

Eastern Irrigation District



2007 Annual Report

2007

Annual Report
For Year Ending 2007

NOTICE OF ANNUAL MEETING

TAKE NOTE

that the annual meeting of the irrigators of the Eastern Irrigation District will be held on **Wednesday, March 26th, 2008 at 1:30** in the afternoon at the Heritage Inn, 1217 2nd Street West Brooks, Alberta.

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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 and livestock water uses
- Municipal and industrial water requirements
- 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 City 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"**.

For more information about the Eastern Irrigation District, please visit our web site at: [http:// www.eid.ab.ca](http://www.eid.ab.ca)



EID Float: 2007 Kinsmen Parade.

2007 Board of Directors



Bob Chrumka (Chairman)
Division 6



Floyd George
Division 1



Tom Livingston
Division 2



Clint Henrickson
Division 3



Neil Johnson
Division 4



Allen Nielsen (Vice-Chair)
Division 5



Pat Hemsing
Division 7



Bassano Dam

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 two directors are elected in one year, two directors are elected the next year and three directors are elected in the following year. This method of elections provides for long-term stability in the governance, administration and operation of the District.



Bob Chrumka (Chairman)
Division 6

Chairman and Board of Directors Report

“...we plan to use water that has been conserved through enhanced efficiencies, to facilitate other designated needs within our boundaries.”

The Board of Directors would like to clarify the position we have taken on the District's license, the future of water delivery and its uses within our boundaries.

In late 2003 the province introduced their Water For Life Strategy. One of the main components of the strategy is conservation of water by all to enable continued population and economic growth. Then in 2006 Alberta Environment placed a moratorium on all new water licenses on the Bow River. This forces anyone requiring a water supply without a current license to obtain their required amounts from an existing license holder. This can be accomplished in two ways, either an existing license holder supplies their needs from within approved licensed amounts or by purchasing and transferring a license or portion thereof. In order for an irrigation district to transfer (sell) any portion of their license they must hold a plebiscite vote of their members with the same rules as a municipal election.

The Eastern Irrigation District's current license allows us to divert 685,000 acre feet from the Bow River. During an average dry summer we will divert 620,000 to 650,000 acre feet. This average amount is decreasing annually as we invest millions of dollars on improving infrastructure and promoting the most efficient methods of irrigating.

Currently the District's license reads that we are able to supply water for the purpose of irrigation, household (maximum 1 acre foot) and rural use (maximum of 20 acre feet). To service other uses or larger quantities within these guidelines we need an amendment to the purposes of our license.

In June 2007, the Board and Management submitted a proposed amendment that would allow a small portion of up to 20,000 acre feet (3%) of our license to be used for other purposes. This would be available for projects such as country residential subdivisions, value added industries, large cattle operations, feedlots, wildlife projects or other small industries requiring more than 20 acre feet of water annually. These could be handled by agreements within the District and remain part of the District license.

In the example of the City of Brooks, or any other municipality or large industry requiring a larger or new license, a sale (transfer) would be required and approval of such by a plebiscite vote.

The application for amendment process requires a period of time for public input on the request. During that period some 40 letters of concern were received by Alberta Environment. The responses included opinions such as; the amendment would encourage more water use, the EID is just trying to cash in financially on a large license and suggestions that the province revisit the "First in Time, First in Right" principle. Therefore we feel compelled to amplify our position.

Our intentions are quite the opposite; we plan to use water that has been conserved through enhanced efficiencies, to facilitate other designated needs within our boundaries. The amendment, if granted, will not allow us to divert more water and will have absolutely no effect on the flows in the Bow River.

We do not intend to sell portions of the District's license unless totally necessary and would be seeking approval through a plebiscite vote of the water users should this situation arise. Also, since we will be using conserved water to

meet these projected needs, we will not be increasing the water shortage risk anymore than it is today.

During a meeting with the Minister of the Environment in mid November, we were made aware that our application has been put in abeyance while Alberta Environment reviews their application process and possibly until after the Provincial Government's Land Use Policy Framework report is released.

In attending various water conferences throughout the province and into the United States, we do hear the suggestion of pricing of water and it's use. The water rate that the District uses is not a charge for water but rather a conveyance fee to move water within our boundaries. This rate whether agricultural, residential, industrial or municipal can be appealed before Irrigation Council.

The Board disagrees with the theory that a water pricing mechanism will encourage water conservation. As the Secretary for the Interior of the United States stated at a conference in Nevada, "after denying a man of water and gasoline for three days, just see which one he will pay more for." From our standpoint, irrigated agriculture competing financially with, for example, golf courses in or around Calgary, would make the whole pricing mechanism very complex and quite possibly inequitable.

Our philosophy has been and will continue to be that rewarding water conservation caters to everyone's best interests rather than imposing large penalties for inefficiencies. Such penalties in our estimation will be a "when all else fails" approach. We will continue to offer programs such as the Farm Improvement Program and Infrastructure Savings Program that help the EID water users to gain efficiencies and remain conscientious stewards of this precious resource.

The District is a member of the Bow River Basin Council which is an organization made up of all Municipalities, Irrigation Districts, TransAlta, Environmental groups and others that rely on and protect the Bow River. Together we discuss strategies and forward planning that will ensure that the Bow meets the needs of all for many years to come. In this regard, the most impending concern facing the Bow River is not the amount of water or flows but rather nutrient loading. In June 2007, we contributed \$25,000 towards the Council's initiative to set water quality objectives for each reach of the river.

In closing, the board would like to express our appreciation to all those who have helped to make this District all that we enjoy today and to those who will help in the future, reaching goals and overcoming obstacles in maintaining these successes.

*Respectfully submitted on behalf of the Board of Directors by:
Bob Chrumka, Board Chairman*



Pivot irrigation.





Earl Wilson
(General Manager)

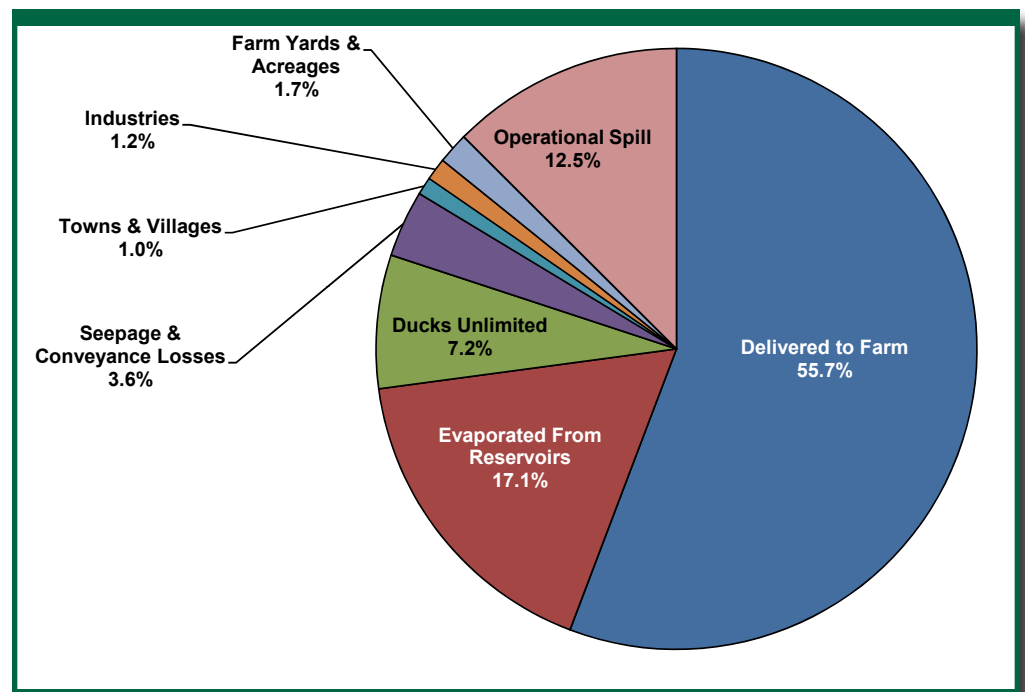
General Manager's Report

"We continued with our Farm Improvement incentive program that rewards farms for conserving water."

With the good spring rains our demand for irrigation was quite low in May and June. We diverted 417,830 acre feet from the Bow River at Bassano between April 17 and October 12; this includes the water we diverted for ourselves as well as the water we diverted and conveyed to the other 44 license holders that we deliver to.

Water Balance (acre-feet)

	2007	2006
Diversion	417,830	335,210
Delivered to Farm	233,000	192,600
Evaporated From Reservoirs	71,500	70,000
Ducks Unlimited	30,000	18,000
Seepage and Conveyance Losses	15,000	15,000
City, Towns and Villages	4,000	4,000
Industries	5,000	5,000
Farm Yards and Acreages	7,000	5,000
Operational Spill	52,330	25,610
Measured Return Flow	83,450	75,628
Operation	52,330	25,610
Farm Spill and Run Off	31,120	50,018



We ended the year with a firm live storage of 249,000 acre feet in our reservoirs, slightly above our normal winter levels.

We continued our rehabilitation program installing 50 kilometers of PVC pipe, lining and armouring 10 kilometers of canal and constructing 3 larger cast-in-

place structures during the 2007/2008 winter construction. In addition to the normal rehabilitation projects we also replaced all the gate hoists and rewired Bassano Dam, we will re-excavate and stabilize the large cut in the main canal at the dam next fall.

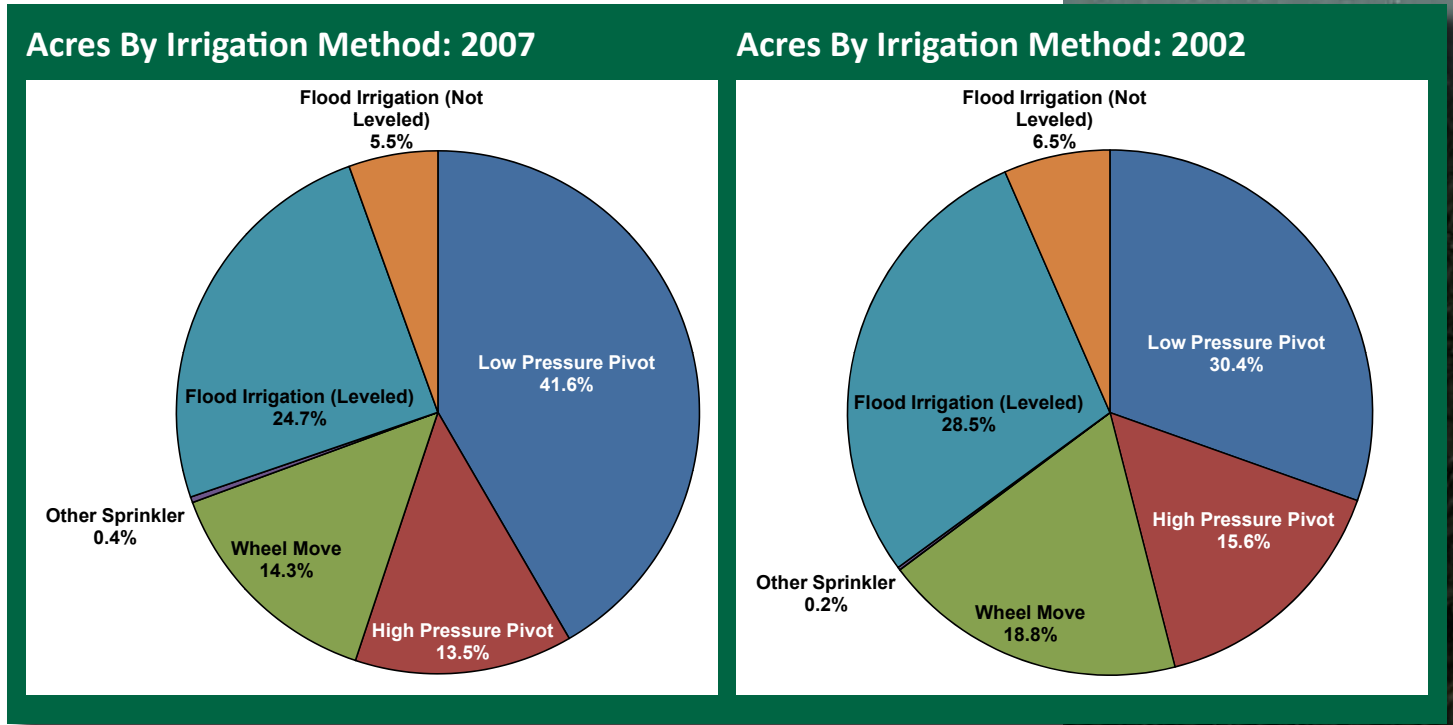
We continued with our Farm Improvement incentive program that rewards farms for conserving water. In 2007, 50 grants were approved by the Board totaling \$227,775. The majority of these (34) were for converting to low pressure pivots.

We added 421 new acres to the assessment roll in 2007. Of the 421 acres added, 348 were on existing parcels that converted to a more efficient method of irrigation and 73 were new acres added below Lake Newell. Landowners converted 33 acres of water rights to Country Residential agreements and we purchased 85 acres of water rights from landowners, therefore our assessment roll went from 284,116 Ac. to 284,419 Ac.

In the last five years we have seen the number of acres being irrigated by low pressure pivot increase from 86,000 to 118,402, while the number of acres being irrigated by wheels and flood has dropped (see table below). These changes have saved us approximately 6,700 acre feet of water, more than the total increase in assessment.



Method of Irrigation: 2007			Method of Irrigation: 2002		
Low Pressure Pivot	118,402 Ac.	41.6%	Low Pressure Pivot	86,000 Ac.	30.4%
High Pressure Pivot	38,337 Ac.	13.5%	High Pressure Pivot	44,000 Ac.	15.3%
Wheel Move	40,626 Ac.	14.3%	Wheel Move	53,000 Ac.	18.8%
Other Sprinkler	1,010 Ac.	0.4%	Other Sprinkler	500 Ac.	0.2%
Flood Irrigation (Leveled)	70,352 Ac.	24.7%	Flood Irrigation (Leveled)	80,500 Ac.	28.5%
Flood Irrigation (Not Leveled)	15,692 Ac.	5.5%	Flood Irrigation (Not Leveled)	18,500 Ac.	6.5%
<i>Note: percentages shown are the percentage of total irrigation.</i>			<i>Note: percentages shown are the percentage of total irrigation.</i>		





Alfalfa crop irrigated by pivot.
Canola in background.

General Manager's Report



Calf on community grazing lease.

Continued from page 5

The community pastures had good carry over grass going into 2007 and with the beneficial spring rains we enjoyed a good grass year. A total of 14,577 head (45 head per member) were turned out in May and stayed out until the end of October. There is ample carry over grass for 2008. We completed our 6th tame grass restoration project in 2007, reseeding approximately 4,000 acres. Eighteen kilometers of water lines were installed in the Bassano Grazing Lease last summer.

Oil and gas activity on District land was a little below average, making it easier to work around our grazing rotations. There were 269 new leases taken in 2007 and 91 additional wells drilled on existing leases. This brings the total number of wells on EID lands up to 9,917 on 8,017 leases.

The District had 6 employees retire in 2007: Len Fenez, Rita Fenez, Greg Feth, Myrna Trimmer, John Harink and Denis Jackson. Garnet Neufeld left the District at the end of the 2007 water season. Brad Schroeder, a long term employee of the District, was tragically killed in a farm accident and will be sadly missed. Late in 2006 we decided to increase the amount of equipment we have, therefore we added a couple new operators. We also added a person to our Oil and Gas Department, a junior engineer to our Engineering Department and an additional maintenance person. I am pleased to welcome to the EID: Shawn Thompson, Allen Aebly, Donna Bobinski, Maria Philipsen, Kimberly Green, Bryan Shepherd, Francis Monaghan, Jesse Odland, Brent Kroschel, Jim Olund, Marla Graham and Stuart Cleland.

The cost to operate the District was slightly higher (\$17,475) in 2007, (\$19/acre), and our capital costs for rehabilitation came in under budget, resulting in an increase in our reserves of \$2.3 million. Approximately half of this was just the status of the projects at year end. We were ahead of schedule on IRP projects and a little behind on our capital projects.

Respectfully submitted by:
Earl Wilson, General Manager



EID D6 Caterpillars: X-Tilley canal rehabilitation.

2007 was an average year for maintenance. We were able to reduce the amount of hired equipment we used from that used in 2006. The overall expenditure was \$2,365,666 down from \$2,560,097 in 2006.

Maintenance of Irrigation Works

Weed removal from canal.



Maintenance Item	2003	2004	2005	2006	2007	Average
Canal cleaning, bank leveling and seeding	42 km	25 km	10 km	15 km	10 km	20.4 km
Drain cleaning, bank leveling and seeding	18 km	15 km	15 km	17 km	24 km	17.8 km
Drain and canal clipping	108 km	86 km	124 km	104 km	139 km	112.2 km
Drain relocations	2 km	2 km	3 km	3 km	10 km	4 km
Gravel armour placed on canal side-slopes	0 km	3 km	1 km	4.2 km	3.2 km	2.3 km
Gravel placed on canal banks	32 km	45 km	30 km	56 km	26 km	37.8 km
Canals fenced	12 km	6 km	10 km	12 km	5 km	9 km
Chemical weed control on canal banks	2,100 km	1,972 km	1,521 km	1,495 km	1,646 km	1,746.8 km
Mowing of canal banks	338 km	520 km	370 km	460 km	510 km	439.6 km
Canal liner installed	2.2 km	1 km	0 km	0 km	2 km	1 km
Road crossing repairs and replacements	10	6	11	15	17	12
Replacement of farm turnouts	15	14	11	5	7	10
Flood well to riser conversions (on pipelines)	29	18	9	21	23	20

Maintenance Cost	2003	2004	2005	2006	2007	Average
Heavy equipment	\$907,715	\$931,596	\$939,015	\$1,336,480	\$1,091,775	\$1,041,316
Labour	\$617,215	\$651,521	\$641,611	\$620,891	\$681,863	\$642,620
Materials (culverts, gates, fence posts, etc.)	\$164,563	\$170,560	\$206,652	\$286,060	\$237,224	\$213,012
Chemical for broad leaf weed control	\$74,714	\$48,093	\$51,298	\$51,273	\$63,396	\$57,755
Vehicles	\$132,600	\$140,400	\$140,400	\$158,400	\$187,200	\$151,800
Repairs to pump stations and control structures	\$46,294	\$43,992	\$12,712	\$86,476	\$68,472	\$51,589
Maintenance of buildings and grounds	\$18,288	\$16,424	\$18,844	\$20,517	\$35,736	\$21,962
Total Costs:	\$1,961,389	\$2,002,586	\$2,010,532	\$2,560,097	\$2,365,666	\$2,180,054



Canola crop.

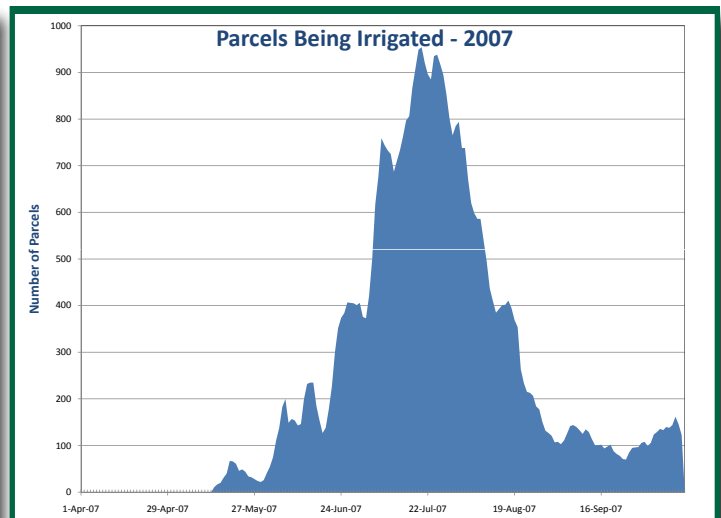
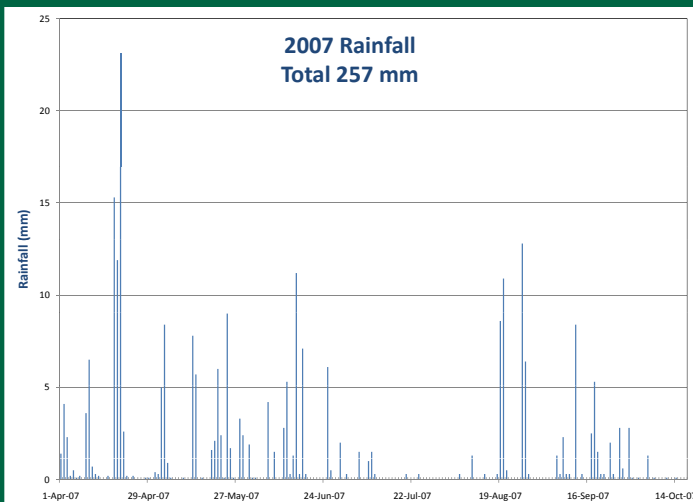
Crop and Irrigation Statistics

2007 System Water Delivery Summary

Block	Irrigated Area (ac.)	Volume Delivered (ac-ft)	Water Use/Acre (ac-ft/ac)
D1 (Leland)	19,791	15,674.472	0.792
D2 (Bunney)	14,995	11,471.175	0.765
D3 (Senneker)	15,653	15,559.082	0.994
D4 (Slomp)	19,258	17,967.714	0.933
D5 (Tryhorn)	13,742	16,545.368	1.204
E1 (Marshall)	17,534	9,433.292	0.538
E2 (Wirachowsky)	20,900	9,864.800	0.472
E3 (Boettcher)	12,939	9,070.239	0.701
E4 (Getz)	16,025	10,816.875	0.675
S1 (Syvret)	14,806	11,222.948	0.758
S2 (Currie)	11,993	11,393.350	0.950
S3 (Bobinski)	12,110	10,499.370	0.867
S4 (Jackson)	13,281	10,531.833	0.793
S5 (Harink)	11,925	9,551.925	0.801
S6 (Canning)	16,717	14,827.979	0.887
S7 (Neufeld)	18,489	16,566.144	0.896
S8 (Schroeder/Stout)	19,134	18,024.228	0.942
S9 (Stout)	15,127	14,022.729	0.927
Totals:	284,419	233,043.523	0.819

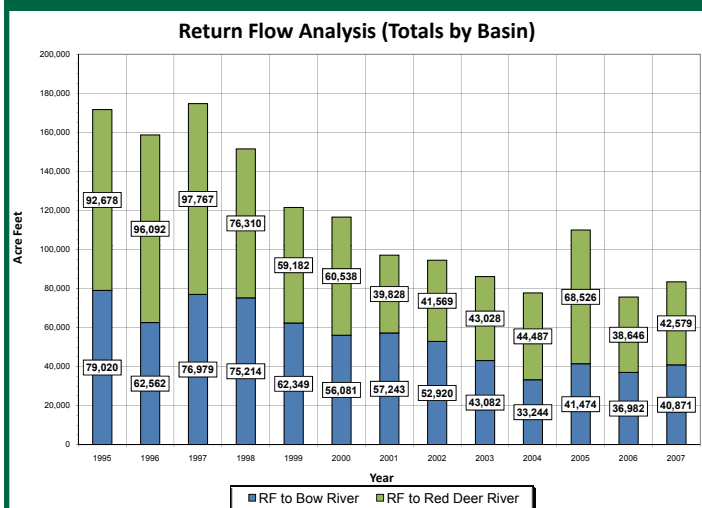


Low pressure pivot with drop tubes.



2007 Crop Summary

Crop Class	Crop Type	Acres	Crop Class	Crop Type	Acres
Forage Crops	Alfalfa 2 nd Cut	52,669	Cereals	Barley	33,142
	Alfalfa 3 rd Cut	1,949		CPS Wheat	2,982
	Alfalfa Hay	2,443		Durum Wheat	990
	Alfalfa Silage	6,515		Grain Corn	268
	Barley Silage Under Seed	497		Hard Spring Wheat	30,657
	Barley Silage	5,216		Malt Barley	0
	Brome Hay	0		Oats	1,322
	Corn Silage	8,915		Rye	2,571
	Grass Hay	11,072		Soft Wheat	791
	Green feed	5,157		Triticale	4,150
	Milk Vetch	32		Winter Wheat	459
	Millet	150	Total Cereal Crops		77,332
	Native Pasture	899	Specialty Crops	Alfalfa Seed	13,416
	Oats Silage	377		Carrots	307
	Sorghum Sudan Grass	226		Dry Beans	1,674
	Tame Pasture	56,917		Dry Peas	849
	Timothy Hay	3,460		Faba Beans	98
Total Forages		156,494		Fresh Corn	17
Oil Seeds	Canola	24,766		Fresh Peas	10
	Flax	2,017		Grass Seed	340
	Hyola	187		Hemp	239
Total Oil Seeds		26,970		Market Gardens	119
Non Irrigated	Miscellaneous	0		Nursery	457
	Non Crop	244		Potato	2,429
	Summer Fallow	1,671		Safflower	50
Total Non-Irrigated		1,915		Small Fruit	0
				Sugar Beets	1,358
				Sunflower	345
			Total Specialty Crops		21,708



Total of All Crops (Acres)

Summary	Forage Crops	156,494
	Oils Seeds	26,970
	Cereals	77,332
	Specialty Crops	21,708
	Non-Irrigated	1,915
Total:		284,419



X Tilley: Gravel on poly liner.

Irrigation Rehab. Report



16 Springhill pipeline installation.

2007 Rehabilitation

This year's program was not quite as large as last year's program, however we continue to rehabilitate at a rapid pace. As was the case last year the District decided to project manage most projects and only tendered two projects. We were able to rent the extra equipment required and all projects are ahead of or on schedule with costs of most projects being kept at or below engineering estimates. The District will continue to monitor infrastructure project costs to determine the approach taken in 2008. Our 2008 plan has a similar amount of rehabilitation as in 2007.

In 2007, \$20.1 million was spent rebuilding the District's water delivery infrastructure.

22 large scale projects were constructed during the year, including completion of 9 projects from the 2006/2007 construction period and 13 projects underway in the winter 2007 construction period.

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 2007 the Province provided \$4,942,354 (75%) and the District invested \$1,647,452 (25%). The 2007 expenditures amount to approximately \$7.7 million. Some of the unused funds carried over from previous years were spent in 2007. In the 2007/2008 winter construction period, the District will complete the installation of 21 km of pipeline under the IRP Program.



AH North Bantry.

Irrigation Rehabilitation Program (IRP)

Project	Description	Engineer	Contractor	2007 Project Cost	Total Project Cost
Spring					
G North Bantry	16 km pipeline 0.4 km plastic lined canal	MPE	EID	\$4,482,000	\$5,575,400
Fall					
16 Springhill	21 km	Due South	EID	\$3,243,000	\$4,850,000
Total:				\$7,725,000	

EID Capital Construction Program

Funds for this program are provided entirely from the District's Irrigation Works Reserve Fund. The 2007 expenditures amount to approximately \$12.3 million. In the 2007/2008 winter construction period, the District will complete the installation of 30 km of pipeline and 10 km of lined canal.

EID Capital Construction Program - Spring Projects

Project	Description	Engineer	Contractor	2007 Project Cost	Total Project Cost
Secondary A S.H.	12 km plastic lined canal	EID	EID	\$521,000	\$3,845,000
03, 04-12 Sec. A R.H.	2.6 km pipeline, 2.0 km lined canal	EID	EID	\$144,000	\$1,071,000
11 East Branch	21.5 km pipeline	EID	EID	\$1,794,000	\$3,342,000
03-02-D S.H.	3.2 km pipeline	EID	EID	\$444,000	\$870,000
R-1 North Bantry	7.7 km pipeline	UMA	EID	\$126,000	\$950,000
7 Bow Slope	6.5 km pipeline	EID	EID	\$1,601,000	\$1,804,000
C North Bantry	0.6 km pipeline	EID	EID	\$169,000	\$170,000
15 H West Bantry		EID	EID	\$50,000	\$50,000
Automation	Automation of control structures	MPE	MPE	\$62,000	\$409,000
Screen Cleaners	Screening pipeline inlets	EID	EID	\$397,000	\$405,000
Other Projects				\$490,000	
Total:				\$5,798,000	

EID Capital Construction Program - Fall Projects

Project	Description	Engineer	Contractor	2007 Project Cost	Total Project Cost
22 Bow Slope	3.0 km pipeline	EID	EID	\$36,000	\$615,000
9 & 10 East Branch	7.5 km pipeline	EID	EID	\$182,000	\$2,356,000
Springhill/North Branch Structures	3 cast-in-place structures	MPE	Charmar	\$547,000	\$1,293,000
X Tilley	3.5 km plastic lined canal	EID	EID	\$873,000	\$970,000
12 Rolling Hills	3.0 km pipeline	EID	EID	\$576,000	\$691,000
AH North Bantry	6.5 km plastic lined canal	EID	EID	\$1,568,000	\$2,550,000
Bassano Dam	Control gate and electrical upgrades	MPE	United Utilities	\$700,000	\$1,200,000
07-08 A Springhill	5.5 km pipeline	MPE	EID	\$131,000	\$1,000,000
U-02 Tilley	0.4 km plastic lined canal	EID	EID	\$183,000	\$200,000
10 Bow Slope	3.0 km pipeline	EID	EID	\$249,000	\$760,000
03-02-05 C East Branch	7.0 km pipeline	EID	EID	\$385,000	\$1,300,000
01-16 Springhill	1.0 km pipeline	EID	EID	\$11,000	\$221,000
Flow Meters	Flow measurement	EID	EID	\$72,000	
Automation	Automation of control structures	MPE	EID	\$106,000	
Farm Improvements	Projects throughout the year	EID	EID	\$228,000	
2008 Projects	Preliminary work on projects	EID/MPE		\$65,000	
Land Aquisition	Legal surveys, purchase of ROW	EID	EID	\$635,000	
Total:				\$6,547,000	



Swans in fall.

Eastern Irrigation District

Partners in Habitat Development

"10 Years"



For more information
on the PHD program,
or to inquire regarding
a habitat project,
please call 362-1400

The introduction of irrigation to this semi-arid region we call home has created a diversity of wildlife habitats. However, since the 1960's habitat for Ring-necked Pheasant and other wildlife species has been steadily in decline due to more intensive agricultural activities, irrigation canal rehabilitation, advanced on-farm technology, increased cattle grazing, oil and gas activity, and increased urbanization.

Just over 10 years ago, the EID Board of Directors agreed to a pilot project designed to help mitigate for this loss of habitat. Partnering with the Calgary Chapter of Pheasants Forever, the District created the Partners in Habitat Development Program (PHD). Landowners within the Eastern Irrigation District agreed to provide land to develop habitat projects consisting of tree/shrub plantings or fencing of existing vegetation. Interest in the project soon grew as more landowners within the District became aware of the program. Today, the initial partnership between the EID and Pheasants Forever-Calgary Chapter has grown to include other like-minded organizations and has allowed this program to expand to five other Southern Alberta Irrigation Districts.

Planting trees and shrubs, fencing, wetland development and construction projects are some of the components the PHD program undertakes to enhance and maintain habitat. Not only do these components benefit wildlife, but they often benefit the farming operation. Carefully designed shelterbelts and fencing projects have the potential to shelter livestock and decrease field soil erosion. All projects are designed with landowner input and the landowner retains complete control over the habitat project site. This service is offered free of charge by the EID to water users within the District.

Over the course of the last 10 years the EID Partners in Habitat Development Program has assisted with:

- Planting over 338, 000 trees and shrubs
- Installing 84.7 kilometers of fencing to protect habitat
- Seeding 303 acres of marginal land to permanent grass cover
- Designing 209 project sites

The demand for the services of the PHD is still ongoing. Each year more and more landowners become interested in undertaking a project on their land. At present there is a waiting list of landowners who wish to arrange a PHD project.

Further to the habitat development and enhancement portion of the program, an educational component has been developed to reach out to youth. Annually at separate project locations, a Grade 4 class from a local school within the EID and youth from Brooks and District Scout organizations are invited to assist the PHD crew in planting a habitat site. After a short presentation detailing the Irrigation District, the PHD program and the importance of water to this area, the children have the opportunity to plant and mulch seedlings. It is the program's goal to educate these youth about the importance of water, agriculture and wildlife habitat and allow them to have a positive experience while learning.

Looking ahead, we anticipate future growth of the program within the EID. As the global community becomes more concerned with greenhouse gas issues, we expect additional landowners will become interested in habitat projects to not only increase habitat on their lands, but also to assist in offsetting carbon emissions.

The Partners in Habitat Program would like to thank all of our cooperating landowners who over the past ten years have been our most important partners. Without the commitment of these landowners, habitat projects within the EID would not be realized.





Original planting 1999.



Shrubby cover protected by fencing project (1999).



Above site in 2003.



Above site 4 years later (2003).



Above site in 2007.



Wetland water management.



Kevin Bridges
(Assistant General Manager)

Financial Report

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 not for profit organizations as recommended by the Canadian Institute of Chartered Accountants.

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

BEVAN, HALBERT, GERRARD and MOSSEY CHARTERED ACCOUNTANTS

PARTNERS

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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, 2007 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, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Brooks, Alberta
February 22, 2008

Bevan, Halbert, Gerrard and Mossey
Chartered Accountants

Eastern Irrigation District

Balance sheet, December 31, 2007

	General Fund	Irrigation Works Fund	2007 Total	2006 Total
ASSETS				
Current				
Cash	\$4,323,197	\$911,075	\$5,234,272	\$8,158,326
Short term deposits (Note 5)	3,499,821	4,841,996	8,341,817	3,226,859
Accounts receivable (Note 6)	871,707	346,311	1,218,018	1,613,036
Materials and supplies	945,140	0	945,140	1,021,227
Prepaid expenses	390,978	0	390,978	395,799
	10,030,843	6,099,382	16,130,225	14,415,247
Accounts receivable (Note 6)	0	306,216	306,216	330,177
Investments (Note 7)	0	42,739,900	42,739,900	41,445,487
Trust funds held (Note 15)	119,235	0	119,235	151,860
	10,150,078	49,145,498	59,295,576	56,342,771
Property and Equipment (Note 8)				
Buildings and equipment, net	7,907,392	1,300,782	9,208,174	8,419,130
Irrigation works, net	0	281,575,303	281,575,303	271,857,317
Land (Note 2)	0	355,872	355,872	352,833
	7,907,392	283,231,957	291,139,349	280,629,280
	\$18,057,470	\$332,377,455	\$350,434,925	\$336,972,051
LIABILITIES				
Current				
Accounts payable	\$1,031,301	\$1,300,017	\$2,331,318	\$1,912,401
Deferred oil well lease compensation and EIDNet revenue	8,864,992	0	8,864,992	8,638,042
	9,896,293	1,300,017	11,196,310	10,550,443
Trust funds held (Note 15)	119,235	0	119,235	151,860
Provision for gravel pit closure and post closure (Note 16)	0	381,529	381,529	340,118
Deferred grants and contributions, net (Note 8)	88,438	114,109,302	114,197,740	114,221,661
	10,103,966	115,790,848	125,894,814	125,264,082
Uncompleted contract commitments (Note 17)				
Contingency (Note 18)				
FUND BALANCES				
Invested in property and equipment (Notes 8 & 9)	7,818,954	169,122,655	176,941,609	166,407,619
Unrestricted (Note 9)	0	0	0	0
Internally restricted, to be used for future community pasture development (Notes 2 & 9)	134,550	0	134,550	110,700
Internally restricted, to be used for future irrigation works additions (Notes 2 & 9)	0	44,698,099	44,698,099	41,484,175
Externally restricted by the Province of Alberta, to be used for future irrigation works additions (Notes 2 & 9)	0	2,765,853	2,765,853	3,705,475
	7,953,504	216,586,607	224,540,111	211,707,969
	\$18,057,470	\$332,377,455	\$350,434,925	\$336,972,051

Eastern Irrigation District

Statement of operations and changes in fund balances, Year Ended December 31, 2007

	General Fund	Irrigation Works Fund	2007 Total	2006 Total
REVENUE				
WATER EARNINGS				
Irrigation Rates (Note 10)	\$0	\$0	\$0	\$0
Water conveyance agreements	365,833	0	365,833	347,087
Oil and gas drilling water	1,315,516	0	1,315,516	1,562,554
Penalties	1,473	0	1,473	1,608
	1,682,822	0	1,682,822	1,911,249
Less discounts allowed	0	0	0	(37)
	1,682,822	0	1,682,822	1,911,212
LEASE REVENUE AND COMPENSATION				
Oil and gas well leases	15,343,401	0	15,343,401	14,193,234
Right of entry and initial consideration	2,838,979	0	2,838,979	3,717,804
Oil and gas administration fees	105,750	0	105,750	155,250
Community grazing leases	964,130	0	964,130	998,796
Private grazing leases	142,047	0	142,047	125,774
Irrigated leases	115,362	0	115,362	113,941
Other lease revenues	65,140	0	65,140	65,890
OTHER REVENUE				
Capital asset charges, net	0	20,700	20,700	256,250
Gravel royalties and miscellaneous	0	202,564	202,564	248,909
Gain (loss) on sale of land, equipment and buildings	22,169	86,537	108,706	895,008
Investment income	305,089	2,311,374	2,616,463	2,580,426
Adjust investments to market value (Notes 3 & 7)	0	(724,315)	(724,315)	0
Amortization of deferred grants and contributions	0	4,949,628	4,949,628	4,828,569
	21,584,889	6,846,488	28,431,377	30,091,063
EXPENSES				
Operations and administration (Schedule 1)	5,472,827	0	5,472,827	5,455,352
Community grazing expenses (Note 11)	919,649	0	919,649	974,317
Amortization of irrigation works and buildings	0	10,468,113	10,468,113	9,993,469
	6,392,476	10,468,113	16,860,589	16,423,138
Excess of revenue over expenses, before special projects	15,192,413	(3,621,625)	11,570,788	13,667,925
Special projects, net (Note 13)	(61,555)	0	(61,555)	(19,755)
EIDNet, net (Note 14)	(81,142)	0	(81,142)	(313,052)
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	15,049,716	(3,621,625)	11,428,091	13,335,118
TRANSFER TO IRRIGATION WORKS FUND	(14,357,933)	14,357,933	0	0
FUND BALANCES, BEGINNING OF YEAR	7,261,721	204,446,248	211,707,969	198,372,851
CHANGE IN VALUE OF FINANCIAL ASSETS HELD FOR TRADING, AS AT JANUARY 1, 2007 (Note 3)	0	1,404,051	1,404,051	0
FUND BALANCES, END OF YEAR	\$7,953,504	\$216,586,607	\$224,540,111	\$211,707,969

Eastern Irrigation District

Statement of cash flows, Year Ended December 31, 2007

	General Fund	Irrigation Works Fund	2007 Total	2006 Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Revenue from water operations	\$1,682,822	\$0	\$1,682,822	\$1,911,212
Compensation from oil and gas operations	18,288,130	0	18,288,130	18,066,288
Revenue from lease operations	1,286,679	0	1,286,679	1,304,401
Capital asset charges, net	0	20,700	20,700	256,250
Cash receipts from gravel royalties and miscellaneous	0	202,564	202,564	248,909
Operations and administration expenses	(5,472,827)	0	(5,472,827)	(5,455,352)
Community grazing expenses	(919,649)	0	(919,649)	(974,317)
Add: Amortization in expenses, not using cash	1,086,358	0	1,086,358	1,122,010
Net cash expenditure on special projects	(61,555)	0	(61,555)	(19,755)
Net cash expenditure on EIDNet	(5,995)	0	(5,995)	(256,746)
Investment income received	305,089	1,185,691	1,490,780	1,199,981
Change in non-cash current assets and liabilities	677,049	(103,750)	573,299	374,940
	16,866,101	1,305,205	18,171,306	17,777,821
CASH FLOWS USED IN FINANCING AND INVESTING ACTIVITIES				
Grants from Province of Alberta	0	4,942,354	4,942,354	5,066,021
Proceeds on sale of land, buildings and equipment	427,600	88,033	515,633	1,205,610
Purchase of land, buildings and equipment	(1,532,617)	(258,445)	(1,791,062)	(1,197,681)
Pasture development and reseedling (Note 12)	(519,097)	0	(519,097)	(157,039)
Grazing water pipeline and improvements (Note 12)	(183,155)	0	(183,155)	(68,948)
Farm improvement program	0	(227,775)	(227,775)	(146,469)
Expenditures on irrigation works	0	(19,842,171)	(19,842,171)	(19,609,982)
Change in non current accounts receivable	0	23,961	23,961	11,820
Proceeds on sale of investments	0	13,211,133	13,211,133	6,604,821
Purchase of investments	0	(12,700,129)	(12,700,129)	(7,196,808)
Change in provision for gravel pit closure and post closure (Note 16)	0	41,411	41,411	53,699
Change in irrigation works accounts payable	0	548,495	548,495	(599,481)
	(1,807,269)	(14,173,133)	(15,980,402)	(16,034,437)
NET INCREASE (DECREASE) IN CASH	15,058,832	(12,867,928)	2,190,904	1,743,384
Cash, beginning of year	7,122,119	4,263,066	11,385,185	9,641,801
Transfer from general fund	(14,357,933)	14,357,933	0	0
CASH, END OF YEAR	\$7,823,018	\$5,753,071	\$13,576,089	\$11,385,185
Cash is comprised of:				
Cash	\$4,323,197	\$911,075	\$5,234,272	\$8,158,326
Short term deposits	3,499,821	4,841,996	8,341,817	3,226,859
	\$7,823,018	\$5,753,071	\$13,576,089	\$11,385,185

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 deferral method of fund 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, EIDNet 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 and radio equipment	25%
Mobile equipment	20%
Grazing pasture reseeding	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 way 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 are recorded at zero cost.

Materials and Supplies

Materials and supplies are carried at the lower of cost and net realizable value with the cost being determined on a first-in, first-out basis.

Investments and Short Term Deposits

Investments and short term deposits are recorded at fair value.

Financial Instruments

The District's financial instruments consist of cash, short term deposits, accounts receivable, investments and accounts payable. The carrying amounts of these instruments approximates their fair value. 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 lessee 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.

2. Accounting Policies (continued)

Pension Plan

The District is a member of the Local Authorities Pension Plan, a multi-employer defined benefit pension plan. This Plan is accounted for as a defined benefit plan.

Deferred Grants and Contributions

Grants and contributions from third parties received to finance construction of irrigation works and the EIDNet towers and sector radios are deferred and amortized to income on the same basis as the irrigation works and the EIDNet assets to which they relate. Amortization of deferred grants related to irrigation works is provided on a straight-line basis over a 40 year period. Amortization of deferred grants related to EIDNet assets is provided using the declining balance method (sector radios at 25%; towers at 10%).

Gravel Pit Closure and Post Closure Liability

Pursuant to the Alberta Environmental Protection and Enhancement Act, the District is required to fund the closure of its gravel pits and provide for post closure care. Closure and post closure activities include contouring the site, replacing the soil, re-establishing vegetation and submitting the final reclamation report. The accrued liability is based on an estimate of future costs.

Use of Estimates

The preparation of the financial statements in conformity with Canadian generally accepted accounting principles requires 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 years could be significant. Significant areas requiring use of management estimates relate to the useful lives of assets for amortization purposes, gravel pit closure and post closure costs 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.
- Community pasture development - monies to be used for future improvements or expansion of community grazing pastures.

Externally Restricted Net Assets

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

3. Change in Accounting Policies

Effective January 1, 2007, the District adopted the new recommendations of the Canadian Institute of Chartered Accountants Handbook Section 3855, Financial Instruments - Recognition and Measurement; Section 3861, Financial Instruments - Disclosure and Presentation; and amendments to Section 4400, Financial Statement Presentation by Not For Profit Organizations. These new Handbook sections, which are effective for fiscal years commencing on or after October 1, 2006, set out criteria for the recognition, measurement, disclosure and presentation of financial instruments. These new standards do not require policies followed in prior periods to be revised. Thus, the comparative figures have not been restated. However, the new policy is required to be implemented on a retroactive basis with any adjustments pertaining to prior periods reflected in fund balances.

Under Section 3855, all financial instruments are initially measured on the balance sheet at fair value. Subsequent measurement of the financial instruments is based on their classification and gains and losses are recognized in net income.

In accordance with the new standards, the District's financial assets and liabilities are generally classified and measured as follows:

Cash	Held for trading	Fair Value
Short term deposits	Held for trading	Fair Value
Investments	Held for trading	Fair Value
Accounts receivable	Loans and receivables	Amortized cost
Accounts payable	Other liabilities	Amortized cost
Other accrued liabilities	Other liabilities	Amortized cost

4. Local Authorities Pension Plan

Employees of the Eastern Irrigation District participate in the Local Authorities Pension Plan (LAPP), which is covered by the Public Sector Pension Plans Act. The Plan serves about 168,334 people and 408 employers. It is financed by employer and employee contributions and investment earnings of the LAPP fund. The District is required to make current service contributions to the Plan of 7.75% of pensionable earnings up to the Canada Pension Plan's Maximum Pensionable Earnings and 10.64% for the excess. Total current service contributions by the District to the Local Authorities Pension Plan in 2007 were \$383,296 (2006 - \$345,866). Total current service contributions by the employees of the District to the Local Authorities Pension Plan in 2007 were \$338,945 (2006 - \$305,499). At December 31, 2006, the Plan disclosed an actuarial deficiency of \$746.7 million (December 31, 2005 - \$863.6 million).

5. Short Term Deposits

Short term deposits maturing in the next 90 days include GICs and term deposits at interest rates varying from 4.50% to 4.57% (2006 - 4.25% to 4.28%). At year end these deposits have an average annual interest rate of 4.56% and will mature within the next 88 days.

6. Accounts Receivable

Accounts receivable consist of:

	2007	2006
Reclassification agreements	\$453,185	\$529,015
Lease rentals and seismic	381,990	964,702
Sundry debtors	193,806	212,330
Gravel and dirt	184,803	43,723
Water conveyance agreements	161,886	199,866
Water rates and charges	144,939	2,828
Property and equipment	14,539	0
Less: Allowance for doubtful accounts	(10,914)	(9,251)
	\$1,524,234	\$1,943,213
Accounts receivable - current	\$1,218,018	\$1,613,036
Accounts receivable - non current	306,216	330,177
	\$1,524,234	\$1,943,213

7. Investments

Investments consist of:

	2007	2006
Provincial Utility Bonds	\$13,416,920	\$11,814,279
Term Deposits	12,670,459	11,733,673
Corporate Bonds	10,024,419	11,793,896
Provincial Government Bonds	6,549,974	5,953,900
Chinook Credit Union Ltd.- patronage account	78,128	60,813
Discount Notes	0	88,926
	\$42,739,900	\$41,445,487
Approximate market value at December 31	\$42,739,900	\$42,850,000

Adoption of the new recommendations pertaining to financial instruments (see Note 3) required the District to adjust the book value of its investments to market value on January 1, 2007 and again on December 31, 2007. The adjustments made were:

Date	Book Value	Market Value	Adjustment
January 1, 2007	\$41,446,000	\$42,850,000	\$1,404,000
December 31, 2007	\$43,463,000	\$42,739,000	(\$724,000)

Disclosure and presentation of the investments is intended to reflect the unrealized gains and losses as if the investments had been sold. The District's investments are high quality bonds and term deposits that, if held to maturity, will be redeemed at face value and will return the yield that was locked in at the time of purchase.

8. Property and Equipment

			2007	2006
	Cost	Accumulated Amortization	Net	Net
General Fund:				
Equipment	\$13,424,481	\$6,699,084	\$6,725,397	\$6,484,140
Community pasture reseeding	1,479,503	297,508	1,181,995	771,966
Irrigation Works Fund:				
Buildings	6,119,721	4,818,939	1,300,782	1,163,024
Irrigation works	417,600,567	136,025,264	281,575,303	271,857,317
Land	355,872	0	355,872	352,833
	<u>\$438,980,144</u>	<u>\$147,840,795</u>	<u>291,139,349</u>	<u>280,629,280</u>
Deferred grants and contributions	<u>(\$198,546,412)</u>	<u>\$84,348,672</u>	<u>(114,197,740)</u>	<u>(114,221,661)</u>
Net assets invested in property and equipment			<u>\$176,941,609</u>	<u>\$166,407,619</u>
Changes in irrigation works assets, net of amortization are as follows:			2007	2006
Beginning of year			\$271,857,317	\$261,966,226
Additions to irrigation works				
District projects			11,709,923	13,847,261
Province of Alberta cost shared projects			7,724,771	5,024,507
Survey costs and easements			635,252	884,683
Amortization			(10,351,960)	(9,865,360)
End of year			<u>\$281,575,303</u>	<u>\$271,857,317</u>
Changes in deferred grants and contributions, net of amortization are as follows:			2007	2006
Beginning of year			\$114,221,661	\$114,004,979
Contributions from third parties			4,942,354	5,066,021
Amortization			(4,966,275)	(4,849,339)
End of year			<u>\$114,197,740</u>	<u>\$114,221,661</u>
Current year additions to irrigation works are as follows:				
	District	Province of Alberta Cost Sharing	2007 Total	2006 Total
External Charges:				
Contract Services	\$1,182,217	\$89,142	\$1,271,359	\$1,654,988
Contract Services - Engineering	291,730	226,033	517,763	694,335
Equipment and other services	2,477,530	170,322	2,647,852	4,691,907
Materials and supplies	5,492,265	4,750,475	10,242,740	8,596,117
Internal Charges:				
Equipment recovery	1,851,244	1,939,142	3,790,386	2,575,213
Labour recovery - Engineering	450,090	100,599	550,689	456,534
Labour recovery - Other	600,099	449,058	1,049,157	1,087,357
	<u>\$12,345,175</u>	<u>\$7,724,771</u>	<u>\$20,069,946</u>	<u>\$19,756,451</u>

9. Continuity of Fund Balances

	Invested in Property and Equipment	Unrestricted Funds	Internally Restricted Funds - Pasture Development	Internally Restricted Funds - Irrigation Works	Externally Restricted Funds - Province of Alberta	Total Fund Balances
Beginning of year	\$166,407,619	\$0	\$110,700	\$41,484,175	\$3,705,475	\$211,707,969
Change in value of financial assets held for trading, as at January 1, 2007	0	0	0	1,404,051	0	1,404,051
Assets received from Province of Alberta	(4,942,354)	0	0	0	4,942,354	0
District contribution to cost share projects	0	0	0	(1,647,452)	1,647,452	0
Additions to property and equipment, net	22,156,334	(1,829,438)	0	(12,602,125)	(7,724,771)	0
Excess of revenue over expenses allocated	(6,679,990)	16,211,221	0	1,701,517	195,343	11,428,091
Transfer to community pasture development reserve	0	(23,850)	23,850	0	0	0
Transfer to irrigation works fund from operations	0	(14,357,933)	0	14,357,933	0	0
End of year	\$176,941,609	\$0	\$134,550	\$44,698,099	\$2,765,853	\$224,540,111

The Board of Directors has authorized the transfer of \$14,357,933 from current year operations to internally restricted funds to be used for future irrigation works additions and \$23,850 for community pasture development. As well, authorization was given to use \$1,647,452 of internally restricted funds to pay for the District's 25% share of Province of Alberta cost share projects.

10. Irrigation Rates

Irrigation rates consist of:	2007	2006
274,267 Acres at \$0 per acre	\$0	\$0
10,152 Acres at \$0 per acre terminable	0	0
Minimum parcel rates and adjustments	0	0
	\$0	\$0

11. Community Grazing Expenses

Community grazing expenses consist of:	2007	2006
Fencing, fire and cattle guards	\$252,260	\$292,729
Amortization of equipment and pipelines	176,427	162,629
Property taxes and water rates	160,359	166,673
Fertilizer and chemicals	91,726	51,721
Management and lease rider fees	79,789	81,334
Pump power and maintenance	69,305	86,185
Irrigation equipment maintenance	58,690	65,740
Miscellaneous	18,270	39,727
Dugouts and pond maintenance and digging	8,944	24,272
Dugouts - pumping and filling	3,879	3,307
	\$919,649	\$974,317

12. Community Grazing Property and Equipment Expenditures

	2007	2006
Property and equipment expenditures include:		
Pasture development and reseeding	\$519,097	\$157,039
Grazing water pipeline and improvements	183,155	68,948
	<u>\$702,252</u>	<u>\$225,987</u>

13. Special Projects

	2007	2006
Revenue:		
Rolling Hills Reservoir Campground	\$129,301	\$93,249
Expenses:		
Rolling Hills Reservoir Campground	(98,591)	(62,267)
Partners In Habitat Development	(50,000)	(50,000)
Environmental remediation - Modern Auto property	(42,265)	(737)
Deficiency	<u>(\$61,555)</u>	<u>(\$19,755)</u>

14. EIDNet

	2007	2006
Revenue:		
Wireless subscription revenue	\$330,770	\$221,145
Customer installation fees	94,867	22,086
Dial-up subscription and operating revenue	21,820	47,801
Amortization of deferred grant	16,647	20,770
Total Revenue	<u>464,104</u>	<u>311,802</u>
Expenses:		
Telecommunications and bandwidth	(199,437)	(187,800)
Wages and administration	(131,740)	(125,129)
Customer installation expenses	(122,275)	(234,849)
Amortization	(91,794)	(77,076)
Total Expenses	<u>(545,246)</u>	<u>(624,854)</u>
Deficiency	<u>(81,142)</u>	<u>(\$313,052)</u>

15. Trust Funds Held

Trust funds held include \$72,811 (2006: \$72,390) in the Carl Anderson fund plus \$46,424 (2006: \$79,470) for the Partners in Habitat Development Program. The Carl Anderson fund's principal and annual interest earnings will be disbursed to local libraries over 10 years beginning in 2008 and ending in 2017. The District manages and administers habitat development work for the Partners in Habitat Development Program and the funds held will be spent on that program or returned to Pheasants Forever, the program's primary sponsor.

16. Provision for Gravel Pit Closure and Post Closure

	2007	2006
Beginning of year	\$340,118	\$286,419
Contributions	71,861	100,097
Reclamation activities	(30,450)	(46,398)
End of year	<u>\$381,529</u>	<u>\$340,118</u>

17. Uncompleted Contract Commitments

The District has commitments in an estimated amount of \$418,068 (2006 - \$nil) in respect of uncompleted work under contract on approved projects.

The District has entered into agreements to sell land which, if all sale conditions are satisfied and the sales are completed as expected, will result in gross sale proceeds of approximately \$2.72 million.

18. Contingency

The Eastern Irrigation District is currently party to a land claim dispute, the results of which cannot be determined.

19. Comparative Amounts

Certain of the comparative amounts presented in these financial statements have been reclassified to conform to the presentation adopted in the current year.

20. Approval of Financial Statements

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

Eastern Irrigation District

Revised Schedule 1

Schedule of operations and administration expenses, Year ended December 31, 2007


	Equipment Pool	Maintenance	Water Delivery	EID Land Administration	Administration and General	Total 2007	Total 2006
Salaries and benefits							
Salaries	\$1,398,901	\$759,878	\$1,383,014	\$235,865	\$999,066	\$4,776,724	\$4,422,127
Pension plans	145,659	39,782	169,039	46,694	133,610	534,784	484,877
Group insurance	55,301	11,827	65,044	16,962	46,643	195,777	187,087
Employment insurance and WCB	26,346	8,789	32,053	13,567	22,388	103,143	90,128
Equipment							
Heavy equipment expense	1,036,020	0	0	0	0	1,036,020	753,554
Amortization of equipment	835,708	0	0	0	74,223	909,931	959,381
Equipment rent	(847,363)	1,091,775	68,519	0	0	312,931	578,644
Vehicle expense (recovery), net	(169,373)	187,200	341,906	58,025	78,471	496,229	510,122
Other							
Materials and supplies	54,076	281,638	3,046	0	0	338,760	440,779
Irrigation pumps and structures	0	68,472	166,117	0	0	234,589	255,915
Office supplies and maintenance	0	0	0	18,000	215,794	233,794	112,125
Buildings and grounds	80,185	28,824	54,419	0	65,465	228,893	203,844
Insurance	121,442	6,912	20,388	0	45,423	194,165	182,794
Directors per diems	0	0	0	0	101,738	101,738	72,725
Telephone	16,185	3,904	29,057	5,035	27,493	81,674	76,508
Advertising and promotion	0	0	0	3,622	73,417	77,039	84,925
Tools and light equipment	67,925	3,802	1,232	0	0	72,959	54,385
Professional fees	0	0	0	5,119	57,412	62,531	92,140
Association fees	0	0	0	0	62,415	62,415	62,398
Miscellaneous and freight	416	11,275	11,217	280	27,468	50,656	38,875
Directors expenses	0	0	0	0	43,757	43,757	29,827
Travel	128	0	938	258	14,223	15,547	11,621
Water quality testing	0	0	0	0	0	0	8,928
Total expenses	2,821,556	2,504,078	2,345,989	403,427	2,089,006	10,164,056	9,713,709
Less: Recovery from capital construction	(3,124,469)	(138,412)	(780,173)	0	(648,175)	(4,691,229)	(4,258,357)
	(\$302,913)	\$2,365,666	\$1,565,816	\$403,427	\$1,440,831	\$5,472,827	\$5,455,352

Eastern Irrigation District
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Irrigation in the Eastern Irrigation District
Photos: Darlene Fisher and Mark Porter

