

Annual Report 2015

Eastern Irrigation District



NOTICE OF ANNUAL MEETING



TAKE NOTE that the annual meeting of the irrigators of the Eastern Irrigation District will be held on Wednesday, March 23rd, 2016 at 1:30 in the afternoon at the Heritage Inn, 1217 2nd Street West, Brooks, Alberta.

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"!

Eastern Irrigation District

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Bob Chrumka (Chairman)
Division 6

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.



Floyd George (Vice-Chair)
Division 1



Jim Culligan
Division 2



Ross Owen
Division 3



Bruce McKellar
Division 4



George Graham
Division 5



Carl Chomistek
Division 7

The Board of Directors are very pleased to report that late fall inspections of the substrates within our water storage and conveyance system haven't shown any signs of mussel infestation. The irrigation sectors' partnership to support and enhance the province's initiatives, designed to curb the introduction of the invasive species, has shown positive results.

In the early spring of 2015 the Province of Alberta passed legislation to allow for mandatory inspections of watercraft entering from outside provincial borders. This added another tool to the monitoring and inspections program that remarkably prevented 11 infested water vessels from launching in Alberta's water systems. Anyone involved with or that enjoys the watercourses within this province should be very appreciative of the leadership approach that this province has taken.

The District has also agreed to financially partner with Alberta Agriculture towards mussel management research and testing that should result in options to employ should an introduction become reality.

The Bassano Dam emergency spillway land use agreements, along with the initial engineering design and government funding, are in place. Unfortunately, the construction component has run into regulatory approval hurdles and the planned fall 2015 start will be delayed. Due to the requirements of increased water levels in the dam pool for diversions and the remaining timeline to allow for the initial cofferdam assembly, the start date has regrettably been pushed forward to fall 2016.

Lakeshore encroachments are an issue that the Board has given serious consideration over the past number of years. Although this concern has many perspectives and challenges, it is felt that a policy to regulate and control our reservoir property boundaries is long overdue. Consultation with fellow Irrigation Districts on the Bow River, urban centers with previous experience, and legal direction will be pertinent in the development of guidelines for future uses. Balancing historical infringements with future expectations will be the focus of the document to be introduced before the 2016 water season.

The compensation received from surface lease agreements on District owned lands is being challenged by Canadian Natural Resources Limited;

who, due to acquisitions owns a considerable portion of the shallow gas interests within the EID. The negotiations are ongoing and will involve external consultation along with expert assistance and direction. The revenues from the surface lease agreements are beneficial to not only the Water Users of the EID but to the entire region as well. The Board of Directors are abundantly aware of this fact and has prioritized this aspect of its focus accordingly.

Creation of the Biodiversity Framework and Lake Watershed Management strategies are guideline documents that the province has undertaken with which the District has provided input and opinions. This participation will continue as parameters set out will hopefully be reasonably acceptable to the District's continued operations.

Late in 2015 the Board gave staff the direction to commence a general assessment of the irrigated parcels within District boundaries. A similar review has not been completed since 1995 and is required to accommodate our obligation under the Province's Irrigation Districts Act. Billing information including assessed irrigated areas was sent out in fall 2015; this was to allow farming unit comparisons. The listed versus actual wetted acres will be the major focus of the assessment. This process to quantify the irrigated area and address encroachments onto District owned properties will get started in early 2016.

The five year water quality testing agreement with Alberta Agriculture expired in 2015. All thirteen districts in Southern Alberta participated in the program that involved testing to provide information that was constantly analyzed to determine ongoing



Demonstration of boat inspection for aquatic invasive species

water quality, and specifically radical changes to these levels, within districts' watercourses. The EID will be renewing our contract to continue with what is felt to be a vital data set within our operations.

In closing, the Board of Directors wish to thank the Water Users, the staff of the EID, and the many government agencies and officials for their cooperation and support throughout 2015.

Respectfully Submitted by:
Mr. Bob Chrumka, Chairman
Board of Directors






Demonstration sample of aquatic
invasive mussel



2015

Eastern Irrigation District Scholarship Recipients

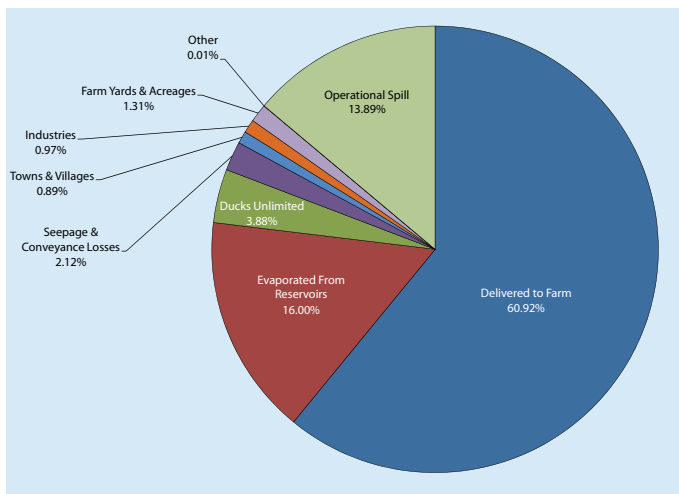
 Leah Benson	 Dallyn Burton	 David Chomistek	 Aileen Davidson	 Kendra Dutton	 Levi Enns	 Erin Graham
 Michael Jones	 Makenzie Krause			 Jin Xin Liu	 Rachel Martens	
 Mauricio Murcia	 Daniel Petker			 Chelsea Porter	 Rebecca Rosen	
 Cianna Slenders	 Bradley Stephenson	 Jarom Stevenson	 Shannon Stimson	 Cody Stinnissen	 Amanda Walde	 Lane Westwick



The 2015 water season started out with below average snow pack; Ghost reservoir storage was held low for flood mitigation and there was no significant rainfall in June which is typically our rain month. From a precipitation perspective, 2015 was drier until mid-August than it was in 2001, which was our last dry year. The District diverted 471,900 acre feet, with approximately 287,500 being delivered to the farm gate. For comparison, in 2001 a total of 695,000 acre feet was diverted from the river. This past year was a test for our system and it has proven that the Water User's investment into more efficient irrigation systems (flood to pivot) and our rehabilitation plan have made great strides in our water efficiency efforts.

Our 2014/15 rehabilitation plan included 12 kms of rebuilding and armouring drainage channels, and 36 kms of PVC pipelines. The ongoing partnership with the County on the drainage project has seen approximately half of the Rainier project completed, or about 35 kms out of the proposed 60 kms.

Our Farm Improvement program which promotes more efficient methods of irrigation (flood to pivot, eliminating spill past pump, drain relocations) had another steady year with 41 approved improvements, totaling \$262,938.



Water Balance (acre feet)

	2015	2014
Diversion	471,900	371,000
Delivered to Farm	287,500	189,800
Evaporation from Reservoirs	75,500	*44,000
Ducks Unlimited	18,300	21,300
Seepage and Conveyance Losses	10,000	8,000
City, Towns and Villages	4,200	3,600
Industries	4,600	4,400
Farm Yards and Acreages	6,200	6,200
Change in Storage	0	1,700
Other Purposes	50	50
Operational Spill	65,550	**91,950
Measured Return Flow	74,900	97,500
Operational Spill	65,550	**91,950
Farm Spill and Run Off	9,350	**5,550

*Evaporation calculation may have included data from an un-calibrated sensor and may not be accurate.

Return flow data includes the intentional drawn of Crawling Valley Reservoir by 13.4" (+/- 6,600 ac. ft.).

** Numbers may be inaccurate due to above mentioned comments.

We added 1,118 acres to the assessment roll in 2015; of this total 945 were new acres and 242 were on existing parcels that converted to a more efficient method of irrigation. The District bought back 50 acres, and converted 19 to Rural Water Use Purposes agreements. There were also 112 terminable acres converted to irrigation acres. Our current assessment roll is 298,975 acres (Dec 31/15).

This coming year the District will commence a general assessment which may see an increase in actual irrigation and put the District over the 300,000 acre mark. Currently our expansion plan limits our irrigated acres to 311,000 acres. To increase this threshold a plebiscite vote would be required by the Water Users in the future.

The District is now 75% pivot irrigation (65% low pressure & 10% high pressure), with an additional 10,376 acres converting to pivot this past year. The largest percentage of conversion continues to be flood

Eastern Irrigation District: 2016 Assessment Review

Assessment review



irrigation followed by wheels. As these conversions continue the District continues to be more water efficient. It is estimated that the District has saved 5,500 acres (8,250 acre feet of water) over and above the increase in assessment roll. If this past year was any indication our calculations are very conservative. For 2016, 991 acres have been approved (431 ac. off river and 560 ac. with reservoir support), and up to 2,500 acres for 2017 as per our expansion plan. As has been for the past number of years; 500 acres of the potential 2,500 allowed will be considered in areas without reservoir support of Lake Newell or Crawling Valley. Irrigation acres approved in the fall of 2016 will be the last year of a 4 year commitment for new acres added without reservoir support. Approved acres will be added to the 2017 assessment roll.

Even with the dry start to the year the 10 grazing associations turned out 17,165 cow/calf pairs in May, June or August and returned home in October. Grass growth from previous years was beneficial at the start of this year, and precipitation in the later parts

EID Long Term Service Awards



Front Row: Mark Porter (30 yr.), Gary Bobinski (20 yr.), Kevin Marshall (10 yr.), Terry Smith (35 yr.), Ken Long (25 yr.), Wendy Enns (10 yr.), Tom Wallace (35 yr.),
Back Row: Tom Canning (25 yr.), Paul Prentice (10 yr.), Justin Kabut (10 yr.), David Slomp (10 yr.)
Missing: Percy Chase (25 yr.)

of August and September finished off this season on a positive note. This allowed for some regrowth late in the season and should allow for an encouraging start to 2016.

As goes the price of commodities so goes the activity on District lands. Only 23 new wells were acquired on District owned land, with an additional 20 twinned wells on existing leases. Other activities were also slow with 79 acres of pipeline acquisition and 123 miles of seismic work.

Aquatic invasive species continues to be on our radar, with continued education and monitoring at our reservoirs. This approach has been taken to best limit the possibilities of the species being introduced.

The District continues to partner on initiatives such as research into the use of potash as a control measure for mussels.

The District would like to thank and recognize 2 long term employees for their dedication and work who retired in 2015 (Rick Martin 34 years and Sandra Hajash 30 years). Robert Hale, Candice Buteau and Ryan Flaterude left the District and we welcomed Dallas Beierbach, Michael Weiss, Curtis Oftebro, Erinn McLeod, Janice Hill, Fabian Fazakas, Richard Volek, Daniel Buell and Malcolm McInnis to our staff in 2015.

Respectfully Submitted by:
Ivan Friesen, General Manager

Method of Irrigation: 2015

As of End of 2015 Water Delivery Season

Low Pressure Pivot	196,176	65.62%
High Pressure Pivot	29,035	9.71%
Wheel Move	19,613	6.56%
Other Sprinkler	759	0.25%
Flood Irrigation (Leveled)	42,551	14.23%
Flood Irrigation (Not Leveled)	10,821	3.62%

Note: percentages shown are the percentages of total irrigation.

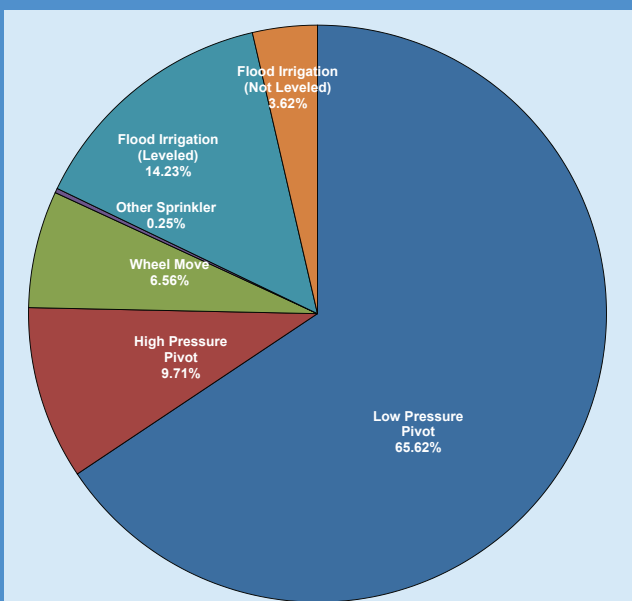
Method of Irrigation: 2002

As of End of 2002 Water Delivery Season

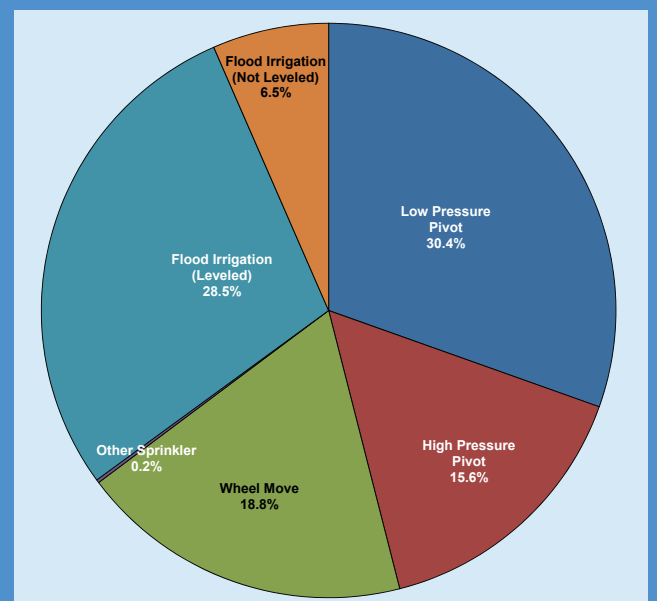
Low Pressure Pivot	86,000 Ac.	30.4%
High Pressure Pivot	44,000 Ac.	15.6%
Wheel Move	53,000 Ac.	18.8%
Other Sprinkler	500 Ac.	0.2%
Flood Irrigation (Leveled)	80,500 Ac.	28.5%
Flood Irrigation (Not Leveled)	18,500 Ac.	6.5%

Note: percentages shown are the percentages of total irrigation.

Acres by Method of Irrigation: 2015



Acres by Method of Irrigation: 2002



2015 Crop Summary

Crop Class	Crop Type	Acres
Forage Crops	Alfalfa 2 Cuts	28,345
	Alfalfa 3 Cuts	7,787
	Alfalfa Hay	3,628
	Alfalfa Silage	695
	Barley Silage Under Seed	433
	Barley Silage	4,669
	Corn Silage	13,549
	Grass Hay	10,963
	Green Feed	9,615
	Milk Vetch	120
	Millet	25
	Native Pasture	1,100
	Tame Pasture	39,261
	Timothy Hay	1,498
Cereals	Barley	17,607
	CPS Wheat	2,192
	Durum Wheat	4,150
	Grain Corn	11,299
	Hard Spring Wheat	44,961
	Malt Barley	172
	Oats	2,236
	Rye	109
	Soft Wheat	142
	Triticale	3,115
	Winter Wheat	736
Oil Seeds	Canola	30,970
	Flax	12,245
	Hyola	70
Non Irrigated	Miscellaneous	0
	Non-Crop	146
	Summer Fallow	879

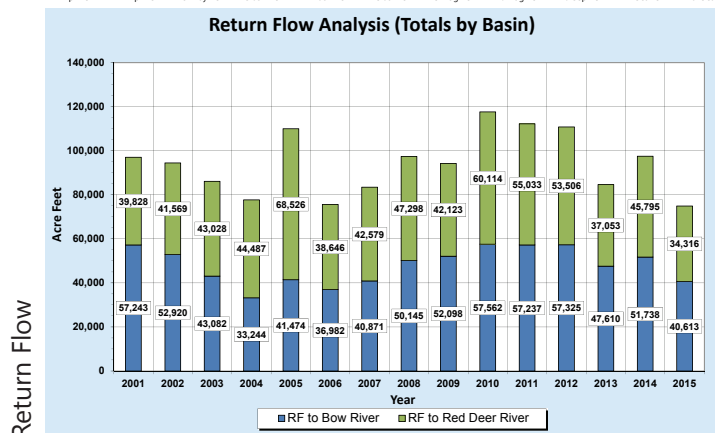
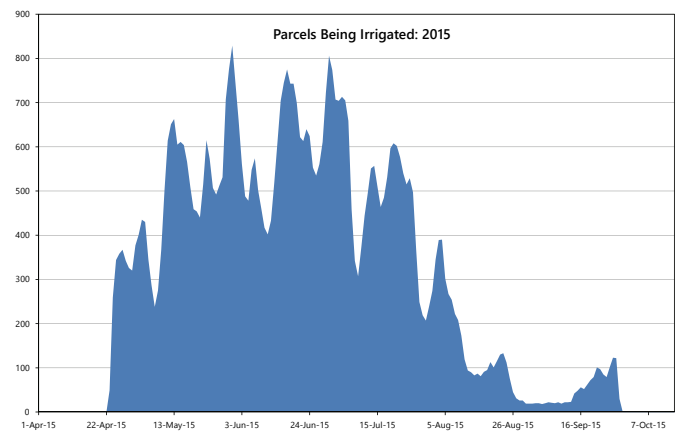
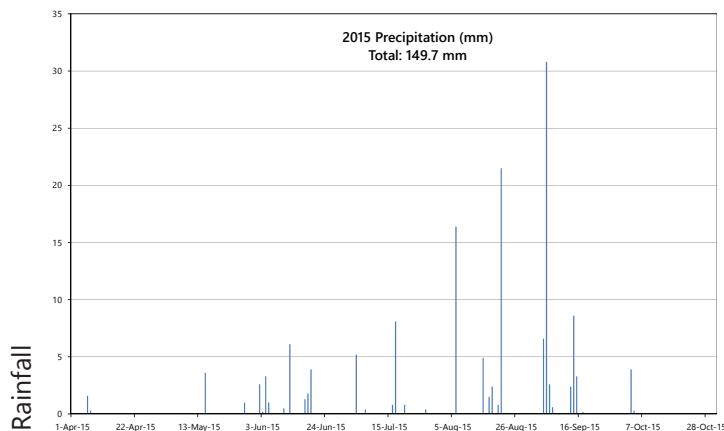
Crop Class	Crop Type	Acres
Specialty Crops	Alfalfa Seed	20,829
	Canary Seed	270
	Carrots	65
	Dill	125
	Dry Beans	4,208
	Dry Peas	3,170
	Faba Beans	2,722
	Fresh Corn (Sweet)	45
	Fresh Peas	163
	Hemp	681
	Market Gardens	52
	Mint	125
	Nursery	424
	Potato	4,349
	Seed Canola	5,637
	Seed Potato	271
	Soy Beans	816
	Sugar Beets	462
	Sunflower	1,824

Total of All Crops (As of end of 2015 Water Delivery Season)		
	Crop Class	Total Acres
Summary	Forage Crops	121,688
	Cereal Crops	86,719
	Oil Seed Crops	43,285
	Specialty Crops	46,238
	Non-Irrigated	1,025
Total		298,955

2015 System Water Delivery Summary

As of End of 2015 Water Delivery Season

Water Delivery Block	Water Operator	Irrigated Area (acres)	Volume Delivered (acre feet)	Water Use/Acre (acre feet/acre)
District N1 Bassano	Beddows	17,838	13,400	0.75
District N2 Pitau	Isidoro	21,301	16,300	0.77
District N3 Gem	Kroschel	13,939	10,800	0.77
District N4 Rosemary	Hebig	22,079	16,500	0.75
District N5 Duchess	Kroschel	20,131	21,400	1.06
District N6 Cockerill	Leland	21,256	19,000	0.89
District N7 Millicent	Allaby	21,466	15,900	0.74
District N8 Patricia	McInnis	16,721	19,700	1.18
District S1 Antelope Creek/Brooks	Klassen	19,794	18,300	0.92
District S2 Kitsim	Currie	19,071	21,500	1.13
District S3 Bow Slope	Thiessen	21,241	25,100	1.18
District S4 Aqueduct/Bantry	Bobinski	13,337	13,300	1.00
District S5 Elizabeth	Canning	15,644	14,100	0.90
District S6 Tilley	Cleland	18,089	20,100	1.11
District S7 Rolling Hills North	Olund	18,976	23,200	1.22
District S8 Rolling Hills South	Beierbach	18,072	18,900	1.05
Totals:		298,955	287,500	0.96





2015 Rehabilitation

This past year continued to be a typical, aggressive rehabilitation program. As has been the case over the last many years, the District continued to use its own equipment and managed all projects except a 3km stretch on J West Bantry that was hired out. There were 10 large scale projects completed in 2015 with a total of \$24,086,000 being spent.

This present winter we are working on 8 large scale projects, and will continue with the County/EID Drainage Program which will be in the Rainier area again this year.

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 2015 the Province provided \$4,809,000 (75%) and the District invested \$1,515,000 (25%). The 2015 expenditures amount to approximately \$11.914 million. The District completed the construction of approximately 26 km of pipeline in the winter of 2014/2015 and will be rehabilitating 20 km of pipeline in the fall 2015/spring 2016 construction period under the IRP program.



Drain rehabilitation

Irrigation Rehabilitation Program (IRP)

Project	Description	Engineer	Contractor	2015 Project Cost	Total Project Cost
Spring					
21 North Branch	5 km pipeline	EID	EID	\$3,379,000	\$3,412,000
25 North Branch	4 km pipeline	EID	EID	\$1,129,000	\$1,141,000
J West Bantry	17 km pipeline	EID	EID/Brooks Asphalt	\$7,007,000	\$7,080,000
Irrigation Water Quality Assessment	-	-	-	\$314,000	\$1,260,000
Various Prior Years Projects	-	-	-	\$40,000	-
Fall					
01 Bow Slope	20 km pipeline	EID	EID	\$45,000	-
Total:				\$11,914,000	\$12,893,000

Funds for this program are provided entirely from the District's Irrigation Works Reserve Fund. The 2015 expenditures amount to approximately \$12.172 million. In 2015 the District completed the installation of 11 km of pipeline and 12.3 km of drain rehabilitation. The fall of 2015/spring 2016 will see the construction of approximately 2 km of pipe and 13.5 km of drain rehabilitation and significant repairs to Lake Newell Dam under this program.



J West Bantry pipeline installation

EID Capital Construction Program

Project	Description	Engineer	Contractor	2015 Project Cost	Total Project Cost
Various Years Projects	-	-	-	\$658,000	-
Marshall Drain	2.5 km drain rehab.	EID/MPE	EID	\$240,000	\$240,000
Summit Drain	5 km drain rehab.	EID	EID	\$1,281,000	\$1,304,000
One Tree Drain	3 km drain rehab.	EID	EID	\$1,990,000	\$2,012,000
Summit Pipeline	3.5 km pipeline	EID	EID	\$691,000	\$692,000
10B Springhill	4.5 km pipeline	EID	EID	\$1,263,000	\$1,274,000
04-01 Bow Slope	3 km pipeline	EID	EID	\$645,000	\$648,000
Structure Program	Structure replacement	EID	EID	\$219,000	\$219,000
County/EID Drainage Program	Drainage rehab.	EID	EID	\$829,000	-
Bassano Dam Including Spillway		EID	EID	\$1,531,000	-
Marshall Drain	1.8 km drain rehab.	EID/MPE	EID	\$590,000	665,000
Land Acquisition				\$945,000	-
Campground Construction				\$658,000	-
Cost Shared Projects				\$245,000	-
2015/2016 Projects				\$232,000	-
Small Drains		EID	EID	\$155,000	\$235,000
Total:				\$12,172,000	

EID Capital Construction Program: 2015/2016

Project	Description	Project	Description
Summit Drain	11 km drain rehabilitation	06H West Bantry	0.8 km pipeline
Rosemary Drain	2.5 km drain rehabilitation	Lake Newell Dam	Repairs to dam
23 Bow Slope	Turnout	District Automation	Upgrade structure automation
01-04D Springhill	0.4 km pipeline	2016/2017 Structures	Replace Structures
02 Scott	0.4 km pipeline		



01 Bow Slope stilling pond construction



Spring seeding (circa 1915)

This year saw increased water demand which taxed our system and an increase in maintenance was a result. This is highlighted by the significant increase in cost this past year in repairs to pumps and control structures as well as additional equipment costs. In addition, 2 additional staff were hired in late 2014 in this department to maintain the ever growing amount of mechanical and electrical infrastructure in a pro-active manner.

Maintenance of Irrigation Works As of End of 2015 Water Delivery Season

Maintenance Item	2011	2012	2013	2014	2015	Average
Canal cleaning, bank leveling and seeding	4 km	2 km	7.5 km	1.5 km	2 km	3.4 km
Drain cleaning, bank leveling and seeding	13 km	6 km	8 km	6.5 km	10.5 km	8.8 km
Drain and canal clipping	108 km	205 km	119 km	125 km	138 km	139 km
Gravel armour placed on canal side slopes	3 km	1 km	1.5 km	0.5 km	1 km	1.4 km
Gravel placed on canal banks	23 km	24 km	18.5 km	15 km	15 km	19.1 km
Canals fenced	1 km	0.5 km	2 km	0.5 km	0.5 km	0.9 km
Chemical weed control on canal banks	1,743 km	1,608 km	1,786 km	1,686 km	1,709 km	1706.4 km
Mowing of canal banks	730 km	1,090 km	745 km	620 km	720 km	781 km
Canal liner installed	0 km	0 km	0 km	0 km	0 km	0 km
Road crossing repairs and replacements	12	8	0	0	2	4
Replacement of farm turnouts	3	3	4	3	3	3
Flood well to riser conversion (on pipelines)	12	13	6	4	7	8
Maintenance Cost	2011	2012	2013	2014	2015	Average
Heavy equipment	\$1,438,168	\$1,242,380	\$1,191,413	\$1,009,561	\$1,368,605	\$1,250,025
Labour	\$869,369	\$870,124	\$900,623	\$958,220	1,103,214	940,310
Vehicles	\$199,479	\$186,770	\$163,974	\$181,589	200,099	186,382
Repairs to pump stations and control structures	\$152,844	\$161,165	\$198,020	\$234,142	396,779	228,590
Materials (culverts, gates, fence posts, etc.)	\$241,252	\$150,888	\$121,473	\$207,371	175,370	179,271
Chemical for broad leaf weed control	\$75,411	\$74,829	\$75,840	\$76,290	80,267	76,527
Maintenance of buildings and grounds	\$34,891	\$63,334	\$52,234	\$60,648	40,714	50,364
Total Costs:	\$3,011,414	\$2,749,490	\$2,703,577	\$2,727,821	\$3,365,048	\$2,911,469

Weed clipping





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 auditor's report are subsequently provided to the Irrigation Council as required under the Irrigation Districts Act.

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BEVAN AND PARTNERS CHARTERED ACCOUNTANTS

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PROFESSIONAL STAFF

Thomas A. (Andy) Rice, CGA
Vanda L. Marcy, CGA

* denotes professional corporation

INDEPENDENT AUDITOR'S REPORT

To the Members of Eastern Irrigation District

We have audited the accompanying financial statements of Eastern Irrigation District, which comprise the statement of financial position as at September 30, 2015 and the statements of revenues and expenditures, changes in net assets and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

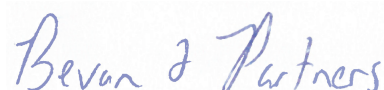
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Eastern Irrigation District as at September 30, 2015 and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Brooks, Alberta
January 26, 2016



CHARTERED ACCOUNTANTS

Statement of financial position

As at September 30, 2015

	General Fund	Irrigation Works Fund	2015 Total	2014 Total
ASSETS				
Current				
Cash	\$9,019,744	\$661,586	\$9,681,330	\$6,586,564
Short term deposits (Note 4)	2,828,095	16,333,347	19,161,442	25,960,635
Investments (Note 6)	0	30,933,195	30,933,195	19,445,139
Accounts receivable (Note 5)	2,873,830	730,308	3,604,138	3,123,349
Materials and supplies (Note 8)	1,635,947	0	1,635,947	1,404,928
Prepaid expenses	381,894	0	381,894	498,029
	16,739,510	48,658,436	65,397,946	57,018,644
Accounts receivable (Note 5)	0	2,234,887	2,234,887	2,077,711
Investments (Note 6)	0	19,360,149	19,360,149	20,969,132
Deposits	55,409	0	55,409	41,515
Trust funds held (Note 16)	202,213	0	202,213	207,269
	16,997,132	70,253,472	87,250,604	80,314,271
Property and Equipment (Note 7)				
Buildings and equipment, net	10,535,051	2,607,923	13,142,974	11,682,964
Irrigation works, net	0	371,663,308	371,663,308	362,524,952
Land (Note 2)	0	1,633,737	1,633,737	1,633,737
	10,535,051	375,904,968	386,440,019	375,841,653
	\$27,532,183	\$446,158,440	\$473,690,623	\$456,155,924
LIABILITIES				
Current				
Accounts payable and accrued liabilities	\$1,716,602	\$1,993,653	\$3,710,255	\$2,423,648
Goods and services tax payable	21,496	0	21,496	58,987
Payroll taxes payable	10,323	0	10,323	0
Unearned revenue (Note 2)	14,894,544	465,636	15,360,180	14,597,188
	16,642,965	2,459,289	19,102,254	17,079,823
Trust funds held (Note 16)	202,213	0	202,213	207,269
Provision for gravel pit closure and post closure (Note 17)	0	746,902	746,902	722,283
Unearned revenue (Note 2)	0	778,740	778,740	1,283,326
Deferred grants and contributions, net (Note 7)	25,549	122,567,435	122,592,984	118,836,299
	16,870,727	126,552,366	143,423,093	138,129,000
Commitments (Note 19)				
Contingencies (Note 20)				
FUND BALANCES				
Invested in property and equipment (Notes 7 & 10)	10,509,502	253,337,533	263,847,035	257,005,354
Unrestricted (Note 10)	0	0	0	0
Internally restricted, to be used for future community pasture development (Notes 2 & 10)	151,954	0	151,954	150,904
Internally restricted, to be used for future irrigation works additions (Notes 2 & 10)	0	53,212,280	53,212,280	47,429,046
Externally restricted by the Province of Alberta, to be used for Bassano Dam Spillway project (Notes 2 & 10)	0	5,075,937	5,075,937	0
Externally restricted by the Province of Alberta, to be used for future irrigation works additions (Notes 2 & 10)	0	7,980,324	7,980,324	13,441,620
	10,661,456	319,606,074	330,267,530	318,026,924
	\$27,532,183	\$446,158,440	\$473,690,623	\$456,115,924

Statement of operations & changes in fund balances

For the year ended September 30, 2015

	General Fund	Irrigation Works Fund	2015 Total	2014 Total
REVENUE				
WATER EARNINGS				
Water conveyance agreements	\$623,100	\$0	\$623,100	\$564,813
Oil and gas drilling water	77,300	0	77,300	220,900
Penalties	3,356	0	3,356	1,577
Irrigation rates (Note 11)	0	0	0	0
	703,756	0	703,756	787,290
Less discounts allowed	(63,520)	0	(63,520)	(61,820)
	640,236	0	640,236	725,470
LEASE REVENUE AND COMPENSATION				
Oil and gas well leases	23,859,910	0	23,859,910	23,450,201
Right of entry and initial consideration - oil and gas	1,015,217	0	1,015,217	1,374,201
Oil and gas administration fees	44,100	0	44,100	40,700
Powerlines	126,622	0	126,622	80,864
Right of entry and initial consideration - powerlines	27,950	0	27,950	307,094
Irrigated leases	1,194,616	0	1,194,616	1,069,109
Community grazing leases	1,020,583	0	1,020,583	956,044
Private grazing leases	173,517	0	173,517	191,621
Other lease revenues	68,132	0	68,132	81,382
OTHER REVENUE				
Amortization of deferred grants and contributions	0	6,049,264	6,049,264	5,952,187
Investment income	684,907	954,880	1,639,787	1,839,394
Gain (loss) on sale of land, equipment and buildings	34,170	754,381	788,551	311,264
Capital asset charges, net	0	438,200	438,200	827,800
Gravel royalties and miscellaneous	0	135,944	135,944	146,638
	28,889,960	8,332,669	37,222,629	37,353,959
EXPENSES				
Amortization of irrigation works and buildings	0	15,103,058	15,103,058	14,527,221
Operations and administration (Schedule 1)	7,882,004	0	7,882,004	7,291,551
Community grazing expenses (Note 12)	1,008,367	0	1,008,367	842,150
	8,890,371	15,103,058	23,993,429	22,660,922
Revenue over expenses (Deficiency), before special projects	19,999,589	(6,770,389)	13,229,200	14,693,037
Special projects, net (Note 14)	(809,582)	0	(809,582)	(652,513)
EIDNet, net (Note 15)	(179,012)	0	(179,012)	(115,445)
REVENUE OVER EXPENSES (DEFICIENCY)	19,010,995	(6,770,389)	12,240,606	13,925,079
TRANSFER TO IRRIGATION WORKS FUND	(18,667,062)	18,667,062	0	0
FUND BALANCES, BEGINNING OF YEAR	10,317,523	307,709,401	318,026,924	304,101,845
FUND BALANCES, END OF YEAR	\$10,661,456	\$319,606,074	\$330,267,530	\$318,026,924

Statement of cash flows

For the year ended September 30, 2015

	General Fund	Irrigation Works Fund	2015 Total	2014 Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Revenue from water operations	\$640,236	\$0	\$640,236	\$725,470
Compensation from oil and gas operations	24,919,227	0	24,919,227	24,865,102
Compensation from powerline operations	154,572	0	154,572	387,958
Revenue from lease operations	2,456,848	0	2,456,848	2,298,146
Capital asset charges, net	0	438,200	438,200	827,800
Cash receipts from gravel royalties and miscellaneous	0	135,944	135,944	146,638
Operations and administration expenses (Schedule 1)	(7,882,004)	0	(7,882,004)	(7,291,551)
Community grazing expenses (Note 12)	(1,008,367)	0	(1,008,367)	(842,150)
Add: Amortization in expenses, not using cash	1,358,198	0	1,358,198	1,334,899
Net cash expenditure on special projects (Note 14)	(809,582)	0	(809,582)	(652,513)
Net cash expenditure on EIDNet	(8,282)	0	(8,282)	25,620
Investment income	684,907	954,880	1,639,787	1,839,394
Non-cash investment income	0	(652,316)	(652,316)	(866,093)
Change in GST receivable and payable	(37,492)	0	(37,492)	8,170
Change in payroll taxes payable	10,323	0	10,323	0
Change in non-cash current assets and liabilities	294,176	(61,748)	232,428	451,499
	20,772,760	814,960	21,587,720	23,258,389
CASH FLOWS USED IN FINANCING AND INVESTING ACTIVITIES				
Grants from Province of Alberta	0	9,808,787	9,808,787	5,355,220
Proceeds on sale of land, buildings and equipment	421,950	754,381	1,176,331	630,937
Purchase of land, buildings and equipment	(2,149,274)	(1,275,297)	(3,424,571)	(1,949,371)
Pasture development and reseeded (Note 13)	(110,316)	0	(110,316)	(534,159)
Expenditures on irrigation works (Note 7)	0	(24,086,082)	(24,086,082)	(24,590,157)
Change in non current accounts receivable	0	(157,176)	(157,176)	(636,450)
Change in irrigation works unearned revenue	0	(132,077)	(132,077)	(134,049)
Proceeds on sale of investments	0	24,523,243	24,523,243	25,524,899
Purchase of investments	0	(33,750,000)	(33,750,000)	(17,671,856)
Change in deposits	(13,894)	0	(13,894)	(41,515)
Change in provision for gravel pit closure and post closure (Note 17)	0	24,619	24,619	(12,073)
Change in irrigation works accounts payable	0	848,989	848,989	75,331
	(1,851,534)	(23,440,613)	(25,292,147)	(13,983,243)
NET INCREASE (DECREASE) IN CASH	18,921,226	(22,625,653)	(3,704,427)	9,275,146
Cash, beginning of year	11,593,675	20,953,524	32,547,199	23,272,053
Transfer from general fund	(18,667,062)	18,667,062	0	0
CASH, END OF YEAR	\$11,847,839	\$16,994,933	\$28,842,772	\$32,547,199
Cash is comprised of:				
Cash	\$9,019,744	\$661,586	\$9,681,330	\$6,586,564
Short term deposits	2,828,095	16,333,347	19,161,442	25,960,635
	\$11,847,839	\$16,994,933	\$28,842,772	\$32,547,199

Notes to the financial statements

September 30, 2015

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. Significant Accounting Policies

The financial statements are prepared by management in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

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.

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, provision for gravel pit closure and post closure costs and the amount of allowance required for uncollectible accounts receivable.

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 (except for grazing pasture reseeding which uses the straight-line 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%
Agricultural equipment	15%
Buildings	10%
Other equipment	10%
Grazing pasture reseeding	7%

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, except for irrigation works automation projects which are amortized on a straight-line basis over their estimated average useful lives of 5 years.

Land

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

Income Taxes

The District is exempt from income taxes under section 1491(l) of the Income Tax Act.

Notes to the financial statements

September 30, 2015

2. Significant Accounting Policies (continued)**Materials and Supplies**

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

Financial Instruments

The District initially measures its financial assets and liabilities at fair value; it subsequently measures all its financial assets and financial liabilities at amortized cost. The financial assets subsequently measured at amortized cost include cash and short term investments, accounts receivable and prepaids. The financial instruments measured at amortized cost include accounts payable, accrued liabilities and deferred revenue.

Impairment

At the end of each reporting period, the District assesses whether there are any indications that a financial asset measured at amortized cost may be impaired. When there is an indication of impairment, the District determines whether a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset. Any impairment to the financial asset is charged to income in the period in which the impairment is determined. When the extent of impairment of a previously written-down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent of the improvement, but not in excess of the impairment loss. The amount of the reversal is recognized in income in the period the reversal occurs.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, bank balances and member deposits with maturities of less than 90 days.

Unearned Revenue

Annual compensation related to oil and gas well and powerline 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 Statement of Financial Position as unearned revenue. The outstanding balance from land sale agreements is reflected on the Statement of Financial Position as unearned revenue. Land sale revenue is recognized in the period in which the payment is received.

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 by the defined contribution method.

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.

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 and the District's share of the Bassano Dam Spillway project.

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 share irrigation projects. These monies and interest earned on their investment are disclosed separately as externally restricted net assets.

Notes to the financial statements

September 30, 2015

3. Local Authorities Pension Plan

Employees of the District participate in the Local Authorities Pension Plan (LAPP), which is covered by the Public Sector Pension Plans Act. The Plan serves about 237,612 people and 423 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 11.39% of pensionable earnings up to the Canada Pension Plan's Maximum Pensionable Earnings and 15.84% for the excess. Total current service contributions by the District to the Local Authorities Pension Plan in 2015 were \$750,817 (2014 - \$728,902). Total current service contributions by the employees of the District to the Local Authorities Pension Plan in 2015 were \$692,982 (2014 - \$671,660). At December 31, 2014, the Plan disclosed an actuarial deficiency of \$2.45 billion (December 31, 2013 - \$4.86 billion).

4. Short Term Deposits

Short term deposits in the amount of \$19,161,442 (2014 - \$25,960,635) are maturing in the next 90 days and include GICs, term deposits and bonds at interest rates varying from 1.55% to 4.65% (2014 - 1.65% to 5.62%). At year end these deposits have an average annual interest rate of 1.87% and will mature within the next 90 days.

5. Accounts Receivable

Accounts receivable consist of:

	2015	2014
Property and equipment	\$1,966,587	\$1,376,453
Sundry debtors	1,318,684	380,515
Lease rentals and seismic	988,729	1,677,067
Reclassification agreements	955,448	1,315,191
Water rates and charges	439,204	271,079
Water conveyance agreements	169,679	169,188
Gravel and dirt	43,160	54,628
Less: Allowance for doubtful accounts	(42,466)	(43,061)
	\$5,839,025	\$5,201,060
Accounts receivable - current	\$3,604,138	\$3,123,349
Accounts receivable - non current	2,234,887	2,077,711
	\$5,839,025	\$5,201,060

6. Investments

Investments consist of:

	2015	2014
Investments - current: term deposits that mature within 1 year	\$30,933,195	\$19,445,139
Investments - non current:		
Term deposits	18,971,172	19,929,764
Corporate bonds	273,203	930,767
Credit union common shares	115,774	108,601
	19,360,149	20,969,132
	\$50,293,344	\$40,414,271
Fair market value at September 30	\$50,297,953	\$40,509,062

Notes to the financial statements

September 30, 2015

7. Property and Equipment

	Cost	Accumulated Amortization	2015 Net	2014 Net
General Fund:				
Equipment	\$17,924,096	\$9,323,804	\$8,600,292	\$7,525,666
Community pasture reseeding	3,310,962	1,376,203	1,934,759	2,669,340
Irrigation Works Fund:				
Buildings	8,201,024	5,593,101	2,607,923	1,487,958
Irrigation works	607,466,744	235,803,436	371,663,308	362,524,952
Land	1,633,737	0	1,633,737	1,633,737
	<u>\$638,536,563</u>	<u>\$252,096,544</u>	<u>386,440,019</u>	<u>375,841,653</u>
Deferred grants and contributions	<u>(\$250,597,584)</u>	<u>\$128,004,600</u>	<u>(122,592,984)</u>	<u>(118,836,299)</u>
Net assets invested in property and equipment			<u>\$263,847,035</u>	<u>\$257,005,354</u>

Changes in irrigation works assets, net of amortization are as follows:

	2015	2014
Beginning of year	\$362,524,952	\$352,336,063
Additions to irrigation works:		
Province of Alberta cost share projects	11,914,463	6,781,206
District projects	11,226,725	17,037,251
Survey costs and easements	944,895	771,700
Amortization	(14,947,727)	(14,401,268)
End of year	<u>\$371,663,308</u>	<u>\$362,524,952</u>

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

	2015	2014
Beginning of year	\$118,836,299	\$119,436,420
Contributions from third parties	9,808,787	5,355,220
Amortization	(6,052,102)	(5,955,341)
End of year	<u>\$122,592,984</u>	<u>\$118,836,299</u>

Current year additions to irrigation works are as follows:

	District	Bassano Dam Spillway	Province of Alberta Cost Share	2015 Total	2014 Total
External Charges:					
Equipment and other services	\$4,768,154	\$0	\$2,935,978	\$7,704,132	\$7,053,288
Materials and supplies	1,677,934	0	6,021,215	7,699,149	6,596,097
Contract services - engineering	45,700	1,444,658	9,643	1,500,001	440,192
Contract services	69,072	12,427	618,178	699,677	4,617,349
Internal Charges:					
Equipment recovery	2,164,429	4,881	1,538,838	3,708,148	3,345,853
Labour recovery - other	679,187	810	606,216	1,286,213	1,238,299
Labour recovery - engineering	291,104	68,369	184,395	543,868	527,379
	<u>\$9,695,580</u>	<u>\$1,531,145</u>	<u>\$11,914,463</u>	<u>\$23,141,188</u>	<u>\$23,818,457</u>

Notes to the financial statements

September 30, 2015

8. Inventories

	2015	2014
Materials and supplies	\$1,635,947	\$1,404,928

The amount of inventories recognized as an expense during the year was \$586,653 (2014 - \$508,207).

9. Financial Instruments and Risk Management

The District is exposed to the following risks as a result of holding financial instruments.

Currency Risk

The District has limited exposure to currency risk as most all of the District's transactions are denominated in Canadian dollars.

Fair Value

The District's financial instruments consist of cash and short term investments, accounts receivable, prepaids, accounts payable, accrued liabilities and deferred revenue. The fair values of these financial instruments approximate their carrying values due to their relatively short term to maturity.

Interest Rate Risk

The District is exposed to interest rate risk dependent upon the balance of its cash and cash equivalents.

Credit Risk

The District is exposed to credit risk on its cash, fixed income investments and accounts receivable.

Liquidity Risk

Liquidity risk is the risk that the District will not be able to meet its obligations as they become due. The District's approach to managing liquidity risk is to ensure that it always has sufficient cash and credit facilities to meet its operating requirements.

Notes to the financial statements

September 30, 2015

10. Continuity of Fund Balances

	Invested in Property and Equipment	Unrestricted Funds	Internally Restricted Funds - Pasture Development	Internally Restricted Funds - Irrigation Works	Externally Restricted Funds - Bassano Dam Spillway Project	Externally Restricted Funds - Province of Alberta	Total Fund Balances
Beginning of year	\$257,005,354	\$0	\$150,904	\$47,429,046	\$0	\$13,441,620	\$318,026,924
Assets received from Province of Alberta	(9,808,787)	0	0	0	5,000,000	4,808,787	0
District contribution to cost share projects							
Irrigation Rehabilitation Program	0	0	0	(1,514,596)	0	1,514,596	0
Bassano Dam Spillway Project	0	0	0	(1,590,088)	1,590,088	0	0
Additions to property and equipment, net	27,233,190	(1,871,812)	0	(11,915,770)	(1,531,145)	(11,914,463)	0
Revenue over expenses (Deficiency) allocated	(10,582,722)	20,539,924	0	2,136,626	16,994	129,784	12,240,606
Transfer to (from) community pasture development reserve	0	(1,050)	1,050	0	0	0	0
Transfer to irrigation works fund from operations	0	(18,667,062)	0	18,667,062	0	0	0
End of year	\$263,847,035	\$0	\$151,954	\$53,212,280	\$5,075,937	\$7,980,324	\$330,267,530

The Board of Directors has authorized the transfer of \$18,667,062 from current year operations to internally restricted funds to be used for future irrigation works additions and \$1,050 for community pasture development. As well, authorization was given to use \$1,514,596 of internally restricted funds to pay for the District's 25% share of Province of Alberta cost share projects and to use \$1,590,088 of internally restricted funds to pay for the District's share of the Bassano Dam Spillway project.

11. Irrigation Rates

Irrigation rates consist of:

293,873 acres at \$0 per acre
4,890 acres at \$0 per acre terminable
Minimum parcel rates and adjustments

2015	2014
\$0	\$0
0	0
0	0
\$0	\$0

The cost to deliver water to the farm gate during the current year was \$24 per acre (2014 - \$23). The Board of Directors approved using other District revenues to pay this cost so that the water rate charged to the irrigators could be set at \$0 per acre (2014 - \$0).

12. Community Grazing Expenses

Community grazing expenses consist of:

Amortization of equipment and reseeded pastures
Fences
Property taxes
Water
Pasture management fees
Fire guards
Irrigated pastures
Swing fields and miscellaneous
Pasture rental fees (net of recoveries)

2015	2014
\$273,565	\$248,927
196,069	175,285
164,267	158,646
160,407	111,602
104,636	102,908
42,447	32,500
33,768	(3,217)
19,222	15,499
13,985	0
\$1,008,367	\$842,150

Notes to the financial statements

September 30, 2015

13. Community Grazing Property and Equipment Expenditures

Property and equipment expenditures include:

Grazing water pipeline and improvements
Pasture development and reseeding

2015	2014
\$110,316	\$534,159
0	0
\$110,316	\$534,159

14. Special Projects

Revenue:

Campgrounds

2015	2014
\$421,018	\$413,692

Expenses:

Campgrounds

Farm improvement program

Rural water initiative

Dam safety inspections

Partners in Habitat Development

Duchess Recreation Centre

Duchess Golf Course

Aquatic Invasive Species - dog training and public education

Environmental remediation - old truck shop property

Signs - Benefits of Irrigation and Aquatic Invasive Species

Soil testing

(462,543)	(403,616)
(202,658)	(112,167)
(190,000)	(146,000)
(170,758)	(197,361)
(100,000)	(100,000)
(41,764)	0
(24,711)	0
(19,434)	0
(18,733)	(37,855)
0	(63,256)
0	(5,950)

Deficiency

(\$809,582)	(\$652,513)
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15. EIDNet

Revenue:

Wireless subscription and miscellaneous revenue

Customer installation fees

Amortization of deferred grant

Total Revenue

2015	2014
\$745,507	\$719,948
47,399	41,316
2,839	3,154
795,745	764,418

Expenses:

Wages and operating costs

Customer installation expenses

Amortization

Telecommunications and bandwidth

Total Expenses

(501,573)	(547,908)
(237,784)	(80,725)
(173,569)	(144,219)
(61,831)	(107,011)
(974,757)	(879,863)

Deficiency

(\$179,012)	(\$115,445)
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16. Trust Funds Held

Trust funds held include \$16,957 (2014 - \$24,835) in the Carl Anderson fund plus \$185,256 (2014 - \$182,434) 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.

17. Provision for Gravel Pit Closure and Post Closure

Beginning of year

Contributions

Reclamation activities

End of Year

2015	2014
\$722,283	\$734,356
24,619	100,091
0	(112,164)
\$746,902	\$722,283

Notes to the financial statements

September 30, 2015

18. Related Party Transactions

The members of the District's board of directors are related parties by virtue of their influence. The District entered into transactions with the Directors in the normal course of business and on the same terms as are applicable to transactions with unrelated parties.

These transactions are recorded at their fair value, as follows:

	2015	2014
Amounts included in accounts receivable at year end:		
Lease rentals and seismic	\$25,940	\$26,001
Water rates and charges	7,452	4,760
Water conveyance	3,019	2,446
Sundry debtors	2,336	0
Reclassification agreements	0	8,880
Amounts included in accounts payable at year end:		
Unearned rent	(4,185)	(4,184)
Unearned EIDNet Fees	(1,964)	(1,848)
Accounts payable	0	(151)
Revenue:		
Private grazing, irrigated lease fees and cost recoveries	50,940	19,301
Irrigation works constructed by the District	41,918	0
Capital assets charges	13,500	3,000
Water conveyance agreements	11,986	8,168
Reclassification loan payments	9,324	12,632
Gravel and dirt sales and miscellaneous	2,675	481
EIDNet fees	2,609	3,108
Expenses:		
Irrigation works additions	(61,958)	0
Rights-of-way purchased by the District	(20,302)	0
Salaries and benefits	(16,696)	(16,364)
Farm improvement program	(2,510)	0
Miscellaneous services	(2,466)	(322)
Scholarships	0	(2,000)

19. Commitments

Uncompleted contracts:

The District has commitments in an estimated amount of \$nil (2014 - \$nil) in respect of uncompleted work under contracts on approved projects.

The District has entered into agreements to sell land which, if all sale conditions are satisfied and the sale is completed as expected, will result in gross sale proceeds of approximately \$nil (2014 - \$2,500).

Leases with option to purchase provisions:

The District has leased 28 parcels of land for irrigation development purposes. The lease agreements have a 10 year term and contain an option to purchase provision which can be exercised, dependent upon the agreement, during the 6th to the 10th years of the term. Revenue and any gain from the sale of these parcels will be recognized if or when the option is exercised.

20. Contingencies

There is still some contamination at the old truck shop location. The cost of remediation, if required, cannot be determined at this time.

21. 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.

22. Approval of Financial Statements

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



Eastern Irrigation District

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Schedule 1

Schedule of operations and administration expenses

For the year ended September 30, 2015

	Equipment Pool	Maintenance	Water Delivery	EID Land Administration	Administration and General	2015 Total	2014 Total
Salaries and benefits							
Salaries	\$2,041,854	\$1,025,086	\$1,577,316	\$459,123	\$1,442,757	\$6,546,136	\$5,809,062
Pension plans	274,454	99,010	259,762	60,196	211,829	905,251	876,497
Group insurance	73,238	26,842	71,952	13,736	58,794	244,562	247,013
Employment insurance and WCB	36,350	13,506	35,347	10,731	26,800	122,734	106,692
Equipment							
Equipment rent (recovery), net	0	1,368,604	49,566	5,658	0	1,423,828	1,081,330
Amortization of equipment	995,684	0	0	0	88,949	1,084,633	1,085,973
Vehicle expense (recovery), net	(306,116)	238,020	417,134	65,686	80,650	495,374	498,806
Heavy equipment expense	281,984	0	0	0	0	281,984	603,025
Other							
Irrigation pumps and structures	0	490,759	299,519	0	0	790,278	542,909
Materials and supplies	177,676	241,856	166,492	629	0	586,653	508,207
Buildings and grounds	120,685	34,198	85,244	21,618	63,699	325,444	324,218
Advertising and promotion	1,284	0	0	6,887	166,003	174,174	187,624
Office supplies and maintenance	0	0	0	0	166,791	166,791	142,094
Directors per diems and CPP	0	0	0	0	162,582	162,582	180,364
Professional fees	0	2,449	0	0	159,660	162,109	144,551
Insurance	80,697	0	31,466	0	41,164	153,327	169,656
Association fees	0	0	0	0	94,425	94,425	92,886
Telephone	16,743	6,517	31,796	2,380	25,957	83,393	78,214
Directors expenses	0	0	0	0	56,444	56,444	64,459
Miscellaneous and freight	380	2,712	3,292	5,413	20,098	31,895	26,178
Shop supplies and small tools	11,075	9,772	3,145	91	0	24,083	17,082
Travel	317	1,297	138	738	14,166	16,656	17,990
Private and irrigated leases	0	0	0	12,258	0	12,258	13,926
Total expenses	3,806,305	3,560,628	3,032,169	665,144	2,880,768	13,945,014	12,818,756
Less:							
Recovery from other capital construction	(2,800,471)	(133,867)	(355,328)	0	(442,356)	(3,732,022)	(4,912,267)
Recovery from IRP capital construction	(1,585,902)	(61,713)	(482,633)	(1,410)	(199,330)	(2,330,988)	(614,938)
	(\$580,068)	\$3,365,048	\$2,194,208	\$663,734	\$2,239,082	\$7,882,004	\$7,291,551

Notes

Eastern Irrigation District
P.O. Box 128
550 Industrial Road West
Brooks, Alberta
Canada T1R 1B2

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2016 Annual Meeting Agenda

- 1.0 Welcome and Opening Remarks:** Mr. Bob Chrumka, Chairman, Board of Directors
- 2.0 Election of a Chair for the Annual General Meeting:** Mr. Bob Chrumka
- 3.0 Adoption of the Agenda**
- 4.0 Approval of the Minutes:** March 25, 2015 Annual General Meeting
- 5.0 Business Arising from the Minutes:** March 25, 2015 Annual General Meeting
- 6.0 Bassano Dam Emergency Spillway Update:** Mr. Earl Wilson, Special Projects Manager
- 7.0 Presentation of Reports**
 - 7.01 Chairman of the Board of Directors Report: Mr. Bob Chrumka
 - 7.02 General Manager's Report: Mr. Ivan Friesen, General Manager
 - 7.03 Maintenance Report: Mr. Ivan Friesen, General Manager
 - 7.04 Rehabilitation Report: Mr. Ivan Friesen, General Manager
 - 7.05 Audited Financial Statements of the District: Mr. Kevin Bridges, Assistant GM, Corporate Services
- 8.0 New Business**
 - 8.01 Notice of General Assessment
 - 8.02 CNRL Negotiations
 - 8.03 Lake Newell Reservoir Land Use Policy
 - 8.04 General Matters Raised from the Floor
 - 8.05 Report on Scheduled Elections: Mr. Ivan Friesen, Returning Officer
 - Division 2: Mr. Jim Culligan (Term Expired)
 - Division 4: Mr. Bruce McKellar (Term Expired)
 - Division 7: Mr. Carl Chomistek (Term Expired)
- 9.0 Adjournment**

Minutes From Annual General Meeting March 25, 2015

March 25, 2015 Annual General Meeting

The Eastern Irrigation District held its Annual General Meeting on Wednesday, March 25th, 2015, 1:30 p.m. at the Heritage Inn, in Brooks, Alberta. Approximately 95 people were in attendance.

The meeting was called to order by the Chair of the District, Mr. Bob Chrumka at 1:30 p.m.

1.0 Welcome and Opening Remarks

Mr. Chrumka welcomed those in attendance at the annual meeting.

2.0 Election of a Chair for the Annual General Meeting

Mr. Bob Chrumka called for nominations for chairman of the annual meeting. Mr. Gord Simpson volunteered to chair the annual general meeting. There was no objection to Mr. Simpson chairing the meeting and his appointment was approved by consensus of those in attendance. Mr. Simpson assumed the chair.

3.0 Adoption of the Agenda

Mr. Simpson advised that agenda item 7.06 Growing Alberta Incentive Program has been added to the agenda. He then called for a mover and a seconder to adopt the agenda.

Moved by Brian de Jong, Seconded by Allen Nielsen that the agenda be adopted as revised.

Mr. Simpson called for any other additions or deletions to the revised agenda. No further revisions were proposed.

The motion to adopt the agenda was carried.

4.0 Approval of the Minutes – March 26, 2014 Annual General Meeting

Mr. Simpson called for a mover and a seconder to adopt the minutes from the March 26, 2014 Annual General Meeting.

Moved by Rients Palsma, Seconded by Wendell Rommens that the minutes of the 2014 Annual General Meeting be approved as distributed.

Mr. Simpson called for any revisions to the draft minutes. No revisions were proposed.

The motion to approve the minutes was carried.

5.0 Business Arising from the Minutes

Mr. Simpson called for items of business arising from the minutes of the 2014 Annual General Meeting. No items were raised.

6.0 Bassano Dam Emergency Spillway Update

Mr. Friesen presented the Bassano Dam Emergency Spillway Update on behalf of Mr. Earl Wilson, Manager of Special Projects. The context and preliminary design were noted as follows:

- The EID conveys water to 10 municipalities, all industry, 30,000 acres of constructed wetlands, most farmyards and country residential acreages, and 298,000 acres of irrigation.
- Immediately upstream of the Bassano Dam Spillway is the earthen portion of the dam, consisting of a constructed fuse plug at the westerly most point, with the purpose of the fuse plug being to wash out and relieve pressure on the dam during extreme high flows.
- If the fuse plug were to wash out there would be no diversion for a minimum of 1 – 2 years, leaving half the farmyards and acreages and 145,000 irrigated acres without water for a year, i.e. Bassano, Rosemary, Duchess, Rainier, Scandia and west of Brooks areas.
- If the main spillway was severely compromised there would be no diversion for 3 – 5 years, and the economic loss to the entire area would be unimaginable.
- MPE and Kohn Crippen Berger have been contracted for the engineering of the project.

Minutes From Annual General Meeting March 25, 2015

- An emergency spillway will be constructed approximately 250 m west of the existing main spillway.
- The poor composite layers at this location forced the design of the spillway to change from an operational and emergency spillway to solely an emergency spillway; although the project remains as a gated structure.
- The structure will be approximately 110 m wide, consisting of 10 radial style gates each 10 m wide, and will have a 20 m drop.
- The capacity of the structure will be 1,500 m³/sec at FSL which could be pushed to 2,500 m³/sec (the main dam has 2,500 m³/sec capacity at FSL and can be pushed to 5,000 m³/sec); and the fuse plug will remain as an option for extreme situations.
- The project timeline entails:
 - regulatory approvals (historic, environmental, construction), hoped to be completed by fall 2015
 - start of cofferdam construction prior to Christmas
 - construction of sheet steel piling January 2016
 - site dewatering spring 2016
 - final design and tender spring/summer 2016
 - spillway construction late summer 2016 to spring 2018
- The cost estimate has risen to \$44 million, with the majority of the expenses falling in years 2016 and 2017.

Mr. Simpson asked if there were any questions of the General Manager.

In response to a few questions, Mr. Friesen replied that construction will not interrupt water delivery operations; the increase in project cost is due to the sheet steel piling required for the poor soil layers; a 15% contingency is factored into the estimates; Siksika Nation has been quite receptive to negotiating on this project; and an operational spillway would have been advantageous but is not possible.

7.0 Presentation of Reports

7.01 Chairman of the Board of Directors Report – Mr. Bob Chrumka

Mr. Chrumka announced that the District is pleased to have promoted Mr. Ivan Friesen to the position of General Manager. Mr. Friesen has been operating in the capacity of Interim General Manager since September 2014, and he has 20 years of experience with the Eastern Irrigation District.

Mr. Chrumka presented the Chairman's Report, highlighting the following and giving additional comment:

- The Government of Alberta has committed to cost-sharing the Bassano Dam Emergency Spillway project at a 75/25 Government/EID ratio, up to a \$30 million Government share. It is hoped that funding for this project and other provincial flood mitigation projects will remain, given the energy sector downturn in the economy. Mr. Earl Wilson has been appointed as the Manager of Special Projects to oversee and coordinate all facets of this major improvement to our infrastructure.
- The proposed Bow River Basin Flood Management Plan and releasing of stored water along the upper reaches of the Bow River to accommodate potential future flooding events are being discussed with Alberta Environment & Sustainable Resource Development. The Bow irrigation districts support flood mitigation tactics but are cautious when storage is reduced early on, possibly having the river and water users impacted later when refilling occurs.
- After 21 years, Mr. Allen Nielsen retired from his Director seat representing Division 5 - Scandia/Rainier. Mr. Nielsen was also an employee with the District from 1960 through 1971. The Board welcomes Mr. George Graham as the new Division 5 Director.
- Since 2000, including the enhancement of the Rolling Hills Reservoir, the EID has refurbished, redesigned and newly constructed over \$320 million worth of water storage, conveyance and automation systems.
- Community enrichment support was realized in the full refurbishment of the old EID shop which the

Minutes From Annual General Meeting March 25, 2015

Brooks Gymnastics Club has leased for 20 years. Joint partners were MPE Engineering who donated their design services, the City of Brooks for the equipment provided, and the County of Newell for funding the flooring.

- Mrs. Margo Redelback has been appointed to Corporate Relations Advisor to promote the benefits of irrigation and agriculture within and beyond our District. Mrs. Redelback has 9 years of experience with the EID.
- Defence plans and a rapid response plan are quickly being finalized to deal with the prevention and possible detection of aquatic invasive species, primarily Quagga and Zebra mussels. The EID has partnered with other irrigation districts and through AIPA to sponsor educational signage and mussel detector dog training. The City of Brooks and County of Newell have been strong supporters of this battle, also lobbying for legislation which has now passed implementing mandatory inspections of watercraft.
- The concern for the estimated 7 to 10 thousand elk amassing on the District's eastern boundaries from CFB Suffield has been brought to the Provincial Environment Minister's attention on several occasions. Given the reproduction rate and next inevitable drought, the impact on EID grazing leases and irrigated crop lands could have serious consequences.
- Just prior to Christmas, the Board approved that every water user EIDNet customer be brought up to the 3Mbps internet speed, allowing the opportunity to experience one level of the enhancements now available through our EIDNet services.
- Appreciation is given to Government Officials, elected and staff, along with District management and staff that help to generate and maintain the advantages the District enjoys.

Moved by Bob Chrumka, Seconded by Martin Timko that the 2014 Chairman of the Board of Directors Report be accepted as presented.

Mr. Simpson asked if there were any questions of the Board Chairman. None were raised.

The motion to adopt the report was carried.

7.02 General Manager's Report – Mr. Ivan Friesen

Mr. Friesen presented the General Manager's Report, highlighting the following:

- Repairs were completed on the Bassano Dam's concrete apron, caused by the flood in 2013.
- The snowpack was average to above average, with the Brooks area receiving approximately 9" of precipitation; and 189,800 acre feet of water or approximately 8" was delivered overall.
- The 2013/2014 rehab program included 14.5 km of rebuilding and armouring canals, 28 km of PVC pipelines, and 11 km of enlarging and armouring drainage channels.
- The joint County/EID Drainage Program continued, completing the Scandia project, and beginning the design and securing ROWs in the Rainier area.
- 31 Farm Improvement Grants were approved totaling \$194,000; 27 of these were for converting to low pressure pivots.
- 1,313 new acres were added to the Water Roll; 17 were on existing parcels that converted to a more efficient method of irrigation and 1,296 were new irrigation acres. 56 acres were bought back by the District; 13 acres were converted to Rural Water Use Purposes Agreements, and 330 acres were converted from terminable to irrigation. Assessment at December 31, 2014 was 297,857.
- Since 2002 a 32% (99,800) increase has occurred in acres being irrigated by low pressure pivots, with the majority converting from wheels.
- An estimated 16,000 acre feet of water more than the increase in irrigated acres has been saved by on-farm changes since 2002. 1,295 additional acres have been approved for 2015, and potentially up to 2,500 acres for 2016 (of which 500 will be considered in areas without reservoir support).



Time for Filing Nominations

Irrigation Districts Act, Part II [c. I-11, RSA 2000] and Local Authorities Election Act, Part I [c. L-27, RSA 2000]

Take notice that an election will be held on the 22th day of April, 2016 for the purpose of electing Directors for Divisions 2, 4 and 7 to the Board of Directors of the Eastern Irrigation District. **The time for the filing of nominations expires at 5:00 p.m. MDT on Thursday, March 24, 2016.**

Nominations are by electoral division (a candidate can only be nominated for the division in which the majority of his/her irrigation acres are classified on the assessment roll) and must be in the prescribed form. All nominations of candidates for the election must be signed by at least 2 irrigators of the District and shall contain a signed statement by the candidate consenting to the nomination.

For the purposes of this election the descriptions of the boundaries of the electoral divisions are as follows:

Division 02

The boundaries of Division No. 2 shall enclose the following lands
["section(s)" refers to full or parts thereof]:

Township 20 Range 13 W4M	Sections 31, 32 and 33
Township 20 Range 14 W4M	All Sections
Township 20 Range 15 W4M	All Sections
Township 20 Range 16 W4M	Sections 1, 2, 3, 10, 11, 12, 13, 14, 15, 22, 23, 24, 25, 26, 27, 34, 35, and 36
Township 21 Range 13 W4M	Sections 4, 5, 6, 7, 8, 9, 16, 17, 18, 19, 20, 21, 28, 29, 30, 31, 32 and 33
Township 21 Range 14 W4M	All Sections
Township 21 Range 15 W4M	All Sections
Township 21 Range 16 W4M	Sections 1, 2, 3, 10, 11, 12, 13, 14, E ½ 15, E ½ 23, 24, 25 and 36
Township 22 Range 13 W4M	Sections 4, 5 and 6 lying to the south of the Red Deer River
Township 22 Range 14 W4M	All Sections lying to the south and west of the Red Deer River
Township 22 Range 15 W4M	All Sections lying to the west of the Red Deer River
Township 23 Range 14 W4M	All Sections lying to the north and west of the Red Deer River
Township 23 Range 15 W4M	Sections 1, 2, 3, 4, 9, 10, 11, 12, 13, 14, 15, 16, 21, 22, 23, 24, 25, 26, 27, 28, 33, 34, 35 and 36 lying to the west of the Red Deer River
Township 24 Range 14 W4M	All Sections lying to the west of the Red Deer River
Township 24 Range 15 W4M	Sections 1, 2, 3, 4, 9, 10, 11, 12, 13, 14, 15, 16, 21, 22, 23, 24, 25, 26, 27, 28, 33, 34 and 35 lying to the south and west of the Red Deer River
Township 25 Range 15 W4M	Sections 3 and 4 lying to the south and west of the Red Deer River

Division 04

The boundaries of Division No. 4 shall enclose the following lands
["section(s)" refers to full or parts thereof]:

Township 17 Range 14 W4M	Sections 7, 8, 9, 10, 11, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 26, 27, 28, 29, 30, 31, 32, 33, 34 and 35
Township 18 Range 14 W4M	All Sections
Township 18 Range 15 W4M	All Sections
Township 18 Range 16 W4M	All Sections
Township 18 Range 17 W4M	All Sections
Township 18 Range 18 W4M	All Sections lying to the east of the Bow River
Township 19 Range 14 W4M	Sections 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 26, 27, 28, 29, 30, 31, 32, 33, 34 and 35
Township 19 Range 15 W4M	All Sections
Township 19 Range 16 W4M	All Sections
Township 19 Range 17 W4M	All Sections
Township 19 Range 18 W4M	All Sections lying to the north and east of the Bow River

Division 07

The boundaries of Division No. 7 shall enclose the following lands
["section(s)" refers to full or parts thereof]:

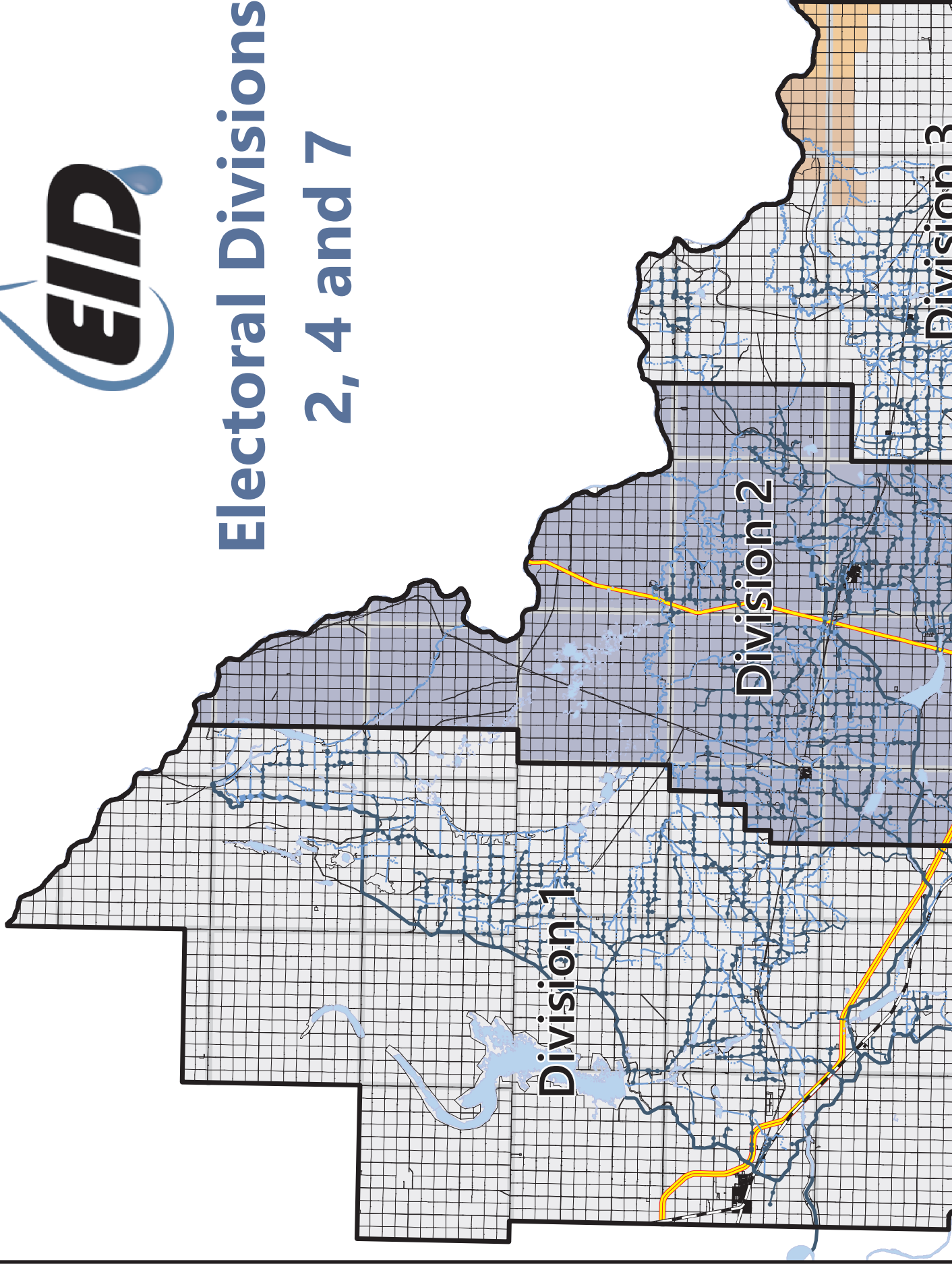
Township 13 Range 13 W4M	All Sections lying to the north of the Bow River
Township 14 Range 11 W4M	All Sections
Township 14 Range 12 W4M	All Sections
Township 14 Range 13 W4M	All Sections lying to the north of the Bow River
Township 14 Range 14 W4M	Sections 1, 2, 3, 9, 10, 11, 12, 13, 14, 15, 16, 21, 22, 23, 24, 25, 26, 27, 28, 33, 34, 35 and 36 lying to the north of the Bow River
Township 15 Range 11 W4M	All Sections
Township 15 Range 12 W4M	All Sections
Township 15 Range 13 W4M	All Sections
Township 15 Range 14 W4M	Sections 1, 2, 3, 10, 11, 12, 13, 14, 15, 22, 23, 24, 25, 26, 27, 34, 35 and 36

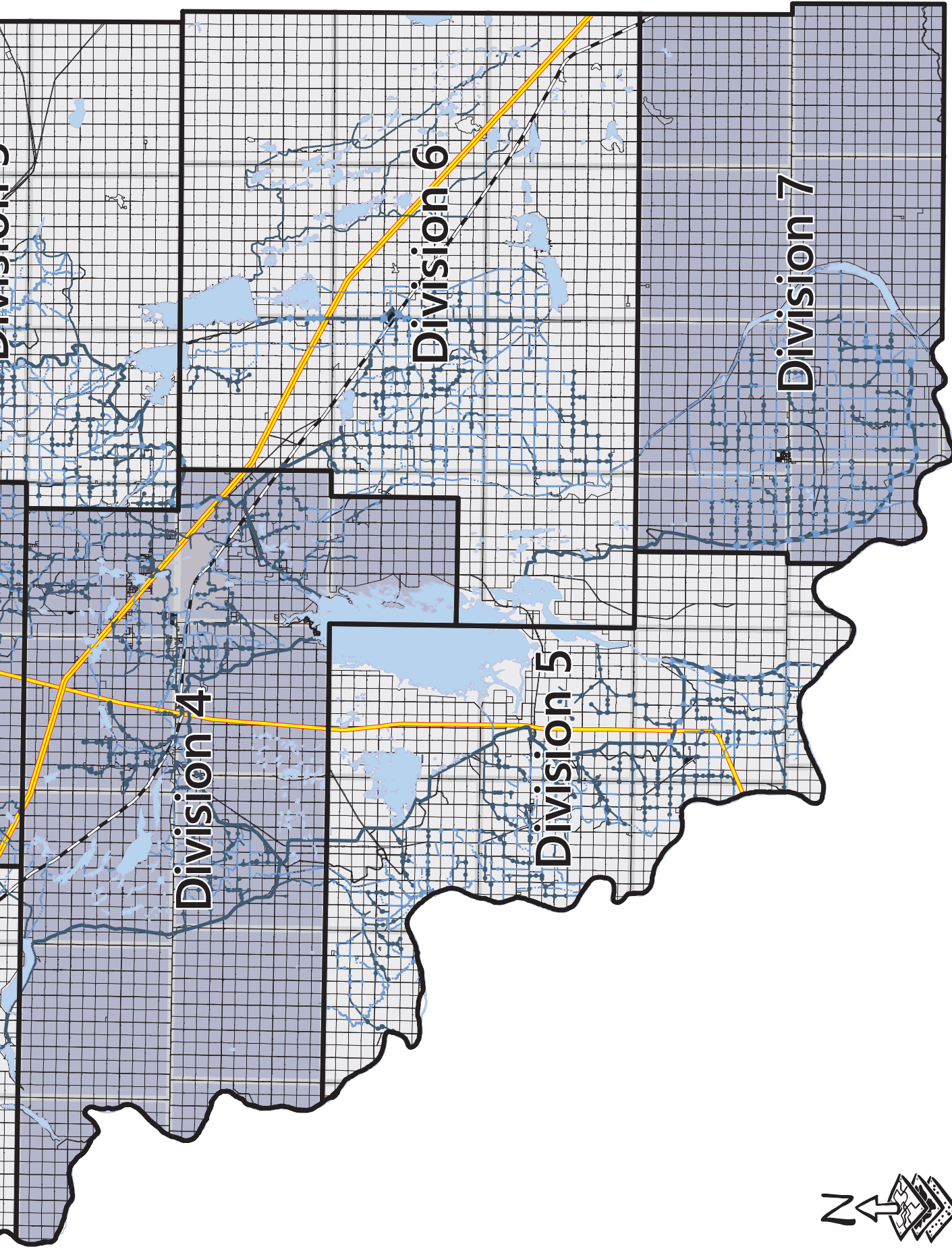
Nomination forms and additional information regarding the elections are available from the offices of the Eastern Irrigation District.

Ivan Friesen,
Returning Officer



Electoral Divisions 2, 4 and 7





1:325,000



Nominations for Directors Form

i8

Irrigation Districts Act, s. 58 [c. I-11, RSA 2000]

We, the undersigned "irrigators", qualified to vote in an Election of Directors in the Eastern Irrigation District, do hereby nominate:

Electoral Division: _____

Name: (please print) _____

Phone: (home/cell) _____

Land Locations: _____

(Majority of lands classified
as irrigation acres on the
assessment roll of the District)

Occupation: _____

a person eligible to hold office as Director of the Eastern Irrigation District for the above noted electoral division, as candidate for the election to be held on Friday, April 22, 2016.

Witnessed by our hands this _____ day of _____, 2016

**To be signed by at least two (2)
"irrigators" of the Eastern Irrigation
District who are eligible to vote.**

(Include land location with acres
assessed as "irrigation acres".)

(signature) _____

(land location) _____

(signature) _____

(land location) _____

(signature) _____

(land location) _____

I hereby appoint: _____ to act on my behalf as Candidate's Official Agent;

(phone number, address) _____

I hereby agree, if elected, to serve as a Director of the Eastern Irrigation District for the term for which I am elected.

Signature of Candidate: _____

NOTE: The time for filing nominations expires at 5:00 p.m. MDT on Thursday, March 24, 2016

Minutes From Annual General Meeting March 25, 2015

- 16,214 cow/calf pairs were grazed in 2014, with good grass carryover for 2015. Approximately 17,000 head, or 84 head per member, have been approved for 2015.
- 48 new oil or gas well sites were acquired in 2014 and an additional 44 wells were drilled on existing leases. New pipeline acquisitions totaled 246 acres, with 33 miles of seismic work.
- Policy, legislation, education, monitoring, inspection and response work is being developed against the threat of aquatic invasive species.
- 6 long term employees retired, 3 employees left the District, and 8 new staff were hired.

Moved by Ivan Friesen, Seconded by David Peltzer that the 2014 General Manager's Report be accepted as presented.

Mr. Simpson asked if there were any questions of the General Manager. None were raised.

The motion to adopt the report was carried.

7.03 Maintenance Report – Mr. Ivan Friesen

Mr. Friesen presented the Maintenance of Irrigation Works Report, highlighting the following:

- Maintenance costs for 2014 were at \$2,728,000, slightly below the 5 year average, resulting from lower equipment costs but higher material costs.

Moved by Ivan Friesen, Seconded by Wayne Hammergren that the 2014 Maintenance Report be accepted as presented.

Mr. Simpson asked if there were any questions of the General Manager. None were raised.

The motion to adopt the report was carried.

7.04 Rehabilitation Report – Mr. Ivan Friesen, General Manager

Mr. Friesen reviewed the 2014 Irrigation Rehabilitation Report covering the following areas, as well as presented pictures and overviews on current and future projects.

- In 2014, \$24.6 million was spent rebuilding the District's water delivery and drainage systems. 9 large scale projects were rehabilitated, of which 1 was tendered out for non-District construction.
- 2015 will maintain a similar pace in rehabilitation, and the County/EID Drainage Program will be continued.
- In 2014 the Province provided \$5,355,000 (75%) and the District invested \$1,697,000 (25%) comprising the annual Irrigation Rehabilitation Program funds. With this money the District completed the construction of 14.5 km of canal and will be rehabilitating 27 km of pipeline.

Moved by Ivan Friesen, Seconded by Heinz Dyck that the 2014 Rehabilitation Report be accepted as presented.

Mr. Simpson asked if there were any questions of the General Manager. In response to Mr. Simpson's enquiry about the filtration system in J Dam, Mr. Friesen explained that the gabion walls used consist of 11 gauge wire, staggered cages filled with rock armour. The system is very simplistic, with no mechanical parts or power requirements, but is highly effective. Gabion walls are also used by Rock Lake and in a few other places throughout the District.

The motion to adopt the report was carried.

7.05 Presentation of the Audited Financial Statements of the District

7.05.1 Financial Statements – Mr. Kevin Bridges, Assistant General Manager, Administration

Kevin Bridges, Assistant General Manager, presented the audited financial statements, highlighting the following:

Minutes From Annual General Meeting March 25, 2015

Compared to 2013:

- Changes in assets:
 - Current assets increased by \$8.9 million. This change is almost completely due to an increase in short term deposits, which is largely due to investments previously recorded as long term being reclassified to short term as those investments approach maturity.
 - Non-current assets decreased by \$6.3 million, which is primarily due to the reclassification of investments already mentioned.
 - Property and Equipment assets, in total, increased by \$10.7 million net of amortization expense.
 - Buildings changes include improvements to the mechanics' shop and to the Gymnastics Club building less the sale of the Bassano Shop property. Equipment changes are the usual equipment replacements.
 - \$24.6 million were invested in irrigation works projects which was partially offset by an amortization expense of \$14.4 million.
- Accounts payable, including GST payable, were down slightly. This is a normal variation.
- Unearned revenues, in total, are virtually unchanged from 2013; however, unearned revenues from oil and gas increased by \$162,000 while unearned revenues from land sales decreased by \$134,000.
- The change in deferred grants and contributions is made up of the \$5.36 million IRP grant received from the Province less the \$5.95 million of deferred grants that were drawn into income in 2014.

Fund Balances:

- The Bassano Dam Spillway project started in 2014 with expenses of \$76,578.00.
- \$12,650 were added to the Pasture Development Fund resulting in a year-end balance of \$150,904.
- The Irrigation Works Fund started the year with a balance of \$45.3 million. \$1.69 million were withdrawn to pay the District's share of the Provincial IRP grant program. \$76,578.00 were withdrawn to pay the District's share of the Bassano Dam Spillway project expenses. \$18.1 million were withdrawn to pay for land, building and capital projects funded solely by the District. \$2.09 million were added from capital assets charges, gravel royalties, dirt sales, the gain on the sale of land and buildings, and from interest earnings. \$19.9 million were contributed from current year operations. Over the year, the fund balance increased by about \$2.1 million.
- The Externally Restricted Fund, which holds a combination of grant money from the Province plus the District's 25% share, started the year at \$12.9 million. Additions to the Fund were made up of the \$5.3 million Provincial grant, the District's \$1.69 million contribution and interest income of \$195,000. \$6.78 million were spent on eligible capital projects. Over the year, this fund balance increased by \$466,000.00.

Statement of Operations:

- Revenues from oil & gas exploration activity in 2014 was similar to 2013. Oil & gas well lease fees were up due to higher lease rates and the growing number of surface leases.
- Right-of-entry fees for power lines in 2014 were down because the bulk of those acquisitions occurred in 2013.
- Irrigation lease fees increased primarily due to increased rent from some of the existing leases and from the new Rolling Hills and Gem leases.

Minutes From Annual General Meeting March 25, 2015

- Private grazing lease fees in 2014 returned to a normal level. Higher fees were recorded in 2013 due to the receipt of some one-time lease renewal fees.
- The Gain on the sale of land, equipment and buildings is made up of:
 - A gain of \$10,525 from the sale of various pieces of equipment; and
 - A gain on the sale of land and buildings of \$300,739 from the sale of the Bassano Shop, a lot at Lake Newell Resort, the K300 Financial Corp mortgage principal and interest receipts, and the sale of various smaller parcels to the County for road widenings.
- The capital assets charges revenue is made up of \$843,000 from issuing irrigation acres, plus \$11,500 from new acreage agreements, less \$27,000 spent buying back irrigation acres.
- The increase in gravel royalties and miscellaneous revenues is due primarily to an increase in net royalties and in dirt sales revenues, which was partially offset by an increase in gravel pit expenses.
- In 2014, total operating and administration costs of \$12.8 million were incurred compared to \$12.4 million in 2013. Of the \$12.8 million, \$5.5 million were recovered from or charged to capital construction projects leaving net operating costs of \$7.29 million for an increase in net costs of about 9% compared to 2013. It should be noted that 2013 net costs were lower than normal. If we compare 2014 net costs to 2012, the increase over the two years is about \$389,000 or approximately 2.8% per year.
- Community grazing expenses decreased by \$35,000 due primarily to a decrease in water-related costs. 2013 was very dry in the east and southeast pastures and we incurred significant pumping costs to move water into those dry areas.
- The net cost of Special Projects increased in 2014 by \$198,000 as a result of increases in Campground, Dam Safety inspections, Rural Water initiative and for the Benefits of Irrigation and Aquatic Invasive Species education programs. Special Project costs decreased for the Farm Improvement Grant program and for Soil Testing.
- The net cost of operating EIDNet increased by \$76,000 due to increased wages, operating and bandwidth costs, which were partially offset by a revenue increase of \$54,000.

Moved by Kevin Bridges, Seconded by Allen Nielsen that the 2014 Financial Statements be accepted as presented.

Mr. Simpson asked if there were any questions of the Assistant General Manager – Administration. In response to an enquiry from David Peltzer, Mr. Bridges replied that the \$534,159 expense under Note 13 consisted primarily of the Bantry #2 Reservoir (Scott Lake – Rolling Hills) grazing water line extension.

The motion to adopt the report was carried.

7.06 Growing Alberta Incentive Program

Rod Bennett, Director of the Irrigation Management Branch in Lethbridge for Alberta Agriculture and Rural Development, was present at the meeting to inform water users of the Growing Forward 2 Program. Irrigation Efficiency grant information, which can be obtained under the Farmer/Rancher/Producer tab, is available at www.growingforward.alberta.ca. Grants are given for upgrading irrigation equipment such as converting from flood, wheels or high pressure pivots to low pressure pivots, modifying pumps, and installing control panels, variable rate systems or high efficiency nozzles. Some funds are still available this year, and if approved are allotted at 40% of cost, up to \$5,000 per producer. The 5 year program is in its second year. As a local contact, water users are encouraged to speak with Len Hingley, Soil & Water Technologist for CDC South in Brooks.



Minutes From Annual General Meeting March 25, 2015

8.0 New Business

8.01 General Matters Raised from the Floor

Mr. Simpson asked if there were any other questions.

- Jim Neely expressed concerns for limiting membership to the community grazing leases to sole proprietorship landowners, stating that this will squeeze out the young farmers.
- Brad Deschamps echoed this concern stating that it also isn't fair to the young farmer to exclude renters as members in the community grazing leases. Mr. Chrumka responded that this decision was approved to limit the opportunity for abuse, emphasizing that the policy is in place to give equal opportunity, not allow for the wrong or over use by some members. He added that the Board is open to suggestions and that they would be discussed at both the GAC and Board levels.
- Blaine Johnson asked if there was any concern for the cofferdam washing out in the possibility of another flood. Mr. Friesen replied that the cofferdam will be built to standards required to prevent such a thing.

8.02 Report on Scheduled Elections – Mr. Ivan Friesen

Mr. Friesen reported that the term of the members of the Board of Directors for Division 3 Patricia/Millicent, and Division 6 Tilley has been completed and therefore nominations are being accepted for these divisions. The nomination period will close Thursday, March 26, 2015, at 5:00 p.m. Nomination forms can be obtained from the District Office.

9.0 Adjournment

Mr. Simpson asked if there were any further business. Being none, Mr. Simpson called for a motion to adjourn the meeting.

Moved by Rients Palsma that the annual meeting be adjourned at 3:08 p.m. CARRIED