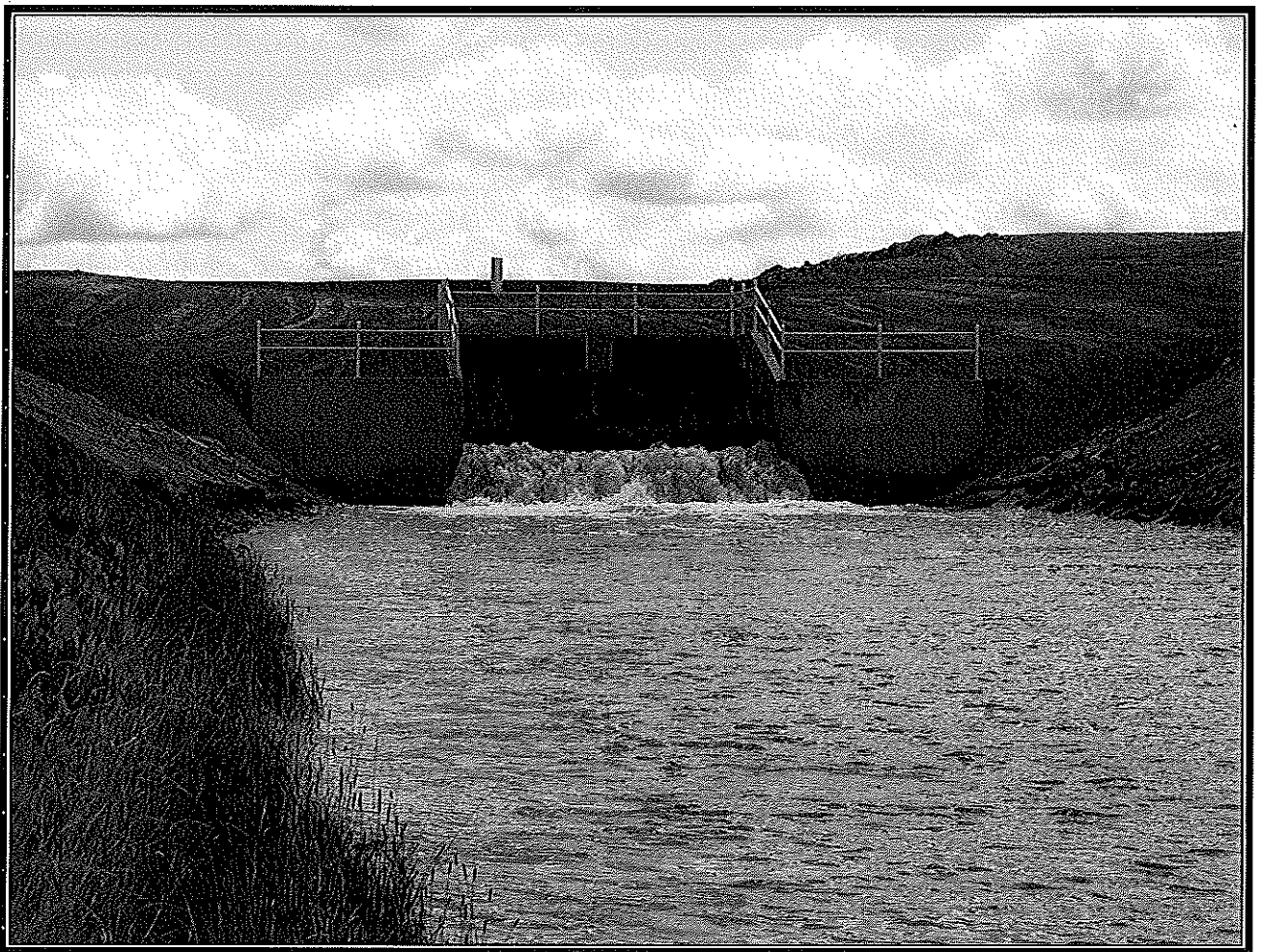


# Midvale Irrigation District



BAFFLED OUTLET—2<sup>ND</sup> DIVISION DROP STRUCTURE

## 2012 ANNUAL REPORT

# Midvale Irrigation District 2012 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 14,2013**

**MIDVALE IRRIGATION DISTRICT**  
**2012 ANNUAL REPORT**

**OVERVIEW OF 2012**

**SNOWPACK**

During the early months of 2012 the mountain snowpack was near normal; the Wind River basin average was 101% according to the March 1<sup>st</sup> Water Supply Report issued by the Bureau of Reclamation. Weather in the lower elevations during this period is best described as very dry with an abundant supply of wind; the rain gauge at the Midvale office recorded 3.27" of moisture for the year. Basin wide snowpack averages, as reported by the N.R.C.S, continued to drop throughout the spring; the Little Wind River water shed being the lowest in the basin. Reporting agencies issued news releases of 25% of our normal snowpack for the basin by the first of May; severe shortage of snow in the Little Wind drainage drastically reduced the basin average.

As you will recall, Midvale is not directly affected by the Little Wind river snowpack; the snowpack above Bull Lake reservoir and the snowpack in the Wind River Mountains above the confluence of Bull Lake creek and the Wind River provide Midvale's water supply. The computer software model (developed by Jerry Dechert) which Midvale uses to predict the amount of water that will be available each year is based upon a 30 year study of the relationship between certain snotel sites within the Wind River Basin and the correlation of river flows resulting from the combined information. The Dechert model predicted, at the April 13,2012 Board meeting, that Midvale would be able to deliver 2.38 acre feet of water for the season; actual final delivery ended at 2.43 acre feet. Delivery could have been higher had irrigators used more water during the last half of May and the month of June when nearly 60,000 acre feet of water went unused past Diversion Dam continuing down river to Boysen Reservoir.

SNOWPACK	
% of 30 year average	
(U.S.B.R. WATER SUPPLY REPORT)	
February	90%
March	101%
April	87%
May	56%
June	37%

## WATER DELIVERY

Midvale began irrigation water deliveries on April 23<sup>rd</sup> utilizing the available natural flow in the Wind River. Unseasonably warm temperatures accompanied by windy conditions for most of the spring resulted in earlier than usual water deliveries. On March 26, an 86 mile per hour gust was recorded at the N.O.A.A. Station in Riverton; the months of March and April combined registered just 0.33 inches of rain at Midvale's office in Pavillion. Diversions into Wyoming canal did not regularly exceed 1000 cubic feet per second until the first of June; the peak rate of flow was reported on June 7<sup>th</sup> at 1530 cubic feet per second. Irrigators began the season conservatively, amid conflicting reports of limited available water and rumors of a mid-summer shutdown of water delivery. While land owners attempted to stretch their allotted amount of water, averaging just one acre foot of usage per acre by July 1<sup>st</sup>, nearly 60,000 acre feet of water beyond the amount required to satisfy senior rights downstream, passed Diversion Dam unused. During this period of time, the Midvale Board of Commissioner's raised the allotment three times to encourage people to take advantage of the available river flows.

The maximum flow released from Bull Lake reservoir occurred on August 24<sup>th</sup> at a rate of 1196 cubic feet per second. The reservoir contained 150,069 acre feet on July 24<sup>th</sup>; by September 30<sup>th</sup> the level had been pulled down to 73,231 acre feet.

Total diversion into Wyoming Canal for the irrigation season was 343,161 acre feet; 97% of average. A total of 180,160 acre feet of water were delivered to irrigators at an efficiency rate of 52.50%. Operational waste and unaccounted loss make up the difference between total diversions and delivered water. For the season the allotment was 3.0 acre feet of water per acre. Delivery per acre was 2.43 acre feet.

### PRECIPITATION AT PAVILLION WY

Month	2012	2011	2010	2009	2008	2007	2006	2005	2004
January	0.00	0.17	0.14	0.31	0.48	0.20	0.34	1.50	.25
February	.16	0.27	0.19	0.00	0.07	0.03	0.21	0.00	1.5
March	.14	0.07	0.27	0.56	0.06	0.39	0.11	0.23	0.00
April	.29	0.47	0.69	1.75	0.44	0.00	0.29	1.59	1.89
May	.91	3.84	4.54	1.21	3.67	0.95	0.1	4.00	.45
June	0.00	0.43	1.19	2.82	0.41	0.81	0.08	0.65	1.11
July	.44	0.5	0.16	1.07	0.59	0.83	0.12	0.85	2.3
August	.24	0.17	0.15	0.67	0.51	0.97	0.59	0.12	0.98
Sept.	.14	0.67	0.27	0.42	0.9	0.6	0.47	0.84	1.81
October	.46	1.88	0.09	0.49	1.48	1.07	0.92	1.8	0.64
November	.24	0.28	0.15	1.09	0.06	0.1	0.33	0.14	0.34
December	.25	0.07	0.3	0.21	0.14	0.77	0.7	0.33	0.05
<b>TOTAL</b>	<b>3.27</b>	<b>8.82</b>	<b>8.14</b>	<b>10.6</b>	<b>8.81</b>	<b>6.72</b>	<b>4.26</b>	<b>12.05</b>	<b>11.32</b>

## OPERATION AND MAINTENANCE



TREE ROOTS REMOVED FROM UNDERGROUND DRAIN

Midvale maintenance crews continue to address normal system upkeep to the water delivery infrastructure as well as new construction to replace failing concrete structures. Regular maintenance chores include cleaning silt deposits from canals and laterals, replacing canal delivery gates, concrete repairs and repairs to District owned equipment and buildings. As in past years Midvale contracted with the Fremont County Weed and Pest for spraying canals and laterals for weeds.



WASHOUT CAUSED BY WASTE WATER

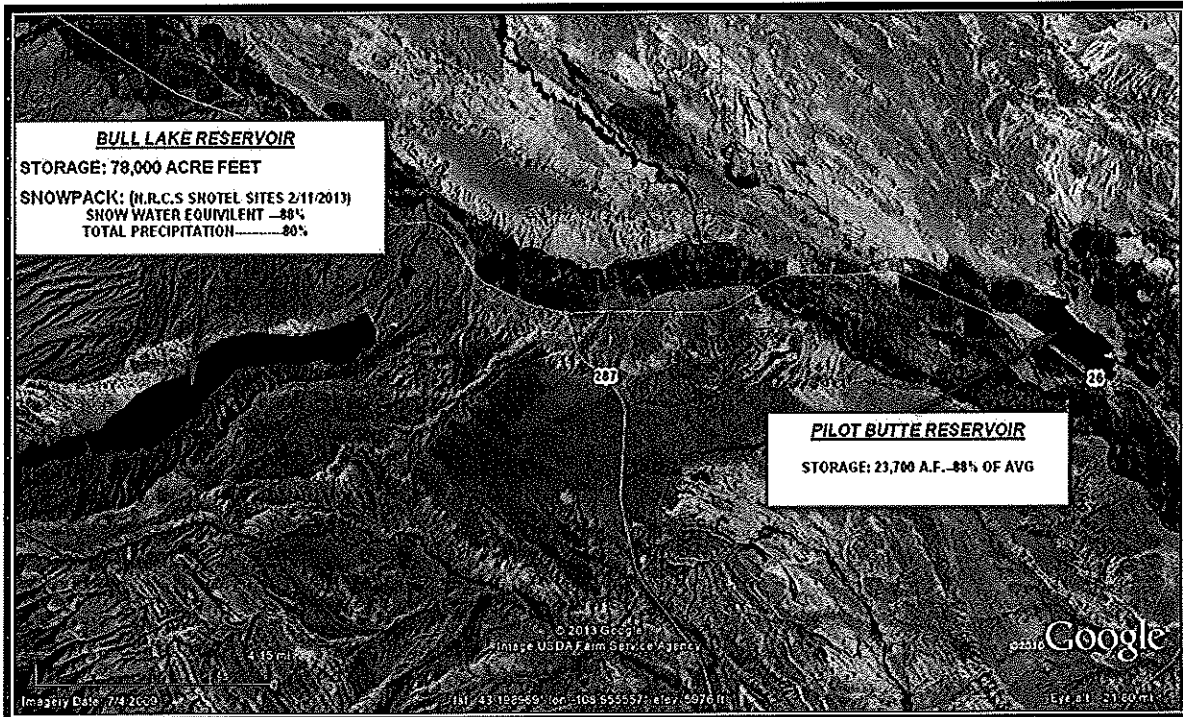
## 2012 CROP PRODUCTION

\*DATA BASED ON 75.3% OF TOTAL ACRES

CROP PRODUCTION AND ESTIMATED VALUE						
CROP	ACRES	YEILD/ACRE	UNIT	\$/UNIT	\$/ACRE	TOTAL VALUE
ALFALFA HAY	25,050.10	3.87	TON	\$ 180.00	\$ 696.60	\$ 17,449,899.00
BARLEY	569.2	68.08	BUSHEL	\$ 5.00	\$ 340.40	\$ 193,755.68
MALT BARLEY	1655.6	45.66	BUSHEL	\$ 13.50	\$ 616.41	\$ 1,020,528.30
BEANS	2405.7	21.4	CWT	\$ 30.00	\$ 642.00	\$ 1,544,459.40
HARD CORN	1977.3	101.45	BUSHEL	\$ 7.00	\$ 710.15	\$ 1,404,179.50
OATS	248.6	62.78	BUSHEL	\$ 4.50	\$ 282.51	\$ 70,231.00
WHEAT	130	42.31	BUSHEL	\$ 8.00	\$ 338.48	\$ 44,002.40
OTHER HAY	7540.6	2.23	TON	\$ 180.00	\$ 401.40	\$ 3,026,796.80
ENSILAGE	1651.1	19.28	TON	\$ 45.00	\$ 867.60	\$ 1,432,494.30
SUGAR BEETS	1015.6	26.87	TON	\$ 65.00	\$ 1,746.55	\$ 1,773,796.10
SEED ALFALFA	196.1	381.9	LBS.	\$ 2.00	\$ 763.80	\$ 149,781.80
IRRIGATED PASTURE	9491.7	1.16	AUM	\$ 25.00	\$ 29.00	\$ 2,752,593.00
CORN PASTURE	63	1.6	AUM	\$ 25.00	\$ 40.00	\$ 2,520.00
OTHER PASTURE	622.2	1.65	AUM	\$ 25.00	\$ 41.25	\$ 25,665.75
<b>TOTAL</b>						<b>\$ 30,890,703.03</b>

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

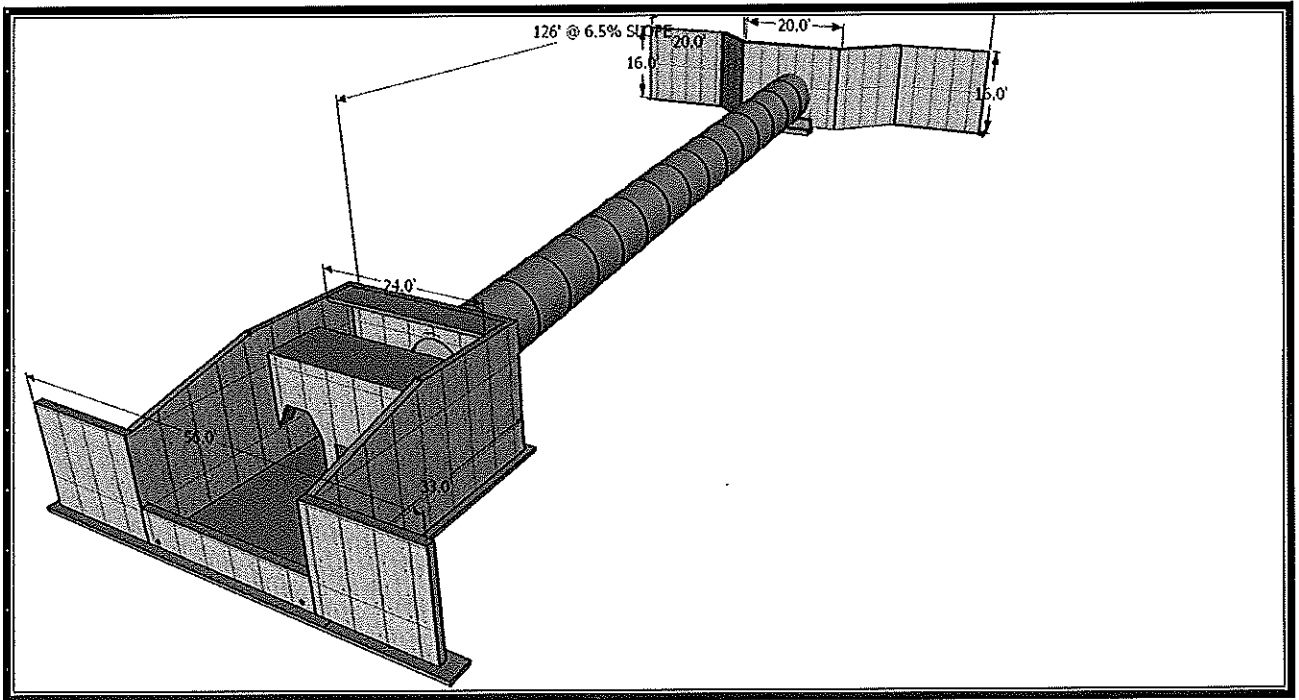
## CURRENT WATER STORAGE



## WYOMING WATER DEVELOPMENT COMMISSION PROJECTS

For many years, Midvale has applied for and received funding from the Wyoming Water Development Commission (W.W.D.C.) for major construction projects throughout the district. The first undertaking was the Sand Mesa Pipeline beginning in 1996; since that time Midvale has pursued an ambitious program to address problems with an aging infrastructure. The majority of funding obtained from the W.W.D.C. has been “materials only” grants whereby the State of Wyoming, through coal severance tax monies, provides materials for approved projects. Midvale’s share of the cost of these projects is the actual construction, using District equipment and employees; engineering services and any construction materials used in the process are also a cost to Midvale. This arrangement of “sharing” the cost of these projects would not have been possible had the Midvale Board of Commissioners not committed, many years ago, to purchase and maintain the fleet of equipment necessary to complete these projects. The foresight shown by having the proper equipment and a competent staff has allowed Midvale to improve the District’s assets, in house, at a considerable savings. An accompanying spreadsheet provides a detailed account of projects and funding received from the W.W.D.C.

COMPUTER RENDERING OF 2<sup>ND</sup> DIVISION DROP STRUCTURE – COMPLETED 3/2012



MIDVALE IRRIGATION DISTRICT  
W.W.D.C. PROJECT SUMMARY 1996-2012

YEAR	PROJECT	DESCRIPTION	APPROPRIATION	COMPLETION DATE
1996	SAND MESA PIPELINE	CONVERTED OPEN DITCH SYSTEM TO A GRAVITY PRESSURE PIPELINE FOR APPROXIMATELY 5600 ACRES OF LAND.	\$ 3,000,000.00	1999
2002-2006	HIDDEN VALLEY PIPELINE	CONVERTED OPEN DITCH SYSTEM TO A GRAVITY PRESSURE PIPELINE FOR APPROXIMATELY 2,700 ACRES OF LAND.	\$ 3,069,543.00	2009
2005	MIDVALE DIVERSION DAM REHABILITATION	INSTALLED NEW ENCLOSED GATE HOIST GEAR BOXES.	\$ 138,000.00	2006
2003-2012	MIDVALE CONSERVATION PROGRAM	LEVEL II FUNDING TO DEVELOP 20 YEAR PLAN FOR REHABILITATION.	\$ 300,000.00	2003
2005	SAND GULCH RE-REGULATING RESERVOIR	LEVEL II FUNDING TO INVESTIGATE SITES FOR A RE-REGULATING RESERVOIR ON THE LOWER END OF PILOT CANAL.	\$ 75,000.00	2005
2006	AUTOMATION PROJECT	INSTALLED SCADA SYSTEM TO ALLOW REMOTE READINGS OF CANAL FLOWS, BAY LEVELS AND REMOTE GATE OPERATION.	\$ 542,700.00	2011
2009	2ND DIVISION CHECK AND 2ND DIVISION DROP	BUILD NEW CHECK STRUCTURE ON WYOMING CANAL AND REPLACE EXISTING DROP STRUCTURE.	\$ 230,000.00	2012
2010	WYOMING 44.1 PIPELINE	CONVERTED OPEN DITCH SYSTEM TO A GRAVITY PRESSURE PIPELINE FOR APPROXIMATELY 500 ACRES OF LAND.	\$ 263,000.00	2011
2011	PAVILLION MAIN "E" LATERAL	REPLACE FAILING CONCRETE LINED LATERAL WITH PIPE.	\$ 450,000.00	2013-PROJECTED
<b>UPCOMING PROJECTS</b>				
2010	WYOMING 15.1 LATERAL	INSTALL 7220' OF 36" PIPE AND BUILD NEW CONCRETE STRUCTURES.	\$ 945,000.00	2014-PROJECTED
2012	WYOMING 37.1 CHECK AND DROP STRUCTURE	REPLACE TWO FAILING CONCRETE STRUCTURES.	\$ 317,400.00	
2013	SAND BUTTE II PIPELINE	REPLACE FAILING CONCRETE LINING WITH PIPE		

**TOTAL \$ 9,330,643.00**



## CURRENT PROJECT

### PAVILLION MAIN E LATERAL:

This lateral had concrete lining that had deteriorated to a point that we could only provide about 65% of the design capacity. Terry Zenk (P.E.) of Apex Surveying Inc. 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 received funding of \$450,000 at the 2011 legislative session. Midvale expects to have this project completed in time for the 2013 irrigation season.

MIDVALE CREW INSTALLING 36" PVC PIPE

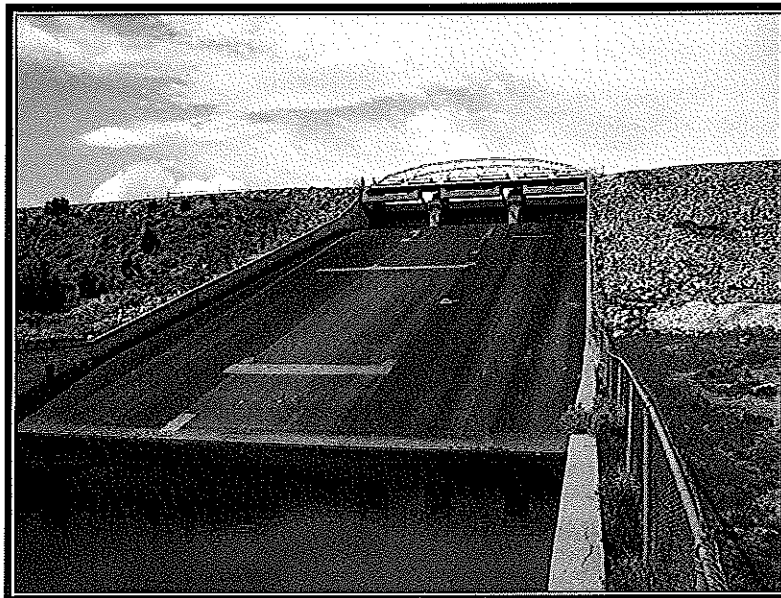


## BULL LAKE SPILLWAY

The spillway at Bull Lake is a 100-foot wide concrete chute structure with three 29' long by 12' high radial gates with concrete encased counterweights. Voids have developed beneath the spillway chute floor slabs downstream of the crest structure. Freeze-thaw cycles have caused concrete delamination of the chute floor slabs. Additionally, the concrete piers that support the bridge and radial gates have developed significant cracking, resulting from alkali-aggregate reaction and freeze-thaw damage. The deterioration of these supports has raised concerns about the potential failure of the radial gates.

The Bureau of Reclamation is in the final stage of performing a Corrective Action Study that will develop alternatives to reduce the risk below Reclamation guidelines and evaluate alternatives. During the latter part of 2012 U.S.B.R. personnel core drilled test holes to gain geo-technical information about the foundation materials below the earthen embankment; following evaluation of the core samples a decision will be made whether the spillway is rebuilt in the current location or a new labyrinth weir type spillway is constructed south of the present structure. Current planning suggests construction could start in the 2014-2015 time frame.

Midvale has not received a total cost estimate for this project; however, the concrete amounts are between 7,000-8,000 cubic yards. The District will be responsible for 15% of the total cost of construction; the Bureau of Reclamation will bear the burden of the remaining 85%. A long term repayment contract for Midvale's share of the cost will be executed with the Bureau. How this affects the District's budget and assessments is yet to be seen; certainly, the Board of Commissioners and management will be addressing this issue in the not to distant future.



## MANAGEMENT'S DISCUSSION AND ANALYSIS

February 1, 2013

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 ending June 30, 2012. 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. The financial statements contained in this report are reflective of that time frame.

Assets	Year End 6/30/11	Year End 6/30/12
Current Assets	\$2,327,465.21	\$2,689,704.86
Capital Assets	\$ 580,894.27	\$ 611,160.40
Other Assets	<u>\$4,229,709.33</u>	<u>\$4,146,019.21</u>
<b>Total Assets -----</b>	<b>\$7,138,068.81</b>	<b>\$7,446,884.47</b>
Liabilities		
Current Liabilities	\$ 231,548.70	\$ 214,352.29
Other Liabilities & Deferred Revenue	<u>\$3,665,311.67</u>	<u>\$3,861,976.34</u>
Total Liabilities & Deferred Revenue----	<u>\$3,896,860.37</u>	<u>\$4,076,328.63</u>
Net Assets		
Contributed Capital	\$ 62,976.70	\$ 62,976.70
Net Assets Invested in Capital Assets	\$ 580,894.27	\$ 611,160.40
Net Assets – Unrestricted	\$1,397,337.47	\$1,496,418.74
Net Assets – Restricted	<u>\$1,200,000.00</u>	<u>\$1,200,000.00</u>
Total Net Assets -----	<u>\$3,241,208.44</u>	<u>\$3,370,555.84</u>
<b>Total Net Assets and Liabilities -----</b>	<b>\$7,138,068.81</b>	<b>\$7,446,884.47</b>
<b>Total Revenues:</b>	<b>\$1,881,767.11</b>	<b>\$1,838,351.59</b>
<b>Total Expenses:</b>	<b><u>\$1,649,506.88</u></b>	<b><u>\$1,709,004.20</u></b>
	<b>\$ 232,260.23</b>	<b>\$ 129,347.39</b>

Net operating income for the year end 6/30/12 was \$129,347.39 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 unseen 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 for upcoming rehabilitation of District assets, the largest project being the reconstruction of the emergency spillway at Bull Lake. One must remember that Midvale's annual budget does not reflect future maintenance needs identified in the project wide study, funded by the Wyoming Water Development Commission, that estimated nearly 90 million dollars of rehabilitation would be necessary over a 20 year period. Midvale

LAWSUIT:

**Objection to Assessment of Benefits:** In the annual statutory budget process for the 2012/2013 fiscal year, the Commissioners proposed an assessment of benefits received by landowners under the relatively new rehabilitation projects consisting of the Sand Mesa pipeline, the Hidden Valley pipeline and the Wyoming 44.8 Lateral pipeline. Certain landowners from the areas served by these rehabilitation projects objected to the additional assessment of benefits during the budget process before the District Court. Rather than hold up approval of the entire Midvale budget, the Court and parties agreed to approve the budget without the additional assessment of benefits and preserve the issue concerning assessment of benefits for further hearing.