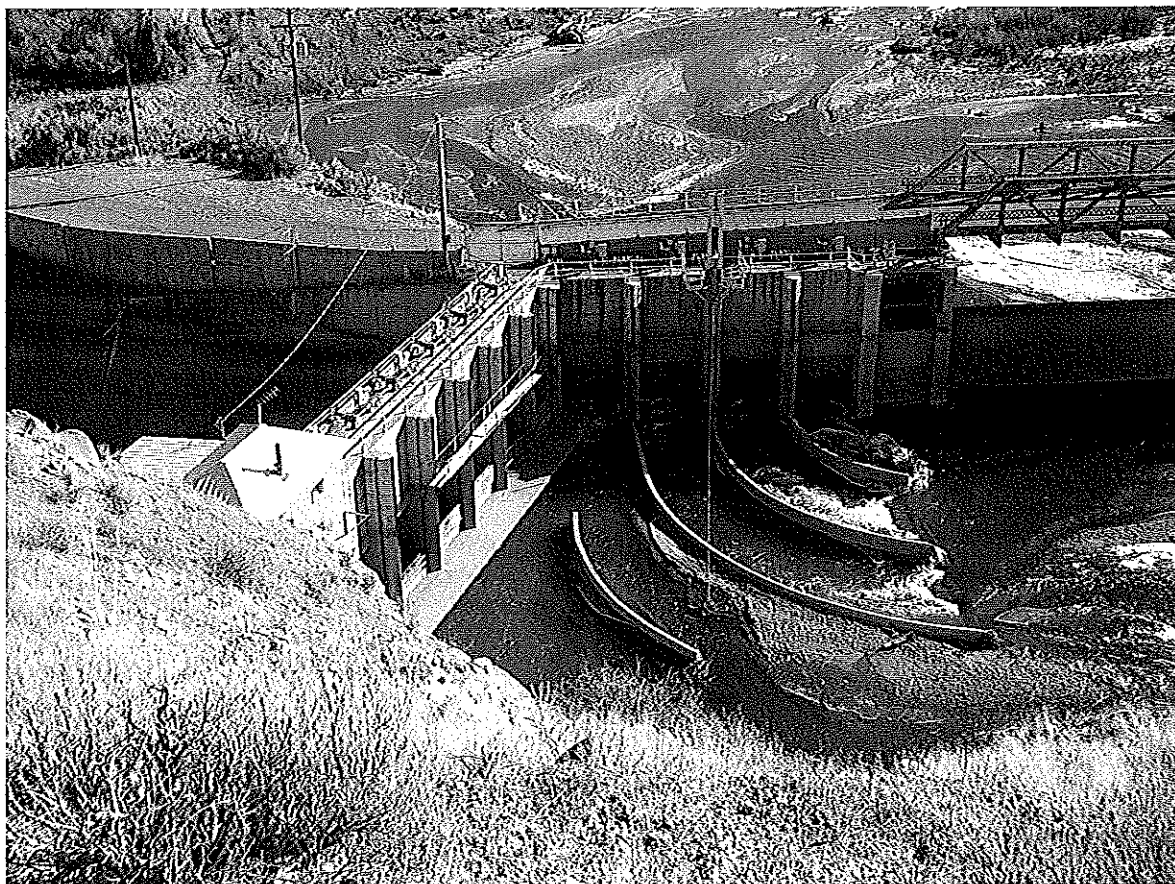


Midvale Irrigation District



2009 Annual Report

Midvale Irrigation District **2009 Annual Report**

PRESENTED BY:

Midvale Irrigation District **Board of Commissioners**

Gordon Medow, President
Dustin Taylor, Vice President
Vince Dolbow, Secretary/ Treasurer
Janet Foxworthy, Member
Lloyd Dechert, Member

Compiled by the Midvale Staff and Management

*Manager: Dick Johnson
Assistant Manager: Lourie Dunlavy
Office Manager: Pat Rorabaugh*

Submittals:

Alan Moore, Auditor

Midvale Irrigation District
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307-856-6359

ANNUAL MEETING ---FEBRUARY 11,2010

**MIDVALE IRRIGATION DISTRICT
2009 ANNUAL REPORT**

OVERVIEW OF 2009

SNOWPACK

On January 1, 2009 the snow pack measured 92% of the 30 year average for the Wind River Basin drainage area. As the year progressed the snow pack increased peaking percentage wise in May. Cool wet weather in the basin meant additional snowfall in the mountains. Natural flows in the Wind River and diminished demand for water during the early summer allowed Midvale to gain stored water in our reservoirs.

SNOWPACK	
% of 30 year average	
January	92%
February	83%
March	79%
April	98%
May	114%
June	59%

Precipitation recorded at Pavillion Wyoming						
Month	2009	2008	2007	2006	2005	2004
January	0.31	0.48	0.20	0.34	1.50	0.25
February	0.00	0.07	0.03	0.21	0.00	1.50
March	0.56	0.06	0.39	0.11	0.23	0.00
April	1.75	0.44	0.00	0.29	1.59	1.89
May	1.21	3.67	0.95	0.1	4.00	0.45
June	2.82	0.41	0.81	0.08	0.65	1.11
July	1.07	0.59	0.83	0.12	0.85	2.30
August	0.67	0.51	0.97	0.59	0.12	0.98
Sept.	0.42	0.9	0.6	0.47	0.84	1.81
October	0.49	1.48	1.07	0.92	1.8	0.64
November	1.09	0.06	0.1	0.33	0.14	0.34
December	0.21	0.14	0.77	0.7	0.33	0.05
TOTAL	10.6	8.81	6.72	4.26	12.05	11.32

WATER DELIVERY

Midvale began irrigation water deliveries on April 20th utilizing water released from Bull Lake and the available natural flow in the Wind River. Releases from Bull Lake were increased as early season irrigation water was needed to supplement diversions from the Wind River prior to the start of runoff. The District had approximately 90,900 Acre-Foot (AF) of water stored in Bull Lake Reservoir. Pilot Reservoir held an additional 24,000 AF of water, for a combined total of 114,900 AF. Of that amount there was 11,774 AF of Boysen Reservoir exchange water stored in Bull Lake, leaving a total of 103,126 AF of water in storage. The Midvale Board of Commissioners set an initial water allotment of 1.5 AF per irrigable acre and raised the allotment throughout the season as water supplies became available. Cool rainy weather in June lessened irrigation needs and Midvale usage dropped below 1000 cfs on June 11th. Normal temperatures returned during July and usage peaked on the 27th at 1964 cfs. As flows in the Wind River dropped off in August, Bull Lake storage water was utilized to satisfy irrigation demands and releases exceeding 1000 cfs were required for a period in August. On September 10th the allotment was raised to 3.25 AF for a final amount.

The total diversion into Wyoming Canal for the irrigation season was 377,611 AF, 112% of average. A total of 177,077 AF of water was delivered to irrigators at an efficiency rate of 46.89%. Operational waste and unaccounted loss make up the difference between total diversions and delivered water. During June the cool rainy weather affected delivery efficiency, a considerable amount of water traveled unused through the canal system.

OPERATION AND MAINTENANCE

The most significant event of 2009 was the operation of the Hidden Valley Pipeline. While not officially complete, we operated the entire system last summer delivering water to the 2100 acres being served by the pipeline. With the exception of problems encountered by an abundance of weeds early in the season, and moss plugging the inlet screen later in the summer, the system worked well. Each season there are additional acres being converted to sprinkle irrigation powered by gravity pressure supplied by the pipeline. Following the completion of "as built" plans that must be submitted to the Wyoming Water Development Commission, the project will officially be designated as complete.

District crews had another busy year. In addition to the task of constructing the Hidden Valley Pipeline we kept a crew assigned to regular District maintenance. Of special note was the tremendous amount of weeds that we fought for the first month of the water season. Ditch riders served extra duty on this chore and often required the assistance of a backhoe to keep ditches flowing. The abundant rainfall and water allotment that we experienced caused underground drains to run at capacity. It has been several years since we operated the sewer jet cleaning underground drains to the extent that we did in 2009. The Fremont County Weed and Pest was again contracted to spray weeds for Midvale, spraying canal banks and roads for vegetative and noxious weeds. Following the water season we kept three excavators busy cleaning open laterals and drains.

The Midvale shop continues to maintain the District's heavy and light duty fleet of vehicles in top-flight condition. We are fortunate to employ personnel with the diversified skills that they provide for us. Over the course of the year we have successfully completed a wide array of projects ranging from mechanically technical projects that involve

hydraulics, welding, machining and electrical applications. Quite often the same people making these repairs are used as truck drivers, equipment operators and general construction laborers as the need arises. Our full time staff now numbers fifteen people with four part time workers; the cross training our staff possesses is a valuable and appreciated commodity.

CROP PRODUCTION

Information gathered from crop reports for the 2009 growing season was not great enough to project an accurate estimate of total crop values. The Board of Commissioners and Midvale management ask for your cooperation in returning crop reports to the District office. All information received is confidential on an individual basis, however, the long term statistical trends are a valuable resource when viewed historically.

WYOMING WATER DEVELOPMENT COMMISSION PROJECTS

The District is currently involved in three active projects through the WWDC, a fourth project awaits funding from the Wyoming state legislature.

MIDVALE AUTOMATION PROJECT:

The Midvale Automation Project Agreement was signed in August of 2006, funds from this grant paid for the Pilot Reservoir gate stem replacement in December of that year. Plans for automating the gates at Pilot and Bull Lake reservoirs and a river gate at Diversion Dam along with several upstream river-monitoring sites are ongoing. In September the first bid for procurement of materials for the Automation project was conducted. A total of forty-two (42) sites were identified for solar powered radio telemetry communication that would allow remote flow readings or remote gate operation. The first procurement was for materials necessary to begin this project. A second bid for materials was held in January of 2010. Materials from this procurement include the low wattage spread spectrum radios that will be used at each site and 42 bevel gearboxes with a 6:1 reduction that allow torque values to be reduced to a value that gates can be operated by a 24 volt solar charged battery pack. Two sites on the Sand Mesa pipeline and one site on the Hidden Valley pipeline will utilize ultrasonic flow meters that are mounted externally on the pipe and flow readings can be accessed at the office base station or remotely over the internet.

2ND DIVISION CHECK STRUCTURE:

The 2nd Division Check Structure was funded during the 2009 Wyoming state legislative session. This project consists of building a new check structure just downstream from the 18.0 turnout on Wyoming Canal, and the demolition and rebuild of the existing check/drop at Wy. 19.0. This project will be completed over the period of two years. Midvale crews have constructed the new check structure and it will be operational for the 2010 water season. This structure will be equipped with a Rubicon flume gate that will be part of the automation system. This gate will maintain a constant upstream bay level, adjusting

automatically to changes in rate of flow. The structure will have two slide gates that were fabricated in Midvale's shop by our personnel. The design of this structure was provided by the N.R.C.S., utilizing Lynn Cornia as engineer.

Reconstruction of the drop structure will take place after the 2010 water season. The failing concrete drop structure will be replaced with a reinforced concrete box culvert with new upstream and downstream headwalls. The design of this structure will be completed by Terry Zenk P.E. of Apex Surveying Inc. of Riverton.

HIDDEN VALLEY PIPELINE:

Construction of the Hidden Valley Pipeline began in July of 2006, the mainline and North lateral were complete and operable for the 2008 water season. The remaining construction was completed by the start of the 2009 irrigation season. As mentioned earlier the project will be officially complete following development of the "as built" plans. As time allows, Midvale's construction crew will remove concrete structures from the old open lateral system and backfill the ditches

WYOMING 44.1 LATERAL:

Midvale Irrigation District had the opportunity to participate in an upgrade to the Wyoming 44.1 lateral in February of 2009. A landowner on this lateral obtained a cost share from the N.R.C.S. for a center pivot system and associated 15" pipeline to allow the system to operate on gravity pressure. This lateral has long been identified by Midvale as a pipeline with great potential for water savings and has sufficient drop in elevation to allow conversion to center pivot irrigation. The Midvale Board of Commissioners agreed to participate in this project to allow the needed capacity to include all acres served by this lateral in an enclosed pipeline. The upper portion of this lateral was converted to 24" PVC pipe installed by Midvale's construction crew. The remainder of the project was accepted by the WWDC and is awaiting funding from the 2010 session of the Wyoming state legislature. When completed this project will provide water to 477 acres and eliminate 25,000 feet of open ditch.

MANAGEMENT'S DISCUSSION AND ANALYSIS

February 11,2010

Management's discussion and analysis of the Midvale Irrigation District's financial performance provides an overview of the District's activities as well as its financial condition for the year ended December 31,2009. This discussion and analysis should be read in conjunction with the financial statements.

FINANCIAL HIGHLIGHTS

- The District's total assets increased by \$10,666.30 or .0014%. Capital assets increased by \$88,352.65
- Total Net Assets increased by \$358,407.30.
- Cash accounts increased by \$165,967.00 during the year.

COMPARISON OF NET ASSETS 2009/2008

Assets	2009	2008
Current Assets	\$ 2,890,574.24	\$ 2,884,570.76
Capital Assets	\$ 448,399.56	\$ 360,046.91
Other Assets	\$ 4,397,090.00	\$ 4,480,780.00
Total Assets	\$ 7,736,063.80	\$ 7,725,397.67
Liabilities		
Current Liabilities	\$ 221,363.58	\$ 188,589.77
Other Liabilities and Deferred Revenue	\$ 4,618,145.96	\$ 4,998,660.99
Total Liabilities and Deferred Revenue	\$ 4,839,509.54	\$ 5,187,250.76
Net Assets		
Contributed Capital	\$ 62,976.70	\$ 62,976.70
Net Assets Invested in Capital Assets	\$ 448,399.56	\$ 360,046.91
Net Assets-- Unrestricted	\$ 1,185,178.00	\$ 915,123.30
Net Assets--Restricted	\$ 1,200,000.00	\$ 1,200,000.00
Total Net Assets	\$ 2,896,554.26	\$ 2,538,146.91
Total Liabilities and Net Assets	\$ 7,736,063.80	\$ 7,725,397.67

- Net operating income was \$358,406.25 representing the difference between total revenues and total expenses. This figure is an increase of \$284,791.25 over the preceding year.
- The District managed a budget of approximately \$1.6 million. The three major components of the budget are salaries and employee related expenses representing 52½% of the total, fuel costs representing 3% and Bureau of Reclamation Charges representing 6% of the total expense budget for 2009.

USING THIS ANNUAL REPORT:

A complete copy of Midvale's complete Financial Statement is available at the District's office.

The annual Financial Statements consist of the following series of financial information:

- Independent Auditor's Report
- Management's Discussion and Analysis
- Statement of Net Assets
- Statement of Revenues and Expenditures and Changes in Net Assets
- Statement of Cash Flows
- Notes to Financial Statements

The Financial Statements include all assets and liabilities using the accrual basis of Accounting used by most private-sector companies. All of the current year's revenue and expenses are taken into account regardless of when cash is received or disbursed.

Thus, revenues and expenses are reported in these statements for items that will impact cash flows in future fiscal periods (e.g. uncollected receivables and earned but unused vacation and sick leave).

The Statement of Net Assets presents information on all of the District's assets and liabilities, with the difference between the two reported as ***net assets***. When evaluated over a period of time, the changes in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

Whereas the Statement of Revenues, Expenses, and Changes in Net Assets describes the net income or deficit of the District for the fiscal year, the Statement of Cash Flows describes the overall change in cash and cash equivalents position of the District for the same period of time.

Notes to Financial Statements provide additional information that is essential to a full understanding of the data provided in the audited financial statements.

CONDENSED FINANCIAL INFORMATION

The difference between assets and liabilities is one way to measure the District's financial health. As mentioned earlier, increases or decreases in net assets may be one indicator of whether the District's financial position is improving or deteriorating.

Consideration of non-financial factors, such as changes in District's participation in grants or condition of the District's infrastructure would also impact the overall health of the operations.

Midvale does not operate to show a profit as a private company would. In contrast, the District has two major financial goals, which are:

- Recovering the cost of providing services to its customers, and
- Securing the financial resources to maintain, improve, and expand as necessary, the capital facilities used in providing those services.

BUDGETARY HIGHLIGHTS

The District's budget for 2009 was adopted at the Board of Commissioner's meeting on May 23, 2008. Total revenue fell for the year by \$466,897.50 the difference being the amount received in grants from the Wyoming Water Development Commission.

Midvale remains in a financially strong position and is rebuilding reserves lost during construction projects and unanticipated repairs. Unsettled economic conditions mandate prudent planning and budgeting to accomplish our goals.