Midvale Irrigation District

Wyoming Canal 37.2 Check Structure Replacement

2014 ANNUAL REPORT

Midvale Irrigation District
2014 Annual Report

PRESENTED BY:

Midvale Irrigation District
Board of Commissioners

Dennis Christensen, President
Janet Foxworthy, Vice President
Vince Dolbow, Secretary/ Treasurer
Lyle David, Member
Jock Campbell, Member

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ANNUAL MEETING ---FEBRUARY 12, 2015

OVERVIEW OF 2014

SNOWPACK

During the early months of 2014 the mountain snowpack was above normal due primarily to the multiple rain and snow storms during September and October 2013; the Wind River basin average was 106% according to the January 6th Water Supply Report issued by the Bureau of Reclamation. Precipitation in the lower elevations during this period is best described as near normal for January through May. Basin snowpack averages, as reported by the N.R.C.S, began near normal through January and significantly increased in February. Basin snowpack accumulations continued to increase to between 130 to 150 percent of normal and remained strong through May. These spring storms delivered final average snowpack numbers in the Wind River and Bull Lake Creek drainage that averaged over 140 percent of normal.

RECONSTRUCTED BURROUGHS CREEK SNOTEL INSTRUMENTATION SITE

A snotel site very valuable to Midvale for water prediction is Burroughs Creek. This site was destroyed during a forest fire in 2013. Because of access and other issues, this site could not be reconstructed until the summer of 2014. Consequently, the state engineer's office was left to collect snowpack data the old fashion way (travel to the site on snow machines and hand measure snow depth). Information obtained from snotel sites is vital to Midvale's ability to make predictions and plan for the water year. We appreciate the efforts of the state engineer's Riverton office for their efforts to provide us with the information we need under challenging circumstances.

SNOWPACK (30 Years of DATA From Specific NRCS SNOTEL SITES)

2014	Snow Water Equivalent (% of Median)	Precipitation (% of Average)
January	117	114
February	109	109
March	143	141
April	135	135
May	136	121

The snowpack which accumulates in the Bull Lake Creek drainage above Bull Lake Reservoir and the snowpack which accumulates in the Wind River Drainage above the confluence of the Wind River and Bull Lake Creek provide Midvale's water supply. Consequently, snowpack in other drainages, such as the Little Wind River, typically do not affect Midvale's available runoff water. 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 snow water equivalent (SWE) data recorded at four specific snotel sites located within the Wind River Basin and how the SWE data correlates with measured river flows resulting from the combined information. The Dechert model predicted, at the April 10, 2014 Board meeting, that Midvale would be able to deliver 2.58 acre feet of water for the season; actual final delivery ended at 2.51 acre feet.

PRECIPITATION

The rain gauge at the Midvale office recorded 7.72" of moisture for the year, which is only 0.03 inches less than recorded the previous year. Over one half of the annual precipitation for 2014 occurred during the months of August (27%), September (14%) and October (10%). The unusually high volume and frequency of precipitation events which occurred during these late summer and fall months delivered rain and snow in the valleys and early winter snowpack in the surrounding mountains. These events had a positive impact to Midvale's water storage and resulted in both reservoirs being full going into the winter months. These above normal precipitation events enabled Midvale's management to begin Reclamation's 2014 Water Year (October 1, 2014) with an almost full Pilot Butte Reservoir (27,564 Acre-Feet on October 3, 2014) and Bull lake Reservoir near its maximum allowable winter storage capacity of 104,500 Acre-Feet on October 1, 2014. This situation bodes well for potential storage water available for the 2015 water season.

PRECIPITATION AT PAVILLION WY

Month	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
January	0.28	0.38	0.00	0.17	0.14	0.31	0.48	0.20	0.34	1.50	0.25
February	0.26	0.21	0.16	0.27	0.19	0.00	0.07	0.03	0.21	0.00	1.50
March	0.37	0.06	0.14	0.07	0.27	0.56	0.06	0.39	0.11	0.23	0.00
April	0.03	0.48	0.29	0.47	0.69	1.75	0.44	0.00	0.29	1.59	1.89
May	0.63	1.42	0.91	3.84	4.54	1.21	3.67	0.95	0.10	4.00	0.45
June	0.72	0.00	0.00	0.43	1.19	2.82	0.41	0.81	0.08	0.65	1.11
July	0.46	0.58	0.44	0.50	0.16	1.07	0.59	0.83	0.12	0.85	2.30
August	2.06	0.03	0.24	0.17	0.15	0.67	0.51	0.97	0.59	0.12	0.98
Sept.	1.08	3.04	0.14	0.67	0.27	0.42	0.90	0.60	0.47	0.84	1.81
October	0.77	0.98	0.46	1.88	0.09	0.49	1.48	1.07	0.92	1.80	0.64
November	0.51	0.13	0.24	0.28	0.15	1.09	0.06	0.10	0.33	0.14	0.34
December	0.55	0.44	0.25	0.07	0.30	0.21	0.14	0.77	0.70	0.33	0.05
TOTAL	7.72	7.75	3.27	8.82	8.14	10.60	8.81	6.72	4.26	12.05	11.32

WATER DELIVERY

Because of the relatively high snowpack conditions as has been discussed, high water flows were expected in the Wind River, including flooding during periods of peak flows. Some expectations for flooding were near those experienced during the spring and early summer of 2011. The Wyoming Engineer's office and Reclamation informed Midvale that the Wind River would not "go into accounting" because adequate Boysen Reservoir storage and Wind River natural flows were expected for the duration of the 2014 water year. Based on this information, Midvale's management believed that delaying the annual filling of Bull Lake coupled with higher diversions into Wyoming Canal could significantly reduce the magnitude of peak flows and flooding in the Wind River below Diversion Dam during runoff.

Midvale began irrigation water deliveries on April 29th utilizing the available natural flow in the Wind River. As anticipated, above normal snowpack caused above normal flows in the Wind River throughout the irrigation season. Regardless of the water quantities diverted into the Wyoming Canal from the available natural flows of the Wind River, river flows passing Diversion Dam were in excess of the amount required to satisfy senior rights downstream. Diversions into Wyoming Canal did not regularly exceed 1000 cubic feet per second until the 21st of May (1 week later than the previous year); the peak rate of flow was reported on June 8th at 1866 cubic feet per second. As was explained earlier, diversions were higher than normal for the first 2 weeks of June in order to take pressure off of the flood stage flows in the Wind River during the same time period.

Because of relatively high flows in the Wind River during the 2014 water season, natural flows were more than adequate to meet the irrigation demands in the Wyoming and Pilot Butte canal systems. Consequently, it was not necessary to draw significant quantities of water from Midvale's storage reservoirs. However, draw down of Bull Lake was required to drop the pool elevation to maximum allowed

winter levels. Draw down commenced on August 19th, one month later than in 2013. The maximum flow released from Bull Lake reservoir occurred on August 20th at a rate of 1102 cubic feet per second. As previously discussed, the filling of Bull Lake reservoir was delayed (this was a first) so that peak flows in Bull Lake creek could be utilized for filling the Lake rather than adding peak creek flows to the Wind River which was already at flood stage. Midvale was able to fill Bull Lake by July 23rd (150037 acre-feet), long after the critical flood stages of the Wind River had passed. By September 30th the level had been pulled down to an allowable winter storage of 104,768 acre feet.

Total diversion into Wyoming Canal for the irrigation season was 347,959 acre feet; slightly below the historical average. A total of 185,885 acre feet of water was delivered to irrigators at an efficiency rate of 53.4% (right at the historical average). Midvale estimates that the actual 2014 efficiency rate was approximately 54.4% when you take into account the additional water that was diverted during flood stages. Operational waste and unaccounted loss make up the difference between total diversions and delivered water. For the season, the allotment was 3.5 acre feet of water per acre. Actual delivery per acre was 2.51 acre feet.

OPERATION AND MAINTENANCE

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/sand deposits from canals and laterals, replacing canal delivery gates, concrete repairs and repairs to District owned equipment and buildings. Midvale continues to contract with the Fremont County Weed and Pest (FCWP) for spraying canals and laterals for weeds. The experimental chemical treatments on WC 15.1 (moss/pond weed infestation) and lateral (severe cattail infestation) yielded good to excellent results. Consequently, Midvale asked the FCWP to treat some small sections of Lost Wells lateral for moss/pond weed and a drain near Ocean Lake for severe cattail infestation. Both treatments were considered to be successful, especially the cattail treatments. As a result, Midvale will devote approximately 10 percent of its budget to these types of treatments during 2015. We are constantly looking for alternative methods for mitigating problems which significantly slow down and/or prohibit our ability to deliver water at the rate and quantity that has been ordered by our water users.

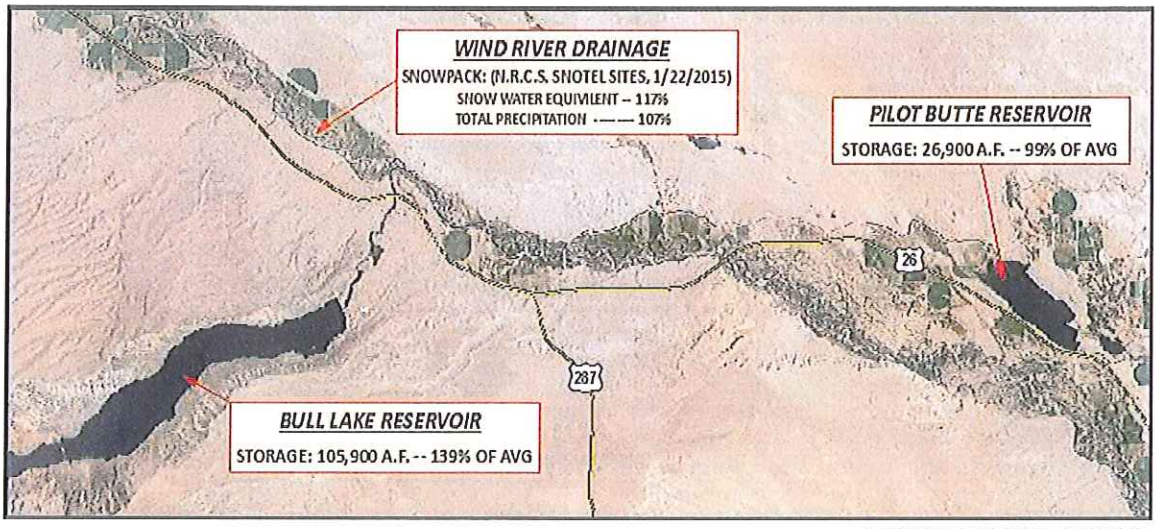
2014 CROP PRODUCTION

**DATA BASED ON 70% OF TOTAL ACRES*

Crop Production and Estimated Value						
Crop	Acres	Yield/Acre	Unit	$/Unit	$/Acre	Total Value
Alfalfa Hay	24,059.8	3.98	Ton	$130.00	$517.40	$12,448,540.52
Barley	324.6	65.57	CWT	$3.50	$229.50	$74495.70
Malt Barley	1673.3	105.39BU	BU/CWT	$12.50CWT	$658.69	$1,102,185.98
Beans	2151.5	18.60	CWT	$36.00	$669.60	$1,440,644.40
Hard Corn	933.0	105.53	CWT	$4.00	$422.12	$393,837.96
Oats	358.6	69.32	CWT	$4.50	$311.94	$111,861.68
Wheat	660.0	51.66	CWT	$6.50	$335.79	$221,621.40
Other Hay	7723.8	2.45	Ton	$100.00	$245.00	$1,892,331.00
Ensilage	2243.6	18.37	Ton	$40.00	$734.80	$1,648,597.28
Sugar Beets	888.5	24.35	Ton	$45.00	$1095.75	$973,573.88
Seed Alfalfa	202.6	357.68	Lbs.	$1.93	$690.32	$139,859.32
Irrigated Pasture	7357.0	1.65	AUM	$25.00	$41.25	$303,476.25
Corn Pasture	39.0	8.97	AUM	$25.00	$224.25	$8,745.75
Other Pasture	1519.1	2.46	AUM	$25.00	$61.50	$93,424.65
TOTAL						$20,853,195.77

**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 endless problems dealing 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. The following table provides a detailed account of projects and funding received from the W.W.D.C.

Midvale Irrigation District – WWDC Project Summary (1996 through 2014)

Year	Project	Description	Appropriation	Completed
1996	SAND MESA PIPELINE	Gravity Pressure Pipeline Conversion from open ditch (serves approx.. 5600 acres)	$3,000,000	1999
2002 - 2006	HIDDEN VALLEY PIPELINE	Gravity Pressure Pipeline Conversion from open ditch (serves approx.. 2700 acres)	$3,069,543	2006
2005	MIDVALE DIVERSION DAM REHABILITATION	Installed new enclosed gate hoist gear boxes	$138,000	2006
2003 - 2007	MIDVALE CONSERVATION PROGRAM	Level II funding to develop a 20 year plan for rehabilitation	$300,000	2007
2005	SAND GULCH RE-REGULATING RESERVOIR	Level II funding to explore potential sites for a re-regulating reservoir on the lower end of pilot canal	$75,000	2005
2006	AUTOMATION PROJECT	Installed SCADA system for remote data monitoring of canal flows, bay elevations and gate operation	$542,700	2011
2009	SECOND DIVISION CHECK AND DROP	Build new check structure on Wyoming Canal and replace existing drop structure	$230,000	2012
2010	WYOMING 44.1 PIPELINE	Gravity Pressure Pipeline Conversion from open ditch (serves approx.. 500 acres)	$263,000	2011
2011	PAVILLION MAIN "E" LATERAL	Replace failing concrete lined lateral with pipe	$450,000	2013
2012	WYOMING 15.1 LATERAL	Replace failing concrete lined lateral with pipe	$945,000	2014
2012	WYOMING 37.2 CHECK AND DROP STRUCTURE	Replace two failing concrete structures equipped with automated gate	$381,000	2016 (projected)
2013	PILOT BUTTE POWERPLANT	Level II funding to evaluate feasibility & viability for Midvale ownership and operation	$150,000	2015 (projected)
2015	SAND BUTTE II PIPELINE	Replace failing concrete lined lateral with pipe	$770,000	
2015	Bull Lake Emergency Spillway Replacement	Removal of existing spillway, gates & stilling basin; construction of new labyrinth spillway & stilling basin	$2,653,000	

CURRENT PROJECTS

WYOMING 37.2 CHECK STRUCTURE REPLACEMENT:

This year's project is the first phase of a two-phase project to replace two failing concrete structures on the Wyoming Canal. The upper check structure was replaced this winter and will be temporarily connected to the existing chute until the interconnecting pipe and bottom energy dissipating structure can be completed over the winter of 2015-2016. Terry Zenk P.E. of Apex Surveying Inc. designed a combined check/drop structure replacement of a failing upper concrete check and lower concrete drop structures. The project, when completed, will consist of a new check structure, 830 ft. of 60 in. dia. PVC pipe and a concrete energy dissipater structure.

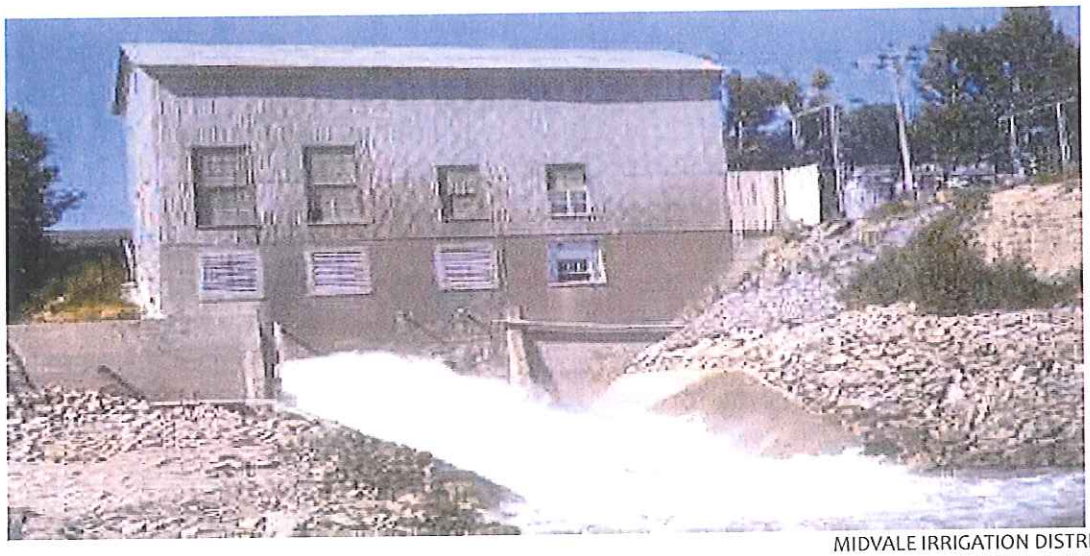
The project application was submitted to the W.W.D.C. in November of 2012 and received funding of $317,400 at the 2013 legislative session. The original intent was to construct the project in one phase, but when the project was bid in July 2014, pipe suppliers could not provide a bid for the 60 inch diameter PVC pipe. Midvale was informed that a "manufacturing problem" had come up which resulted in the unavailability of the 60 inch diameter pipe. The only other pipe alternative which was suitable for this drop application was High Density Polypropylene (HDPE); however, the bid price Midvale received for this pipe was too expensive for the allocated budget. Consequently, Midvale submitted an application to WWDC in 2014 for an additional budget of $63,600 and will rebid the pipe in 2015. Midvale expects to have this project completed in time for the 2016 irrigation season.

MIDVALE CREW COMPACTING BACKFILL AROUND NEW WC 37.2 CHECK

PILOT BUTTE POWERPLANT

During the spring of 2013, the Board of Commissioners for Midvale Irrigation District were notified by the Bureau of Reclamation (Reclamation) that Reclamation was no longer interested in owning and/or operating the Pilot Butte Powerplant (Plant). The purpose of the notification was to find out if the District was interested in ownership and operation of the Plant.

The Plant was authorized for construction on June 18, 1918 and placed under Reclamation's jurisdiction by the Act of June 5, 1920. The Plant is located in the Wind River Basin of Fremont County, Wyoming, approximately 27 miles northwest of Riverton, Wyoming, and 2.5 miles northeast of Highway 287. In 1925, the Plant was constructed to utilize the drop from the Wyoming Canal to Pilot Butte Reservoir for power generation.



In May 2014, States West Water Resources, A Wenck Associates, Inc. Company (Cheyenne, Wy) was awarded the consulting work. Midvale has been working closely with Wenck's project manager, Skylor Wade, PE to provide any assistance, information and access to help them accomplish their work. Their final report will be submitted later in 2015.

Geographic Information System(GIS) & Global Positioning System(GPS)

A Geographic Information System (GIS) is a computer-based system which combines digital positions of mapped features onto various forms of digital imagery along with the tools to manage, analyze and display the information on a computer screen. The GIS software capabilities also include printing of any images which can be displayed. A Global Positioning System (GPS) is an electronic device which is capable of recording horizontal and vertical positions on the earth's surface by utilizing signals from multiple satellites orbiting the earth.

Since the addition of the Trimble GPS field instrument, coupled with communication software, Midvale continues to make significant strides in uploading and updating field positioning information into Midvale's geodatabase. Midvale continues with our in-house capabilities:

- Creating plan and profile data and drawings which can be used for design of new pipeline upgrade projects
- Collection of field data to support various types of Midvale permits
- Logging as-built information for new rehabilitation projects
- Logging as-built information for existing infrastructure (i.e. canals, laterals, sublaterals, check structures, drop structures, diversions, measurement devices, turnouts, drains, wasteways, etc.)

Future plans for the GIS/GPS systems include but may not be limited to:

- Continue to upload, update and field verify Midvale's water conveyance and delivery infrastructure
- Digitize, upload and field verify Midvale's buried and open drains
- Upload land classification information
- Uploading as-built field data of future rehabilitation projects
- Upload existing data from Bureau of Reclamation drawings for existing infrastructure to allow comparison for requested utility locates
- Cross-reference permitting information with changes, additions and upgrades in the field

It seems as though the more applications and uses we find for the GIS/GPS equipment and software, the more additional applications and uses that are discovered. As modern technology is utilized more and more here at Midvale, the District will be able to provide water to its users in a timelier, efficient and cost effective manner.

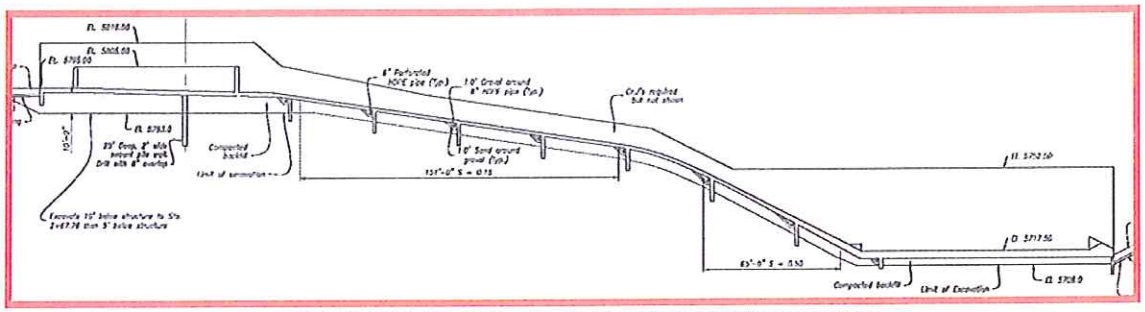
BULL LAKE EMERGENCY SPILLWAY

The emergency spillway at Bull Lake is a 100-foot wide concrete chute structure with three 29' long by 12' high radial gates equipped with concrete encased counterweights.

Voids have developed beneath the spillway chute floor slabs downstream of the crest structure. Freeze-thaw cycles have caused concrete delaminaton 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 risk of failure of the radial gates. Lateral movement of the chute walls has limited the full range of gate movement and compromised the ability of the gates to operate properly as designed.

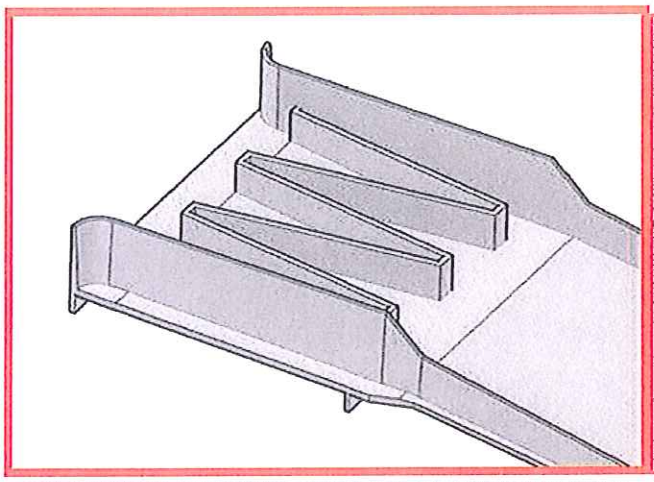
MIDVALE CREWS PERFORMING INTERIM REPAIRS AND CORING ON SPILLWAY SLAB

As a result of numerous investigations, evaluations, maintenance, repairs along with continuous monitoring and evaluations, the Bureau of Reclamation has concluded that the deficiencies in the emergency spillway have caused a risk level rating which is below acceptable levels and must be corrected. Accordingly, Reclamation has completed a Corrective Action Study that will identify the design of an appropriate alternative to reduce the risk below Reclamation guidelines.

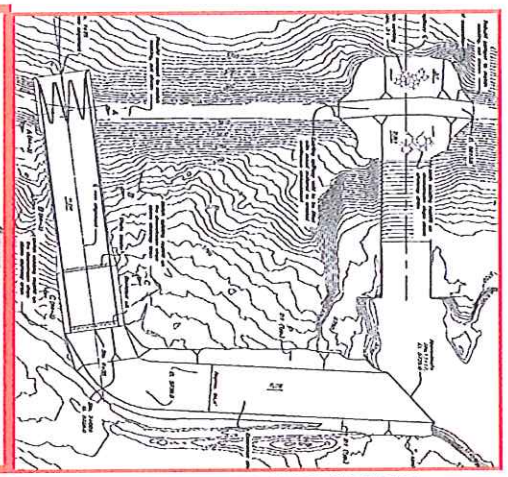


PROPOSED PROFILE OF NEW EMERGENCY SPILLWAY

Around the fall of 2013, Reclamation selected a three-cycle labyrinth spillway alternative which will be constructed on a new alignment located 700 feet south of the existing spillway alignment.

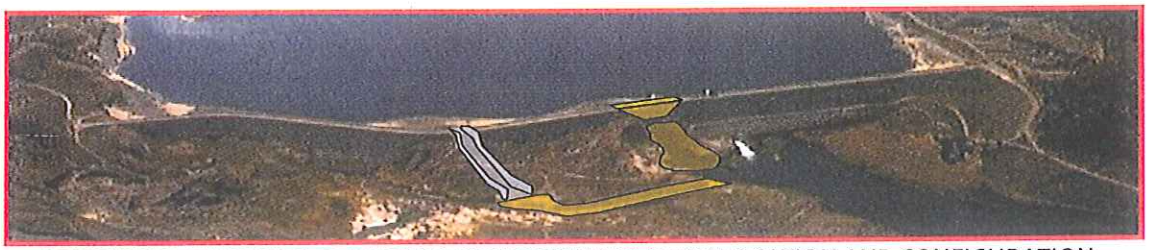


CONCEPTUAL DRAWING OF 3-CYCLE LABRINTH CREST



PLAN VIEW OF NEW SPILLWAY

Reclamation currently hopes bid letting will occur the summer of 2015 with the construction contract being awarded by the end of September 2015. Construction is expected to occur over at least 2-full water seasons. Reclamation believes the new location alternative will not interfere with Midvale's operation of the outlet works for regulation of irrigation storage and release demands throughout the construction phase.



COMPUTER RENDERING OF THE PROPOSED NEW SPILLWAY LOCATION AND CONFIGURATION

Currently, Reclamation's total cost estimate for this project is estimated to be greater than $27 million. The District will be responsible for 15% of the total project cost (over $4 million) with Reclamation bearing the burden of the remaining 85%. A long term repayment contract for Midvale's share of the cost will be executed with Reclamation, with repayment responsibility beginning once substantial completion of the construction has been declared and the final total cost amount confirmed. 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, once the repayment contract has been negotiated with Reclamation.

MANAGEMENT'S DISCUSSION AND ANALYSIS

February 1, 2015

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, 2014. 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 6/30/13	Year End 6/30/14
Current Assets	$2,633,492.65	$2,886,107.27
Capital Assets	$ 560,286.37	$ 546,241.23
Other Assets	$4,062,329.48	$3,978,639.33
Total Assets	**$7,256,108.50**	**$7,410,987.83**
Liabilities		
Current Liabilities	$ 181,146.39	$ 210,828.45
Other Liabilities & Unearned Revenue	$3,546,160.62	$3,518,606.05
Total Liabilities & Unearned Revenue-	$3,727,307.01	$3,729,434.50
Fund Net Position		
Contributed Capital	$ 62,976.70	$ 62,976.70
Net Position Invested in Capital Assets	$ 560,286.37	$ 546,241.23
Net Position – Unrestricted	$1,705,538.42	$1,872,335.40
Net Position – Restricted	$1,200,000.00	$1,200,000.00
Total Net Assets	$3,528,801.49	$3,681,553.33
Total Fund Net Position & Liabilities	**$7,256,108.50**	**$7,410,987.83**
Total Revenues:	**$2,033,615.23**	**$2,244,068.06**
Total Expenses:	**$1,875,369.97**	**$2,091,316.22**
	$ 158,245.26	**$ 152,751.84**

Net operating income for the year end 6/30/14 was $152,751.84 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 Position
- Statement of Revenues and Expenditures and Changes in Net Position
- 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 Position presents information on all of the District's assets and liabilities, with the difference between the two reported as ***net position***. When evaluated over a period of time, the changes in net position 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 Position 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 position 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 stable position and is continually looking to build reserves for upcoming rehabilitation of District assets. The largest project currently being considered is the replacement 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 (Midvale Conservation Program Level II, June 30, 2007), funded by the Wyoming Water Development Commission. The Final report, prepared by Anderson Consulting Engineers Inc. presented their estimates that nearly 90 million dollars of rehabilitation would be necessary over a 20 year period. Since the Level II study final report was presented in 2007, roughly the equivalent of $6 million of rehabilitation has been implemented.