



# Annual Report

Eastern Irrigation District

# 2016



# NOTICE OF ANNUAL MEETING



TAKE NOTE that the annual meeting of the irrigators of the Eastern Irrigation District will be held on Tuesday, March 21<sup>st</sup>, 2017 at 1:30 in the afternoon at the Heritage Inn, 1217 2<sup>nd</sup> 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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## 2016 Board of Directors

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Floyd George (Chairman)  
Division 1

**M**embers 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.



Jim Culligan  
Division 2



Ross Owen  
Division 3



Rod Johnson  
Division 4



George Graham (Vice-Chair)  
Division 5



Bob Chrumka  
Division 6



George Murray V  
Division 7

The Board of Directors is pleased to report that the Bassano Dam emergency spillway construction has commenced and is well under way following Federal and Provincial approvals. The District has received the second installment of funding from the Provincial Government. Construction should be completed by 2019. We are expecting to be able to stay within the budget for this project in spite of the prolonged approval process that put us behind in the construction start up.

There is ongoing concern regarding the spread of mussels in Alberta water storage and conveyance systems as the mussels continue to spread. They have been discovered in Montana close to the border and are also present in Lake Winnipeg. The EID remains vigilant and has implemented an infrastructure potash treatment option on a trial basis. The first trial was successful and we will be continuing the research project during the upcoming irrigation season with testing on more complex pipelines and canal systems.

With the energy sector downturn a request has come from CNRL to lower the rent for the gas and oil wells on EID lands. The District has held their ground on insisting that all CNRL wellsite and access leases are brought into fiscal compliance as defined under the District's Area Operating Agreement. Negotiations are ongoing.

After consultations with the stakeholders involved a Lake Newell Land Use policy was recently revamped and passed with a few changes.

The Irrigation District act states that the District Board meetings are to be open to the public. Our meetings are open to the public and the press has been in attendance on a regular basis.

General Assessment has been completed by the staff and now the Board will set parameters so we can move forward. The new acres assigned may put us close to the expansion limit.

The Board made two community enrichment support donations during the course of the year. The Board committed \$100,000.00 to the Brooks Health Foundation's Kidney Dialysis Campaign and also sponsored the City of Brooks in the amount of \$250,000.00 for their funding campaign for the

Lakeside Leisure Centre expansion and renovation. The sponsorship gives the District naming rights to the Aquatic Centre until the year 2036.

The District continues to work with AIPA in promotion of irrigation and also, more closely to home, the Bow Bloc (or the EID, WID, and BRID) on common issues. The EID initiated a training program to assist Board Members as well as staff in defining their roles and other members of the Bow Bloc attended as well.

There was a motion from the floor of the annual general meeting in 2016 that had majority support from the water users in attendance. The motion from the floor requested that a term of service limit be placed on membership to the Board. As an Irrigation District, we operate under the authority of The Irrigation Districts Act. The Act sets out a number of parameters including, but not limited to Board of Directors, nomination of candidates for membership to the Board of Directors, elections and election procedures. After consultation with Irrigation Council and the Irrigation Secretariat it was determined that a limit to the term of service cannot be implemented under the current Irrigation Districts Act.

However, with respect to this motion the Board agreed to revise the bylaw regarding the term of service of the position of Chair and Vice-Chair. Under this bylaw individuals completing nine consecutive terms in the position of Chair or in the position of Vice-Chair will no longer be eligible to be nominated, elected or declared elected to the position unless an exemption is agreed to and passed by the majority of the members of the Board.

Another item brought up at the last annual meeting was a question regarding the appeal process. The Board is looking into developing a policy on appeals







## Chairman and Board of Directors Report

and will be looking closely at the Municipal Government Act review as appeals are part of that review.

In the spring of 2016 elections were held and the Board welcomed new board members George Murray, representing Division 7, and Rod Johnson, representing Division 4. We sincerely thank outgoing members Carl Chomistek and Bruce McKellar for their years of service and dedication.

In closing the Board of Directors also wishes to thank the staff for their ongoing support.

*Respectfully submitted:*  
*Mr. Floyd George, Chairman*  
*Board of Directors*



Lee Barnson



Carlos Cortes



Devonie Deschamps



Kara Doerksen



Scott Elgersma



Mikah Folkerts



Benn Gubbins



Amy Henrickson



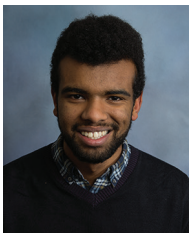
Miranda Kasdorf



Chelsey Krause



David Mahrer



Gideon Mentie



Brett Murphy

## 2016 Eastern Irrigation District Scholarship Recipients



Katie Musgrove



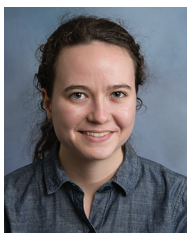
Dawson Plett



Robin Retzlaff



Dalton Ronan



Danielle Schmidt



Nicole Skanderup



Sarah Stimson



Maia Vossepoel



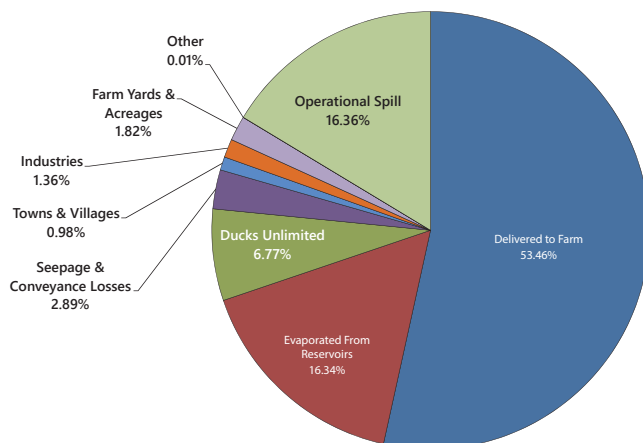
Alaina Wiebe



**W**ith the first pass of the irrigated assessment review complete, it is clear that we are nearing our District's irrigation expansion limit. Our current limit is 311,000 acres and with the new irrigation applications granted this year and with all

the irrigated acres now accounted for we will be nearing the limit. To increase this 311,000-acre threshold a plebiscite vote of the water users will be required. Steps are underway to model the District to help determine the appropriate expansion size and will help quantify if there is any risk that may occur with this expansion. When this information has been compiled it will be made available and additional information meetings will be held throughout the District to communicate the opportunities prior to a plebiscite vote.

Since 2002 the water users have converted 99,500 acres to a more efficient method of irrigation, with 6,400 pivot acres being added in 2016. Low pressure pivots now make up 77% of the District versus 46% in 2002. The largest percentage of conversion continues to be flood irrigation followed by wheels. Since 2002 the assessment has increased by approximately 17,000 acres, the on-farm changes in efficiencies have saved enough water to supply these additional acres.



## Water Balance (acre feet)

|                               | 2016           | 2015           |
|-------------------------------|----------------|----------------|
| <b>Diversions</b>             | <b>371,100</b> | <b>471,900</b> |
| Delivered to Farm             | 184,800        | 287,500        |
| Evaporation from Reservoirs   | 56,500         | 75,500         |
| Ducks Unlimited               | 23,400         | 18,300         |
| Seepage and Conveyance Losses | 10,000         | 10,000         |
| City, Towns and Villages      | 3,400          | 4,200          |
| Industries                    | 4,700          | 4,600          |
| Farm Yards and Acreages       | 6,300          | 6,200          |
| Change in Storage             | 25,400         | 0              |
| Other Purposes                | 50             | 50             |
| Operational Spill             | 56,550         | 65,550         |
| <b>Measured Return Flow</b>   | <b>77,600</b>  | <b>74,900</b>  |
| Operational Spill             | 56,550         | 65,550         |
| Farm Spill and Run Off        | 21,050         | 9,350          |

1,034 acres were added to the assessment roll, with 12 acres bought back, 22 acres converted to Rural Water Use agreements and 213 terminable acres converted to irrigation acres. Applications approved in the fall totaled 2,023 acres which may be added to the assessment roll during the 2017 season.

Our Farm Improvement Program continued with steady interest and use. This program rewards landowners that convert to a more efficient method of irrigation, with 46 approved improvements totaling \$265,000 in calendar year 2016. There were 38 improvements which converted to low-pressure pivot while the others included gated pipe, wheels, sub-surface conversions, and drain relocations.

The 2016 season started with no significant precipitation (snow or rain) leading into the planting season. With the exceptionally early warm and dry conditions, and the weather forecast showing no relief, the District set its spring water delivery date for April 25<sup>th</sup>, approximately 2 weeks earlier than





## General Manager's Report

Ivan Friesen, General Manager

the typical start time. Another concern with the unseasonably warm temperatures in the spring was the snowpack melt, which was roughly 3 weeks sooner than an average year. Demand was strong in the early part of the water season with the highest number of parcels served in the month of June our typical wet month, and with June 10th being the largest at 652 parcels being served. The subsequent months saw above average rainfall typical for July and August which made for much less water usage and a return to typical operating levels in the system. The District diverted 380,000 acre feet (481,000 acft – 2015) with approximately 7" being delivered to the farm gate.

The Bassano Dam emergency spillway broke ground in the fall with the cofferdam largely complete by the Christmas break, and with all approvals in hand will rapidly move construction forward to provide the ability to use the structure in the spring of 2019.

The District continued with our rehabilitation plan with 13 km of rebuilding and armouring drainage channels and 22 kms of PVC pipelines. The ongoing EID/County of Newell Joint Drainage Program continued in 2016 with 60 km of drainage near

complete, of which 30 km were completed this year in Rainier and 6 km out of 30 completed in the Millicent area. This coming year will see the completion of the Millicent and Rainier projects.

The year started out dry, but with reasonable grass carryover the 10 grazing associations turned out a total of 17,368 head. As the year progressed into July and August grass conditions became exceptional due to the above average precipitation during these months, and as a result the grazing season was extended two weeks. Grass conditions remain strong going into the 2017 grazing season and numbers are expected to be slightly higher or at the very least the same. Bovine Tuberculosis has impacted a number of our members in a number of associations; however, to date District lands have not been impacted and are proceeding with business as usual but with the approach that this is a fluid situation and subject to change.

CNRL remains an open file, and the District has not, and will not, accept any reduction in their current rates. This past year 22 new wells were acquired on District owned land, with an additional 21 twinned on existing leases. Other activities included 58 acres of pipeline acquisition but no seismic activity. There appears to be some cautious optimism in the oil/gas sector, as so far in 2017 we have signed up 23 new wells, 38 twinned wells, 92 acres in pipeline acquisition and 2 seismic permits.

The District continues to partner on initiatives to prevent the spread and investigate control measures for aquatic invasive species, such as research into the use of potash against aquatic mussels, with our first trials this past summer. Additional field trials will continue, with the investigation and research on additional control measures and procedures. Education and monitoring will continue to be a priority. Aquatic mussels are not the only invasive species of concern as this past fall a large stand of phragmites were found within the District. A big

## EID Long Term Service Awards



Don Syvret (35 yr.), Allen Aebly (10 yr.), Rick Severtson (25 yr.), Duce Currie (10 yr.), Missing: Margo Redelback (10 yr.)



thanks to Alberta Environment and Parks, CPR, and the County of Newell in their co-operative effort in the first stage of eradicating this plant. Alberta Environment and Parks has applied for an emergency use registration for some aquatic herbicides to help in the control and eradication process.

The District would like to thank and recognize Dirk Senneker who retired in 2016, for his dedication and work, as well as David Slomp and Margo Redelback who left the District. We welcomed Chris Cameron,

Dale Williams, Emma Wallace, and Bill Blackwell to our staff in 2016.

I would also like to thank the water users, Board of Directors and staff of the District in once again meeting the district's main mandate of delivering water to the farm gate and the continued commitment to improving the operation and efficiency of the District.

*Respectfully submitted,  
Mr. Ivan Friesen, General Manager*

## Method of Irrigation: 2016

As of December 31, 2016

|                                |                      |
|--------------------------------|----------------------|
| Low Pressure Pivot             | 202,603 Ac. (67.53%) |
| High Pressure Pivot            | 28,793 Ac. (9.60%)   |
| Wheel Move                     | 17,238 Ac. (5.75%)   |
| Other Sprinkler                | 779 Ac. (0.26%)      |
| Flood Irrigation (Leveled)     | 40,430 Ac. (13.48%)  |
| Flood Irrigation (Not Leveled) | 10,166 Ac. (3.39%)   |

Note: percentages shown are the percentages of total irrigation.

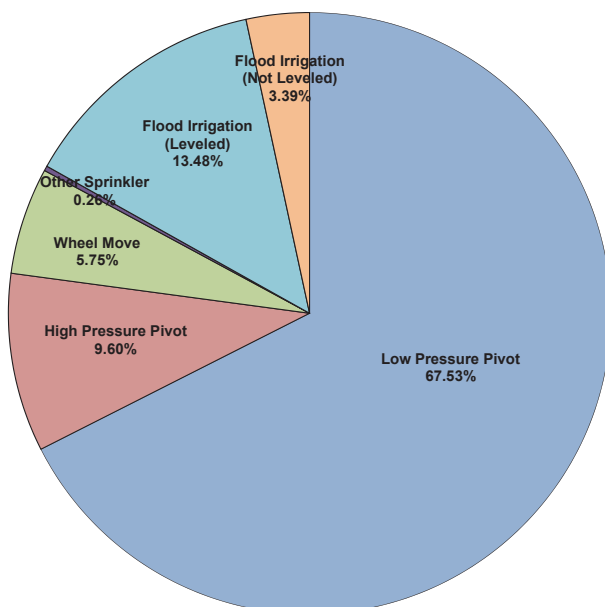
## Method of Irrigation: 2002

As of December 31, 2002

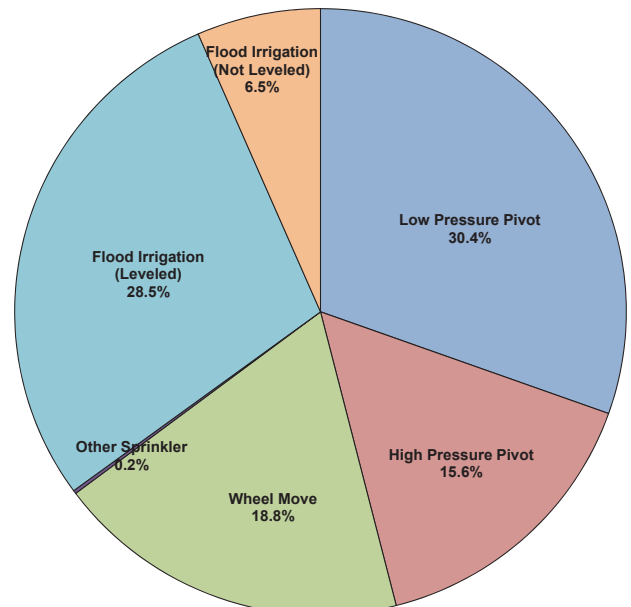
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| Low Pressure Pivot             | 86,000 Ac. (30.4%) |
| High Pressure Pivot            | 44,000 Ac. (15.6%) |
| Wheel Move                     | 53,000 Ac. (18.8%) |
| Other Sprinkler                | 500 Ac. (0.2%)     |
| Flood Irrigation (Leveled)     | 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: 2016



## Acres by Method of Irrigation: 2002





# Crop and Irrigation Statistics

## 2016 Crop Summary

| Crop Class | Crop Type                | Acres  |
|------------|--------------------------|--------|
| Forage     | Alfalfa 2 Cuts           | 26,377 |
|            | Alfalfa 3 Cuts           | 7,321  |
|            | Alfalfa Hay              | 7,044  |
|            | Alfalfa Silage           | 1,245  |
|            | Barley Silage Under Seed | 554    |
|            | Barley Silage            | 3,698  |
|            | Corn Grazing             | 383    |
|            | Corn Silage              | 16,274 |
|            | Custom Variety Forage    | 35     |
|            | Grass Hay                | 10,570 |
|            | Green Feed               | 6,510  |
|            | Milk Vetch               | 120    |
|            | Millet                   | 666    |
|            | Native Pasture           | 1,430  |
|            | Tame Pasture             | 38,796 |
|            | Timothy Hay              | 2,139  |

|         |                   |        |
|---------|-------------------|--------|
| Cereals | Barley            | 17,618 |
|         | CPS Wheat         | 1,925  |
|         | Durum Wheat       | 5,149  |
|         | Grain Corn        | 12,311 |
|         | Hard Spring Wheat | 41,430 |
|         | Oats              | 2,679  |
|         | Rye               | 413    |
|         | Soft Wheat        | 128    |
|         | Triticale         | 5,513  |
|         | Winter Wheat      | 1,333  |

|           |         |        |
|-----------|---------|--------|
| Oil Seeds | Canola  | 23,588 |
|           | Flax    | 5,124  |
|           | Hyola   | 739    |
|           | Mustard | 132    |

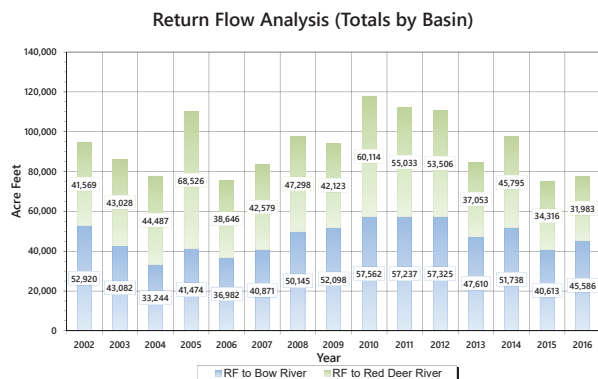
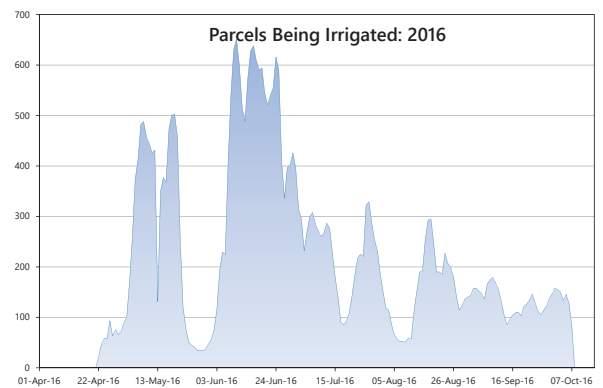
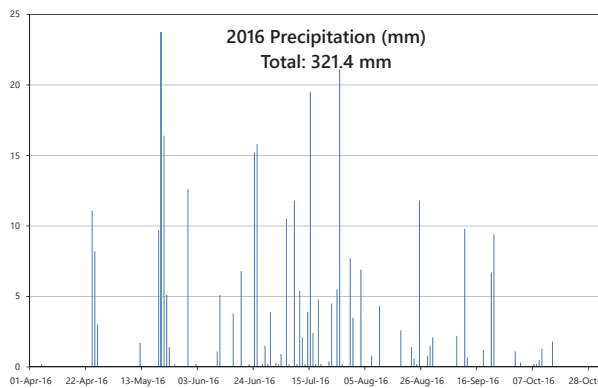
| Crop Class | Crop Type      | Acres  |
|------------|----------------|--------|
| Specialty  | Alfalfa Seed   | 25,566 |
|            | Canary Seed    | 66     |
|            | Carrots        | 201    |
|            | Dill           | 125    |
|            | Dry Beans      | 3,574  |
|            | Dry Peas       | 6,386  |
|            | Faba Beans     | 2,585  |
|            | Hemp           | 931    |
|            | Lentils        | 573    |
|            | Market Gardens | 120    |
|            | Nursery        | 429    |
|            | Potato         | 4,944  |
|            | Seed Canola    | 8,189  |
|            | Seed Potato    | 250    |
|            | Soy Beans      | 1,255  |
|            | Sugar Beets    | 497    |
|            | Sunflower      | 2,401  |

|               |               |     |
|---------------|---------------|-----|
| Non Irrigated | Non-Crop      | 146 |
|               | Summer Fallow | 527 |

| Total of All Crops<br>(As of December 31, 2016) |                 |         |
|---|-----------------|---------|
| Crop Class                                      |                 | Acres   |
| Summary   | Forage Crops    | 123,162 |
|   | Cereal Crops    | 88,499  |
|   | Oil Seed Crops  | 29,583  |
|   | Specialty Crops | 58,092  |
|   | Non-Irrigated   | 673     |
| Total   |                 | 300,009 |

## 2016 System Water Delivery Summary

| Water Delivery Block              | Water Operator | Irrigated Area (acres) | Volume Delivered (acre feet) | Water Use/Acre (acre feet/acre) |
|-----------------------------------|----------------|------------------------|------------------------------|---------------------------------|
| District N1 Bassano               | Beddows        | 17,838                 | 8,700                        | 0.49                            |
| District N2 Pitau                 | Isidoro        | 21,365                 | 10,600                       | 0.50                            |
| District N3 Gem                   | Kroschel       | 14,214                 | 6,000                        | 0.42                            |
| District N4 Rosemary              | Hebig          | 22,076                 | 9,100                        | 0.41                            |
| District N5 Duchess               | Cameron        | 20,131                 | 9,300                        | 0.46                            |
| District N6 Cockerill             | Leland         | 21,380                 | 11,100                       | 0.52                            |
| District N7 Millicent             | Allaby         | 21,681                 | 10,400                       | 0.48                            |
| District N8 Patricia              | McInnis        | 16,880                 | 12,500                       | 0.74                            |
| District S1 Antelope Creek/Brooks | Klassen        | 19,892                 | 11,100                       | 0.56                            |
| District S2 Kitsim                | Currie         | 19,140                 | 15,200                       | 0.79                            |
| District S3 Bow Slope             | Thiessen       | 21,271                 | 19,600                       | 0.92                            |
| District S4 Aqueduct/Bantry       | Canning        | 13,344                 | 7,700                        | 0.58                            |
| District S5 Elizabeth             | Williams       | 15,642                 | 9,600                        | 0.61                            |
| District S6 Tilley                | Cleland        | 18,100                 | 11,500                       | 0.64                            |
| District S7 Rolling Hills North   | Olund          | 18,966                 | 17,700                       | 0.93                            |
| District S8 Rolling Hills South   | Beierbach      | 18,089                 | 14,700                       | 0.81                            |
| <b>Totals:</b>                    |                | <b>300,009</b>         | <b>184,800</b>               | <b>0.62</b>                     |







# Irrigation Rehabilitation Report

Ryan Gagley, Engineering Manager

## 2016 Rehabilitation

The EID's 2015/16 construction season was blessed with a fantastic winter that allowed the continuation of our aggressive rehabilitation program. As is typical for the EID, we primarily used our own equipment and managed all construction projects in house last winter. We completed 8 projects throughout the year of which two were considerably larger. Total spent on rehabilitation for 2015/16 was \$22,812,000.

We are actively working on 10 large projects as part of the 2016/17 construction rehabilitation program, of which two are part of the EID/County Joint Drainage Program. We will be continuing this program throughout the year with the rehabilitation in Rainier and Millicent.

## Irrigation Rehabilitation Program (IRP)

The IRP program is an Alberta Government sponsored program for irrigation districts located in southern Alberta. It is a cost shared program based on a 75:25 cost sharing agreement.

For 2016 the Province contributed \$4,552,500 (75%) and the Eastern Irrigation District invested \$1,517,500 (25%). The 2016 expenditures amount to approximately \$10,310,000. The District installed 20 km of new pipeline in the winter of 2015/16 and are planning for 19 km of pipeline for 2016/17 under the IRP program.



## Irrigation Rehabilitation Program (IRP)

| Project                             | Description    | Engineer | Contractor | 2016 Project Cost   | Total Project Cost  |
|-------------------------------------|----------------|----------|------------|---------------------|---------------------|
| <b>Spring</b>                       |                |          |            |                     |                     |
| 01 Bow Slope                        | 20 km Pipeline | EID      | EID        | \$10,184,000        | \$10,359,000        |
| <b>Fall</b>                         |                |          |            |                     |                     |
| 11 B Springhill                     | 19 km Pipeline | EID      | EID        | \$97,000            | ----                |
| <b>Full Year</b>                    |                |          |            |                     |                     |
| Irrigation Water Quality Assessment | ----           | EID      | EID        | \$25,000            | ----                |
| Various Years Projects              | ----           | EID      | EID        | \$4,000             | ----                |
| <b>Total:</b>                       |                |          |            | <b>\$10,310,000</b> | <b>\$10,359,000</b> |

# EID Capital Construction Program

Ryan Gagley, Engineering Manager



Funds for this program are provided entirely from the District's Irrigation Works Reserve Fund. The 2016 expenditures amount to approximately \$12,502,000. In 2016 the District completed the installation of 2.3 km of pipeline and 12.5 km of drain rehabilitation. The fall of 2016/spring 2017 will see the construction of approximately 3 km of pipe under this program.

## EID Capital Construction Program

| Project                       | Description           | Engineer                                 | Contractor               | 2016 Project Cost | Total Project Cost |
|-------------------------------|-----------------------|--|--------------------------|-------------------|--------------------|
| Various Years Projects        | Smaller Projects      | EID                                      | EID                      | \$413,900         | ----               |
| 02 Scott Canal                | 0.5 km Pipeline       | EID                                      | EID                      | \$100,000         | \$102,000          |
| 23 Bow Slope                  | Structure Replacement | EID                                      | EID                      | \$71,000          | \$73,000           |
| 01-04 D Springhill            | 0.8 km Pipeline Ext.  | EID                                      | EID                      | \$77,700          | \$79,000           |
| 06 H West Bantry              | 1.0 km Pipeline       | EID                                      | EID                      | \$191,000         | \$191,000          |
| Structures Program            | Replace Structures    | EID                                      | EID                      | \$767,500         | \$770,000          |
| Bantry Summit Drain           | 10 km Drain Rehab.    | EID                                      | EID                      | \$2,782,000       | \$2,874,000        |
| Rosemary Drain                | 2.5 km Drain Rehab.   | EID                                      | EID                      | \$832,900         | \$867,000          |
| EID/County Drainage           | 30 km Drainage Rehab. | EID                                      | EID                      | \$1,395,000       | \$1,500,000        |
| Bassano Dam                   | Spillway Project      | MPE Engineering/<br>Klohn Crippen Berger | Niitsitapi-<br>Graham LP | \$2,424,000       | ----               |
| Lake Newell Dam               | North Dam Upgrade     | EID/E2K                                  | EID                      | \$2,120,000       | \$2,120,000        |
| Cost Shared Projects          |                       | EID                                      | EID                      | \$370,500         | ----               |
| 2016/2017 Project Engineering |                       | EID                                      | EID                      | \$260,000         | ----               |
| Small Drains                  |                       | EID                                      | EID                      | \$90,000          | ----               |
| District Automation           |                       | EID                                      | EID                      | \$21,000          | ----               |
| Land Acquisition              |                       |  |                          | \$585,500         | ----               |
| Total:                        |                       |  |                          | \$12,502,000      |                    |

## EID Capital Construction Program: 2016/2017

| Project                      | Description                     | Project                      | Description           |
|------------------------------|---------------------------------|------------------------------|-----------------------|
| 10 G North Bantry            | 2 km Pipeline                   | 2017/2018 Structures Program | Replace Structures    |
| 06 Secondary A Rolling Hills | 8 km Pipeline                   | 08 A Springhill Tailout      | 0.25 km Channel       |
| 01 N Tilley                  | 1 km Pipeline                   | Bow Slope Tailout            | 0.5 km Channel        |
| 22, 23 North Branch Inlet    | 0.3 km Stilling Pond/Inlet Str. | EID/County Drainage          | 30 km Drainage Rehab. |
| District Automation          | Upgrade Structure Automation    |                              |                       |



11 B Springhill Stilling Pond



Rock Filtration Wall (EID)





# Maintenance of Irrigation Works

As of End of 2016 Water Delivery Season



This past year saw a decrease in maintenance expenses as the water demand was below average which reduced the pressures on the system. The larger year over year differences include reduced heavy equipment requirements, repairs to pump stations and control structures, with slight increases to materials and chemical for broad leaf control.



## Maintenance of Irrigation Works

| Maintenance Item                              | 2012     | 2013     | 2014     | 2015     | 2016     | Average  |
|---|----------|----------|----------|----------|----------|----------|
| Canal cleaning, bank leveling and seeding     | 2 km     | 7.5 km   | 1.5 km   | 2 km     | 2 km     | 3 km     |
| Drain cleaning, bank leveling and seeding     | 6 km     | 8 km     | 6.5 km   | 10.5 km  | 6 km     | 7.4 km   |
| Drain and canal clipping                      | 205 km   | 119 km   | 125 km   | 138 km   | 62 km    | 129.8 km |
| Gravel armour placed on canal side slopes     | 1 km     | 1.5 km   | 0.5 km   | 1 km     | 0.5 km   | 0.9 km   |
| Gravel placed on canal banks                  | 24 km    | 18.5 km  | 15 km    | 15 km    | 25.5 km  | 19.6 km  |
| Canals fenced                                 | 0.5 km   | 2 km     | 0.5 km   | 0.5 km   | 0 km     | 0.7 km   |
| Chemical weed control on canal banks          | 1,608 km | 1,786 km | 1,686 km | 1,709 km | 1,938 km | 1,745 km |
| Mowing of canal banks                         | 1,090 km | 745 km   | 620 km   | 720 km   | 740 km   | 783 km   |
| Canal liner installed                         | 0 km     | 0 km     | 0 km     | 0 km     | 0 km     | 0 km     |
| Road crossing repairs and replacements        | 8        | 0        | 0        | 2        | 14       | 5        |
| Replacement of farm turnouts                  | 3        | 4        | 3        | 3        | 9        | 4        |
| Flood well to riser conversion (on pipelines) | 13       | 6        | 4        | 7        | 2        | 6        |

| Maintenance Cost                                | 2012               | 2013               | 2014               | 2015               | 2016               | Average            |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Heavy equipment                                 | \$1,242,380        | \$1,191,413        | \$1,009,561        | \$1,368,605        | \$913,668          | \$1,145,125        |
| Labour  | \$870,124          | \$900,623          | \$958,220          | 1,103,214          | 930,756            | 952,587            |
| Vehicles  | \$186,770          | \$163,974          | \$181,589          | 200,099            | 162,066            | 184,900            |
| Repairs to pump stations and control structures | \$161,165          | \$198,020          | \$234,142          | 396,779            | 299,426            | 257,907            |
| Materials (culverts, gates, fence posts, etc.)  | \$150,888          | \$121,473          | \$207,371          | 175,370            | 193,753            | 169,771            |
| Chemical for broad leaf weed control            | \$74,829           | \$75,840           | \$76,290           | 80,267             | 90,140             | 79,473             |
| Maintenance of buildings and grounds            | \$63,334           | \$52,234           | \$60,648           | 40,714             | 39,746             | 51,335             |
| <b>Total Costs:</b>                             | <b>\$2,749,490</b> | <b>\$2,703,577</b> | <b>\$2,727,821</b> | <b>\$3,365,048</b> | <b>\$2,629,555</b> | <b>\$2,835,098</b> |



## 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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## Index to Financial Statements

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## BEVAN AND PARTNERS CHARTERED ACCOUNTANTS

### PARTNERS

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### PROFESSIONAL STAFF

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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, 2016 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.

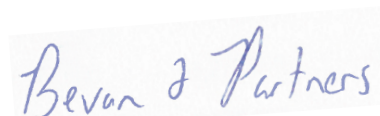
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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, 2016 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 17, 2017



CHARTERED ACCOUNTANTS





# Eastern Irrigation District

## Statement of Financial Position As at September 30, 2016

### ASSETS

#### Current

|                                 | General Fund | Irrigation Works Fund | 2016 Total  | 2015 Total  |
|---------------------------------|--------------|-----------------------|-------------|-------------|
| Cash                            | \$3,318,312  | \$1,157,387           | \$4,475,699 | \$9,681,330 |
| Short term deposits (Note 4)    | 7,858,785    | 12,072,667            | 19,931,452  | 19,161,442  |
| Investments (Note 6)            | 0            | 27,688,125            | 27,688,125  | 30,933,195  |
| Accounts receivable (Note 5)    | 2,508,917    | 309,478               | 2,818,395   | 3,604,138   |
| Materials and supplies (Note 8) | 1,813,215    | 0                     | 1,813,215   | 1,635,947   |
| Prepaid expenses                | 1,250,978    | 0                     | 1,250,978   | 381,894     |
|                                 | 16,750,207   | 41,227,657            | 57,977,864  | 65,397,946  |
| Accounts receivable (Note 5)    | 0            | 2,489,908             | 2,489,908   | 2,234,887   |
| Investments (Note 6)            | 0            | 43,124,547            | 43,124,547  | 19,360,149  |
| Deposits                        | 91,571       | 0                     | 91,571      | 55,409      |
| Trust funds held (Note 16)      | 179,509      | 0                     | 179,509     | 202,213     |
|                                 | 17,021,287   | 86,842,112            | 103,863,399 | 87,250,604  |

#### Property and Equipment (Note 7)

|                              |              |               |               |               |
|------------------------------|--------------|---------------|---------------|---------------|
| Buildings and equipment, net | 10,616,653   | 2,701,117     | 13,317,770    | 13,142,974    |
| Irrigation works, net        | 0            | 379,064,253   | 379,064,253   | 371,663,308   |
| Land (Note 2)                | 0            | 1,871,128     | 1,871,128     | 1,633,737     |
|                              | 10,616,653   | 383,636,498   | 394,253,151   | 386,440,019   |
|                              | \$27,637,940 | \$470,478,610 | \$498,116,550 | \$473,690,623 |

### LIABILITIES

#### Current

|   |             |             |             |             |
|---|-------------|-------------|-------------|-------------|
| Accounts payable and accrued liabilities                    | \$1,743,963 | \$1,954,366 | \$3,698,329 | \$3,710,255 |
| Goods and services tax payable                              | 55,587      | 0           | 55,587      | 21,496      |
| Payroll taxes payable                                       | 4,500       | 0           | 4,500       | 10,323      |
| Unearned revenue (Note 2)                                   | 14,883,974  | 93,127      | 14,977,101  | 15,360,180  |
|   | 16,688,024  | 2,047,493   | 18,735,517  | 19,102,254  |
| Trust funds held (Note 16)                                  | 179,509     | 0           | 179,509     | 202,213     |
| Provision for gravel pit closure and post closure (Note 17) | 0           | 780,844     | 780,844     | 746,902     |
| Unearned revenue (Note 2)                                   | 0           | 992,658     | 992,658     | 778,740     |
| Deferred grants and contributions, net (Note 7)             | 22,994      | 135,996,614 | 136,019,608 | 122,592,984 |
|   | 16,890,527  | 139,817,609 | 156,708,136 | 143,423,093 |

#### Commitments (Note 20)

#### Contingencies (Note 21)

### FUND BALANCES

|   |              |               |               |               |
|---|--------------|---------------|---------------|---------------|
| Invested in property and equipment (Notes 7 & 10)   | 10,593,659   | 247,639,884   | 258,233,543   | 263,847,035   |
| Unrestricted (Note 10)  | 0            | 0             | 0             | 0             |
| Internally restricted, to be used for future community pasture development (Notes 2 & 10)                         | 153,754      | 0             | 153,754       | 151,954       |
| Internally restricted, to be used for future irrigation works additions (Notes 2 & 10)                            | 0            | 56,301,112    | 56,301,112    | 53,212,280    |
| Externally restricted by the Province of Alberta, to be used for Bassano Dam Spillway project (Notes 2 & 10)      | 0            | 22,913,666    | 22,913,666    | 5,075,937     |
| Externally restricted by the Province of Alberta, to be used for future irrigation works additions (Notes 2 & 10) | 0            | 3,806,339     | 3,806,339     | 7,980,324     |
|   | 10,747,413   | 330,661,001   | 341,408,414   | 330,267,530   |
|   | \$27,637,940 | \$470,478,610 | \$498,116,550 | \$473,690,623 |

# Eastern Irrigation District

## Statement of Operations and Changes in Fund Balances

For the year ended September 30, 2016



|   | General Fund | Irrigation Works Fund | 2016 Total    | 2015 Total    |
|---|--------------|-----------------------|---------------|---------------|
| <b>REVENUE</b>  |              |                       |               |               |
| <b>WATER EARNINGS</b>                                       |              |                       |               |               |
| Water conveyance agreements                                 | \$612,612    | \$0                   | \$612,612     | \$623,100     |
| Oil and gas drilling water                                  | 106,028      | 0                     | 106,028       | 77,300        |
| Penalties   | 5,584        | 0                     | 5,584         | 3,356         |
| Irrigation rates (Note 11)                                  | 0            | 0                     | 0             | 0             |
|   | 724,224      | 0                     | 724,224       | 703,756       |
| Less discounts allowed                                      | (61,725)     | 0                     | (61,725)      | (63,520)      |
|   | 662,499      | 0                     | 662,499       | 640,236       |
| <b>LEASE REVENUE AND COMPENSATION</b>                       |              |                       |               |               |
| Oil and gas well leases                                     | 24,292,839   | 0                     | 24,292,839    | 23,859,910    |
| Right of entry and initial consideration - oil and gas      | 287,358      | 0                     | 287,358       | 1,015,217     |
| Oil and gas administration fees                             | 18,000       | 0                     | 18,000        | 44,100        |
| Powerlines  | 215,781      | 0                     | 215,781       | 126,622       |
| Right of entry and initial consideration - powerlines       | 29,948       | 0                     | 29,948        | 27,950        |
| Irrigated leases  | 1,305,407    | 0                     | 1,305,407     | 1,194,616     |
| Community grazing leases                                    | 1,026,974    | 0                     | 1,026,974     | 1,020,583     |
| Private grazing leases                                      | 196,041      | 0                     | 196,041       | 173,517       |
| Other lease revenues  | 94,846       | 0                     | 94,846        | 68,132        |
| <b>OTHER REVENUE</b>  |              |                       |               |               |
| Amortization of deferred grants and contributions           | 0            | 6,123,357             | 6,123,357     | 6,049,264     |
| Investment income   | 850,478      | 876,675               | 1,727,153     | 1,639,787     |
| Capital asset charges, net                                  | 0            | 547,000               | 547,000       | 438,200       |
| Gain (loss) on sale of land, equipment and buildings        | 2,254        | 268,621               | 270,875       | 788,551       |
| Gravel royalties and miscellaneous                          | 0            | 48,227                | 48,227        | 135,944       |
|   | 28,982,425   | 7,863,880             | 36,846,305    | 37,222,629    |
| <b>EXPENSES</b>   |              |                       |               |               |
| Amortization of irrigation works and buildings              | 0            | 15,690,656            | 15,690,656    | 15,103,058    |
| Operations and administration (Schedule 1)                  | 7,848,003    | 0                     | 7,848,003     | 7,882,004     |
| Community grazing expenses (Note 12)                        | 1,091,135    | 0                     | 1,091,135     | 1,008,367     |
|   | 8,939,138    | 15,690,656            | 24,629,794    | 23,993,429    |
| Revenue over expenses (Deficiency), before special projects | 20,043,287   | (7,826,776)           | 12,216,511    | 13,229,200    |
| Special projects, net (Note 14)                             | (921,238)    | 0                     | (921,238)     | (809,582)     |
| EIDNet, net (Note 15)                                       | (154,389)    | 0                     | (154,389)     | (179,012)     |
| REVENUE OVER EXPENSES (DEFICIENCY)                          | 18,967,660   | (7,826,776)           | 11,140,884    | 12,240,606    |
| TRANSFER TO IRRIGATION WORKS FUND                           | (18,881,703) | 18,881,703            | 0             | 0             |
| FUND BALANCES, BEGINNING OF YEAR                            | 10,661,456   | 319,606,074           | 330,267,530   | 318,026,924   |
| FUND BALANCES, END OF YEAR                                  | \$10,747,413 | \$330,661,001         | \$341,408,414 | \$330,267,530 |



# Eastern Irrigation District

## Statement of Cash Flows

For The Year Ended September 30, 2016

|   | General Fund        | Irrigation Works Fund | 2016 Total          | 2015 Total          |
|---|---------------------|-----------------------|---------------------|---------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                           |                     |                       |                     |                     |
| Revenue from water operations   | \$662,499           | \$0                   | \$662,499           | \$640,236           |
| Compensation from oil and gas operations                              | 24,598,197          | 0                     | 24,598,197          | 24,919,227          |
| Compensation from powerline operations                                | 245,729             | 0                     | 245,729             | 154,572             |
| Revenue from lease operations   | 2,623,268           | 0                     | 2,623,268           | 2,456,848           |
| Capital asset charges, net  | 0                   | 547,000               | 547,000             | 438,200             |
| Cash receipts from gravel royalties and miscellaneous                 | 0                   | 48,227                | 48,227              | 135,944             |
| Operations and administration expenses (Schedule 1)                   | (7,848,003)         | 0                     | (7,848,003)         | (7,882,004)         |
| Community grazing expenses (Note 12)                                  | (1,091,135)         | 0                     | (1,091,135)         | (1,008,367)         |
| Add: Amortization in expenses, not using cash                         | 1,444,084           | 0                     | 1,444,084           | 1,358,198           |
| Net cash expenditure on special projects (Note 14)                    | (921,238)           | 0                     | (921,238)           | (809,582)           |
| Net cash expenditure on EIDNet  | 86,116              | 0                     | 86,116              | (8,282)             |
| Investment income   | 850,478             | 876,675               | 1,727,153           | 1,639,787           |
| Non-cash investment income  | 0                   | (551,501)             | (551,501)           | (652,316)           |
| Change in GST receivable and payable                                  | 34,091              | 0                     | 34,091              | (37,492)            |
| Change in Payroll taxes payable                                       | (5,823)             | 0                     | (5,823)             | 10,323              |
| Change in non-cash current assets and liabilities                     | (664,650)           | 420,831               | (243,819)           | 232,428             |
|   | 20,013,613          | 1,341,232             | 21,354,845          | 21,587,720          |
| <b>CASH FLOWS USED IN FINANCING AND INVESTING ACTIVITIES</b>          |                     |                       |                     |                     |
| Grants from Province of Alberta                                       | 0                   | 19,552,536            | 19,552,536          | 9,808,787           |
| Proceeds on sale of land, buildings and equipment                     | 407,621             | 280,816               | 688,437             | 1,176,331           |
| Purchase of land, buildings and equipment                             | (2,078,134)         | (610,465)             | (2,688,599)         | (3,424,571)         |
| Pasture development and reseeded (Note 13)                            | (95,977)            | 0                     | (95,977)            | (110,316)           |
| Expenditures on irrigation works (Note 7)                             | 0                   | (22,811,722)          | (22,811,722)        | (24,086,082)        |
| Change in non current accounts receivable                             | 0                   | (255,020)             | (255,020)           | (157,176)           |
| Change in irrigation works unearned revenue                           | 0                   | (158,591)             | (158,591)           | (132,077)           |
| Proceeds on sale of investments                                       | 0                   | 38,452,065            | 38,452,065          | 24,523,243          |
| Purchase of investments   | 0                   | (58,432,087)          | (58,432,087)        | (33,750,000)        |
| Change in deposits  | (36,162)            | 0                     | (36,162)            | (13,894)            |
| Change in provision for gravel pit closure and post closure (Note 17) | 0                   | 33,942                | 33,942              | 24,619              |
| Change in irrigation works accounts payable                           | 0                   | (39,288)              | (39,288)            | 848,989             |
|   | (1,802,652)         | (23,987,814)          | (25,790,466)        | (25,292,147)        |
| <b>NET INCREASE (DECREASE) IN CASH</b>                                | 18,210,961          | (22,646,582)          | (4,435,621)         | (3,704,427)         |
| Cash, beginning of year   | 11,847,839          | 16,994,933            | 28,842,772          | 32,547,199          |
| Transfer from general fund  | (18,881,703)        | 18,881,703            | 0                   | 0                   |
| <b>CASH, END OF YEAR</b>  | <b>\$11,177,097</b> | <b>\$13,230,054</b>   | <b>\$24,407,151</b> | <b>\$28,842,772</b> |
| Cash is comprised of:   |                     |                       |                     |                     |
| Cash  | \$3,318,312         | \$1,157,387           | \$4,475,699         | \$9,681,330         |
| Short term deposits   | 7,858,785           | 12,072,667            | 19,931,452          | 19,161,442          |
|   | <b>\$11,177,097</b> | <b>\$13,230,054</b>   | <b>\$24,407,151</b> | <b>\$28,842,772</b> |





### 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.



# Eastern Irrigation District

Notes to the financial statements  
September 30, 2016

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## 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.

### 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 244,621 people and 426 employers. It is financed by employer and employee contributions and investment earnings of the LAPP fund. Contributions for current service are recorded as expenditures in the year in which they become due. 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 and past service contributions by the District to the Local Authorities Pension Plan in 2016 were \$751,007 (2015 - \$750,817). Total current and past service contributions by the employees of the District to the Local Authorities Pension Plan in 2016 were \$692,435 (2015 - \$692,982). At December 31, 2015, the Plan disclosed an actuarial deficiency of \$923 million (December 31, 2014 - \$2.45 billion).

### 4. Short Term Deposits

Short term deposits in the amount of \$19,931,452 (2015 - \$19,161,442) are maturing in the next 90 days and include GICs and term deposits at interest rates varying from 1.55% to 2.40% (2015 - 1.55% to 4.65%). At year end these deposits have an average annual interest rate of 1.79% and will mature within the next 90 days.

### 5. Accounts Receivable

Accounts receivable consist of:

|                                       | 2016               | 2015               |
|---------------------------------------|--------------------|--------------------|
| Property and equipment                | \$1,767,967        | \$1,966,587        |
| Lease rentals and seismic             | 1,128,161          | 988,729            |
| Reclassification agreements           | 1,028,283          | 955,448            |
| Sundry debtors                        | 835,236            | 1,318,684          |
| Water rates and charges               | 400,869            | 439,204            |
| Water conveyance agreements           | 177,984            | 169,679            |
| Gravel and dirt                       | 3,135              | 43,160             |
| Less: Allowance for doubtful accounts | (33,332)           | (42,466)           |
|                                       | <u>\$5,308,303</u> | <u>\$5,839,025</u> |
| Accounts receivable - current         | \$2,818,395        | \$3,604,138        |
| Accounts receivable - non current     | 2,489,908          | 2,234,887          |
|                                       | <u>\$5,308,303</u> | <u>\$5,839,025</u> |

### 6. Investments

Investments consist of:

|   | 2016                | 2015                |
|---|---------------------|---------------------|
| Investments - current: term deposits and corporate bond that mature within 1 year | \$27,688,125        | \$30,933,195        |
| Investments - non current:  |                     |                     |
| Term deposits   | 36,976,907          | 18,971,172          |
| Corporate bonds   | 6,027,020           | 273,203             |
| Credit union common shares  | 120,620             | 115,774             |
|   | <u>43,124,547</u>   | <u>19,360,149</u>   |
|   | <u>\$70,812,672</u> | <u>\$50,293,344</u> |
| Fair market value at September 30   | <u>\$70,877,571</u> | <u>\$50,297,953</u> |





# Eastern Irrigation District

Notes to the financial statements  
September 30, 2016

## 7. Property and Equipment

|   | Cost                   | Accumulated<br>Amortization | 2016<br>Net          | 2015<br>Net          |
|---|------------------------|-----------------------------|----------------------|----------------------|
| General Fund:                                 |                        |                             |                      |                      |
| Equipment                                     | \$18,681,920           | \$9,805,656                 | \$8,876,264          | \$8,600,292          |
| Community pasture reseeding                   | 3,317,563              | 1,577,174                   | 1,740,389            | 1,934,759            |
| Irrigation Works Fund:                        |                        |                             |                      |                      |
| Buildings                                     | 8,574,097              | 5,872,980                   | 2,701,117            | 2,607,923            |
| Irrigation works                              | 630,278,467            | 251,214,214                 | 379,064,253          | 371,663,308          |
| Land  | 1,871,128              | 0                           | 1,871,128            | 1,633,737            |
|   | <u>\$662,723,175</u>   | <u>\$268,470,024</u>        | <u>394,253,151</u>   | <u>386,440,019</u>   |
| Deferred grants and contributions             | <u>(\$270,150,119)</u> | <u>\$134,130,511</u>        | <u>(136,019,608)</u> | <u>(122,592,984)</u> |
| Net assets invested in property and equipment |                        |                             | <u>\$258,233,543</u> | <u>\$263,847,035</u> |

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

|   | 2016                 | 2015                 |
|---|----------------------|----------------------|
| Beginning of year                       | \$371,663,308        | \$362,524,952        |
| Additions to irrigation works:          |                      |                      |
| District projects                       | 11,916,277           | 11,226,725           |
| Province of Alberta cost share projects | 10,309,633           | 11,914,463           |
| Survey costs and easements              | 585,812              | 944,895              |
| Amortization                            | (15,410,777)         | (14,947,727)         |
| End of year                             | <u>\$379,064,253</u> | <u>\$371,663,308</u> |

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

|                                  | 2016                 | 2015                 |
|----------------------------------|----------------------|----------------------|
| Beginning of year                | \$122,592,984        | \$118,836,299        |
| Contributions from third parties | 19,552,536           | 9,808,787            |
| Amortization                     | (6,125,912)          | (6,052,102)          |
| End of year                      | <u>\$136,019,608</u> | <u>\$122,592,984</u> |

Current year additions to irrigation works are as follows:

|                                 | District           | Bassano Dam<br>Spillway | Province of<br>Alberta<br>Cost Share | 2016<br>Total       | 2015<br>Total       |
|---------------------------------|--------------------|-------------------------|--------------------------------------|---------------------|---------------------|
| External Charges:               |                    |                         |                                      |                     |                     |
| Materials and supplies          | \$1,510,662        | \$1,399,805             | \$6,387,731                          | \$9,298,198         | \$7,699,149         |
| Equipment and other services    | 4,509,017          | 41,357                  | 1,790,908                            | 6,341,282           | 7,704,132           |
| Contract services - engineering | 70,284             | 884,772                 | 0                                    | 955,056             | 1,500,001           |
| Contract services               | 209,903            | 52,750                  | 36,293                               | 298,946             | 699,677             |
| Internal Charges:               |                    |                         |                                      |                     |                     |
| Equipment recovery              | 2,203,442          | 1,610                   | 1,405,835                            | 3,610,887           | 3,708,148           |
| Labour recovery - other         | 696,164            | 2,300                   | 552,880                              | 1,251,344           | 1,286,213           |
| Labour recovery - engineering   | 293,309            | 40,902                  | 135,986                              | 470,197             | 543,868             |
|                                 | <u>\$9,492,781</u> | <u>\$2,423,496</u>      | <u>\$10,309,633</u>                  | <u>\$22,225,910</u> | <u>\$23,141,188</u> |



### 8. Inventories

|                        | 2016        | 2015        |
|------------------------|-------------|-------------|
| Materials and supplies | \$1,813,215 | \$1,635,947 |

The amount of inventories recognized as an expense during the year was \$584,894 (2015 - \$586,653).

### 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.



# Eastern Irrigation District

Notes to the financial statements  
September 30, 2016

## 10. Continuity of Fund Balances

|  | Invested in<br>Property and<br>Equipment | Unrestricted<br>Funds | Internally<br>Restricted<br>Funds -<br>Pasture<br>Development | Internally<br>Restricted<br>Funds -<br>Irrigation<br>Works | Externally<br>Restricted<br>Funds -<br>Bassano<br>Dam Spillway<br>Project | Externally<br>Restricted<br>Funds -<br>Province of<br>Alberta | Total Fund<br>Balances |
|--|--|-----------------------|---|--|---|---|------------------------|
| Beginning of year  | \$263,847,035                            | \$0                   | \$151,954   | \$53,212,280   | \$5,075,937   | \$7,980,324   | \$330,267,530          |
| Assets received from<br>Province of Alberta                    | (19,552,536)                             | 0                     | 0   | 0  | 15,000,000  | 4,552,536   | 0                      |
| District contribution to<br>cost share projects                |  |                       |   |  |   |   |                        |
| Irrigation Rehabilitation<br>Program                           | 0  | 0                     | 0   | (1,517,512)  | 0   | 1,517,512   | 0                      |
| Bassano Dam Spillway<br>Project                                | 0  | 0                     | 0   | (5,000,000)  | 5,000,000   | 0   | 0                      |
| Additions to property<br>and equipment, net                    | 25,190,932                               | (1,768,745)           | 0   | (10,689,058)   | (2,423,496)   | (10,309,633)  | 0                      |
| Revenue over expenses<br>(Deficiency) allocated                | (11,251,888)                             | 20,652,248            | 0   | 1,413,699  | 261,225   | 65,600  | 11,140,884             |
| Transfer to (from)<br>community pasture<br>development reserve | 0  | (1,800)               | 1,800   | 0  | 0   | 0   | 0                      |
| Transfer to irrigation works<br>fund from operations           | 0  | (18,881,703)          | 0   | 18,881,703   | 0   | 0   | 0                      |
| End of year  | \$258,233,543                            | \$0                   | \$153,754   | \$56,301,112   | \$22,913,666  | \$3,806,339   | \$341,408,414          |

The Board of Directors has authorized the transfer of \$18,881,703 from current year operations to internally restricted funds to be used for future irrigation works additions and \$1,800 for community pasture development. As well, authorization was given to use \$1,517,512 of internally restricted funds to pay for the District's 25% share of Province of Alberta cost share projects and to contribute \$5,000,000 of internally restricted funds to the externally restricted fund for the Bassano Dam Spillway project.

## 11. Irrigation Rates

Irrigation rates consist of:

|  | 2016 | 2015 |
|--|------|------|
| 295,159 acres at \$0 per acre          | \$0  | \$0  |
| 4,603 acres at \$0 per acre terminable | 0    | 0    |
| Minimum parcel rates and adjustments   | 0    | 0    |
|  | \$0  | \$0  |

The cost to deliver water to the farm gate during the current year was \$24 per acre (2015 - \$24). 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 (2015 - \$0).

## 12. Community Grazing Expenses

Community grazing expenses consist of:

|   | 2016        | 2015        |
|---|-------------|-------------|
| Amortization of equipment and reseeded pastures | \$259,225   | \$273,565   |
| Water   | 226,945     | 160,407     |
| Fences  | 182,523     | 196,069     |
| Property taxes                                  | 170,920     | 164,267     |
| Pasture management fees                         | 106,369     | 104,636     |
| Fire guards                                     | 68,630      | 42,447      |
| Irrigated pastures                              | 31,832      | 33,768      |
| Swing fields and miscellaneous                  | 28,014      | 19,222      |
| Pasture rental fees (net of recoveries)         | 16,677      | 13,985      |
|   | \$1,091,135 | \$1,008,367 |



### 13. Community Grazing Property and Equipment Expenditures

Property and equipment expenditures include:

Grazing water pipeline and improvements  
Pasture development and reseeding

| 2016            | 2015             |
|-----------------|------------------|
| \$91,239        | \$110,316        |
| 4,738           | 0                |
| <b>\$95,977</b> | <b>\$110,316</b> |

### 14. Special Projects

Revenue:

Campgrounds

| 2016      | 2015      |
|-----------|-----------|
| \$399,847 | \$421,018 |

Expenses:

Campgrounds  
Rural water initiative  
Lakeside Leisure Centre  
Farm improvement program  
Partners in Habitat Development  
Aerial Photo  
Aquatic Invasive Species - potash trial  
Silver Sage Corral  
Environmental remediation - old truck shop property  
Dam safety inspections  
Duchess Golf Course  
University of Alberta - water management model  
Aquatic Invasive Species - dog training and public education  
Duchess Recreation Centre

|           |           |
|-----------|-----------|
| (316,770) | (462,543) |
| (302,000) | (190,000) |
| (250,000) | 0         |
| (238,545) | (202,658) |
| (125,000) | (100,000) |
| (30,851)  | 0         |
| (25,689)  | 0         |
| (7,780)   | 0         |
| (7,521)   | (18,733)  |
| (4,806)   | (170,758) |
| (4,218)   | (24,711)  |
| (4,000)   | 0         |
| (3,905)   | (19,434)  |
| 0         | (41,764)  |

Deficiency

|                    |                    |
|--------------------|--------------------|
| <b>(\$921,238)</b> | <b>(\$809,582)</b> |
|--------------------|--------------------|

### 15. EIDNet

Revenue:

Wireless subscription and miscellaneous revenue  
Customer installation fees  
Amortization of deferred grant

| 2016           | 2015           |
|----------------|----------------|
| \$871,114      | \$745,507      |
| 57,275         | 47,399         |
| 2,555          | 2,839          |
| <b>930,944</b> | <b>795,745</b> |

Expenses:

Wages and operating costs  
Customer installation expenses  
Amortization  
Telecommunications and bandwidth

|           |           |
|-----------|-----------|
| (503,859) | (501,573) |
| (267,745) | (237,784) |
| (243,059) | (173,569) |
| (70,670)  | (61,831)  |

Total Expenses

|                    |                  |
|--------------------|------------------|
| <b>(1,085,333)</b> | <b>(974,757)</b> |
|--------------------|------------------|

Deficiency

|                    |                    |
|--------------------|--------------------|
| <b>(\$154,389)</b> | <b>(\$179,012)</b> |
|--------------------|--------------------|

### 16. Trust Funds Held

Trust funds held include \$8,688 (2015 - \$16,957) in the Carl Anderson fund plus \$170,821 (2015 - \$185,256) 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

|                        | 2016             | 2015             |
|------------------------|------------------|------------------|
| Beginning of year      | \$746,902        | \$722,283        |
| Contributions          | 43,785           | 24,619           |
| Reclamation activities | (9,843)          | 0                |
| End of Year            | <b>\$780,844</b> | <b>\$746,902</b> |



# Eastern Irrigation District

Notes to the financial statements  
September 30, 2016

## 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:

|   | 2016     | 2015     |
|---|----------|----------|
| Amounts included in accounts receivable at year end:      |          |          |
| Lease rentals and seismic                                 | \$54,936 | \$25,940 |
| Water rates and charges                                   | 16,648   | 7,452    |
| Water conveyance  | 2,982    | 3,019    |
| Sundry debtors  | 0        | 2,336    |
| Amounts included in accounts payable at year end:         |          |          |
| Accounts payable and accrued liabilities                  | (67,400) | 0        |
| Unearned rent   | (14,018) | (4,185)  |
| Unearned EIDNet Fees                                      | (742)    | (1,964)  |
| Revenue:  |          |          |
| Private grazing, irrigated lease fees and cost recoveries | 69,926   | 50,940   |
| Capital assets charges                                    | 22,500   | 13,500   |
| Water conveyance agreements                               | 20,909   | 11,986   |
| Irrigation works constructed by the District              | 3,887    | 41,918   |
| EIDNet fees   | 3,091    | 2,609    |
| Gravel and dirt sales and miscellaneous                   | 1,971    | 2,675    |
| Reclassification loan payments                            | 0        | 9,324    |
| Expenses:   |          |          |
| Farm improvement program                                  | (14,994) | (2,510)  |
| Salaries and benefits                                     | (8,487)  | (16,696) |
| Rights-of-way purchased by the District                   | (4,162)  | (20,302) |
| Scholarships  | (4,000)  | 0        |
| Miscellaneous services                                    | (20)     | (2,466)  |
| Irrigation works additions                                | 0        | (61,958) |

### Land Trade:

During the year, the District completed a land trade deal with a related party. In the trade, the District acquired 184.2 acres of pasture land and disposed of 147.42 acres of pasture land. The acquisition and disposal are each recorded in the District's financial records at \$146,700, which is the estimated fair value of each of the parcels.

## 19. Directors Per Diems and Benefits Disclosure

Disclosure of per diems and benefits for elected directors is as follows:

| Division | Director's Name | Per Diems | Benefits | 2016 Total | 2015 Total |
|----------|-----------------|-----------|----------|------------|------------|
| 1        | Floyd George    | \$22,188  | \$1,040  | \$23,228   | \$25,935   |
| 2        | Jim Culligan    | 19,446    | 905      | 20,351     | 18,318     |
| 3        | Ross Owen       | 18,033    | 835      | 18,868     | 18,579     |
| 4        | Bruce McKellar  | 12,528    | 577      | 13,105     | 25,165     |
| 4        | Rod Johnson     | 4,113     | 175      | 4,288      | 0          |
| 5        | George Graham   | 15,671    | 718      | 16,389     | 17,314     |
| 6        | Bob Chrumka     | 29,120    | 1,384    | 30,504     | 30,856     |
| 7        | Carl Chomistek  | 16,433    | 770      | 17,203     | 26,415     |
| 7        | George Murray V | 4,113     | 175      | 4,288      | 0          |
|          |                 | \$141,645 | \$6,579  | \$148,224  | \$162,582  |

Benefits include the District's share of Canada Pension Plan contributions made on behalf of the directors.



### 20. Commitments

#### Uncompleted contracts:

The District has commitments in an estimated amount of \$nil (2015 - \$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 sales are completed as expected, will result in gross sale proceeds of approximately \$111,216 (2015 - \$nil).

#### 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.

### 21. Contingencies

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

At year end, a claim for crop damage was unresolved. The cost to settle this claim, if any, cannot be determined at this time.

### 22. 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.

### 23. Approval of Financial Statements

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





# Eastern Irrigation District

Schedule of operations and administration expenses  
For the year ended September 30, 2016

## Schedule 1

|  | Equipment<br>Pool  | Maintenance        | Water Delivery     | EID Land<br>Administration | Administration<br>and General | 2016<br>Total      | 2015<br>Total      |
|--|--------------------|--------------------|--------------------|----------------------------|-------------------------------|--------------------|--------------------|
| <b>Salaries and benefits</b>             |                    |                    |                    |                            |                               |                    |                    |
| Salaries                                 | \$2,002,054        | \$852,611          | \$1,797,705        | \$360,984                  | \$1,510,531                   | \$6,523,885        | \$6,546,136        |
| Pension plans                            | 264,914            | 106,527            | 267,145            | 67,142                     | 201,184                       | 906,912            | 905,251            |
| Group insurance                          | 74,071             | 26,621             | 68,216             | 15,191                     | 58,064                        | 242,163            | 244,562            |
| Employment insurance and WCB             | 46,251             | 16,065             | 43,389             | 15,404                     | 33,296                        | 154,405            | 122,734            |
| <b>Equipment</b>                         |                    |                    |                    |                            |                               |                    |                    |
| Equipment rent (recovery), net           | 0                  | 913,668            | 30,748             | 9,343                      | 0                             | 953,759            | 1,423,828          |
| Amortization of equipment                | 1,094,376          | 0                  | 0                  | 0                          | 90,483                        | 1,184,859          | 1,084,633          |
| Vehicle expense (recovery), net          | (288,233)          | 191,385            | 400,206            | 45,660                     | 91,228                        | 440,246            | 495,374            |
| Heavy equipment expense                  | 467,362            | 0                  | 0                  | 0                          | 0                             | 467,362            | 281,984            |
| <b>Other</b>                             |                    |                    |                    |                            |                               |                    |                    |
| Irrigation pumps and structures          | 0                  | 401,532            | 270,913            | 0                          | 0                             | 672,445            | 790,278            |
| Materials and supplies                   | 149,251            | 275,168            | 156,509            | 3,966                      | 0                             | 584,894            | 586,653            |
| Buildings and grounds                    | 131,742            | 32,893             | 329,619            | 25,271                     | 53,352                        | 572,877            | 325,444            |
| Advertising and promotion                | 410                | 0                  | 0                  | 1,728                      | 145,883                       | 148,021            | 174,174            |
| Office supplies and maintenance          | 0                  | 0                  | 0                  | 0                          | 141,157                       | 141,157            | 166,791            |
| Directors per diems and CPP (Note 19)    | 0                  | 0                  | 0                  | 0                          | 148,224                       | 148,224            | 162,582            |
| Professional fees                        | 0                  | 1,374              | 0                  | 35,319                     | 173,615                       | 210,308            | 162,109            |
| Insurance                                | 84,848             | 0                  | 29,140             | 0                          | 40,667                        | 154,655            | 153,327            |
| Association fees                         | 0                  | 0                  | 0                  | 0                          | 121,729                       | 121,729            | 94,425             |
| Telephone                                | 24,742             | 6,853              | 21,863             | 2,972                      | 27,270                        | 83,700             | 83,393             |
| Directors expenses                       | 0                  | 0                  | 0                  | 0                          | 50,229                        | 50,229             | 56,444             |
| Miscellaneous and freight                | 1,513              | 1,225              | 5,218              | 724                        | 17,404                        | 26,084             | 31,895             |
| Shop supplies and small tools            | (1,656)            | 7,212              | 2,993              | 294                        | 0                             | 8,843              | 24,083             |
| Travel                                   | 804                | 288                | 1,783              | 1,622                      | 15,861                        | 20,358             | 16,656             |
| Private and irrigated leases             | 0                  | 0                  | 0                  | 25,639                     | 0                             | 25,639             | 12,258             |
| Water quality testing                    | 0                  | 0                  | 1,457              | 0                          | 0                             | 1,457              | 0                  |
| <b>Total expenses</b>                    | <b>4,052,449</b>   | <b>2,833,422</b>   | <b>3,426,904</b>   | <b>611,259</b>             | <b>2,920,177</b>              | <b>13,844,211</b>  | <b>13,945,014</b>  |
| <b>Less:</b>                             |                    |                    |                    |                            |                               |                    |                    |
| Recovery from other capital construction | (3,023,692)        | (144,948)          | (277,541)          | (1,094)                    | (454,232)                     | (3,901,507)        | (3,732,022)        |
| Recovery from IRP capital construction   | (1,447,382)        | (58,919)           | (443,475)          | 0                          | (144,925)                     | (2,094,701)        | (2,330,988)        |
|  | <b>(\$418,625)</b> | <b>\$2,629,555</b> | <b>\$2,705,888</b> | <b>\$610,165)</b>          | <b>\$2,321,020</b>            | <b>\$7,848,003</b> | <b>\$7,882,004</b> |

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

Cover Photo:  
Bassano Dam Emergency Spillway Construction  
February 10, 2017





# 2017 Annual Meeting Agenda

- 1.0 Welcome and Opening Remarks:** Mr. Floyd George, Chairman, Board of Directors
- 2.0 Election of a Chair for the Annual General Meeting:** Mr. Floyd George
- 3.0 Adoption of the Agenda**
- 4.0 Approval of the Minutes:** March 23, 2016 Annual General Meeting
- 5.0 Business Arising from the Minutes:** March 23, 2016 Annual General Meeting
  - 5.01 Motion to Limit the Term for Directors to 3 terms
  - 5.02 Recommendation of an Independent Appeal Process or Ombudsman
- 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. Floyd George
  - 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 District Efficiency Gains
  - 8.02 General Matters Raised from the Floor
  - 8.03 Report on Scheduled Elections: Mr. Ivan Friesen, Returning Officer
    - Division 1: Mr. Floyd George (Term Expired)
    - Division 5: Mr. George Graham (Term Expired)
- 9.0 Adjournment**



## March 23, 2016 Annual General Meeting

The Eastern Irrigation District held its Annual General Meeting on Wednesday, March 23rd, 2016, 1:30 p.m. at the Heritage Inn, in Brooks, Alberta. Approximately 100 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 8.04 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 Lammert Lyzenga, Seconded by Lionel Juss 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 25, 2015 Annual General Meeting

Mr. Simpson called for a mover and a seconder to adopt the minutes from the March 25, 2015 Annual General Meeting.

**Moved by David Peltzer, Seconded by Brian de Jong that the minutes of the 2015 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 2015 Annual General Meeting. No items were raised.

### 6.0 Bassano Dam Emergency Spillway Update – Mr. Earl Wilson, Special Projects Manager

Mr. Wilson presented the Bassano Dam Emergency Spillway Update, summarized as follows:

- The 6 historical largest floods in Alberta to date were: 1915 – 2,258 m<sup>3</sup>/s, 1923 – 2,180 m<sup>3</sup>/s, 1929 – 2,540 m<sup>3</sup>/s, 1932 – 2,310 m<sup>3</sup>/s, 2005 – 2,040 m<sup>3</sup>/s, and in 2013 – 4,000 m<sup>3</sup>/s.
- Bassano Dam is considered a high consequence dam, not due to potential loss of life, but socio-economic impact to the area.
- Canadian Dam Safety guidelines recommend high consequence dams have spillway capacity one third between the 1 in 1,000 year flood and the PMF (Presumed Maximum Flood) for the dam, which for Bassano is 7,500 m<sup>3</sup>/s. A flood of 3,000 m<sup>3</sup>/s can be handled by the Bassano Dam at FSL 790.6. A flood of 6,000 m<sup>3</sup>/s can be handled by passing 4,000 m<sup>3</sup>/s over the dam and 2,000 m<sup>3</sup>/s over the new spillway, at FSL 792.0 (this is



greater than the 1 in 1,000 year flood). A flood of 10,000 m<sup>3</sup>/s can be handled by passing 5,000 m<sup>3</sup>/s over the dam, 2,500 m<sup>3</sup>/s over the new spillway, and 2,500 m<sup>3</sup>/s through the existing fuse plug, at FSL 792.5.

- The concrete spillway will remain as an emergency spillway (not operational), with 10 gates compared to the main dam which has 24 gates. A cofferdam and installation of sheet steel piling is the first phase of construction.
- Agreements are in place with Siksika Nation and the Federal Government; and approvals have been received from Environment Canada, Fisheries & Oceans Canada, and Transport Canada.
- Water Act approval has not yet been received from Alberta Environment & Parks; it is expected to receive this by the summer of 2016.
- It is planned to start construction of the cofferdam in November 2016, install sheet steel piling in January 2017, dewater the site in the spring of 2017, and construct the emergency spillway from the summer of 2017 through to the fall of 2018. Downstream excavation should occur in the fall and winter of 2017/2018, and removal of the cofferdam in February and March of 2019.
- The project is divided into 5 contracts: 1) Engineering (MPE/Klohn Crippen Berger), 2) Cofferdam, Initial Excavation, Sheet Piling & Dewatering, 3) Gate & Hoist Manufacture & Supply, 4) Emergency Spillway Construction, and 5) Downstream Excavation & Cofferdam Removal, for a total project estimate of \$44,000,000.
- David Peltzer enquired regarding the operational possibilities of the new spillway. Mr. Wilson advised that it is an emergency spillway only, not operational as first planned. This is due to the significant cost that would be involved to accommodate the poor composite layers at this location. It will, however, remain as a gated structure.
- Aleta Steinbach commented on the silt building upstream of the dam. Mr. Wilson confirmed that the 2013 flood changed the course of the river, a lot of silt was deposited, and that it would not be feasible nor advantageous to dredge the area as the dam is a diversion dam and not a storage dam.
- Brian de Jong asked what kind of impact the upstream flood mitigation would have on the dam. Mr. Wilson replied that some projects in Okotoks and Calgary will increase flood waters at Bassano, the Springbank dry dam will help, and the operational changes of the Ghost Reservoir could both help the District at flood times and hinder it during irrigation season.

Mr. Simpson thanked Mr. Wilson for his report.

## **7.0 Presentation of Reports**

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

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

- Late fall inspections of the water storage and conveyance system substrates have shown no signs of mussel infestation.
- 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 prevented 11 infested water vessels from launching in Alberta's water systems.
- The District has agreed to financially partner with Alberta Agriculture towards mussel management research and testing.
- The Emergency Spillway agreements, initial design and government funding are in place; however an interruption in regulatory approvals has delayed the project by one year.



# Annual Report Insert

Minutes From Annual General Meeting, March 23, 2016

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- In the perspective of current lakeshore encroachments and prior experiences of other irrigation districts, the EID has given serious consideration over the years and now in consultation with legal advice, is developing a policy to be introduced prior to the 2016 water season.
- The District is in ongoing compensation negotiations with CNRL, and has employed external consultation and expert assistance and direction.
- The EID has provided input into the Province's Biodiversity Framework and Lake Watershed Management strategies.
- The Board has given direction for staff to conduct a general assessment, to address irregularities and remain in compliance with the Irrigation Districts Act. A similar review has not been completed since 1995.
- The District will be addressing the continuance of the water quality testing program with Alberta Agriculture.
- Thanks is given to the Water Users, staff and the many government agencies and officials for their cooperation and support throughout 2015.

**Moved by Bob Chrumka, Seconded by Rudy Peltzer that the 2015 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:

- The 2015 water season started out with below average snowpack; Ghost Reservoir was held low for flood mitigation and there was no significant rainfall in June. 2015 was drier until mid-August than it was in the last dry year (2001).
- 471,900 acre feet of water was diverted, with approximately 287,500 delivered to the farm gate. By comparison, 695,000 acre feet was diverted in 2001; evidence of the great strides the Water Users and rehabilitation plan have made in the increase in efficiencies.
- The 2014/2015 rehab program 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 (35 km out of 60 km) of the Rainier project completed.
- 41 Farm Improvement Grants were approved totaling \$262,938.
- 1,118 irrigation acres were added to the assessment roll; 945 were new irrigation acres and 242 were on existing parcels that converted to a more efficient method of irrigation. 50 acres were bought back by the District, 19 acres were converted to Rural Water Use Purposes agreements, and 112 acres were converted from terminable to irrigation. Assessment at December 31, 2015 was 298,975 acres.
- A general assessment will be undertaken in 2016; currently the expansion plan limits the irrigated acres to 311,000. 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); 10,376 acres



converted to pivot this past year. 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. 2016 will be the last year for applications, of a 4 year commitment for new acres added without reservoir support.

- 17,165 cow/calf pairs were turned out in 2015; using grass growth from previous years, and precipitation in the fall replenished the pastures.
- 23 new oil or gas well sites were acquired in 2015, and an additional 20 wells were drilled on existing leases. New pipeline acquisitions totaled 79 acres, with 123 miles of seismic work.
- The District continues with education, monitoring and project partnering against the threat of invasive mussels.
- 2 long term employees retired, 3 employees left the District, and 9 new staff were hired.

**Moved by Ivan Friesen, Seconded by Wayne Hammergren that the 2015 General Manager's Report be accepted as presented.**

Mr. Simpson asked if there were any questions of the General Manager. In response to Garnet Altwasser's question on the recorded amount for operational spill, Mr. Friesen clarified that although this amount is calculated from diversion less farm delivery, evaporation and conveyance losses, it can be greatly affected by precipitation.

**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 2015 were at \$3,365,048 due to an increase in water demand which taxed the system, and is reflected in the repairs to pumps, control structures, extra equipment costs and the hiring of 2 additional staff to maintain the growing amount of infrastructure.

**Moved by Ivan Friesen, Seconded by Rients Palsma that the 2015 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**

Mr. Friesen reviewed the 2015 Irrigation Rehabilitation Report, displayed information on completed projects, and advised of plans for future IRP and capital projects.

- In 2015, \$24,086,000 was spent rebuilding the District's water delivery and drainage systems; 10 large scale projects were completed, and 3 km of one project was hired out.
- 2016 will consist of 8 large scale projects and the continuance of the County/EID Drainage Program in the Rainier area.
- In 2015 the Province provided \$4,809,000 (75%) and the District invested \$1,515,000 (25%) comprising the annual Irrigation Rehabilitation Program funds for the year. With 2015 and remaining funds the District completed the construction of approximately 26 km of pipeline.

**Moved by Ivan Friesen, Seconded by Max Tateson that the 2015 Rehabilitation Report be accepted as presented.**



Mr. Simpson asked if there were any questions of the General Manager. Don Jacobson enquired if there could be anything done to improve drainage along the west east side of Hwy #36. Mr. Friesen responded that engineering certainly could look into the situation, although some pooling in that region is due to landlocked areas, which would ultimately require pumping. Secondly, anything directly adjacent to the highway could not be addressed as it falls under Alberta Transportation.

**The motion to adopt the report was carried.**

### **7.05 Audited Financial Statements of the District – Mr. Kevin Bridges, Assist. GM, Corp. Services**

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

#### **Compared to 2014:**

- Changes in assets:
  - Current assets increased by \$8.4 million. This change is primarily due to cash and short term investments being down \$3.7 million and current investments being up \$11.5 million.
  - Non-current assets decreased by \$1.4 million, which is primarily due to the reclassification of investments from non-current to current as they approach their maturity dates.
  - Property and equipment assets, in total, increased by \$10.6 million net of amortization expense. Buildings changes include improvements to the main office and to some of the District's residences, completion of the Gymnastics Club building, a shed for the loader and the new truck shop. The equipment changes involved the usual truck and equipment replacements.
  - \$24.1 million were invested into irrigation works which was partially offset by an amortization expense of \$14.9 million.
- Accounts payable, GST and payroll taxes payable in total were up \$1.3 million from 2014. This is a normal variation and is largely a reflection of the construction work underway at year end.
- Unearned revenues (current and non-current) in total are up slightly (\$260,000) from 2014. Within the unearned category, unearned revenues from oil and gas and from powerlines each increased by \$175,000 while unearned revenues from land sales decreased by \$98,000.
- The change in deferred grants and contributions is made up of the \$9.8 million received from the Province as a grant for irrigation works (\$4.8 million) and for the Bassano Dam Spillway project (\$5.0 million) less the \$6.05 million of deferred grants that were drawn into income.

#### **Fund Balances:**

- The Internally Restricted Pasture Development Fund started the year at \$150,904. \$1,050 were added for a yearend balance of \$151,954.
- The Internally Restricted Fund for Future Irrigation Works started the year with a balance of \$47.4 million. \$1.51 million were transferred out to the Externally Restricted Fund to pay the District's share of the Provincial IRP grant program and \$1.59 million were transferred to pay the District's share of the Bassano Dam Spillway project expenses. \$11.9 million were withdrawn to pay for land & building purchases and capital projects funded solely by the District. \$2.1 million were added to the fund from capital asset charges, gravel royalties & dirt sales, the gain on the sale of land, and from interest earnings. \$18.67 million were contributed from current year's operations. Over the year, the fund balance increased by about \$5.8 million.
- The Bassano Dam Spillway project received \$5 million grant funding from the Province, the District



added its share of \$1.59 million, \$1.53 million were spent on the project, and \$17,000 of interest income was added, for a yearend total of \$5.07 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 \$13.4 million. The \$4.8 million grant from the Province was added to the fund. The \$1.51 million District's share was also added. \$11.9 million were spent on eligible capital projects and \$129,000 of interest earnings were also added. Over the year, this fund balance decreased by about \$5.4 million.

**Statement of Operations & Changes in Fund Balances:**

- Total 2015 water earnings were down from 2014 by \$85,000. This change is made up of an increase in conveyance revenues of \$58,000 and a decrease in oil and gas drilling water of \$143,000, which is consistent with 2015's lower level of exploration and drilling activity.
- Oil and gas well lease fees were up due to higher lease rates and a few more leases. Oil and gas right of entry fees were down, also due to the lower level of activity.
- Powerline revenues were up due to additional tower sites paying rent. Right of entry fees for power lines were primarily from ATCO acquiring some right-of-way.
- Irrigated lease fees increased in 2015 primarily due to some of the newer leases paying rent at the full rate for the full year.
- Private grazing lease fees in 2015 were lower than 2014 primarily due to a lease renewal fee paid in 2014 that wasn't repeated in 2015.
- Investment income was lower due to lower interest rates. As the higher yielding investments mature, those funds are reinvested at today's lower rates.
- The gain on the sale of land, equipment and buildings is made up of:
  - a gain of \$34,170 from the usual disposal of various pieces of equipment;
  - a gain on the sale of land of \$754,381 from the sale of a parcel of irrigated land in the Gem area, a sliver of land in the Rainier area to correct a property line, the K300 mortgage principal and interest payments, and the sale of 3 narrow strips of land to Alberta Transportation for road widenings.
- The capital asset charges revenue is made up of \$471,100 from issuing irrigation acres, plus \$7,000 from new acreage agreements, less \$39,900 spent buying back irrigation acres.
- In 2015, total operating and administration costs of \$13.9 million were incurred compared to \$12.8 million in 2014. Of the \$13.9 million, \$6.1 million were recovered from or charged to capital construction projects leaving net 2015 operating costs of \$7.9 million for an increase in net costs of about 8% compared to 2014. Labour and repair expenses were primarily responsible for the increase.
- Community grazing expenses increased by \$166,000 due primarily to increases in amortization, fencing, property taxes, pasture and water-related costs.
- The net cost of Special Projects increased in 2015 by \$157,000. Special Project costs increased for the Campgrounds, Farm Improvement Program Grants, Rural Water Initiative contributions, the Duchess Recreation Centre and Duchess Golf Course projects and the new Aquatic Invasive Species prevention initiatives. Special Project costs decreased for the Dam Safety Inspections, Remediation of the old truck shop property, the Signage program and for Soil Testing.



- The net cost of operating EIDNet increased by \$63,600 in 2015 due to increased customer equipment and amortization costs, which were partially offset by a revenue increase of \$31,000 and lower labour, operating and bandwidth costs.

**Moved by Kevin Bridges, Seconded by Leonard Lundquist that the 2015 Financial Statements be accepted as presented.**

Mr. Simpson asked if there were any questions of the Assistant General Manager – Corporate Services. Mr. Friesen added that the second funding installment for the Bassano Dam Emergency Spillway, consisting of \$15 million, has been received from the Provincial Government.

**The motion to adopt the report was carried.**

## **8.0 New Business**

### **8.01 Notice of General Assessment – Ms. Erinn McLeod, Land Admin. – Assess., Water & Lands**

Erinn McLeod, Land Administrator – Assessment, Water & Lands presented a report on the upcoming general assessment, highlighting the following:

- The goal of the general assessment is to work towards ensuring assessment is equal to the actual irrigated area for all parcels thus assuring correct water delivery entitlement for all parcels.
- The last general assessment was done in 1995, and many on-farm irrigation changes have occurred since. In accordance with Provincial Statutes the District is undertaking the general assessment to correct any inaccuracies that may be present.
- The process will involve using aerial photos taken last summer, looking at each of the approximate 3,500 parcels via GIS and verifying what is currently being irrigated, and comparing that to the District's current assessment lines.
- If no additional acres are needed, the parcel is left unchanged. If it appears that additional acres are needed, these will be calculated and may require verification with field staff. A list will be made of all parcels needing to be addressed, and once the entire general assessment is complete the Board will review and discuss on a policy level.
- Landowners will be notified of any assessment changes and charges, an appeal period will be included, and ultimately the District's mapping and database will be adjusted and balanced. No irrigation acres will be removed unless by written application of the landowner. Assessment increases will be subject to the same policy as any other standard increase in irrigation acres (ex. soils testing requirements if necessary).
- It is expected to take 6 months to review all parcels, followed by Board review and then contact with landowners.

Mr. Simpson asked if there were any questions of Ms. McLeod. None were raised.

### **8.02 CNRL Negotiations – Mr. Nathan Fontaine, Land Supervisor**

Nathan Fontaine, Land Supervisor presented a report on the negotiations with CNRL, highlighting the following:

- Oil & gas activity on District lands operates under the EID Area Development & Operation Agreement, which sets out all the rules, guidelines and expectations. This includes all agreements (surface, pipeline ROWs, third party crossings, TWS, etc.), as well as the compensation rate structure.
- The rate structure is used to calculate compensation for all oil & gas activities on EID lands, except

irrigated parcels; it includes both initial consideration and annual rental. This format is used rather than adverse effect and loss of use, because of the amount of leases on EID lands (8,400). The rate structure is reviewed every 3 years, with the last review being in 2014 and resulting in a small increase in rates.

- Requests have been received to freeze the 2014 rates and not apply the increase in 2016; to date the District has not frozen any rental rates.
- CNRL has requested a 50% reduction on all of their leases, primarily based on commodity prices, and suggesting that if not accepted they would begin a large abandonment program. This also has not been accepted by the District as it would establish a new pattern of dealings and non-economical wells will be abandoned regardless.
- The District has sought legal counsel and hired an independent appraiser to help with the ongoing negotiations. Landowners willing to share negotiation information are encouraged to contact the appraiser or legal counsel, and may obtain their contact information from the EID office.

Mr. Simpson asked if there were any questions of Mr. Fontaine. None were raised.

### **8.03 Lake Newell Reservoir Land Use Policy – Mr. Kevin Bridges**

Kevin Bridges presented a report on the Lake Newell Reservoir Land Use Policy, highlighting the following:

- A policy was recently developed to better manage the EID lands in and around Lake Newell Reservoir, to protect, maintain and control the reservoir as part of its irrigation works.
- The primary purpose of Lake Newell reservoir is as a water reservoir for irrigated agriculture, although the District does support a multi-use philosophy including public, pedestrian access for much of its shorelines.
- Ongoing concerns with residential development, individual demands, claims, unauthorized use of District lands, risk to water quality, threat of invasive species, third party liability, etc. have brought the issue to the forefront.
- It is understood that Alberta Parks has development plans for the Kinbrook Island boat launch, and the installation of a breakwater and marina.
- It is preferred that no encroachments or personal property be on EID lands, and that ultimately there be no private docks or boat lifts, nor ongoing commitment for such.
- As a pilot project, annual license agreements will be offered to address current docks, boat lifts, encroachments, landscaping, etc.
- EID lands are privately owned, if anyone is considering something that may involve EID lands, please contact the office to discuss and obtain approval if required.

### **8.04 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, which is in its 3rd year of the 5 year program. Significant changes have been made to the program: maximum grant amount for flood or wheels to pivot has been increased from \$5,000 to \$15,000, and eligible producers may apply once per fiscal year rather than once per 5 year program. Grants are applicable to 40% of the cost of eligible upgrades for irrigation efficiencies such as: high to low pressure pivots, low flow nozzles, pivot control panels, variable rate pumps, and flood & wheels to low pressure pivot. Water Users were encouraged to speak with Mr. Bennett following the meeting, and to go to [www.growingforward.alberta.ca](http://www.growingforward.alberta.ca) for additional information.



## 8.05 General Matters Raised from the Floor

Mr. Simpson asked if there were any questions from the floor.

- Rients Palsma requested the opportunity to address an issue of Board governance, by making the following motion:

**Moved by Rients Palsma that the Board of Directors of the Eastern Irrigation District adopt a policy that requires Board members to step down for one year following three consecutive terms of Board service.**

As terms for Directors are 3 years, Mr. Simpson suggested that "1 term" be substituted for "1 year"; no objections were raised to this friendly amendment. Mr. Simpson asked if there was a seconder to the motion.

**Seconded by Daniel Doerksen.**

Mr. Palsma explained that his motion had to do with governance, with getting new ideas at the Board level, and with giving other people the opportunity to govern. Comments opposed to the motion were that it may curtail democracy, that it often takes a full term to learn the basics and that this proposal may eliminate some very good people in that the District we have today came about from some very long-standing Directors. Comments in favour of the motion included too lengthy a term may equate ownership of the position and that bringing in new people will also bring in new ideas. Concerns were expressed that there were people in the audience who would not be eligible to vote on the motion. This was counteracted that motions at the AGM are only recommendations to Board, that any suggestions would have to be discussed at the Board level and a resolution made there for any further action.

**The motion was carried. [In Favour – 32, Opposed – 21]**

- Subsequently, Aleta Steinbach requested the opportunity to read a letter which addressed a number of grazing matters, youth in agriculture, Bill 6, and the general assessment. Mr. Friesen responded that GAC input is taken into consideration for a number of grazing matters, that in both grazing and general assessment matters in particular staff are acting through direction of the Board, and that the general assessment has been discussed at length by the Board prior to moving forward. Further to this, much more information is required to be compiled and given to the Board for concluding decisions on policy and procedures transpiring from the general assessment.
- Arno Doerksen read a statement requesting that the Board consider instituting an independent appeal process for certain issues, upon reasoning that the core activity of the District is to govern irrigation, the presumed number of people in disagreement with the Board, and his experience with the current grazing appeal process and policy. Don Jacobson suggested an ombudsman concept if there is a need. Jim Culligan agreed that appeals can take a lot of Board time and did not disagree with an independent appeal process concept.
- Ellen Unruh advised that besides the annual regatta, the San Juan 21 North American Championship is also being hosted on Lake Newell Reservoir this summer. Mr. Friesen thanked Mrs. Unruh for this information, as aquatic invasive species is a very present risk.
- Blaine Johnson enquired how much affect the early lowering of Ghost Reservoir for flood mitigation has on irrigation water supply in summer. Mr. Friesen responded that the approximate 6 m lowering is equivalent to roughly 50,000 – 60,000 acre feet. As with last year, when there is reduced risk of flooding the 3 Bow irrigation districts will petition the government to replenish Ghost sooner while there are sufficient flows to meet their refilling needs as well as districts' irrigation needs.
- Wayne Hammergren asked if the District was considering reinstituting a water rate, in expectation





of oil & gas revenue declining. Mr. Chrumka responded that a water rate would be considered at some point, it would be part of balancing the budget as the shortfall would have to be made up somewhere. But as well, revenues and expenses would be looked at in all areas, adding that on a positive note, the majority of the rehabilitation program has been completed.

- Rients Palsma asked if the Board has sent a letter to the Premier concerning the economic viability of the region and the impact on carbon tax. Mr. Chrumka responded that at this point a letter has not been sent in that regard, although other letters addressing agricultural issues have been forwarded to various ministers, resulting in some Minister-District meetings occurring.
- Lee Pickett asked if Directors needed any formal direction from the floor as to the oil & gas negotiations, recommending that the Board not back down at all in their talks with CNRL. Mr. Chrumka said this would be consistent with the District's course of action, and that further discussion with Water Users could be handled individually with Directors after the meeting.

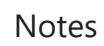
### **8.06 Report on Scheduled Elections – Mr. Ivan Friesen, Returning Officer**

Mr. Friesen reported that the term of the members of the Board of Directors for Division 2 Rosemary/Duchess, Division 4 Cassils/Brooks, and Division 7 Rolling Hills has been completed and therefore nominations are being accepted for these divisions. The nomination period will close Thursday, March 24, 2016, 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 Lammert Lyzenga that the annual meeting be adjourned at 4:25 p.m. CARRIED**

Eastern Irrigation District 2016 Annual Report Insert