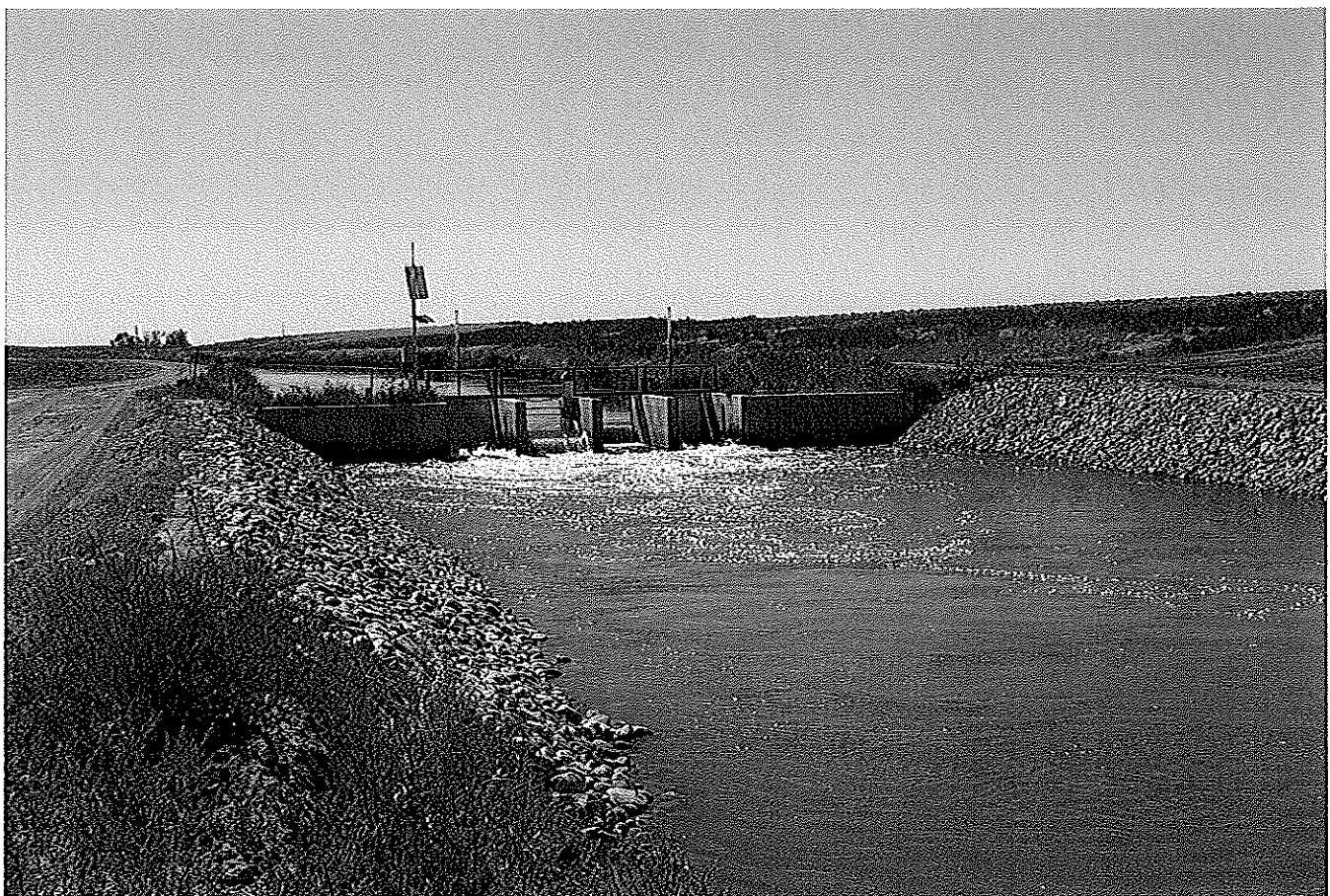


Midvale Irrigation District



2010 Annual Report

Midvale Irrigation District **2010 Annual Report**

PRESENTED BY:

Midvale Irrigation District **Board of Commissioners**

Gordon Medow, President
Lloyd Dechert, Vice President
Vince Dolbow, Secretary/ Treasurer
Janet Foxworthy, Member
Lyle David, 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
P.O. Box 128
Pavillion, Wy. 82523
307-856-6359

ANNUAL MEETING ---FEBRUARY 10, 2011

**MIDVALE IRRIGATION DISTRICT
2010 ANNUAL REPORT**

OVERVIEW OF 2010

SNOWPACK

On January 1, 2010 the snow pack measured 74% of the 30 year average for the Wind River Basin drainage area; by May 3rd the Basin wide average stood at 91%. During the month of May we recorded 4.54 inches of moisture at the Midvale office in Pavillion, in June an additional 1.19 inches was reported. In a Reclamation news release dated April 6, 2010 the snowmelt runoff forecast for April through July was 110,000 a.f. (78% of average); the forecast into the Wind River above Bull Lake Creek was 230,000 a.f. (57% of average). By June 1st, the snowpack had increased to 161% of average; while the mountains received snow, the basin had abundant rainfall and demand for water deliveries plummeted.

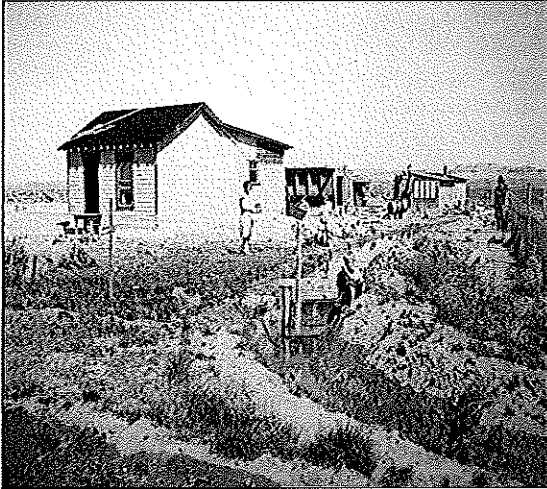
SNOWPACK	
% of 30 year average	
January	74%
February	70%
March	62%
April	78%
May	91%
June	161%

PRECIPITATION AT PAVILLION WY.

Month	2010	2009	2008	2007	2006	2005	2004
January	0.14	0.31	0.48	0.20	0.34	1.50	0.25
February	0.19	0.00	0.07	0.03	0.21	0.00	1.50
March	0.27	0.56	0.06	0.39	0.11	0.23	0.00
April	0.69	1.75	0.44	0.00	0.29	1.59	1.89
May	4.54	1.21	3.67	0.95	0.1	4.00	0.45
June	1.19	2.82	0.41	0.81	0.08	0.65	1.11
July	0.16	1.07	0.59	0.83	0.12	0.85	2.30
August	0.15	0.67	0.51	0.97	0.59	0.12	0.98
Sept.	0.27	0.42	0.9	0.6	0.47	0.84	1.81
October	0.09	0.49	1.48	1.07	0.92	1.8	0.64
November	0.15	1.09	0.06	0.1	0.33	0.14	0.34
December	0.3	0.21	0.14	0.77	0.7	0.33	0.05
TOTAL	8.14	10.6	8.81	6.72	4.26	12.05	11.32

WATER DELIVERY

THEN



FLOOD IRRIGATION-- 1929

NOW



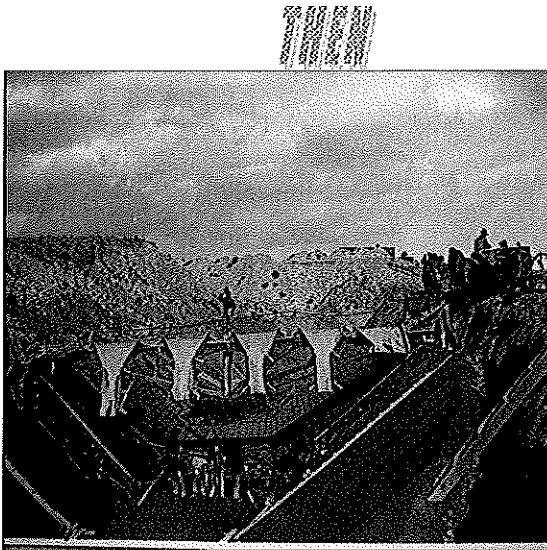
CENTER PIVOT SPRINKLER-- 2010

Midvale began irrigation water deliveries on May 3rd utilizing the available natural flow in the Wind River. Shortly after the start of water delivery, rain began to fall in the valley accompanied by snow on the mountains. The late snows melted quickly, increasing flows in the Big Wind River and upper Bull Lake creek; inflows into Bull Lake reached the point where outflows had to be increased to control the rate of filling the reservoir. As the rivers reached near record flows irrigators shut down; our delivery efficiency through mid-June was a mere 21%. Midvale Commissioners placed an early water allotment of 1.50 A.F. per acre on April 26th. With limited demand, the allotment was not increased to 2.0 A.F. until July 8th. The allotment was increased to 2.25 A.F. per acre on August 3rd and a final allotment of 2.75 A.F. was granted on August 12th. Many landowners elected to not use any water before the first cutting of hay; reasoning that there was adequate soil moisture from rainfall.

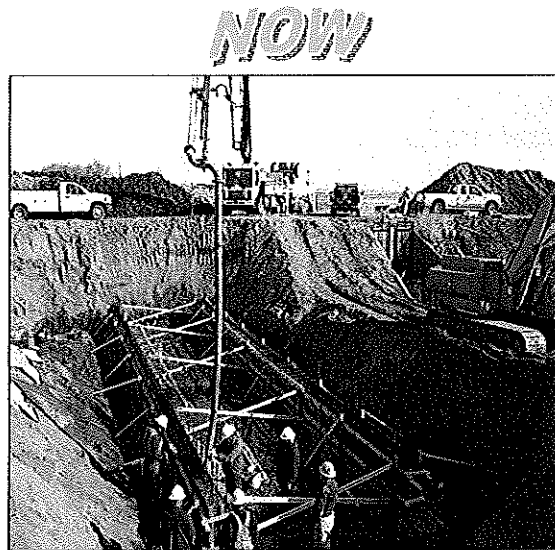
Diversions into Wyoming Canal were over 1000 C.F.S. from June 6th until September 1st with flows of 1577 C.F.S. on June 6th, and a season high of 1705 C.F.S. on July 12th. A maximum flow release of 2204 C.F.S. from Bull Lake occurred June 9th. Standing Operating Procedure criteria mandated increasing outflows to control rate of fill for the reservoir; the peak release for irrigation purposes occurred August 24th at 1272 C.F.S. For the season, we delivered 2.26 A.F. of water per acre.

Total diversion into Wyoming Canal for the irrigation season was 307,935 A.F.; 87% of average. A total of 168,232 A.F. of water was delivered to irrigators at an efficiency rate of 54.6%. Operational waste and unaccounted loss make up the difference between total diversions and delivered water. During June a considerable amount of water travelled through the system unused, and a far greater amount traveled down the Wind River to Boysen Reservoir.

OPERATION AND MAINTENANCE



1ST. DIVISION CONCRETE LINING- 1923



2ND. DIVISION CHECK CUTOFF WALLS-2010

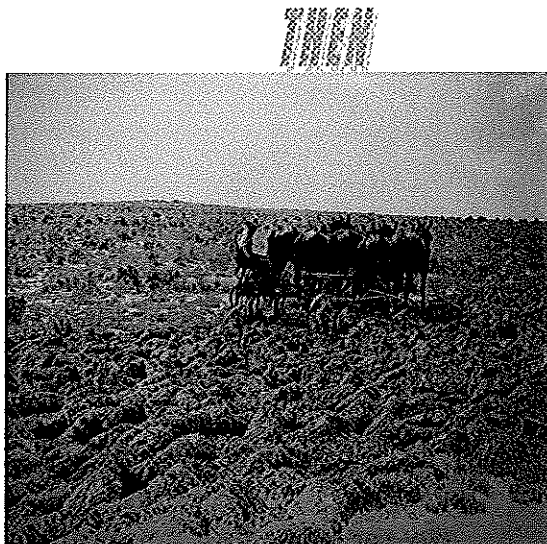
Midvale construction crews spent the off season building a new check structure at milepost 18.0 of Wyoming Canal. This structure replaces a failing concrete check/drop structure at milepost 19.1; the drop portion of the structure will be replaced following the 2011 water season. This structure is equipped with a Rubicon flume gate that is part of the automation system. This gate maintains a constant upstream bay level; adjusting automatically to changes in rate of flow. The structure also has 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 design engineer.

The failing concrete drop structure will be replaced with a reinforced concrete box culvert or concrete pipe; 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.

Following the water season, crews kept busy doing regular ditch cleaning and concrete maintenance. Each year we replace portions of concrete lining on the 1st Division of Wyoming Canal; 2010 was no exception.

The Midvale shop provides a valuable service to the District maintaining our fleet of equipment, and providing welding and machine work for special projects. During the winter, slide gates from the check structures on Pilot canal were removed and rebuilt; new improved gate slides, stainless steel stems and gear reduction gate operators were installed.

CROP PRODUCTION



BREAKING SOD--- 1927



GRAIN HARVEST -- 2010
(*PHOTO BY LYN PINCE)

CROP PRODUCTION AND ESTIMATED VALUE						
CROP	ACRES	YIELD/ACRE	UNIT	\$/UNIT	\$/ACRE	TOTAL \$ VALUE
Alfalfa Hay	22734.40	3.31	Ton	\$ 95.00	\$ 314.45	\$7,148,832.08
Barley	256.20	27.45	Bushel	\$ 2.75	\$ 75.49	\$19,339.90
Malt Barley	1811.60	90.46	Bushel	\$ 5.55	\$ 836.76	\$1,515,865.36
Beans	2188.40	18.12	CWT	\$ 24.10	\$ 436.69	\$955,656.77
Hard Corn	310.50	100.79	Bushel	\$ 5.60	\$ 564.42	\$175,253.65
Oats	306.60	29.78	Bushel	\$ 3.25	\$ 96.79	\$29,674.28
Wheat	316.90	66.05	Bushel	\$ 5.97	\$ 394.32	\$124,959.53
Other Hay	8680.80	2.02	Ton	\$ 90.00	\$ 181.80	\$1,578,169.44
Ensilage	2160.10	13.66	Ton	\$ 33.00	\$ 450.78	\$973,729.88
Sugar Beets	1070.60	25.43	Ton	\$ 52.00	\$ 1,322.36	\$1,415,718.62
Seed Alfalfa	202.40	267.29	LBS	\$ 3.25	\$ 868.69	\$175,823.36
Irrigated Pasture	6421.00	1.21	UAUM	\$ 18.00	\$ 21.78	\$139,849.38
Corn Pasture	104.30	45.66	UAUM	\$ 18.00	\$ 821.88	\$85,722.08
Other Pasture	586.20	0.28	UAUM	\$ 18.00	\$ 5.04	\$2,954.45
TOTAL	47150.00			379.47		\$14,341,548.78

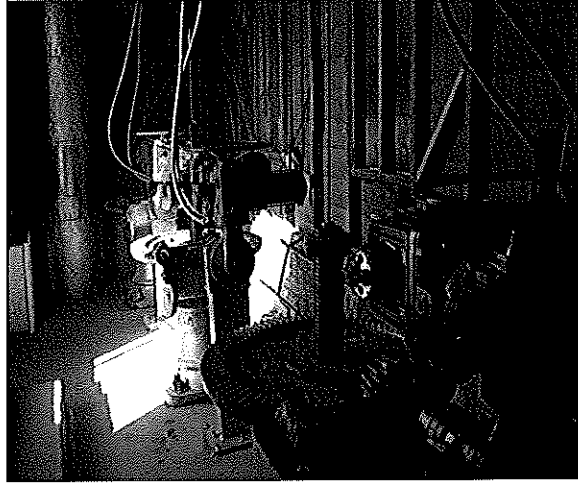
* CROPS TOTALING LESS THAN 40 ACRES OF PRODUCTION ARE NOT INCLUDED IN THIS REPORT DUE TO DIFFICULTIES ESTABLISHING A FAIR MARKET VALUE.

WYOMING WATER DEVELOPMENT COMMISSION PROJECTS

MIDVALE AUTOMATION PROJECT:

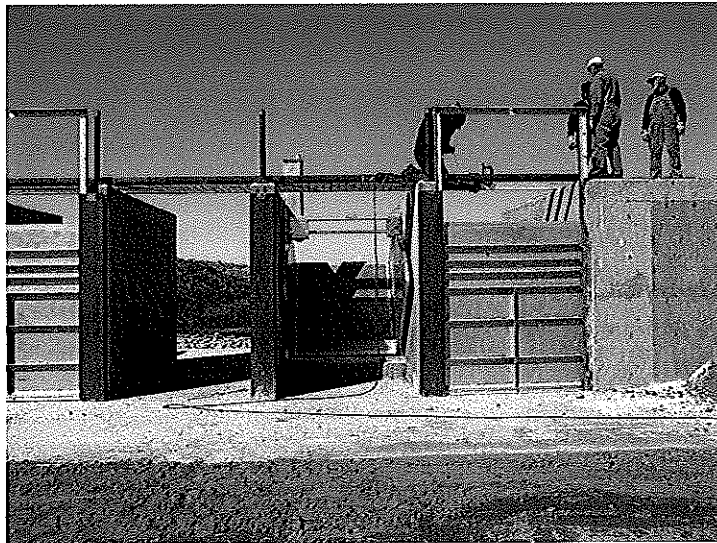


73' ANTENNAE MAST AT OFFICE



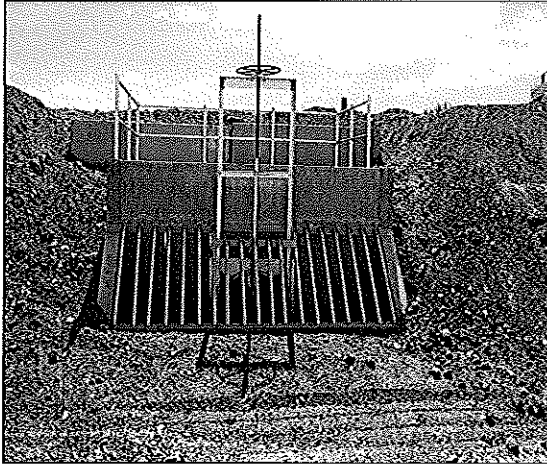
GEAR REDUCTION GATE ACTUATORS

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. During the past year we were able to install forty-two (42) sites that provide us with information to monitor water flow, or give us the ability to remotely operate gates. The system has allowed the water delivery staff to react quicker to changes in demand and to increase delivery efficiency. An additional eight (8) sites are being considered and should become operational during 2011. As we learn more about the capabilities of the system, and how to utilize the information, we are certain that the water savings will be substantial.



2ND. DIVISION CHECK WITH RUBICON GATE

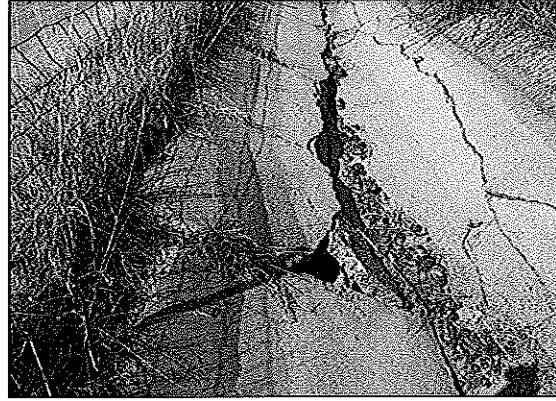
WYOMING 44.1 LATERAL:



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 was funded during the 2010 session of the Wyoming State legislature; this project will provide water to 477 acres and eliminate 25,000 feet of open ditch.

The Midvale construction crew has finished laying pipe, and will begin installing materials for individual turnouts; this project will be completed by the start of the 2011 water season. The bid opening for materials was held October 5, 2010; pipe was delivered by November 5, 2010, and 16,200 feet of pipe was installed by February 1, 2011.

PAVILLION MAIN E LATERAL:



This lateral has concrete lining that has deteriorated to the point that we can only provide about 65% of the design capacity. Terry Zenk (P.E.) of Apex Surveying Inc. has designed a replacement of the failing concrete with 36" PVC pipe; the project was submitted to the W.W.D.C. in November of 2010 and currently awaits funding from the Wyoming State Legislature.

MANAGEMENT'S DISCUSSION AND ANALYSIS

February 10, 2011

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 partial year ending June 30, 2010. This discussion and analysis should be read in conjunction with the financial statements.

Midvale Irrigation District was organized under Wyoming Statutes 41-7-101 et seq by the landowners within the District that own land susceptible to irrigation from a common source and who receive irrigation water through a common water delivery system. The powers and duties of the District are enumerated in State and Federal law and the "Amendatory Repayment Contract between the United States of America and the Midvale Irrigation District Covering All Lands of the Riverton Unit" executed in 1971 (contract No. 14-06-600-444A).

The Bureau of Reclamation, Department of the Interior, United States of America, pursuant to the 1971 repayment contract, retains title to all physical structures managed by the District. The District will retain control of the system as long as it conforms to the terms and conditions of the 1971 repayment contract. The United State's title to all physical structures includes right-of-way easements retained along or adjacent to all United States owned facilities. The 1890 Canal Act, the law interpreting same, and State Law, dictates the scope and uses of said rights-of-ways. In accordance with the 1890 canal act, the easements are not for public access.

Wyoming Statutes dictate the organizational structure of the District and the election and duties of its Commissioners and Officers. Wyoming law further dictates the method and procedure for the levying of operation and maintenance (O&M) and construction assessments on land within the District and grants an automatic lien upon the land for enforcement of the same. It further provides for the appropriation of water by diversion for beneficial use by the District.

The District's mission is to provide the maximum amount of available water to the District's constituents at the lowest reasonable cost each year. Beneficial use shall be the basis, measure, and limit to the right to use water at all times

During the 2009 General Session of the Wyoming Legislature, W.S. 16-4-125 was amended to require all governmental entities within the state, no matter how formed, to adopt a June 30th fiscal year end. In order to comply, Midvale Irrigation District had to adjust their whole financial structure – including filing an amended Budget for the new fiscal year ending June 30, 2011 and having an additional audit performed reflecting the financial status of the District at June 30, 2010. The financial statements contained in this report are reflective of that time frame.

Assets

Current Assets	\$2,237,876.35
Capital Assets	\$ 392,149.86
Other Assets	<u>\$4,313,399.48</u>
Total Assets -----	\$6,943,426.73

Liabilities

Current Liabilities	\$ 184,936.33
Other Liabilities & Deferred Revenue	<u>\$3,749,541.79</u>
Total Liabilities & Deferred Revenue-----	\$3,934,478.12

Net Assets

Contributed Capital	\$ 62,976.70
Net Assets Invested in Capital Assets	\$ 392,149.86
Net Assets – Unrestricted	\$1,353,822.05
Net Assets – Restricted	<u>\$1,200,000.00</u>
Total Net Assets -----	\$3,008,948.61

Total Assets and Liabilities ----- \$6,943,426.73

Net operating income was \$112,395.66 representing the difference between total revenues and total expenses.

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.

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.