

EID Annual Report 2002

Eastern Irrigation District



Irrigation Districts Act [Section 45 (2)(b)] NOTICE OF ANNUAL MEETING

TAKE NOTE that the annual meeting of the irrigators of the Eastern Irrigation District will be held at the Heritage Inn, 1217 - 2 Street West, Brooks, Alberta on Thursday, the 17th day of April, 2003 beginning at 1:30 o'clock in the afternoon [PM] to present annual reports of the chair on behalf of the board, the manager, the auditor of the district, and the maintenance of irrigation works of the district and to conduct any other business.

Please bring this report with you to the meeting.

Annual Report

Year Ending December 31, 2002

The Eastern Irrigation District [EID] operates an extensive water supply, storage and drainage network. Water diverted from the Bow River at the Bassano Dam, provides water for:

- irrigated agriculture,
- household & livestock water uses,
- municipal & industrial water requirements, as well as
- many recreational needs and enhanced environmental conditions.

The EID was organized under Alberta legislation in 1935. The formation of the district made it possible for the irrigators to take over the irrigation project started by the Canadian Pacific Railway Company in the early 1900's. The vision of these early settlers and agricultural entrepreneurs has created a long-lasting and positive legacy for the region.

The EID is governed by a Board of Directors, elected from and by the irrigators in the district. The main office of the district is located in the Town of Brooks.

In addition to the water management functions of the district,

the EID owns and is responsible for the operation and management of large tracts of native and improved pasture lands. These lands are primarily used in support of the beef cattle industry.

The management of water and land resources is conducted with an integrated and sustainable approach. This approach allows the district and these important natural resources to act as a catalyst to support important regional economic development initiatives.

In the truest sense, water is more than agriculture. The Eastern Irrigation District is a place where "WATER WORKS WONDERS".

Eastern Irrigation District
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Eastern Irrigation District -- Board of Directors

Members of the Board of Directors are elected by the irrigators. The Eastern Irrigation District has adopted a practice of staggered elections, in which 2 directors are elected in one year, 2 directors are elected the next year and 3 directors are elected in the following year. This method of elections provides for long-term stability in the governance, administration & operation of the district.



Don Plett [Div 01]
to April 2002



Floyd George [Div 01]
since April 2002



Tom Livingston [Div 02]



Clint Henrikson [Division 03]
Vice-Chair



Neil Johnson [Div 04]



Allen Nielsen [Div 05]



Bob Chrumka [Div 06]
Chairman



Pat Hemsing [Div 07]

Chairman and Board of Directors Report

The 2002 irrigation period saw slightly above average rainfall for the first time in 4 years [see table on page 3]. Summer rains were a welcome relief from the prolonged drought, during which our region received less than 12 inches of precipitation in 33 months [September 1999 to May 2002].

The district appreciates the water management lessons learned over the previous couple of seasons and commends irrigators and staff alike for their diligence in making good use of the water supplies the district has access to. Even with the rains of 2002, the district's return flow remained much lower than the long-term average, proving that our efforts at increased on-farm efficiency and improvements to the canal system are heading in the right direction.

The directors worked on a number of critical issues in 2002. We are pleased to report that after many years of discussion and technical reviews, Alberta Environment issued the district an updated water diversion license that recognizes the district's operations. This license change allows the district better access to diversions from the Bow River, while at the same time, increasing the minimum flow that passes below the Bassano Dam by a factor of 4 [from 100 cfs to 400 cfs]. The district's 1903 license also remains in effect.

The board of directors gave the "go-ahead" to the expansion of the Rolling Hills Reservoir. This \$10 million project adds some 27,000 acre feet of live storage to the district's present 280,000 acre feet of firm live storage. The project was funded solely by the district without decreasing the proposed \$16 million of infrastructure rehabilitation and without any impact to our 5 Year Plan. While the Government of Alberta declined to cost-share in this project, more annual funding will be coming to the district due to changes to the inter-district allocation formula under the Irrigation Rehabilitation Program. The expanded Rolling Hills Reservoir will have the added bonus of enhanced recreation opportunities.

With the ongoing improvements to the irrigation network, the increase in total

reservoir storage, proven reductions in return flow and the positive impacts of improvements in on-farm irrigation efficiencies being made by the district's irrigators, the district began the process of gaining the approval of its irrigators for an increase in the expansion limit of the district.

The proposed change in the expansion limit is not intended as a means of forcing changes in irrigation practices, rather it is seen as a means of allowing irrigators to improve their farms and expand their operations as water is saved. The proposals are also seen as a long-term initiative.

The directors also noted other matters that require some review and discussion. In follow-up to a resolution passed at the 2001 Annual General Meeting, the board asked for comments about the policies governing the use of the district's community pastures lands. It was also agreed that it was time to review the district's policies governing the management of its irrigated farm leases. Both of these issues will receive more attention in 2003.

The district continued its Water & Ag Tour program for Grade 05 students in the region. Almost 500 students, teachers and parents toured the Bassano Dam and participated in presentations highlighting how the value and importance of water, combined with the benefits of agriculture, contribute to our quality of life. For the first time, schools from outside the district also participated in the program.

Interest in the Partners for Habitat Development program continue to increase. Although the majority of the funding for this initiative comes from sources outside the district, the board is committed to maintaining a strong

involvement.

The district participates in a number of



By June of 2003, more than 1,500 students, parents and teachers will have participated in the district's Water & Ag Tour program.

provincial and regional water management initiatives with other agencies and associations. We expect that the province's interest in developing a water strategy will be made known early in 2003 -- bringing with it both challenges and opportunities.

Over the past 5 years, the district's financial reserves have been used to build new reservoirs, make great strides in rehabilitating the canal system, and in constructing numerous capital improvements to the district's pasture lands -- all without an increase in the water rate. The district should be able to continue this approach well into the future.

In closing, the board of directors wish to thank the irrigators, the staff of the district, and the many government agencies and officials, for their cooperation and support during 2002.

Respectfully submitted;

Bob Chrumka, Chair
Clint Henrickson, Vice-Chair
Floyd George
Tom Livingston
Neil Johnson
Allen Nielsen
Pat Hemsing

General Manager's Report

Earl Wilson, P. Eng., General Manager



The winter and early spring of 2002 continued cool and dry. Fortunately, while weather in the EID region remained dry, the conditions of the snow pack in the

mountains was well above normal. This was a welcome relief from the much below normal conditions in each of the three previous years.

In June, the rains came -- particularly in the southern half of the district. The amount and timing of the rainfall resulted in much lower than normal demands for irrigation water supplies. The district delivered, on a district-wide average, only 0.92 acre feet per acre [11 inches] as compared to the 1.81 acre feet per acre [22 inches] delivered in 2001. Mother Nature made up the balance.

The three previous years of drought, and a cool dry spring had a significant negative impact on the district's pasture lands. While the June rains did improve the late season grass growth and general range conditions, it came a little late for the spring growth that was hoped for. As a result, the grazing season and stocking rates were shortened. No cattle were placed on the pastures until the 1st of June. The total number pastured in 2002 was 5,783 [less than half the average] for

about $\frac{2}{3}$ of a normal season. With the dry conditions, the district did not allow any oil and gas activity to take place on its lands between the 15th of April and mid-July. Following the 15th of July, such activities were only permitted after grazing activities had taken place. 391 new wells were drilled and almost 180 miles of pipeline were installed the district's lands. This activity was slightly more than 60% of that completed in 2001.

In May 2002, Alberta Environment issued the district a new water diversion license. The new license works in conjunction with the district's original licenses which allowed the district to:

1. Divert up to 562,000 acre feet during the irrigation season [generally described as May to September], so long as diversions during low flow stages do not exceed 1,000 cubic feet per second [cfs], and during high and flood flow stages do not exceed 3,000 cfs. At all times, diversions were limited by a need to provide a minimum flow downstream of the Bassano Dam of 100 cfs, and
2. Divert a further 200,000 acre feet between October 1st and the following 30th of April, so long as no diversion exceeds 825 cfs and the 100 cfs minimum flow is maintained.

The new license varies the terms of diversion, allowing the district to divert up to 3,400 cfs at any stage of flow in the Bow River, so long as the minimum flow passing the Bassano Dam is 400 cfs. The total diversion allowed between the period of



Construction of the Rolling Hills Reservoir enlargements commences by excavating the foundation for the new dam.

April 1st to October 31st in any year is not to exceed 680,000 acre feet.

The new license does not replace the earlier 1903 priority licenses. The district may choose to revert back to those licenses in any year if it so wishes and has a need to do so.

The district also started the enlargement of the Rolling Hills Reservoir. Tenders were called and received in the spring. The district received 6 bids, all within 6% in price of each other, ranging from 4% below the project's estimated cost to 2% above. The contract was awarded to the low bidder, Chief Construction Co. Ltd. of Calgary, Alberta.

After the base of the main dam and the bentonite slurry cut-off trench were completed, the project engineers determined that the dam could be safely raised another 5 feet, increasing the storage level above the initial design. The Board of Directors reviewed the information and approved the additional expenditures. The contract with Chief was modified accordingly. The full supply level of the enlarged Rolling Hills Reservoir is now set only 1 foot below that of Lake Newell. The filling of the reservoir will start early in 2003.

Even with the commitment to the Rolling Hills Reservoir, the rehabilitation of the canal and drain system continued at the same pace as 2001, with 80 kilometres of system being undertaken.



The district's updated water diversion license gives the EID new flexibility in matching irrigation demand with the available river supply and increases the minimum flow in the Bow River downstream of the Bassano Dam -- a WIN-WIN situation for all.

All irrigation districts receive cost-shared funding for rehabilitation from the Government of Alberta. The inter-district allocation formula for the Irrigation Rehabilitation Program [IRP] is being changed starting in 2003. The new formula has 50% of the grant based on the amount of irrigation acres in a district and the other 50% based on the estimated replacement cost of “eligible” irrigation infrastructure. These changes will result in the district receiving slightly more money each year than under the previous formula.

In late 2002 the district completed the planning studies and prepared a plan supporting an increase in the irrigation expansion limit. Increases in a district’s expansion limit require the approval of the irrigators. If approved by a plebiscite vote, the plan sets out how increases in irrigation acres will take place over the next 15 years. Public meetings were scheduled for February 2003, with a vote by the irrigators scheduled for March 2003.

The main components of the district’s planned expansion are:

- irrigators may be granted additional irrigation acres of a parcel of land with irrigation when they convert to a more efficient method of irrigation that

- uses less water per irrigated acre, there will be some development of irrigation acres from return flow channels with a secure water supply, and
- there will be some additional intensification on existing parcels and some new lands with potential for irrigation downstream of Lake Newell and Crawling Valley reservoirs.

My thanks to the board of directors, irrigators and staff of the district, for their efforts in making sure that we meet our primary objective of getting water to farms when it is needed. I believe the district is well placed to meet whatever challenges there are in the future.

Respectfully submitted;

Earl Wilson, P. Eng.
General Manager

To minimize seepage under the new dam, a bentonite slurry cut-off trench was installed.



Brooks Precipitation Report [amounts in inches]

Month	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	10 Yr. Average
Jan	0.13	1.02	0.14	0.30	0.73	0.27	0.30	0.09	0.17	0.15	0.33
Feb	0.76	0.86	0.10	0.23	0.06	0.07	0.02	0.29	0.12	0.00	0.25
Mar	1.30	0.47	0.17	0.27	0.61	1.43	0.11	0.18	0.20	0.35	0.51
Apr	1.66	0.04	0.81	0.79	0.27	0.47	1.43	0.43	0.20	0.16	0.63
May	1.32	2.65	1.99	1.09	1.62	0.88	1.47	0.50	0.37	0.24	1.21
Jun	3.00	2.66	1.03	1.57	1.50	3.95	4.53	1.13	1.72	4.41	2.55
Jul	2.84	1.06	1.95	0.76	0.46	1.04	4.34	0.13	0.54	0.91	1.40
Aug	2.45	0.51	2.43	1.50	1.69	0.31	1.86	1.24	0.06	2.09	1.41
Sep	0.84	0.78	0.43	2.57	0.34	0.88	0.09	0.96	0.65	2.01	0.96
Oct	1.12	1.33	0.76	0.24	0.58	0.26	0.19	0.19	0.33	0.35	0.53
Nov	0.69	0.33	0.55	1.03	0.12	0.17	0.22	0.17	0.35	0.06	0.37
Dec	0.79	0.01	0.73	0.56	0.05	0.27	0.21	0.16	0.08	0.13	0.30
Totals	16.90	11.72	11.09	10.91	8.03	10.00	14.77	5.48	4.79	10.86	10.46
Apr to Sep	12.11	7.70	8.64	8.28	5.88	7.53	13.72	4.39	3.54	9.82	8.16

Maintenance of Irrigation Works Report

With the above average rainfall beginning in June 2002, the canal system was not operated at full capacity, nor for as long as in the 2001 diversion period. This allowed the district to complete more maintenance projects than in 2001. Maintenance of the canal and drainage system is critical in meeting the on-farm irrigation water requirements. Combined with the rehabilitation program of the district, maintenance ensures the system continues to function properly.

The continued rehabilitation of the canal network is changing the types of projects completed as maintenance. The Increasing miles of pipeline have meant more attention being paid to fittings, such as air release valves. As well, the district addresses problems created by early and late season freeze-thaw cycles.

Changes in on-farm irrigation practices, particularly conversions from surface irrigation to low pressure pivots is requiring the replacement of flood wells to risers.



Some maintenance projects involve significant effort and engineering, such as improvements to the Sauki Drain.

Maintenance Item	1998	1999	2000	2001	2002	Average
Canal cleaning, bank levelling and seeding	41 km.	49 km.	42 km.	30 km.	50 km.	42 km.
Drain cleaning, bank levelling and seeding	13 km.	33 km.	20 km.	25 km.	23 km.	23 km.
Drain and canal clipping			75 km.	80 km.	84 km.	80 km.
Drain relocations	4 km.	5 km.	7 km.	4 km.	5 km.	5 km.
Gravel armour placed on canal side-slopes	3 km.	3.2 km.	3 km.	4 km.	3.2 km.	3.3 km.
Gravel placed on canal banks	16 km.	7 km.	38 km.	35 km.	40 km.	27 km.
Canals fenced	3 km.	3 km.	5 km.	5 km.	12 km.	6 km.
Chemical weed control on canal banks	2130 km.	2480 km.	2410 km.	2362 km.	2405 km.	2357 km.
Mowing of canal banks	252 km.	308 km.	270 km.	230 km.	210 km.	254 km.
Canal liner installed		1.6 km.	1 km.	3 km.	1.2 km.	1.7 km.
Road Crossing repairs and replacements	16	7	10	12	15	12
Replacement of farm turnouts	25	12	15	15	22	18
Flood well to riser conversions [on pipelines]					22	
Maintenance Costs	1998	1999	2000	2001	2002	Average
Heavy equipment	\$810,000	\$980,000	\$871,000	\$1,076,191	\$1,026,262	\$952,691
Labour	\$550,000	\$510,000	\$432,000	\$514,602	\$573,683	\$516,057
Materials [culverts, gates, fence posts, etc.]	\$200,000	\$215,000	\$186,000	\$175,265	\$219,020	\$199,057
Chemical for broad leaf weed control	\$110,000	\$65,000	\$72,000	\$73,786	\$69,368	\$78,031
Vehicles	\$110,000	\$104,000	\$127,000	\$132,600	\$132,600	\$121,240
Repairs to pump stations and control structures	\$45,000	\$65,000	\$23,000	\$36,981	\$46,294	\$43,255
Maintenance of building and grounds	\$17,000	\$13,000	\$21,000	\$20,559	\$18,288	\$17,969
Cost of operating vehicles & heavy equipment [in excess of charge-out rates to Capital Construction Projects]	\$69,000	\$0	\$0	\$0	\$0	\$13,800
Total Costs	\$1,911,000	\$1,952,000	\$1,732,000	\$2,029,984	\$2,085,515	\$1,942,100

Water Delivery Operations Report



Early in 2002, it appeared that the cool dry conditions would continue -- extending the drought. However, as irrigation demand began to build in late May, the rains came, with overall rainfall in 2002 being slightly above average. The volume and timing of the rains meant lower [and in some cases, much lower] demand on the system to meet irrigation requirements.

Diversions at the Bassano Dam commenced on the 15th of April. Water was shut off on the 11th of October. A total of 430,000 acre feet of water [approximately 1.60 acre feet per irrigation acre] was diverted from the river. At the peak of irrigation demand, 1,061 irrigators were being served [24 July 2002]. Actual farm deliveries were 0.92 acre feet per irrigated acre -- half of that delivered in 2001.

The gains made in the past couple of years in reducing return flow and on-farm spill, were not lost due to the wet conditions. Improvements in the delivery system, better water control structures and on-farm water management improvements have reduced the volume of water returning to the Red Deer River and Bow River.

Water Supplied To:	Acre Feet
Municipal Uses:	
Town of Brooks	2,458.0
Town of Brooks [Surface, Estimated]	451.0
Town of Bassano	376.0
Villages [Duchess, Tilley, Rosemary]	236.0
Hamlets	82.0
Total Municipal Uses:	3,603.0
Water Supplied for Commercial & Other Uses:	
EnCana	521.0
Trans Canada Pipeline Corp. [Est.]	33.0
Chevron [Est.]	12.0
NewAlta	120.0
Lakeside [IBP]	3,834.0
Cattle Feedlots	310.0
Recreation & Parks [Est]	125.0
Golf Courses	340.0
Miscellaneous Water Agreements	185.0
Total Commercial & Other Uses:	5,480.0

Report by Jim Meador, Manager of Operations

Water Supplied To:	Acre Feet
Irrigators	261,000
Household and Livestock	6,000
Municipal Users	3,603
Commercial Uses	5,480
Wetland Projects	35,000
Total:	311,083

Aquatic weeds slow the flow of water and reduce canal capacity. The district fights this vegetation with mechanical approaches [shown above], the use of chemicals and in some instances, with triploid grass carp.



The Eastern Irrigation District
WHERE WATER WORKS WONDERS



High quality and high yield forages were abundant in 2002 -- with forage grown in the district exceeding an estimated 500,000 tons.

Crop and Irrigation Statistics, 2002

Crop Class	Crop Type	Acres	Crop Class	Crop Type	Acres
Cereals	Barley	24,215.0	Specialty Crops	Alfalfa Seed	9,468.6
	CPS Wheat	6,068.0		Carrots	175.0
	Durum Wheat	2,611.0		Dry Beans	2,465.5
	Hard Spring Wheat	15,418.4		Dry Peas	1,267.0
	Oats	4,974.0		Faba Beans	293.0
	Rye	655.0		Fresh Peas	151.0
	Soft Wheat	4,281.0		Grass Seed	795.0
	Triticale	5,302.0		Market Gardens	525.0
	Winter Wheat	1,222.0		Nursery	531.0
				Potato	2,959.0
Total Cereals		64,746.4	Total Specialty Crops	Sugar Beets	1,449.0
				Sunflower	732.0
Forage Crops	Alfalfa	76,513.5	Oil Seeds	Turf Sod	11.0
	Alfalfa Silage	3,103.0			
	Barley Silage	16,576.5			
	Brome Hay	230.0			
	Corn Silage	5,340.5	Total Oil Seeds	Canola	8,115.0
	Grass Hay	5,750.0		Flax	980.0
	Green Feed	18,887.0		Hyola	271.0
	Milk Vetch	107.0		Mustard	50.0
	Native Pasture	3,493.5	Non-Irrigated [2002]		
	Oats Silage	471.0		Miscellaneous	570.0
	Sorghum Sudan Grass	105.0	Total Non-Irrigated	Summer fallow	914.0
	Tame Pasture	50,487.5			
	Timothy Hay	5,021.0	Summary:		
				Cereals	64,746.4
				Forages	186,085.5
				Specialty Crops	20,822.1
Total Forages		186,085.5		Oil Seeds	9,416.0
				Non-Irrigated	1,484.0
			Total of All Crops:		282,554.0



Land Administration Report

Grazing Operations

Grazing operations on the district's land base continue to be significantly impacted by the ongoing drought. The dry conditions meant that there was a virtual lack of new grass growth early in 2002. For the second year in a row, no cattle were placed onto the pastures until the 1st of June. Some associations chose to delay until later dates. The cattle numbers on the pastures were significantly reduced from the long-term average and from the 2001 numbers. Only 5,783 head were placed on the pastures in 2002 -- and for about $\frac{2}{3}$ of the normal season. All cattle were removed from the lease as of the middle of October.

The district continues to make capital improvements to the pasture lands in an effort to make them more sustainable. In particular this has meant the installation of water supply pipelines to improve water supplies for the cattle and to improve overall grass utilization.

With the timely rains in June, the district was able to complete its first tame grass restoration project in many years. About 2,500 acres in the Hines Swing Field were re-seeded. Mother Nature smiled on the project and by the end of the season the positive impact could be seen.

Oil and Gas Activities

With the prevailing drought conditions the district made a conscious decision to delay and restrict how oil and gas exploration activities took place in 2002. These limitations did not allow any exploration activities between the 15th of April and the 15th of July. Following mid-July, oil and gas activities were only allowed to take place after grazing had been completed.

2002 saw a reduction in activity as compared with 2001. 366 new surface leases, as well as the twinning of 25 existing sites, accounted for a total of 391 new well sites on district-owned lands. Approximately 176 miles of pipeline [covering some 1,055 acres of land] were also put in place for oil and gas recovery operations. Only 12 seismic permits covering 429 miles were issued. As of the end of 2002, the district has 5,931 active surface leases.

Irrigation Development

Irrigation development in 2002 consisted primarily of intensification [increases in irrigation acres on parcels that are already on the district's assessment roll]. The 2001 review of lands that have been previously classified as "terminable agreement acres" was also completed and, where possible, those agreements were converted to irrigation acres.

The district completed a planning review of the improvements that have been made in overall water use efficiency and the accompanying reduction in return flow. These on-farm and irrigation network changes provide the basis for allowing continued intensification on existing parcels. As well, they make possible some modest expansion on lands not currently irrigated. Based on this information, irrigators will be asked to approve an

increase in the district's irrigation expansion limit. The present limit is 286,000 -- leaving less than 3,500 acres that can be developed unless a new limit is approved.

Partners In Habitat Development

The Partners in Habitat Development Project [PHD] is a joint initiative of the district and Pheasants Forever, with many other financial partners. It remains a highly successful initiative aimed at assisting land owners in protecting some of their lands as wildlife habitat.

The success of the program within the Eastern Irrigation District has made it possible for Pheasants Forever to undertake a major expansion of the program into other Irrigation Districts in southern Alberta. The EID will continue to be a major participant in the PHD, increasing the number of land owner requests that can be met, while at the same time, sharing some of our experience in the program with other districts. Other districts now "on-board" with the program are the St. Mary River Irrigation District, Bow River Irrigation District and Western Irrigation District.



Trees planted in the first year of the program are now providing significant habitat.

The main aim of the project is to assist landowners, through tree and vegetation planting, fencing and other initiatives to secure and protect some of their lands for the benefit of pheasants and wildlife in general. The program has been voluntary - and results to date have been extremely encouraging. In the 5 years the EID has been involved in the project the following has been accomplished:

- Trees planted 113,177
- Fencing [metres] 28,800
- Construction Projects [turnouts, etc.] 21
- Winter Food Plots 22



New shelter belt being planted as part of habitat development program.

Irrigation Rehabilitation

Report by George Romao, P. Eng., District Engineer



In 2002 \$21.4 million was spent rebuilding the district’s water delivery infrastructure. Twenty-eight large scale projects were constructed during the year, including 14 projects underway in the 2002/2003 winter construction period. Rehabilitation projects are funded by one of the two following programs:

Irrigation Rehabilitation Program [IRP]

This is an Alberta Government sponsored program for irrigation districts in southern Alberta. It is a cost-shared program based on a 75:25 cost sharing agreement. In 2002 the Province provided \$4,114,453 [75%] and the district invested \$1,371,484 [25%]. The 2002 expenditures amount to approximately \$4.5 million. Unused funds in the program are carried over for use in the following year.

Project	Description	Engineer	Contractor	2002 Project Cost	Total Project Cost
Spring Projects:					
Sec C North Branch	32 km pipeline	EID	EID	\$2,707,000	\$5,548,000
06 & 07 East Branch	3.5 km and 2.0 km pipelines	EID	EID	\$753,000	\$780,000
Fall Projects:					
Sec E Springhill	36 km pipeline	EID	EID	\$1,031,000	\$6,582,000
				\$4,491,000	



EID Capital Construction Program

Funds for this program are provided entirely from the district's Irrigation Works Reserve Fund. The 2002 expenditures amount to approximately \$16.9 million. In the 2002/2003 winter construction period, the district will complete the installation of 68 km of pipeline and 11.5 km of lined canal.

				2002 Project Cost	Total Project Cost
Project	Description	Engineer	Contractor		
B North Bantry	1.5 km pipeline	EID	EID	\$187,000	\$190,000
14 H West Bantry	2.0 km plastic lined canal	EID	EID	\$41,000	\$458,000
10 H West Bantry	3.5 km plastic lined canal and 0.8 km pipeline	EID	EID	\$156,000	\$867,000
11 B Springhill	2.5 km plastic lined canal	EID	EID	\$118,000	\$460,000
Rolling Hills Canal [2]	7.5 km plastic lined canal	MPE	Richardson Bros.	\$1,832,000	\$3,006,000
N & OA Tilley	1.6 km and 0.8 pipelines	EID	EID	\$13,000	\$445,000
John Ware Spillway	0.8 km drain reconstruction	EID	EID	\$277,000	\$398,000
24 Rolling Hills	2.5 km pipeline	EID	F. Miller Excavating	\$134,000	\$330,000
18 Bow Slope	5.6 km pipeline	EID	BYZ Construction Ltd.	\$834,000	\$919,000
G11 & G14 North Bantry	1.8 km and 3.1 km pipelines	EID	JKR Excavating Ltd.	\$911,000	\$950,000
2001/2002 Structures	2 precast concrete structures	EID	EID	\$118,000	\$125,000
Automation	completed East Branch Canal	MPE	Eecol Electric Ltd. & Kodiak Electrical Ltd.	\$97,000	\$97,000
Farm Improvement	projects thought the year	EID	EID	\$189,000	
2001 Projects [misc]	completion of fall 2001 projects	EID	Various	\$43,000	
Rolling Hills Reservoir Expansion	raise reservoir operating level by 4.5 metres	UMA	Chief Construction Co. Ltd.	\$6,498,000	\$10,000,000
03 East Branch	4.5 km pipeline	MPE	Brooks Asphalt and Charmar Enterprises	\$81,000	\$700,000
05 East Branch	2.8 km and 2.6 km pipelines	EID	Brooks Asphalt	\$389,000	\$700,000
01-01 East Branch	.09 km pipeline	EID	EID	\$51,000	\$51,000
Sec C Springhill	6.5 km canal and 0.8 km pipeline	MPE	Richardson Bros./EID	\$812,000	\$2,270,000
Sec F Springhill	3.5 km plastic lined canal	EID	Richardson Bros.	\$129,000	\$875,000
17 Springhill	4 km pipeline	EID	EID	\$682,000	\$710,000
02D Springhill	0.5 km pipeline	EID	EID	\$76,000	\$86,000
10 Rolling Hills	4.5 km pipeline	EID	Brooks Asphalt & Aggregate Ltd.	\$872,000	\$1,164,000
20 & 21 Bow Slope	12 km pipeline	EID	EID	\$1,165,000	\$1,635,000
14 H West Bantry [Upper]	1.5 km plastic lined canal	EID	EID	\$353,000	\$452,000
AH North Bantry Turnout	cast-in-place concrete structure	MPE	Robin Hansen Const.	\$4,000	\$180,000
2003 Projects	preliminary designs on several projects	Various		\$81,000	
Land Acquisition	legal surveys & purchase of rights-of-way	EID		\$772,814	
Total:				\$16,915,814	

Projects Started in Fall

Rolling Hills Reservoir Enlargement Project



Financial Report

by James Knelsen, C.A.



The Eastern Irrigation District operates under the authority of the Irrigation Districts Act [c. I-11, RSA 2000]. Each year, the district appoints an auditor to prepare an audit of the district's financial statements. The audit is prepared in accordance with the form and the reporting standards for local governments as recommended by the Canadian Institute of Chartered Accountants.

The auditor reports separately to the Board of Directors. A copy of the district's financial statements and the report of the auditor are subsequently provided to the Irrigation Council as required under the Irrigation Districts Act. Following is the auditors' report to the Board of Directors.

Auditors' Report

To the Board of Directors of the Eastern Irrigation District

We have audited the balance sheet of the Eastern Irrigation District as at December 31, 2002 and the statements of operations and changes in fund balances and cash flows for the year then ended. These financial statements are the responsibility of the Eastern Irrigation District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Eastern Irrigation District as at December 31, 2002 and the results of its operations and changes in its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Brooks, Alberta
March 7, 2003
Bevan, Halbert, Ginnet and Gerrard
Chartered Accountants

EASTERN IRRIGATION DISTRICT
BALANCE SHEET
December 31, 2002

	General Fund	Irrigation Works Fund	2002 Total	2001 Total
ASSETS				
Current				
Cash	\$1,174,498	\$764,516	\$1,939,014	\$2,502,870
Short term deposits (Note 3)	4,129,667	9,380,586	13,510,253	15,266,292
Accounts receivable (Note 4)	770,884	418,042	1,188,926	834,840
Materials and supplies	912,534	0	912,534	871,098
	6,987,583	10,563,144	17,550,727	19,475,100
Investments (Note 5)	0	35,532,021	35,532,021	31,658,886
	6,987,583	46,095,165	53,082,748	51,133,986
Property and Equipment (Note 6)				
Building and equipment, net	4,942,264	1,564,242	6,506,506	6,329,209
Irrigation works, net	0	219,985,574	219,985,574	206,312,635
Land (Note 2)	0	337,272	337,272	214,104
	4,942,264	221,887,088	226,829,352	212,855,948
	\$11,929,847	\$267,982,253	\$279,912,100	\$263,989,934
LIABILITIES				
Current				
Accounts payable	1,607,314	0	1,607,314	573,635
Construction costs holdbacks and payables	0	4,461,635	4,461,635	2,094,973
Deferred oil well lease compensation	5,310,623	0	5,310,623	5,484,840
	6,917,937	4,461,635	11,379,572	8,153,448
Trust funds held (Note 12)	69,646	0	69,646	85,849
Deferred grants and contributions, net (Note 6)	0	114,205,455	114,205,455	114,453,648
	6,987,583	118,667,090	125,654,673	122,692,945
FUND BALANCES				
Invested in property and equipment (Notes 6 & 7)	4,942,264	107,681,633	112,623,897	98,402,300
Unrestricted (Note 7)	0	0	0	0
Internally restricted, to be used for future irrigation works additions (Notes 2 & 7)	0	36,673,963	36,673,963	39,099,966
Externally restricted by the Province of Alberta, to be used for future irrigation works additions (Note 2 & 7)	0	4,959,567	4,959,567	3,794,723
	4,942,264	149,315,163	154,257,427	141,296,989
	\$11,929,847	\$267,982,253	\$279,912,100	\$263,989,934

EASTERN IRRIGATION DISTRICT
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES
Year ended December 31, 2002

	General Fund	Irrigation Works fund	2002 Total	2001 Total
REVENUE				
WATER EARNINGS				
Irrigation rates (Note 8)	\$2,147,022	\$0	\$2,147,022	\$2,122,178
Water conveyance agreements	242,393	0	242,393	237,148
Oil and gas drilling water	1,339,350	0	1,339,350	1,719,950
Penalties	11,445	0	11,445	12,565
	3,740,210	0	3,740,210	4,091,841
Less discounts allowed	(98,854)	0	(98,854)	(99,149)
	3,641,356	0	3,641,356	3,992,692
LEASE REVENUE AND COMPENSATION				
Oil and gas well leases	10,109,269	0	10,109,269	9,294,608
Right of entry and initial consideration	3,515,759	0	3,515,759	5,594,027
Oil and gas administration fees	72,400	0	72,400	108,400
Community grazing leases	373,896	0	373,896	550,525
Rock Lake silage revenue	117,337	0	117,337	0
Other lease revenues	340,331	0	340,331	333,853
OTHER REVENUE				
Capital assets charges	0	715,649	715,649	323,000
Gravel royalties and miscellaneous	0	219,955	219,955	97,128
Gain on sale of land, equipment and buildings	28,064	345,791	373,855	156,809
Investment income	164,831	2,418,493	2,583,324	2,579,704
Deferred grants & contributions	0	4,370,301	4,370,301	4,281,109
	18,363,243	8,070,189	26,433,432	27,311,855
EXPENSES				
Operations and administration (Schedule 1)	4,921,249	0	4,921,249	4,550,224
Community grazing expenses (Note 9)	564,522	0	564,522	729,896
Amortization of irrigation works and buildings	0	7,861,553	7,861,553	7,307,657
	5,485,771	7,861,553	13,347,324	12,587,777
Excess of revenue over expenses, before special projects	12,877,472	208,636	13,086,108	14,724,078
Special projects net expenses (Note 11)	125,670	0	125,670	380,548
EXCESS OF REVENUE OVER EXPENSES	12,751,802	208,636	12,960,438	14,343,530
TRANSFER TO IRRIGATION WORKS FUND	(12,399,734)	12,399,734	0	0
FUND BALANCES, BEGINNING OF YEAR	4,590,196	136,706,793	141,296,989	126,953,459
FUND BALANCES, END OF YEAR	\$4,942,264	\$149,315,163	\$154,257,427	\$141,296,989

Eastern Irrigation District
STATEMENT OF CASH FLOWS
Year ended December 31, 2002

	General Fund	Irrigation Works Fund	2002 Total	2001 Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Revenue from water operations	\$3,641,356	\$0	\$3,641,356	\$3,992,692
Compensation from oil and gas operations	13,697,428	0	13,697,428	14,997,035
Revenue from lease operations	831,564	0	831,564	884,378
Capital assets charges	0	715,649	715,649	323,000
Cash receipts from gravel royalties and miscellaneous	0	219,955	219,955	97,128
Operations and administration expense	(4,921,249)	0	(4,921,249)	(4,550,224)
Grazing expenses and property taxes	(564,522)	0	(564,522)	(729,896)
Add: amortization in expenses, not using cash	792,734	0	792,734	829,317
Net cash expenditure on special projects	(87,014)	0	(87,014)	(280,175)
Investment income received	164,831	820,774	985,605	1,044,635
Change in non-cash current assets and liabilities	618,642	(203,991)	414,651	701,689
	<u>14,173,770</u>	<u>1,552,387</u>	<u>15,726,157</u>	<u>17,309,579</u>
CASH FLOWS FROM FINANCING & INVESTING ACTIVITIES				
Grants from Province of Alberta	0	4,114,453	4,114,453	4,120,416
Cash received from cooperative projects	0	18,288	18,288	518,547
Proceeds on sale of land, buildings and equipment	301,860	354,835	656,695	735,441
Purchase of land, buildings and equipment	(1,177,480)	(130,438)	(1,307,918)	(1,020,979)
Pasture development and re-seeding	(149,986)	0	(149,986)	0
Grazing water pipeline and improvements	(91,132)	0	(91,132)	(283,847)
Farm improvement program	0	(74,359)	(74,359)	(98,945)
Expenditures on irrigation works	0	(21,287,136)	(21,287,136)	(15,187,349)
Proceeds on sale of investments	0	5,560,109	5,560,109	1,465,178
Purchase of investments	0	(7,835,525)	(7,835,525)	(10,084,924)
Change in trust funds held	(16,203)	0	(16,203)	(5,063)
Change in irrigation works accounts payable	0	2,366,662	2,366,662	1,944,361
	<u>(1,132,941)</u>	<u>(16,913,111)</u>	<u>(18,046,052)</u>	<u>(17,897,164)</u>
NET INCREASE (DECREASE) IN CASH & TERM DEPOSITS	13,040,829	(15,360,724)	(2,319,895)	(587,585)
Cash and term deposits, beginning of year	4,663,070	13,106,092	17,769,162	18,356,747
Transfer from general fund	(12,399,734)	12,399,734	0	0
CASH & TERM DEPOSITS, END OF YEAR	<u>\$5,304,165</u>	<u>\$10,145,102</u>	<u>\$15,449,267</u>	<u>\$17,769,162</u>
Cash is comprised of:				
Cash	\$1,174,498	\$764,516	\$1,939,014	\$2,502,870
Short term deposits	4,129,667	9,380,586	13,510,253	15,266,292
	<u>\$5,304,165</u>	<u>\$10,145,102</u>	<u>\$15,449,267</u>	<u>\$17,769,162</u>

EASTERN IRRIGATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2002

1. Purpose of the Organization

The Eastern Irrigation District is charged with the responsibility of efficient and economical distribution of water to users in the District and operates as a not-for-profit organization under the Irrigation Districts Act, Chapter I-11, Revised Statutes of Alberta 2000.

2. Accounting Policies

The financial statements have been prepared in accordance with the restricted fund method of accounting. Significant accounting policies include:

Fund Accounting

The activities of the District have been disclosed as two distinct funds - the General Fund and the Irrigation Works Fund:

General Fund - Discloses the water management and delivery operations and land lease operations of the District, as well as certain special projects as designated by the Board of Directors from time to time. The general fund includes management of equipment and personnel, the costs of which are billed to the irrigation works fund to the extent they relate to construction activities.

Irrigation Works Fund - Discloses receipts and expenditures for new irrigation works and interest earned on such monies. Costs incurred in constructing new irrigation works and in replacing and rehabilitating existing structures are provided for from this fund. The Province of Alberta contributes to this fund 75% of the expenditures on projects approved by the Irrigation Council.

Revenue Recognition

Restricted contributions related to general operations are recognized as revenue of the General Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Property and Equipment

Property and equipment are recorded at cost. Amortization of buildings and equipment is provided using the declining balance method at rates intended to amortize the cost of these assets over their estimated useful lives. The annual rates are as follows:

Computer equipment	25%
Mobile equipment	20%
Agricultural equipment	15%
Buildings	10%
Other equipment	10%

Irrigation works assets are recorded at cost to the District. Additions to irrigation works are capitalized only if the cost of the individual project exceeds \$10,000. Items capitalized include the cost of easements and rights of ways purchased. Irrigation works are amortized on a straight-line basis over their estimated average useful lives of 40 years.

Land

Land is recorded at cost to the District. Approximately 574,000 acres of land that was transferred from the Canadian Pacific Railway Company in 1935 is recorded at zero cost.

Investments

Investments are recorded at the lower of cost or market value, except where a decrease in market value is considered to be temporary.

Financial Instruments

For cash and term deposits, accounts receivable and accounts payable, the carrying amounts of these financial instruments approximates their fair value due to their short term maturity. It is management's opinion that the District is not exposed to significant interest currency or credit risks arising from these financial instruments.

Deferred Oil and Gas Well Lease Compensation

Annual compensation related to oil and gas well leases is charged to the lessor at the beginning of each lease year. These monies are recognized as revenue on a straight-line basis over the succeeding twelve months. At year-end, the unamortized portion of such leases is reflected on the balance sheet as deferred oil well lease compensation.

EASTERN IRRIGATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2002

Pension Plan

The District is a member of the Local Authorities Pension Plan, a multi-employer defined benefit pension plan. Current service contributions for the year of \$183,176 (2001: \$182,601) were recorded as pension expense.

Deferred Grants and Contributions

Grants and contributions from third parties received to finance construction of irrigation works are deferred and amortized to income on the same basis as the irrigation works assets to which they relate. Amortization is provided on a straight-line basis over a 40 year period.

Use of Estimates

The preparation of the financial statements in conformity with Canadian generally accepted accounting principles required management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future statements could be significant. Significant areas requiring use of management estimates relate to the useful lives of assets for amortization purposes and the amount of allowance required for uncollectible accounts receivable.

Internally Restricted Net Assets

The future use of a portion of the District's net assets has been restricted by the Board of Directors. Monies have been allocated to the following areas:

Irrigation works additions - monies to be used for future irrigation works additions and rehabilitation, including the District's 25% commitment to Province of Alberta Cost Share Projects.

Externally Restricted Net Assets

Funds received from the Province of Alberta must be used for specific cost shared irrigation projects. These monies are disclosed separately as externally restricted net assets.

3. Short Term Deposits

Short term deposits maturing in the next year include GIC's and term deposits at interest rates varying from 2.75% to 3.08% (2001: 2.15% to 4.35%).

4. Accounts Receivable

Accounts receivable consist of:

	2002	2001
Reclassification agreements	\$359,182	\$214,052
Lease rentals and seismic	344,633	260,801
Sundry debtors	294,811	169,342
Water conveyance agreements	113,532	99,454
Water rates and charges	101,768	105,558
Cooperative venture project - Ducks Unlimited	0	10,633
Less: Allowance for doubtful accounts	(25,000)	(25,000)
	\$1,188,926	\$834,840

EASTERN IRRIGATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2002

5. Investments

Investments consist of:	2002	2001
Chinook Credit Union Ltd. - term deposits	\$10,511,614	\$10,084,925
Chinook Credit Union Ltd. - patronage account	29,945	21,308
Provincial Government Bonds	7,998,966	6,669,652
Provincial Utility Bonds	3,393,142	1,009,512
Government of Canada Bonds	8,577,068	7,963,264
Corporate Bonds	5,021,286	5,910,225
	<u>\$35,532,021</u>	<u>\$31,658,886</u>
Approximate market value at December 31	<u>\$37,241,000</u>	<u>\$33,258,000</u>

Investments have an average yield of 6.1%. The net book value of investments maturing in 2003 is \$6,843,175 (yield 5.2%); in 2004 is \$11,021,891 (yield 5.6%); in 2005 is \$2,630,984 (yield 7.7%); in 2006 is \$4,119,762 (yield 7.7%); in 2007 is \$3,393,142 (yield 6.7%); in 2010 is \$2,471,836 (yield 5.5%); and in 2013 is \$5,021,286 (yield 5.9%). The Chinook Credit Union Ltd. patronage account of \$29,945 has no set interest rate or maturity date. Investment income includes amounts received of \$985,533 (2001:\$1,044,635) plus amortization of discounts and other miscellaneous items.

6. Property and Equipment

	2002		2001	
	Cost	Accumulated Amortization	Net	Net
General Fund:				
Equipment	\$10,061,794	\$5,269,516	\$4,792,278	\$4,590,196
Community pasture re-seeding	\$149,986	\$0	\$149,986	\$0
Irrigation Works Fund:				
Buildings	5,833,918	4,269,676	1,564,242	1,739,013
Irrigation works	309,345,654	89,360,080	219,985,574	206,312,635
Land	337,272	0	337,272	214,104
	<u>\$325,728,624</u>	<u>\$98,899,272</u>	<u>\$226,829,352</u>	<u>\$212,855,948</u>
Deferred grants and contributions	<u>(\$174,932,041)</u>	<u>(\$60,726,586)</u>	<u>(114,205,455)</u>	<u>(114,453,648)</u>
Net assets invested in property and equipment			<u>\$112,623,897</u>	<u>\$98,402,300</u>
Changes in irrigation works assets, net of amortization are as follows:			2002	2001
Beginning of year			\$206,312,635	\$198,140,773
Additions to irrigation works				
District projects			16,135,556	8,513,202
Province of Alberta cost shared projects			4,445,469	5,928,582
Ducks Unlimited funded projects			7,655	443,418
Survey costs and easements			772,815	401,092
Amortization			(7,688,556)	(7,114,432)
			<u>\$219,985,574</u>	<u>\$206,312,635</u>

EASTERN IRRIGATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2002

6. Property and Equipment [continued]

Changes in deferred grants and contributions, net of amortization are as follows:

	2002	2001
Beginning of year	\$114,453,648	\$114,170,922
Contributions from third parties	4,122,108	4,563,835
Amortization	(4,370,301)	(4,281,109)
	<u>\$114,205,455</u>	<u>\$114,453,648</u>

Current year additions to irrigation works are as follows:

	District	Province of Alberta Cost Sharing	2002	2001
External Charges:				
Contract Services	\$7,567,602	\$0	\$7,567,602	\$2,723,405
Contract Services - Engineering	984,165	0	984,165	508,667
Equipment and other services	1,224,863	563,676	1,788,539	2,397,401
Materials and supplies	5,775,838	2,765,040	8,540,878	7,052,327
Internal Charges:				
Equipment recovery	729,913	642,507	1,372,420	1,496,983
Labour recovery - Engineering	251,202	150,048	401,250	438,967
Labour recovery - Other	378,424	324,197	702,621	668,544
	<u>\$16,912,007</u>	<u>\$4,445,468</u>	<u>\$21,357,475</u>	<u>\$15,286,294</u>

7. Continuity of Fund Balances

	Invested in Property and Equipment	Unrestricted Funds	Internally Restricted Funds	Externally Restricted Funds - Province of Alberta	Total Fund Balances
Beginning of year	\$98,402,300	\$0	\$39,099,966	\$3,794,723	\$141,296,989
Assets received from the Province of Alberta	(4,114,453)	0	0	4,114,453	0
Assets received from other cost shared projects	(7,655)	0	7,655	0	0
District contribution to cost shared projects	0	0	(1,371,484)	1,371,484	0
Additions to property and equipment, net	22,627,691	(1,143,028)	(17,039,195)	(4,445,468)	0
Excess of revenue over expenses allocated	(4,283,986)	13,542,762	3,577,287	124,375	12,960,438
Transfer to irrigation works fund from operations	0	(12,399,734)	12,399,734	0	0
Total Fund Balances	<u>\$112,623,897</u>	<u>\$0</u>	<u>\$36,673,963</u>	<u>\$4,959,567</u>	<u>\$154,257,427</u>

The Board of Directors has authorized the transfer of \$12,399,734 from current year operations to internally restricted funds to be used for future irrigation works additions. As well, authorization was given to use \$1,371,484 of internally restricted funds to pay for the District's 25% share of Province of Alberta cost shared projects.

EASTERN IRRIGATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2002

8. Irrigation Rates

Irrigation rates consist of:

263,066 Acres at \$7.50 per acre

19,450 Acres at \$7.50 per acre terminable

Minimum parcel rates and adjustments

2002	2001
\$1,972,995	\$1,894,710
145,875	218,115
28,152	9,353
<u>\$2,147,022</u>	<u>\$2,122,178</u>

9. Community Grazing Expenses

Community grazing expenses consist of:

Property taxes and water rates

Fencing, fire and cattle guards

Management and lease rider fees

Fertilizer and chemicals

Amortization of equipment and pipelines

Miscellaneous

Dugouts pumping and filling

Pump power and maintenance

Dugouts and pond maintenance and digging

Irrigation equipment maintenance

2002	2001
\$167,014	\$171,928
82,238	180,327
75,500	75,100
67,518	60,112
51,299	63,965
37,483	18,928
34,507	93,163
18,594	16,977
17,632	49,396
12,737	0
<u>\$564,522</u>	<u>\$729,896</u>

10. Community Grazing Property and Equipment Expenditures

Property and equipment expenditures include:

Pasture development and re-seeding

Grazing water pipeline and improvements

2002	2001
\$149,986	\$0
91,132	283,847
<u>\$241,118</u>	<u>\$283,847</u>

EASTERN IRRIGATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2002

11. Special Projects Revenue and Expenses

	2002	2001
Revenue from special projects operations:		
EIDNet	\$128,619	\$120,361
Grass Carp	14,957	95,265
Special projects expenses:		
EIDNet - operations	(185,113)	(182,193)
Grass Carp - operations	(20,477)	(271,989)
Grass Carp - amortization and loss on disposal of assets	0	(50,474)
Grass Carp - inventory write down	(38,656)	(49,899)
Pheasants Forever - Partners In Habitat	(25,000)	(25,000)
Environmental remediation - Modern Auto Property	0	2,251
Water Quality testing	0	(14,215)
GIS Data acquisition	0	(6,482)
Special projects	0	1,827
Excess of expenses over revenue	(\$125,670)	(\$380,548)

12. Trust Funds

Trust funds held include \$69,646 in the Carl Anderson Fund. Interest earned on the funds is distributed to local libraries annually. In 2001 an additional \$16,203 was held for Pheasants Forever related to the Partners in Habitat program.

13. Land Sale - Lake Newell Developments

In prior years the District entered into an agreement to sell land bordering Lake Newell to a developer in exchange for mortgages on the land. The mortgage is payable only as lots are sold by the developer. Due to the nature of the sale agreement the land sales are recognized only when cash is received. Sales of \$43,448 (2001: \$54,002) were recorded in the year.

14. Uncompleted Contract Commitments

The District has commitments in an estimated amount of \$4,855,806 (2001: \$1,933,151) in respect of uncompleted work under contract on approved projects.

15. Comparative Figures

The comparative figures have been reclassified where necessary to conform to the current year’s presentation.

16. Approval of Financial Statements

These financial statements were approved by management and the Board of Directors.

Notes:

Schedule 1

EASTERN IRRIGATION DISTRICT
SCHEDULE OF OPERATIONS AND ADMINISTRATION EXPENSES
 Year ended December 31, 2002

	Equipment Pool	Maintenance	Water Delivery	EID Land Administration	Administration and General	Total 2002	Total 2001
Salaries and benefits							
Salaries and consultants fees	\$930,550	\$569,939	\$1,107,045	\$152,662	\$957,827	\$3,718,023	\$3,627,516
Pension plans	74,408	33,076	98,018	14,565	83,048	303,115	266,997
Group insurance	40,768	19,439	56,796	7,777	36,205	160,985	145,125
Employment insurance and WCB	32,590	16,184	42,228	6,987	31,206	129,195	118,109
Equipment							
Heavy equipment expense	514,794	0	0	0	0	514,794	552,356
Equipment rent	(749,557)	1,026,262	94,612	0	0	371,317	280,513
Vehicle expense (recovery), net	(91,657)	132,600	246,504	28,920	82,760	399,127	400,097
Amortization of equipment	626,326	0	0	0	115,109	741,435	765,352
Other							
Materials and supplies	51,360	270,701	62,882	0	0	384,943	353,681
Irrigation pumps and structures	0	46,924	134,425	0	0	181,349	174,239
Office supplies and maintenance	0	0	0	15,000	113,035	128,035	116,410
Insurance	71,179	5,500	17,828	0	30,968	125,475	113,594
Buildings and grounds	54,825	18,288	3,559	0	56,166	132,838	103,149
Telephone	7,930	4,068	39,461	4,827	22,715	79,001	91,370
Association fees	0	0	0	0	45,002	45,002	65,843
Directors fees and expenses	0	0	0	0	63,902	63,902	60,881
Tools and light equipment	36,470	6,573	222	0	0	43,265	45,403
Advertising and promotion	0	0	0	2,336	16,816	19,152	42,574
Miscellaneous and freight	2,175	1,546	2,821	385	23,303	30,230	39,431
Professional fees	0	0	0	545	42,261	42,806	30,167
Water quality testing	0	0	14,932	0	0	14,932	0
Travel	385	0	835	398	7,721	9,339	10,325
Total expenses:	1,602,546	2,151,100	1,922,168	234,402	1,728,044	7,638,260	7,403,132
Less: Recovery from capital construction	(1,655,529)	(64,955)	(557,435)	0	(439,092)	(2,717,011)	(2,852,908)
	(\$52,983)	\$2,086,145	\$1,364,733	\$234,402	\$1,288,952	\$4,921,249	\$4,550,224

