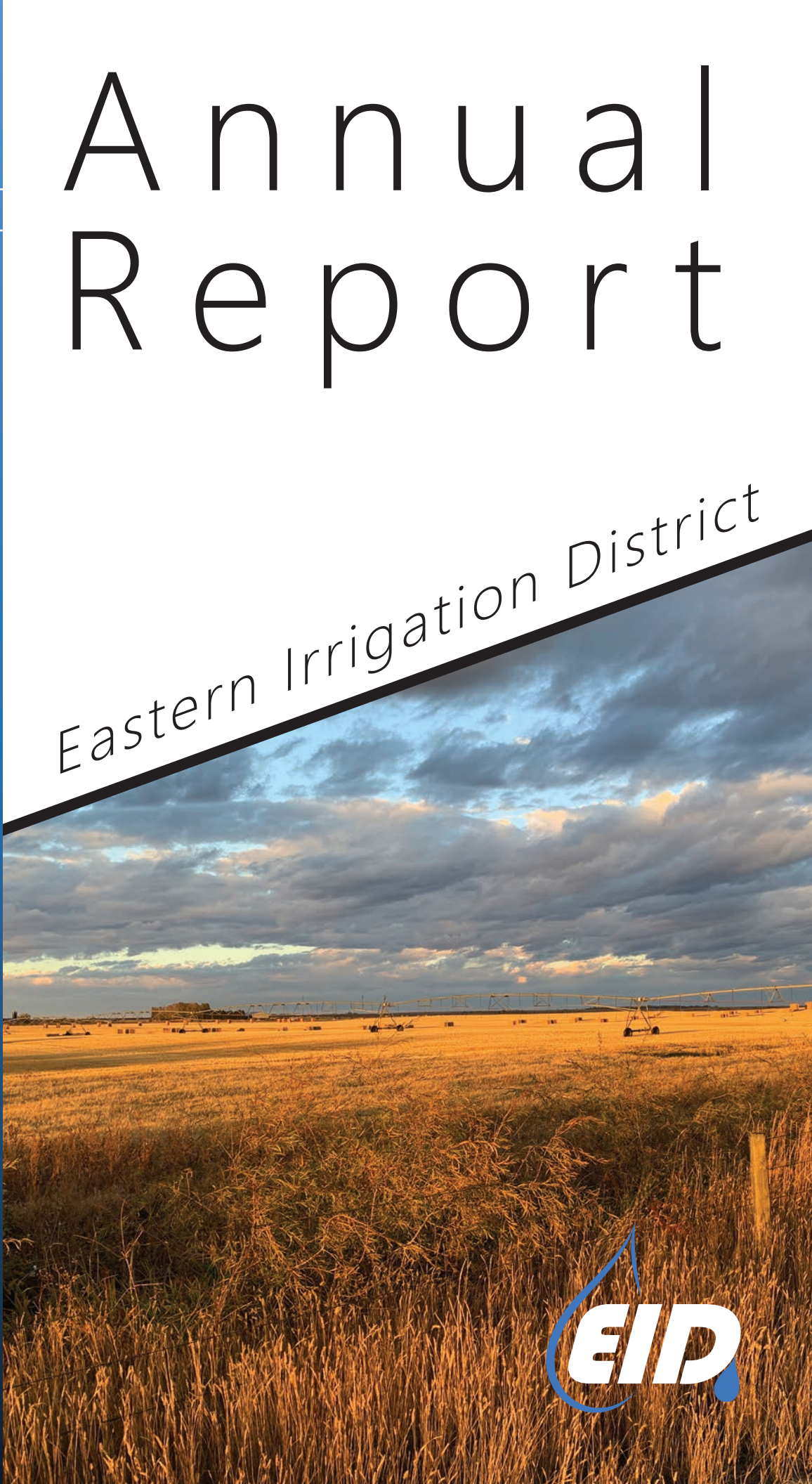


Annual Report

Eastern Irrigation District

Where Water
Works Wonders

2020



NOTICE OF ANNUAL MEETING

TAKE NOTE that the annual meeting of the irrigators of the Eastern Irrigation District is scheduled to be held on **Tuesday, March 9th, 2021, at 1:30** in the afternoon at the Heritage Inn, 1217 – 2nd Street West, Brooks, Alberta.

In the event that the meeting cannot be held in person, an online meeting will be arranged for the same date and time.

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

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

Phone: (403) 362-1400
Fax: (403) 362-6206

email: eid@eid.ca
web: www.eid.ca



Index to Reports

Notice of Annual Meeting	Page 1
2020 Board of Directors	Page 2
Chairman and Board of Directors' Report	Page 2
EID Scholarship Award Recipients	Page 4
General Manager's Report	Page 5
Maintenance of Irrigation Works	Page 8
Crop and Irrigation Statistics	Page 9
Water Delivery Statistics	Page 10
Irrigation Rehabilitation Report	Page 11
EID Financial Report	Page 13
Independent Auditor's Report	Page 14
2021 Annual Meeting Agenda	Page 29
2020 Annual Meeting Minutes	Page 30
2021 Election Documents	Following Page 44



2020 Board of Directors



Jason Hale
(Chairman)
Division 1
Gem/Bassao

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



David Peltzer
Division 2
Rosemary/Duchess



Ross Owen
Division 3
Patricia/Millicent



Brian Schmidt
Division 4
Cassils/Brooks



Don Jacobson
Division 5
Scandia/Rainier



Bob Chrumka
Division 6
Tilley



Tracy Hensing
(Vice-Chair)
Division 7
Rolling Hills



Chairman and Board of Directors' Report

The Board of Directors would like to thank the water users for having patience as we all navigate through the unprecedented COVID-19 restrictions and ongoing changes that we see as a community, province, and country.

This April, Division 1 and Division 5 were up for election. Jason Hale, representing Division 1, was acclaimed and Don Jacobson was elected in Division 5. A sincere thank you to Tony Brummelhuis for his years of service on the Board of Directors.

The *Irrigation Districts Act* states that the purpose of a district is to convey and deliver water through its irrigation works, construct, operate and maintain

those works, and to maintain and promote the economic viability of the district.

To those ends, the Board continues working to improve its irrigation system by converting open canals to pipelines, upgrading infrastructure, and assisting landowners with on-farm improvements. With the high demand for infill and corner arm systems, some pipelines have been shown to convey insufficient water. The Board amended the Canal and Pipeline Rehabilitation policy to increase delivery to 3.0 cfs from 2.5 cfs for parcels up to 250 acres. This change will ensure new pipeline construction is built to support future on-farm expansion.



Photo Credit: Levi Lepp

The EID is fortunate to be involved with the Government of Alberta (GOA), the Canada Infrastructure Bank (CIB), and seven other irrigation districts who are investing in irrigation infrastructure to expand agriculture production capacity and value-added processing.

The GOA news release on the funding partnership states, "The Government of Alberta will contribute \$244.5 million, the CIB will provide \$407.5 million in financial arrangements and the irrigation districts will contribute \$163 million towards this important work. Projects focus on increasing water conveyance efficiency and allowing more acres to be irrigated with the same amount of water. Modernizing and building new irrigation infrastructure will increase irrigated acreage, increase primary crop production, improve water use efficiency, increase water storage capacity, enhance water security, and support long-term value-added processing activity."

It was great news to see the Government's confidence in and value of our irrigation sector through this funding announcement just as we prepared to hold our expansion plebiscite. A huge thank you to all our water users who, through their on-farm efficiencies, have allowed us to propose the current expansion with a lessened water security risk than was identified during the last increase in 2003. This expansion is critical to allow growth of the value-added industry, expansion for water users' personal operations, and an economic benefit for all our communities. The Board is developing the Irrigation Acres Bylaw #943 and Capital Assets Bylaw #944 in conjunction with the passing of the plebiscite and are looking for feedback from the water users to finalize these bylaws. The District is comprised of its water users.

It is imperative that we listen to the water users when making decisions that affect the livelihoods of our water users.

The proposed Snake Lake Reservoir expansion is crucial to our water security as a district. It will allow the District to move a large portion of acres off of direct river support. This in turn reduces water security risk for the remaining river supported acres.

In the Board's new effort to increase transparency and accountability we have adopted a motion that was made and passed at the 2020 Annual General Meeting to have Board meetings audio recorded and available on the EID website. The audio recording policy is still being finalized but the hardware has been purchased and installed.

The EID, along with AIDA, continue to work on preventing the spread of aquatic invasive species, specifically invasive mussels, into Alberta. The EID employs staff who monitor for the presence of mussels throughout our District reservoirs. The EID continues to require and enforce inspection and registration of all watercraft that enter our reservoirs. This summer, due to COVID-19 overall restrictions increasing local recreation, we saw a large increase of inspected watercraft. In the District there was a total of 4,452 inspected watercraft which is up from the 2019 totals of 2,652. A huge thank you to all the staff at our reservoir sites for the hard work they do in helping keep our waters free from mussels. We





Chairman and Board of Directors' Report

would also like to thank the County of Newell for their support of our actions through the passing of their "Boating Safely and Aquatic Invasive Species" Bylaw 1980-20."

In closing, the Board of Directors would like to thank the EID staff for all their hard work and dedication. This has been a year of change and the staff have adjusted very well in dealing with the restrictions, working from home, and working safely out in the District. Your dedication and support has not gone unnoticed.

We would like to encourage the water users to please continue to reach out to directors with your questions, concerns, and suggestions. We are here to support the water users and do what is in the best interest for you and the District as a whole.

*Respectfully submitted,
Jason Hale, Chairman, Board of Directors*



Kaylee Anhel



Gina Berg



Kassidy Bowlby



Draya Cockerill



Caitlin Dyck



Juan Garcia



Hamdi Gato



Tegan Goudie



Kelsey Gubbins

2020

Eastern Irrigation District Scholarship Recipients



Ryley Hall



Koda Henry



Kalbie Hokanson



Laura Jakobsen



Odessa Kopp



Gloria Livingston



Bethlehem Mentie



Reid Musgrove



Karen Nielsen



Brianna Nolan



Kathryn Philpott



Sage Redelback



Kevin Simo



Nicholas Skanderup



Rachael Tanigami



Emma Van Steekelenburg

General Manager's Report

Ivan Friesen, General Manager



It was a typical start to the 2020 irrigation season, with the water delivery date being May 8th (average start since 2001 – May 7th), and the snow pillow data showing average to above average snow in the mountains. The spring and early summer had above average precipitation which translated into a low

diversion year. The District diverted 384,500 ac-ft (504,000 ac-ft – 2019) which is well below the long term diversion average of approximately 500,000 ac-ft. Of this diversion, 228,600 ac-ft was delivered to the farm gate (2019 farm gate delivery – 339,100 ac-ft). The latter half of the growing season saw more typical temperatures and dry conditions; and the river flows were adequate to sufficiently supply the demand.

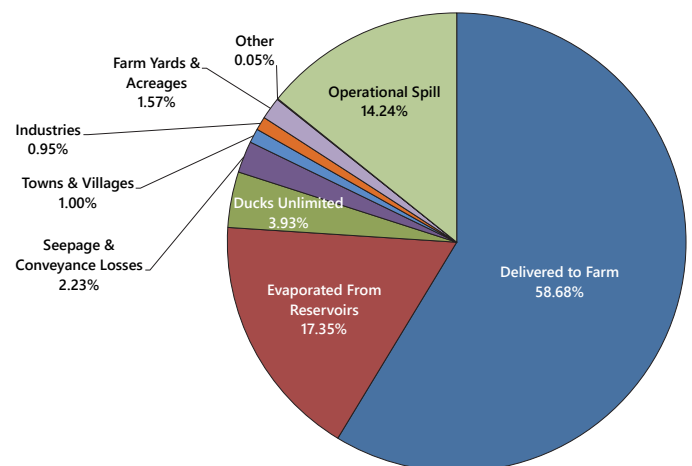
With the irrigation assessment within 3,300 acres of the current expansion limit of 311,000 acres, and with Government modelling and District analysis complete, work commenced to finalize our information rollout to water users in preparation for a plebiscite vote on a 29,000 acre expansion for a new expansion limit of 340,000 acres. As timing would have it, the Government's notification of their planned investment into the irrigation industry required our District to take additional time to re-evaluate the opportunities this might have on our expansion plan. The plebiscite vote was subsequently re-scheduled to February 23, 2021, and revised information supporting a 34,000 acre expansion to a new expansion limit of 345,000 acres was provided to water users.

On October 9, 2020, the Government of Alberta (GOA) announced this historic \$815 million investment to expand the irrigation industry in southern Alberta. Included in this funding model are "Modernization" projects and "Off-Stream Storage" projects. \$240.9 million was allocated to the EID: the GOA will contribute 30% or up to \$72.2 million, the EID will put down 20% or up to \$48.18 million, and the CIB will provide financing arrangements of 50% or up to \$120.45 million. The modernization projects include

C Springhill, 01-C Springhill, 9-H West Bantry, 10-H West Bantry, 16-H West Bantry, 08-B Extension, 13 Springhill (12 Springhill) and are estimated to cost \$22.3 million. The off-stream storage project for the EID is the Snake Lake Reservoir expansion, and is estimated to cost \$170 million. **This is an incredible investment to our District and irrigation industry, and we want to thank the GOA for their tremendous support for irrigated agriculture and**

Water Balance (acre feet)

	2020	2019
Diversion	384,500	508,900
Delivered to Farm	228,600	339,100
Evaporation from Reservoirs	67,600	77,800
Ducks Unlimited	15,300	24,700
Seepage and Conveyance Losses	8,700	10,000
City, Towns and Villages	3,900	3,800
Industries	3,700	4,700
Farmyards and Acreages	6,100	6,200
Change in Storage	-5,100	-2,600
Other Purposes	200	108
Operational Spill	55,500	45,092
Measured Return Flow	86,600	81,000
Operational Spill	55,500	45,092
Farm Spill and Run Off	31,100	35,908





General Manager's Report

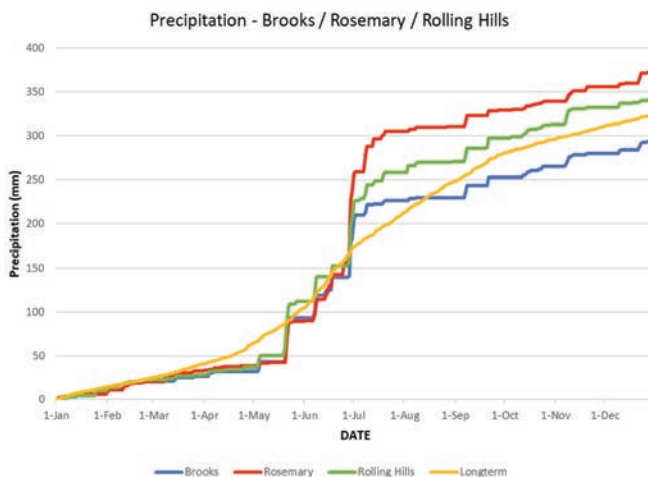
Ivan Friesen, General Manager

the larger agriculture industry! This investment will benefit this District, the County of Newell and Alberta for generations.

Snake Lake Reservoir expansion will see it potentially increase by approximately 53,000 ac-ft for a total of 67,000 ac-ft, which will directly support 50,000 irrigation acres. This potential could reduce the current acreage fed directly off the river by 35% and provide the remaining 90,000 river fed acres with significant indirect support.

The Farm Improvement Program saw 81 approved applications totaling \$1,046,142. The majority of these improvements were for smart control pivot panels, then converting to a more efficient method of irrigation, installation of corner arms, pump upgrades, nozzle packages, and cost-shares for tree removal or drain relocations. Portions of this incentive program will be concluded on September 30th, 2022, (see Farm Improvement Policy on website).

Within the 10 grazing associations 15,553 cow/calf pairs were grazed in 2020 (17,119 – 2019) on EID lands. The reduction in numbers were due to lower precipitation in 2018 and 2019, primarily in the southern and eastern parts of the District, where grass conditions deteriorated significantly. In the early spring, with the grass conditions in mind, the Grazing Association Committee (GAC) and District



took the prudent steps to reduce cattle numbers for 2020 to ensure longer term grass health. With the above average precipitation in many parts of the District through the spring and early summer, growing conditions were enhanced. This, along with the reduced numbers, saw noticeable improvement in grass growing conditions and grass recovery, and subsequently allowed for the grazing season to be extended approximately 7-10 days. With the extended season 79,888 AUM (animal unit months) were grazed in 2020 (82,300 AUM – 2019). With the improved conditions and an increase in carryover grass, it is projected the cattle numbers for the 2021 grazing season will increase to approximately 17,000 head.

2020 EID Long Term Service Awards



Gary Bobinski
25 Years



Tom Canning
30 Years



Wendy Enns
15 Years



Justin Kabut
15 Years



Kevin Marshall
15 Years



Mark Porter
35 Years



Paul Prentice
15 Years



Tom Wallace
40 Years

This past year 8 new wells were acquired on District owned land, with an additional 3 twinned wells on existing leases, and 28 wells reclaimed. There were 3.51 miles or 20.92 acres of new pipelines. 2 seismic projects were requested.

This season saw the Rolling Hills Reservoir and Crawling Valley Reservoir campground opening operations begin slowly to align with Government COVID-19 protocols. When finally fully opened, the campgrounds saw unprecedented demand. At the Rolling Hills Reservoir campground in particular, no seasonal sites were offered for this year and the campground was for the most part at full capacity. While this was not a planned change, it did prove to be very successful. At

General Manager's Report

Ivan Friesen, General Manager



the Rolling Hills Reservoir Campground, the Board will offer a reduced number of seasonal sites for the 2021 camping season.

The District would like to thank Ken Long and Kevin Bridges, who retired in 2020, for their dedication and years of service.

Every year has its challenges; however, this year was compounded by COVID-19. With the District deemed an essential service, protocols were implemented and, to date, operations of the District have largely been uninterrupted. Specific thanks are extended to

the staff for their additional efforts in adapting to the changes and to the water users for their patience and understanding as these challenges are navigated. In addition, a sincere appreciation is also extended to the water users, Board of Directors and staff for the dedication and work necessary in achieving the District's primary directive of conveying water to the farm gate. The commitment and support have resulted in continued enhancements throughout the District.

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

Method of Irrigation: 2020

As of December 31, 2020

Low Pressure Pivot	225,442 (73.28%)
High Pressure Pivot	27,431 (8.92%)
Wheel Move	13,698 (4.45%)
Other Sprinkler	683 (0.22%)
Flood Irrigation (Leveled)	32,659 (10.62%)
Flood Irrigation (Not Leveled)	7,735 (2.51%)

Note: percentages shown are the percentages of total irrigation.

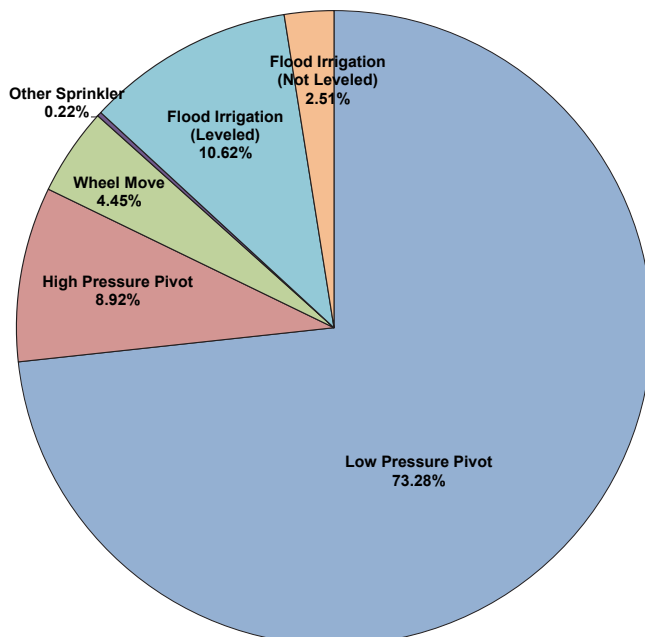
Method of Irrigation: 2002

As of December 31, 2002

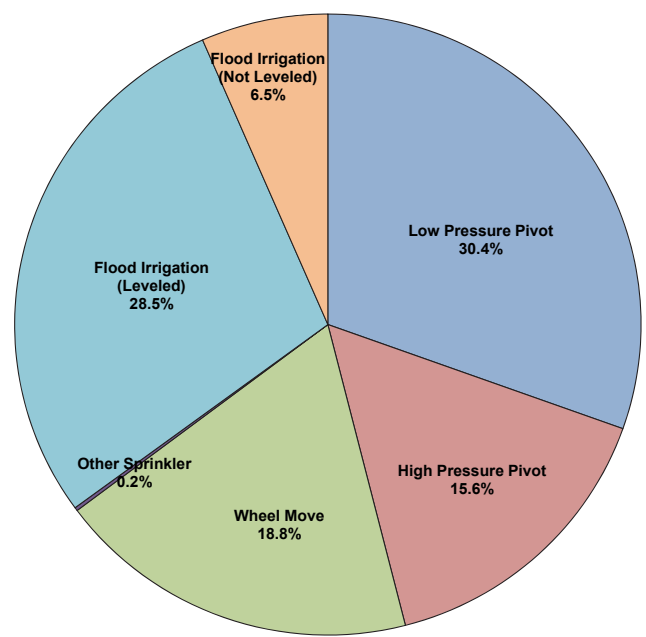
Low Pressure Pivot	86,000 Ac. (30.4%)
High Pressure Pivot	44,000 Ac. (15.6%)
Wheel Move	53,000 Ac. (18.8%)
Other Sprinkler	500 Ac. (0.2%)
Flood Irrigation (Leveled)	80,500 Ac. (28.5%)
Flood Irrigation (Not Leveled)	18,500 Ac. (6.5%)

Note: percentages shown are the percentages of total irrigation.

Acres by Method of Irrigation: 2020



Acres by Method of Irrigation: 2002





Maintenance of Irrigation Works

As of End of 2020 Water Delivery Season

This past year saw a modest increase in total length in chemical weed control with the above average precipitation particularly in some areas which created additional growth and regrowth. While costs were \$127,000 more year over year, they were generally steady and inline when compared to the 5 year average.



Maintenance of Irrigation Works

Maintenance Item	2016	2017	2018	2019	2020	Average
Canal cleaning, bank leveling and seeding	2 km	0 km	0 km	0 km	0 km	0.4 km
Drain cleaning, bank leveling and seeding	6 km	5 km	4 km	4 km	0 km	3.8 km
Drain and canal clipping	62 km	45 km	40 km	63 km	48 km	51.6 km
Gravel armour placed on canal side slopes	0.5 km	1.5 km	1.5 km	1 km	0 km	0.9 km
Gravel and screenings placed on canal banks	25.5 km	34 km	36 km	28 km	30 km	30.7 km
Canals fenced	0 km	1.5 km	0 km	0 km	0 km	0.3 km
Chemical weed control on canal/drain banks	1,938 km	1,869 km	1,689 km	1,652 km	1,698 km	1,769.0 km
Mowing of canal banks	740 km	1,000 km	875 km	775 km	775 km	833.0 km
Pivot and road crossing repairs and replacements	14	16	12	2	5	10
Leaks and replacement of farm turnout repair	9	8	21	23	23	17
Flood well to riser conversion (on pipelines)	2	5	2	0	2	2
Replace buried services for pipeline drain outs	---	14	13	8	14	10

Maintenance Cost	2016	2017	2018	2019	2020	Average
Heavy equipment	\$913,668	\$874,680	\$964,695	\$970,278	\$883,675	\$921,399
Labour	930,756	1,070,097	1,083,786	1,005,856	1,021,482	1,022,395
Vehicles	162,066	181,359	179,900	190,544	178,633	178,500
Repairs to pump stations and control structures	299,426	546,326	430,044	288,781	443,447	401,605
Materials (culverts, gates, fence posts, etc.)	193,753	178,816	230,882	127,741	171,692	180,577
Chemical for broad leaf weed control	90,140	93,700	94,534	103,313	108,239	97,985
Maintenance of buildings and grounds	39,746	52,549	52,261	44,409	51,202	48,033
Total Costs:	\$2,629,555	\$2,997,527	\$3,036,102	\$2,730,922	\$2,858,370	\$2,850,495

Crop and Irrigation Statistics

2020 Crop Summary



Crop Class	Crop Type	Acres
Forage	Alfalfa 2 Cuts	31,805
	Alfalfa 3 Cuts	5,984
	Alfalfa Hay	4,776
	Alfalfa Silage	796
	Barley Silage Under Seed	1,981
	Barley Silage	4,007
	Corn Grazing	1,924
	Corn Silage	17,775
	Custom Variety Forage	69
	Grass Hay	15,073
	Green Feed	7,052
	Millet	124
	Native Pasture	1,109
	Sorghum Sudan Grass	344
	Tame Pasture	33,421
	Timothy Hay	6,149
Cereals	Barley	14,534
	CPS Wheat	956
	Durum Wheat	3,917
	Grain Corn	6,462
	Hard Spring Wheat	58,278
	Oats	2,864
	Rye	629
	Soft Wheat	1,180
	Triticale	5,803
	Winter Wheat	1,918
Oil Seeds	Canola	22,002
	Flax	5,782
	Mustard	287

Crop Class	Crop Type	Acres
Specialty	Alfalfa Seed	14,295
	Carrots	415
	Dill	500
	Dry Beans	5,136
	Dry Peas	4,367
	Faba Beans	1,510
	Fresh Corn (Sweet)	128
	Fresh Peas	67
	Grass Seed	288
	Hemp	1,159
	Market Gardens	134
	Mint	250
	Nursery	408
	Potato	5,314
	Seed Canola	11,934
	Soy Beans	463
	Sugar Beets	986
	Sunflower	1,776
	Quinola	214
Non Irrigated	Misc.	725
	Non-Crop	151
	Summer Fallow	427

Total of All Crops (As of December 31, 2020)			
	Crop Class	Acres	
Summary	Forage Crops	132,389	(43.0%)
	Cereal Crops	96,541	(31.4%)
	Oil Seed Crops	28,071	(9.1%)
	Specialty Crops	49,344	(16.1%)
	Non-Irrigated	1,303	(0.4%)
Total		307,648	

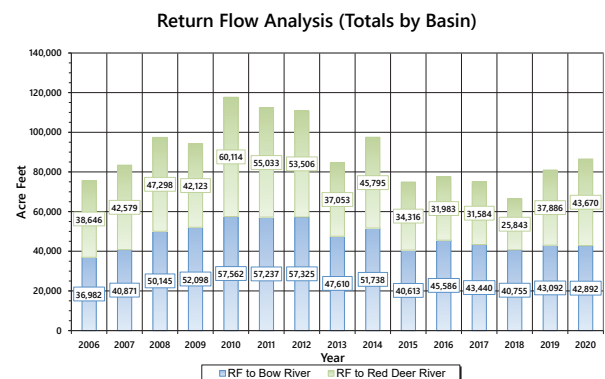
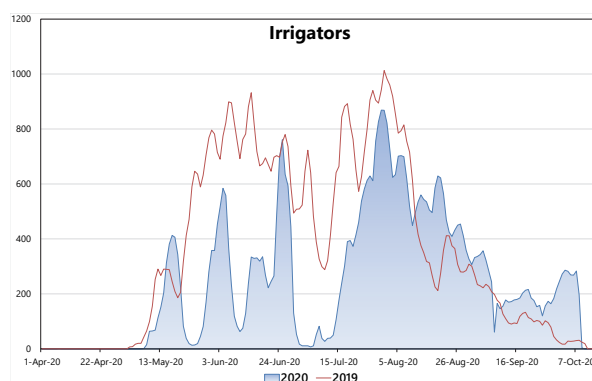
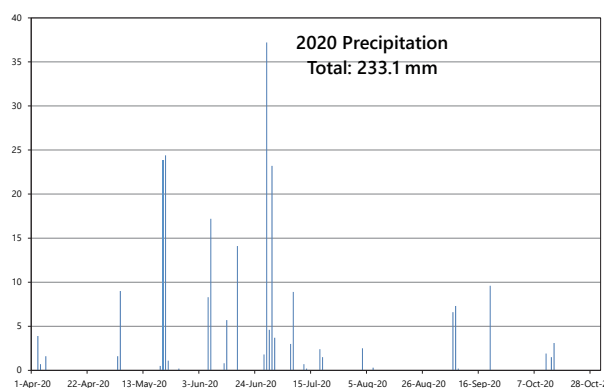


Water Delivery Statistics

As of December 31, 2020

2020 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	18,619	12,800	0.69
District N2 Pitau	Isidoro	22,177	16,700	0.75
District N3 Gem	Kroschel	14,609	12,000	0.82
District N4 Rosemary	Lepp	22,488	13,200	0.59
District N5 Duchess	Hasper	20,427	11,400	0.56
District N6 Cockerill	Leland	22,085	14,000	0.63
District N7 Millicent	Allaby	22,012	15,700	0.71
District N8 Patricia	McInnis	17,792	17,600	0.99
District S1 Antelope Creek/Brooks	Klassen	20,412	14,800	0.73
District S2 Kitsim	Currie	19,638	16,300	0.83
District S3 Bow Slope	Thiessen	21,604	17,900	0.83
District S4 Aqueduct/Bantry	Canning	14,071	9,700	0.69
District S5 Elizabeth	Williams	15,739	10,100	0.64
District S6 Tilley	Cleland	19,076	14,900	0.78
District S7 Rolling Hills North	Olund	18,909	15,500	0.82
District S8 Rolling Hills South	Beierbach	17,990	16,000	0.89
Totals:		307,648	228,600	0.74



Irrigation Rehabilitation Report

Ryan Gagley, Engineering Manager



2020 Rehabilitation

The EID's 2020 construction season went as projected where our crews installed 19.8 kms of pipeline on three different projects with pipe diameters ranging from 4" (100 mm) all the way up to 54" (1350 mm). With the installation of our new pipeline served by the North Bantry Canal, 2,802 acres that were river supported were reclassified as reservoir supported out of Lake Newell.

As is typical for the EID, all projects were designed, managed and constructed in-house by EID staff. The projects were completed throughout the 2019/2020 construction season at a cost of \$17,917,000.

Next year's 2020/2021 capital construction program will consist of three major projects, as well as the continuation of the EID/County joint drainage program. The drainage program will start in the Rosemary area and will span out over several phases with phase one starting in the west.

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. The 2020 expenditures amounted to approximately \$4,577,000 for the District to complete one project at a length of 8.9 km. The EID will be pausing construction for one year allowing the IRP account to build up in anticipation of a large project off of Lake Newell in 2021/2022.



Irrigation Rehabilitation Program (IRP)

Project	Description	Engineer	Contractor	2020 Project Cost	Total Project Cost
Spring					
06 Bow Slope	8.9 km Pipeline	EID	EID	\$4,576,654	\$4,625,819
Fall					

No IRP Projects This Fall

Total:



Irrigation Rehabilitation Report

Ryan Gagley, Engineering Manager

EID Capital Construction Program

Funds for this program are provided entirely from the District's Irrigation Works Reserve Fund. The 2020 expenditures amount to approximately \$13,340,000 for the installation of 10.8 km of pipeline and 2 km of canal rehabilitation. The fall of 2020/spring 2021 will see the construction of approximately 29 km of pipe and 3 km of canal rehabilitation under this program.

EID Capital Construction Program

Project	Description	Engineer	Contractor	2020 Project Cost	Total Project Cost
Various Years Projects	Smaller Projects	EID	EID	\$796,600	-----
E North Bantry	10 km Pipeline	EID	EID	\$6,689,700	\$6,870,600.00
West Bantry Phase 1	2 km Canal rehab	EID	EID	\$597,800	-----
Snake Lake East Dam Repair		MPE	EID	\$654,000	\$654,000.00
Bow Slope Tailout		EID	EID	\$337,900	\$337,900.00
J Reservoir South Embankment		EID	EID	\$301,500	\$301,500.00
Structures Program		EID	EID	\$1,455,500	
Culvert Replacement Program		EID	EID	\$399,200	
EID/County Joint Partnership		EID	EID	\$367,700	
Cost Shared Projects		EID	EID	\$102,600	
2020/2021 Project Engineering		EID	EID	\$243,900	
Small Drains		EID	EID	\$202,500	
District Automation				\$816,800	
Land Acquisition (Right-of-Way)				\$322,800	
Bassano Dam Spillway				\$51,400	
Total				\$13,339,900	

EID Capital Construction Program: 2020/2021

Project	Description	Project	Description
C Springhill	11.2 km Pipeline	West Bantry Canal	3.0 km Canal Rehab
01 C Springhill	6.5 km Pipeline	District Automation	Automation
9 H West Bantry	2.2 km Pipeline	2020/2021 Structures Program	Structure Replacement
10 H West Bantry	5.7 km Pipeline	EID/County Joint Partnership	Drainage Program
16 H West Bantry	3.3 km Pipeline		



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 Chartered Professional Accountants of Canada.

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*.

Index to Financial Statements

EID Financial Report	Page 13
Independent Auditor's Report	Page 14
Statement of Financial Position	Page 16
Statement of Operations & Changes in Fund Balances	Page 17
Statement of Cash Flows	Page 18
Notes to the Financial Statements	Page 19
Schedule of Operations & Administration Expenses	Page 28



BEVAN AND PARTNERS CHARTERED PROFESSIONAL ACCOUNTANTS

PARTNERS

J.T. (Jack) Gerrard CPA, CA*
Carrie J. Gronemeyer CPA, CA*
Ed G. Chapman CPA, CA*

Box 460
Brooks, Alberta T1R 1B5
Tel: (403) 362-3472
Toll free: 1 (844) 462-3472
Fax: (403) 362-7448
office@bevanandpartners.ca

PROFESSIONAL STAFF

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

* denotes professional corporation

INDEPENDENT AUDITOR'S REPORT

To the Members of Eastern Irrigation District

Opinion

We have audited the financial statements of Eastern Irrigation District (the Company), which comprise the statement of financial position as at September 30, 2020, and the statements of revenues and expenditures, changes in net assets and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2020, and its results of operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

(continues)

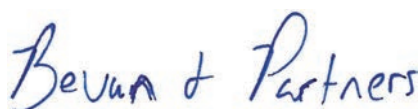
Independent Auditor's Report to the Members of Eastern Irrigation District (*continued*)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Brooks, Alberta
January 26, 2021

CHARTERED PROFESSIONAL ACCOUNTANTS



EASTERN IRRIGATION DISTRICT

STATEMENT OF FINANCIAL POSITION

As At September 30, 2020

ASSETS

Current

	General Fund	Irrigation Works Fund	2020 Total	2019 Total
Cash	\$9,592,502	\$1,344,277	\$10,936,779	\$8,594,898
Short term deposits (Note 4)	0	12,120,129	12,120,129	25,123,701
Investments (Note 6)	0	37,613,661	37,613,661	21,954,082
Accounts receivable (Note 5)	3,310,393	209,868	3,520,261	3,055,356
Materials and supplies (Note 8)	2,583,292	0	2,583,292	2,442,627
Prepaid expenses	892,649	0	892,649	933,575
	16,378,836	51,287,935	67,666,771	62,104,239
Accounts receivable (Note 5)	0	960,693	960,693	1,438,485
Investments (Note 6)	0	37,483,707	37,483,707	39,991,652
Deposits	170,297	0	170,297	154,052
Trust funds held (Note 16)	240,650	0	240,650	242,087
	16,789,783	89,732,335	106,522,119	103,930,515
Property and Equipment (Note 7)				
Buildings and equipment, net	12,311,728	2,260,583	14,572,312	14,609,415
Irrigation works, net	0	424,228,021	424,228,021	424,561,735
Land (Note 2)	0	13,312,868	13,312,868	4,085,516
	12,311,728	439,801,472	452,113,201	443,256,666
	\$29,101,511	\$529,533,808	\$558,635,319	\$547,187,181

LIABILITIES

Current

Accounts payable and accrued liabilities	\$2,127,340	\$288,592	\$2,415,931	\$2,813,438
Goods and services tax payable	25,695	0	25,695	33,407
Payroll taxes payable	0	0	0	2,245
Unearned revenue (Note 2)	14,228,844	52,253	14,281,097	14,282,444
	16,381,879	340,845	16,722,723	17,131,534
Trust funds held (Note 16)	240,650	0	240,650	242,087
Provision for gravel pit closure and post closure (Note 17)	0	832,851	832,851	820,202
Unearned revenue (Note 2)	0	104,023	104,023	133,393
Deferred grants and contributions, net (Note 7)	15,086	134,249,738	134,264,825	135,395,640
	16,637,615	135,527,457	152,165,072	153,722,856
Commitments (Note 19)				
Contingencies (Note 20)				

FUND BALANCES

Invested in property and equipment (Notes 7 & 10)	12,296,642	305,551,734	317,848,376	307,861,026
Unrestricted (Note 10)	0	0	2	0
Internally restricted, to be used for future community pasture development (Notes 2 & 10)	167,254	0	167,254	166,354
Internally restricted, to be used for future irrigation works additions (Notes 2 & 10)	0	80,237,544	80,237,544	80,467,701
Externally restricted by the Province of Alberta, to be used for Bassano Dam Spillway project (Notes 2 & 10)	0	936,403	936,403	973,316
Externally restricted by the Province of Alberta, to be used for future irrigation works additions (Notes 2 & 10)	0	7,280,669	7,280,669	3,995,928
	12,463,898	394,006,350	406,470,247	393,464,325
	\$29,101,511	\$529,533,808	\$558,635,319	\$547,187,181

EASTERN IRRIGATION DISTRICT

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

For The Year Ended September 30, 2020



	General Fund	Irrigation Works Fund	2020 Total	2019 Total
REVENUE				
WATER EARNINGS				
Water conveyance agreements	\$670,944	\$0	\$670,944	\$668,055
Oil and gas drilling water	159,492	0	159,492	295,574
Penalties	300	0	300	2,636
Irrigation rates (Note 11)	2,028	0	2,028	3,939
	832,764	0	832,764	970,204
Less discounts allowed	(63,660)	0	(63,660)	(65,900)
	769,104	0	769,104	904,304
LEASE REVENUE AND COMPENSATION				
Oil and gas well leases	24,902,457	0	24,902,457	24,911,497
Right of entry and initial consideration - oil and gas	743,338	0	743,338	916,895
Oil and gas administration fees	15,600	0	15,600	32,400
Powerlines	227,976	0	227,976	227,647
Right of entry and initial consideration - powerlines	8,355	0	8,355	13,705
Community grazing leases	1,327,225	0	1,327,225	1,163,245
Irrigated leases	742,833	0	742,833	706,245
Private grazing leases	263,016	0	263,016	226,961
Other lease revenues	122,064	0	122,064	121,569
OTHER REVENUE				
Amortization of deferred grants and contributions	0	6,927,447	6,927,447	6,183,222
Investment income	870,915	1,304,014	2,174,929	2,497,979
Gain (loss) on sale of land, equipment and buildings	77,030	2,194,435	2,271,465	1,852,383
Capital asset charges, net	0	1,305,150	1,305,150	958,650
Operational grant	0	0	0	721,462
Gravel royalties and miscellaneous	0	418,934	418,934	99,815
	30,069,914	12,149,980	42,219,893	41,537,979
EXPENSES				
Amortization of irrigation works and buildings	0	18,498,189	18,498,189	17,022,768
Operations and administration (Schedule 1)	8,215,041	0	8,215,041	8,384,684
Community grazing expenses (Note 12)	1,302,128	0	1,302,128	1,421,290
	9,517,169	18,498,189	28,015,359	26,828,742
Revenue over expenses (Deficiency), before special projects	20,552,744	(6,348,210)	14,204,535	14,709,237
Special projects, net (Note 14)	(1,379,188)	0	(1,379,188)	(2,001,941)
EIDNet, net (Note 15)	180,575	0	180,575	189,844
REVENUE OVER EXPENSES (DEFICIENCY)	19,354,131	(6,348,210)	13,005,921	12,897,140
TRANSFER TO IRRIGATION WORKS FUND	(19,247,517)	19,247,517	0	0
FUND BALANCES, BEGINNING OF YEAR	12,357,281	381,107,044	393,464,325	380,567,185
FUND BALANCES, END OF YEAR	\$12,463,895	\$394,006,351	\$406,470,246	\$393,464,325



EASTERN IRRIGATION DISTRICT

STATEMENT OF CASH FLOWS

For The Year Ended September 30, 2020

	General Fund	Irrigation Works Fund	2020 Total	2019 Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Revenue from water operations	\$769,104	\$0	\$769,104	\$904,304
Compensation from oil and gas operations	25,661,396	0	25,661,396	25,860,792
Compensation from powerline operations	236,331	0	236,331	241,352
Revenue from lease operations	2,455,138	0	2,455,138	2,218,020
Capital asset charges, net	0	1,305,150	1,305,150	958,650
Operational grant	0	0	0	721,462
Cash receipts from gravel royalties and miscellaneous	0	418,934	418,934	99,815
Operations and administration expenses (Schedule 1)	(8,215,041)	0	(8,215,041)	(8,384,684)
Community grazing expenses (Note 12)	(1,302,128)	0	(1,302,128)	(1,421,290)
Add: Amortization in expenses, not using cash	1,786,824	0	1,786,824	1,753,101
Net cash expenditure on special projects (Note 14)	(1,379,188)	0	(1,379,188)	(2,001,941)
Net cash expenditure on EIDNet	382,946	0	382,946	391,015
Investment income	870,915	1,304,014	2,174,929	2,497,979
Non-cash investment income	0	(1,099,257)	(1,099,257)	(1,011,717)
Change in GST receivable and payable	(7,712)	0	(7,712)	1,961
Change in Payroll taxes payable	(2,245)	0	(2,245)	2,245
Change in non-cash current assets and liabilities	(799,995)	144,102	(655,893)	(1,024,668)
	20,456,346	2,072,943	22,529,289	21,806,396
CASH FLOWS USED IN FINANCING AND INVESTING ACTIVITIES				
Grants from Province of Alberta	0	5,798,308	5,798,308	0
Proceeds on sale of land, buildings and equipment	198,521	2,194,435	2,392,956	2,223,317
Purchase of land, buildings and equipment	(2,002,039)	(9,331,092)	(11,333,131)	(4,261,401)
Pasture development and reseeded (Note 13)	(214,361)	0	(214,361)	(477,698)
Expenditures on irrigation works (Note 7)	0	(17,919,594)	(17,919,594)	(29,571,859)
Change in non current accounts receivable	0	477,792	477,792	(65,490)
Change in irrigation works unearned revenue	0	(115,706)	(115,706)	(187,232)
Proceeds on sale of investments	0	18,664,226	18,664,226	12,927,824
Purchase of investments	0	(30,716,603)	(30,716,603)	(22,050,000)
Change in deposits	(16,246)	0	(16,246)	(45,823)
Change in provision for gravel pit closure and post closure (Note 17)	0	12,649	12,649	16,813
Change in irrigation works accounts payable	0	(221,269)	(221,269)	(3,884,541)
	(2,034,125)	(31,156,854)	(33,190,979)	(45,376,090)
NET INCREASE (DECREASE) IN CASH	18,422,220	(29,083,911)	(10,661,691)	(23,569,694)
Cash, beginning of year	10,417,798	23,300,801	33,718,599	57,288,293
Transfer from general fund	(19,247,517)	19,247,517	0	0
CASH, END OF YEAR	\$9,592,502	\$13,464,406	\$23,056,908	\$33,718,599
Cash is comprised of:				
Cash	\$9,592,503	\$1,344,276	\$10,936,779	\$8,594,898
Short term deposits	0	12,120,129	12,120,129	25,123,701
	\$9,592,502	\$13,464,406	\$23,056,908	\$33,718,599



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%
Heavy 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. 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.

Work in Progress - Capital additions that are not completed or are not in use are not amortized. The amount is included in Property and Equipment.

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 149(1)(e) of the *Income Tax Act*.



EASTERN IRRIGATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2020

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 274,151 people and 420 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 9.39% of pensionable earnings up to the Canada Pension Plan's Maximum Pensionable Earnings and 13.84% for the excess. Total current and past service contributions by the District to the Local Authorities Pension Plan in 2020 were \$656,165 (2019 - \$671,423). Total current and past service contributions by the employees of the District to the Local Authorities Pension Plan in 2020 were \$596,185 (2019- \$611,544). At December 31, 2019, the Plan disclosed an actuarial surplus of \$7.91 billion (December 31, 2018 - actuarial surplus of \$3.47 billion).

4. Short Term Deposits

Short term deposits in the amount of \$12,120,130 (2019 - \$25,123,701) are maturing in the next 90 days and include GICs, term deposits and notice demand accounts at interest rates varying from 1% to 2.6% (2019 - 1.9% to 2.61%). At year end these deposits have an average annual interest rate of 1.35% and will mature within the next 90 days.

5. Accounts Receivable

Accounts receivable consist of:

	2020	2019
Lease rentals and seismic	\$2,125,814	\$1,710,326
Reclassification agreements	654,501	910,498
Property and equipment	514,435	824,207
Sundry debtors	731,712	450,340
Water rates and charges	315,000	389,271
Water conveyance agreements	168,973	189,297
Gravel and dirt	1,625	57,751
Less: Allowance for doubtful accounts	(31,106)	(37,849)
	<u>\$4,480,954</u>	<u>\$4,493,841</u>
Accounts receivable - current	\$3,520,261	\$3,055,356
Accounts receivable - non current	960,693	1,438,485
	<u>\$4,480,954</u>	<u>\$4,493,841</u>

6. Investments

Investments consist of:

	2020	2019
Investments - current: term deposits, GIC and notice demand accounts and corporate bonds that mature within 1 year	\$37,613,661	\$21,954,082
Investments - non current:		
Term deposits	37,342,858	38,504,252
Corporate bonds	0	1,349,761
Credit union common shares	140,849	137,639
	<u>37,483,707</u>	<u>39,991,652</u>
	<u>\$75,097,368</u>	<u>\$61,945,734</u>
Fair market value at September 30, 2020	<u>\$75,102,758</u>	<u>\$61,946,059</u>



EASTERN IRRIGATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2020

7. Property and Equipment

	Cost	Accumulated Amortization	2020 Net	2019 Net
General Fund:				
Equipment	\$23,937,891	\$12,765,871	\$11,172,019	\$11,029,660
Community pasture reseeding	3,508,135	2,368,426	1,139,709	1,178,030
Irrigation Works Fund:				
Buildings	9,195,460	6,934,877	2,260,583	2,401,725
Irrigation works	742,400,209	318,172,187	424,228,021	424,561,735
Land	13,312,868	0	13,312,868	4,085,516
	<u>\$792,354,563</u>	<u>\$340,241,362</u>	<u>452,113,201</u>	443,256,666
Deferred grants and contributions	<u>(\$293,876,872)</u>	<u>\$159,612,048</u>	<u>(134,264,825)</u>	(135,395,640)
Net assets invested in property and equipment			<u>\$317,848,376</u>	<u>\$307,861,026</u>

Included in the cost total above is \$393,345 (2019 - \$202,541) of work in progress that is not being amortized as it was not in use as of year end.

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

	2020	2019
Beginning of year	\$424,561,735	\$411,745,785
Additions to irrigation works:		
District projects	13,052,814	26,550,685
Province of Alberta cost share projects	4,540,940	2,503,447
Survey costs and easements	325,840	517,727
Amortization	(18,253,307)	(16,755,909)
End of year	<u>\$424,228,021</u>	<u>\$424,561,735</u>

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

	2020	2019
Beginning of year	\$135,395,640	\$141,580,724
Contributions from third parties	5,798,308	0
Amortization	(6,929,123)	(6,185,084)
End of year	<u>\$134,264,825</u>	<u>\$135,395,640</u>

Current year additions to irrigation works are as follows:

	District	Bassano Dam Spillway	Province of Alberta Cost Share	2020 Total	2019 Total
External Charges:					
Materials and supplies	\$6,496,572	\$0	\$2,582,530	\$9,079,101	\$8,716,255
Contract services	442,023	4,707	2,128	448,858	18,387,300
Equipment and other services	1,951,160	0	845,452	2,796,612	4,114,517
Contract services - engineering	371,571	43,579	0	415,150	1,078,187
Internal Charges:					
Equipment recovery	2,509,183	0	805,449	3,314,632	3,417,831
Labour recovery - other	930,793	0	264,056	1,194,850	1,330,728
Labour recovery - engineering	300,099	3,128	41,326	344,553	529,136
	<u>\$13,001,400</u>	<u>\$51,414</u>	<u>\$4,540,940</u>	<u>\$17,593,754</u>	<u>\$37,573,954</u>



8. Inventories

	2020	2019
Materials and supplies	\$2,583,292	\$2,442,627

The amount of inventories recognized as an expense during the year was \$704,252 (2019 - \$681,956).

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, 2020

10. Continuity of Fund Balances

	Invested in Property and Equipment	Unrestricted Funds	Internally Restricted Funds - Pasture Development	Internally Restricted Funds - Irrigation Works	Externally Restricted Funds - Bassano Dam Spillway Project	Externally Restricted Funds - Province of Alberta	Total Fund Balances
Beginning of year	\$307,861,026	\$0	\$166,354	\$80,467,701	\$973,316	\$3,995,928	\$393,464,325
Assets received from Province of Alberta	(5,798,308)	0	0	0	0	5,798,308	0
District contribution to cost share projects							
Irrigation Rehabilitation Program	0	0	0	(1,932,770)	0	1,932,770	0
Bassano Dam Spillway Project	0	0	0	0	0	0	0
Additions to property and equipment, net	29,345,595	(2,094,909)	0	(22,658,331)	(51,414)	(4,540,940)	0
Revenue over expenses (Deficiency) allocated	(13,559,938)	21,343,326	0	5,113,428	14,501	94,604	13,005,921
Transfer to (from) community pasture development reserve	0	(900)	900	0	0	0	0
Transfer to irrigation works fund from operations	0	(19,247,517)	0	19,247,517	0	0	0
End of year	\$317,848,376	\$0	\$167,254	\$80,237,545	\$936,403	\$7,280,669	\$406,470,246

The Board of Directors has authorized the transfer of \$19,247,517 from current year operations to internally restricted funds to be used for future irrigation works additions and \$900 for community pasture development.

11. Irrigation Rates

Irrigation rates consist of:

	2020	2019
303,938 acres at \$0 per acre	\$0	\$0
3,553 acres at \$0 per acre terminable	0	0
39 acres subject to annual agreements at \$50 per acre (2018)	0	1,950
39 acres subject to annual agreements at \$51 per acre (2019)	0	1,989
39 acres subject to annual agreements at \$52 per acre (2020)	2,028	0
58 acres at \$0 per acre 5R soils	0	0
Minimum parcel rates and adjustments	0	0
	<u>\$2,028</u>	<u>\$3,939</u>

The cost to deliver water to the farm gate during the current year was \$25 per acre (2019 - \$26). 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 (2019 - \$0).

12. Community Grazing Expenses

Community grazing expenses consist of:

	2020	2019
Amortization of equipment and reseeded pastures	\$309,046	\$310,672
Water	310,643	293,758
Property taxes	256,625	203,923
Fences	165,080	344,244
Pasture management fees	105,235	107,874
Irrigated pastures	72,737	64,748
Fire guards	51,543	65,346
Swing fields and miscellaneous	19,433	20,522
Pasture rental fees (net of recoveries)	7,354	10,203
Insurance	4,432	0
	<u>\$1,302,128</u>	<u>\$1,421,290</u>

EASTERN IRRIGATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2020



13. Community Grazing Property and Equipment Expenditures

Property and equipment expenditures include:

Grazing water pipeline and improvements
Pasture development and reseeding

2020	2019
\$214,361	\$477,698
0	0
<u>\$214,361</u>	<u>\$477,698</u>

14. Special Projects

Revenue:

Campgrounds

2020	2019
\$561,895	\$467,626

Expenses:

Farm improvement program
Campgrounds
Partners in Habitat Development
New development infrastructure program
Aquatic Invasive Species - public education
Engineering feasibility studies
Aerial photo
Soil testing
Environmental remediation - old truck shop property
Public Signs
Rural water initiative
Dam safety inspections
HALO air ambulance

(1,046,142)	(1,489,177)
(498,502)	(509,390)
(125,000)	(125,000)
(107,222)	(50,575)
(95,289)	(69,457)
(55,235)	(49,083)
0	(24,265)
0	(12,735)
(8,560)	(9,280)
0	(4,188)
(4,000)	(4,000)
(1,134)	(72,417)
0	(50,000)

Deficiency

<u>(\$1,379,188)</u>	<u>(\$2,001,941)</u>
----------------------	----------------------

15. EIDNet

Revenue:

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

2020	2019
\$1,331,656	\$1,248,364
29,653	34,979
1,676	1,862
<u>1,362,985</u>	<u>1,285,205</u>

Expenses:

Wages and operating costs
Amortization
Telecommunications and bandwidth
Customer installation expenses

(735,141)	(659,021)
(204,048)	(203,033)
(136,926)	(141,450)
(106,296)	(91,857)

Total Expenses

<u>(1,182,410)</u>	<u>(1,095,361)</u>
--------------------	--------------------

Revenue over expenses (Deficiency)

<u>\$180,575</u>	<u>\$189,844</u>
------------------	------------------

16. Trust Funds Held

Trust funds held include \$240,650 (2019 - \$242,087) for the Partners in Habitat Development program. 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

	2020	2019
Beginning of year	\$820,202	\$803,389
Contributions	12,649	16,813
Reclamation activities	0	0
End of Year	<u>\$832,851</u>	<u>\$820,202</u>



EASTERN IRRIGATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2020

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:

Division	1	2	3	4	5	5	6	7	2019
Director's Name	Jason Hale	David Peltzer	Ross Owen	Brian Schmidt	Brummelhuis	Tony Jacobson	Don Chrumka	Bob Hemsing	2020 Totals
Amounts included in the District's accounts receivable at year end:									
Sundry debtors	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$137
Amounts included in the District's accounts payable at year end:									
Unearned EIDNet fees	(188)	(77)	(77)	(77)	0	(1,001)	0	(115)	(1,535)
Revenues of the District:									
Irrigation works constructed by the District	0	0	0	0	0	0	0	0	26,158
Gain (loss) on sale of land	0	0	0	0	0	0	0	0	17,174
Private grazing, irrigated lease fees and cost recoveries	1,909	0	0	0	0	0	0	4,328	5,580
EIDNet fees	1,705	448	220	220	117	685	1,290	220	6,237
Capital assets charges	0	0	0	900	0	0	0	0	4,905
Acre Feet sales/subdivision lieu charges	0	0	0	0	2,000	0	0	0	3,900
Gravel and dirt sales and miscellaneous	0	0	0	0	0	0	137	0	2,000
Water conveyance agreements	0	0	0	0	0	0	0	285	137
Expenses of the District									
Irrigation works additions	0	0	0	0	0	0	0	0	561
Director per diems	(14,167)	(11,654)	(15,081)	(10,968)	(6,170)	(3,885)	(13,710)	(13,025)	(88,870)
Farm improvement program	0	(6,600)	0	0	0	0	0	(53,760)	(88,658)
Directors benefits*	(677)	(548)	(724)	(511)	(290)	(173)	(652)	(617)	(60,360)
Scholarships	0	0	0	0	0	0	0	0	(4,193)
Infrastructure Savings Program	0	0	0	0	0	0	0	0	(3,846)
Rights-of-way purchased by the District	0	0	0	0	(15,294)	0	0	0	(2,000)
									0
									(15,294)

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



19. Commitments

Uncompleted contracts:

The District has commitments in an estimated amount of \$nil (2019 - \$240,804) 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 \$86,410 (2019 - \$1,360,120).

20. Contingencies

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

The District is a third party defendant in a claim for damages and losses for trespass, nuisance and unauthorized use of land. The likelihood of a gain or loss is not determinable, nor is the amount reasonably estimable.

21. Comparative Amounts

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

22. Approval of Financial Statements

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



EASTERN IRRIGATION DISTRICT
SCHEDULE OF OPERATIONS AND ADMINISTRATION EXPENSES
For The Year Ended September 30, 2020

Schedule 1

	Equipment Pool	Maintenance	Water Delivery	EID Land Administration	Administration and General	2020 Total	2019 Total
Salaries and benefits							
Salaries	\$1,803,358	\$1,008,025	\$1,674,590	\$298,142	\$1,594,359	\$6,378,473	\$6,448,307
Pension plans	217,507	117,057	240,759	73,466	192,972	841,761	839,651
Group insurance	90,672	43,011	94,329	25,096	83,091	336,199	302,134
Employment insurance and WCB	32,651	13,638	33,247	14,570	25,728	119,835	161,422
Equipment							
Amortization of equipment	1,343,928	0	0	1,965	131,886	1,477,778	1,442,429
Equipment rent (recovery), net	0	883,675	61,957	46,522	0	992,154	1,092,783
Vehicle expense (recovery), net	(378,762)	219,382	415,797	60,930	64,913	382,259	481,385
Heavy equipment expense	89,532	0	0	0	0	89,532	379,446
Other							
Irrigation pumps and structures	0	568,499	209,382	0	0	777,881	743,265
Materials and supplies	146,728	271,909	276,759	8,855	0	704,252	681,956
Buildings and grounds	99,949	45,434	185,638	31,875	109,028	471,924	570,457
Professional fees	0	0	0	13,418	95,203	108,621	259,121
Office supplies and maintenance	0	0	0	0	149,658	149,658	169,623
Insurance	68,940	323	35,373	0	25,926	130,561	154,701
Advertising and promotion	463	0	0	12,099	128,444	141,006	136,187
Association fees	0	0	0	0	99,373	99,373	97,456
Directors per diems and CPP (Note 18)	0	0	0	0	92,851	92,851	87,477
Telephone	27,361	5,445	18,717	3,116	0	54,638	76,820
Water quality testing	0	0	27,493	0	0	27,493	27,329
Private and irrigated leases	0	0	0	44,964	0	44,964	25,310
Miscellaneous and freight	611	1,100	4,832	50	25,189	31,782	24,855
Directors expenses	0	0	0	0	20,734	20,734	21,804
Travel	755	186	465	0	8,336	9,743	12,497
Shop supplies and small tools	(24,217)	6,735	2,011	257	0	(15,214)	8,080
Total expenses	3,519,474	3,184,420	3,281,349	635,324	2,847,691	13,468,257	14,244,494
Less:							
Recovery from other capital construction	(2,902,389)	(306,506)	(452,768)	(1,498)	(479,225)	(4,142,385)	(5,390,409)
Recovery from IRP capital construction	(853,001)	(19,543)	(187,442)	0	(50,845)	(1,110,831)	(469,402)
	(\$235,915)	\$2,858,370	\$2,641,140	\$633,826	\$2,317,621)	\$8,215,041	\$8,384,683



2021 Annual Meeting Agenda

Annual General Meeting, Tuesday, March 9, 2021 at 1:30 pm

- 1.0 Welcome and Opening Remarks:** Mr. Jason Hale, Chairman, Board of Directors
- 2.0 Election of a Chair for the Annual General Meeting:** Mr. Jason Hale
- 3.0 Adoption of the Agenda**
- 4.0 Approval of the Minutes:** March 10, 2020 Annual General Meeting
- 5.0 Business Arising from the Minutes:** March 10, 2020 Annual General Meeting
- 6.0 Presentation of Reports**
 - 6.01 Chairman of the Board of Directors Report: Mr. Jason Hale
 - 6.02 General Manager's Report: Mr. Ivan Friesen, General Manager
 - 6.03 Maintenance Report: Mr. Ivan Friesen, General Manager
 - 6.04 Rehabilitation Report: Mr. Ryan Gagley, Engineering Manager
 - 6.05 Audited Financial Statements of the District: Mrs. Nancy Lassiter, Financial Services Supervisor
- 7.0 Results of Plebiscite:** Mr. Ivan Friesen, General Manager
- 8.0 New Business**
 - 8.01 General Matters Raised from the Floor
 - 8.02 Report on Scheduled Elections: Mr. Ivan Friesen, Returning Officer
 - Division 3 (Patricia/Millicent): Mr. Ross Owen (Term Expired)
 - Division 6 (Tilley): Mr. Bob Chrumka (Term Expired)
- 9.0 Adjournment**



Annual Report Insert

Minutes From Annual General Meeting, March 10, 2020

March 10, 2020 Annual General Meeting

The Eastern Irrigation District held its Annual General Meeting on Tuesday, March 10th, 2020, 1:30 p.m. at the Heritage Inn, in Brooks, Alberta. Approximately 166 people were in attendance.

The meeting was called to order by the Chair of the District, Mr. Ross Owen, at 1:35 p.m.

1.0 Welcome and Opening Remarks

Mr. Owen welcomed those in attendance at the annual meeting, including Jennifer Nitschelm, Director – Irrigation Secretariat; Rufa Doria, Member – Irrigation Council; Margo Redelback, Executive Director – AIDA; County Councillors; and special guest Nate Horner, MLA for Drumheller-Stettler.

Greetings from the Provincial Government

Mr. Owen invited MLA Horner to bring greetings from the Provincial Government. Mr. Horner delivered the following from The Hon. Devin Dreeshen – Minister of Agriculture & Forestry, and on behalf of Michaela Glasgo – MLA for Brooks-Medicine Hat, and the Provincial Government:

The agriculture and agri-food sector in Alberta includes crops and livestock, horticulture, bio-industries, food production, and food and beverage processing. It continues to be a bright spot in the province's economy, even during the recent economic downturn. Last year, primary agriculture in Alberta contributed \$5.2 billion to GDP and generated \$13.5 billion in total farm cash receipts - representing over 20% of total Canadian farm cash receipts. The sector also employs around 49,300 Albertans. We have one of the world's most productive primary agriculture economies and we enjoy an outstanding reputation for food quality. Alberta is one of the few jurisdictions in the world that produces more agricultural products than it consumes. The agriculture and agri-food sector has been aggressively trending toward value-added and processed foods, which enables companies to better capitalize on global food trends. The Government will develop a strategy for the agriculture sector with goals of:

- *implementing an investment, value-added and export growth strategy led by Government to increase the value of agriculture in Alberta;*
- *attracting investment with an aggressive investment attraction target of \$1.4 billion over the next four years;*
- *creating 2,000 new direct jobs in key sectors such as canola processing, pork industry, plant protein, greenhouse, food processing, malt industry, Agri-technology, and other emerging sectors; and*
- *growing Alberta's exports in primary agriculture to 7.5% per year and in value-added exports to 8.5% per year.*

Mr. Horner reaffirmed the Government's support and on behalf of Minister Dreeshen and MLA Glasgo thanked the water users for their part in the industry.

2.0 Election of a Chair for the Annual General Meeting – Mr. Ross Owen

Mr. Owen called for nominations for chairman of the annual meeting.

Moved by Mike Hale that Floyd George be nominated for Chairman.

Nominations were called a second and third time. As no further nominations were placed, Floyd George was elected Chairman by acclamation. Mr. George assumed the chair.

3.0 Adoption of the Agenda

Mr. George asked that the Board introduce themselves, then called for a mover and seconder to adopt the revised agenda which had been distributed to attendees. Participants were asked to state their name when asking a question.

Moved by Wayne Slenders, Seconded by John Brummelhuis, that the revised agenda be adopted as presented.

The motion to adopt the revised agenda was carried.

4.0 Approval of the Minutes – March 19, 2019, Annual General Meeting

Mr. George called for a motion to accept or revise the minutes from the March 19, 2019, Annual General Meeting.

Moved by Daniel Doerksen, Seconded by Wayne Slenders, that the minutes of the 2019 Annual General Meeting be approved as distributed.

Mr. George asked if there were any revisions to the minutes; being none he asked for a vote on the motion.

The motion to approve the minutes was carried.

5.0 Business Arising from the Minutes – March 19, 2019, Annual General Meeting

Mr. George called for items of business arising from the minutes of the 2019 Annual General Meeting.

In follow up to his question last year, Max Tateson asked how much of the budgeted amount stated in the 2019 AGM minutes for lawyer expenses was spent and how much was on incidentals of staff and Board. Mr. Friesen responded that of the \$400,000 budget in the 2019 fiscal year, \$190,000 was spent on legal fees of which \$145,000 was spent on legal fees associated with the Irrigation Council Appeal Panel judicial review. Staff time was not tracked as they are employed to do the work of the District, so any additional staff costs related to the judicial review were minimal.

6.0 Presentation of Reports

6.01 Chairman of the Board of Directors Report – Mr. Ross Owen

Mr. Owen presented the Chairman's Report, as summarized below:

- Appreciation was given to outgoing Directors Jim Culligan and Rod Johnson for their years of service and a welcome to new Directors Brian Schmidt, David Peltzer and Tracy Hemsing.
- The judicial review of the EID vs Irrigation Council Appeal Panel resulted in the ruling that irrigation districts are empowered to investigate the legitimacy of title when allocating new irrigation acres.
- The Bassano Dam Emergency Spillway was commissioned in May and official opening held in October. The ceremony was well attended by all partners, including Chief Joseph Weasel Child of Siksika Nation, The Hon. Jason Nixon – Minister of Environment & Parks, and Michaela Glasgo – MLA for Brooks-Strathmore. The District is very thankful to the Provincial Government for their \$30 M contribution to the project.
- The AIDA reservoir ranking process determined Eyremore Dam to be the best overall project of the projects they assessed to benefit irrigation in the province.
- The District purchased 3,780 acres of land from Torxen Energy Ltd. and sold additional land to the Newell Regional Landfill.
- Much time was spent discussing the challenges of reservoir pumping, related District policies and bylaws, and the District's operational necessity to raise and lower its reservoirs.
- On separate occasions, the Board met with several MLAs and Ministers for an exchange of information and to advance the concerns of the District, including rural internet, water storage, irrigation expansion potential, Bow River operations and aquatic invasive species.
- \$50,000 was provided in emergency operational funding to HALO Air Ambulance.
- Upgrades to EIDNet were investigated and water user input sought, resulting in beginning the first year of an 8 year fibre upgrade plan.
- Corporate Planning focused on expansion modelling outcomes, review of policy and bylaw criteria for approving new acres, water security/storage, capital assets charges, private and District expansion and the plebiscite process; with information to be brought to the AGM.
- Staff and administration were thanked for their dedication, and appreciation was given to water users for bringing forward matters for the benefit of the whole EID.

Mr. Owen congratulated Kevin Bridges on his upcoming retirement, thanking him for his 16 years of service and considerable contribution to the District.

Moved by Ross Owen, Seconded by John Brummelhuis that the 2019 Chairman of the Board of Directors Report be accepted as presented.

Leonard Parker commented that the HALO air support and Landfill matters seemed more appropriate for the County instead of the EID; further explanation on the District acquiring land was requested. Mr. Owen responded that the EID was approached by Torxen Energy Ltd. to purchase land which was already being used by the District as grazing, and that MLA Michaela Glasgo and MLA Nate Horner came to the boardroom looking for some emergency funding to see HALO through to the next stage of government decision making.

Wayne Slenders requested explanation of the metrics of feedback and information received from water users regarding EIDNet. Mr. Owen advised that this matter was discussed in the boardroom and as EIDNet is not within an irrigation district's [primary] mandate, the Board was informing water users through a newsletter and seeking their input. Mr. Slenders responded that if it's outside the traditional Board mandate and not an immaterial capital investment, it would normally behoove the process to have a strategic plan to make sure rate payers have equivalent value with investment.

Margo Redelback clarified that Eyremore Dam was deemed to be the top of the list on those assessed by AIDA, but only the Bow sub-basin and southern tributaries were looked at, not projects in other areas.

The motion to adopt the report was carried.

6.02 General Manager's Report – Mr. Ivan Friesen, General Manager

Mr. Friesen presented the General Manager's Report, as summarized below:

- The 2019 irrigation season was the 4th out of 5 years where precipitation was well below the long-term historical average. The District diverted 508,900 ac ft, with approximately 339,100 ac ft being delivered to the farm gate. Although demand was strong, river flows allowed water operations to meet demands with little reliance on reservoirs.
- At the end of July, concerns from some water users in the south stated that without increasing the 24" water allocation maximum, they would be unable to finish their specialty crops due to the dry weather. Although a decision was made to allow a one-time 3" increase, this cannot be the norm if irrigation expansion is to be completed. Other options are being considered to allow allocation transfers within a farm link.
- The Bassano Dam Emergency Spillway was commissioned in the spring, with the formal opening ceremony in the fall. The significance of this structure was highlighted, as well as the cooperation and partnerships that built a structure of this magnitude so quickly to ensure the ongoing social and economic viability of this area. Appreciation was again extended to Siksika Nation, Government of Alberta, Niitsitapi-Graham LP, MPE Engineering Ltd, Klohn Crippen Berger, Instream Water Control Projects Ltd, Earl Wilson and staff that brought the largest single structure since the inception of the District, to fruition.
- The EID has always investigated additional storage opportunities within the District to increase water security for those areas which are not reservoir supported, and as the majority of the conveyance system has been rehabilitated and project alternatives become available, both on-stream and off-stream water storage has come more to the forefront of District planning. AIDA submitted a report to The Hon. Devin Dreesen, Minister of Agriculture & Forestry, which ranked the Eyremore Dam the highest in the South Saskatchewan River basin in irrigation benefits. The Bow River Working Group has also identified and recommended sites upstream that could possibly be developed. The EID will continue to examine, inform and plan for any storage opportunity that arises.
- Upon finalization of the District-wide irrigation assessment, approximately 3,700 irrigation acres will remain. With this known, the Board placed a moratorium on new irrigation acre applications, yet allowing applications where the acres could be acquired through converting to a more efficient method of irrigation. This allowed some expansion but ensured the 311,000 acre expansion limit was not

- breached. AB Env and AB Ag modelling is largely completed and through the expansion plan process additional information and public meetings will be held.
- 83 applications (majority for pivot panels, then conversions, corner arms and cost-shares for tree removal or drain relocations) were granted under the Farm Improvement Program, totalling \$1,481,973; compared to \$2,218,839 in 2018.
 - 17,119 cow/calf pairs grazed community leases in 2019. Grass conditions weakened throughout the season, with the south and east areas fairing the worst. In response, a reduction from 80 head to 70 head per member was approved for the 2020 grazing season.
 - 47 new wells were acquired, and an additional 34 wells were twinned on existing leases. New pipelines totalled 1,208 miles or 201 acres; there were no seismic permits requested.
 - 1 employee retired, 1 left the District and 3 new staff were hired.
 - Water Users, Board and Staff were thanked for the dedication and work in achieving the primary directive of conveying water to the farm gate, resulting in continued enhancements throughout the District.

Mr. Friesen also thanked Kevin Bridges for all his work and wished him the best on his retirement in May.

Moved by Ivan Friesen, Seconded by John Cormack that the 2019 General Manager's Report be accepted as presented.

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

Stephen Anderson enquired about the opportunity to move water from quarter to quarter, commenting that it is being done in other districts, what the hesitation or downside may be, and encouraged that this process be in place prior to the plebiscite. Mr. Friesen answered that this is being discussed at the staff and Board level, that a pilot project is being proposed and that the EID is looking for volunteer farmers for this. Mr. Friesen further advised that the District wants to be sure that the process and tracking will work properly to see if it can be fully implemented.

Wayne Slenders asked if the Board is considering a surcharge on water overuse, such as the WID, which charges \$20/acre inch. Mr. Friesen responded that the Board is not seriously considering this at this time, that 24" should complete a crop and that realistically the EID has 18" across the District; 24" is in place so as not to penalize some flood or small parcels.

Blaine Johnson questioned whether Eyremore Dam is even considerable as a storage reservoir, given the unlikelihood or delay in getting permits on public property as seen in the rest of the province. Mr. Friesen encouraged that the EID should still be trying to push forward regardless of minority opposition and present negative sentiment, citing the Provincial Government's continued perseverance and willingness to investigate projects most recently upstream on the Bow River that are seen as value for flood and drought mitigation and these have gone to the public consultation level.

Harold Brauer commented that historical explosivity tests may have indicated that the subsoil and substructure might not hold up to the pressure behind it, if Eyremore Dam were to be built; also questioning where the water would be diverted and who this dam would benefit. Mr. Friesen advised that historically some very extreme levels were investigated, even flooding out the Bassano Dam, which would not be considered. A proposal to flood back to the toe of the dam may be more realistic. A lot of work would need to be done to realize feasibility, although the site looks good and there is a lot of geotechnical information to be resourced. Benefits could include enhancing downstream environmental flows while enabling an additional 400 cfs District diversion (the minimum that has to be passed under the EID license) which reduces the risk particularly for river supported areas, flood and drought mitigation for Medicine Hat and other municipalities, aiding in apportionment which allows more water to remain in the Old Man Dam, hydro-electricity production, recreation and less call for upstream licenses to share with downstream users. Eyremore Dam would provide additional water security for the whole South Saskatchewan River Basin.

Don Jacobson commented that the TransAlta dam upstream would have flood mitigation for Calgary, which

Eyremore does not. Mr. Jacobson agreed with Mr. Johnson of the unlikelihood of any new dams being built on river, unless for Calgary flood mitigation, adding that millions could be spent and the dam never happen. Mr. Friesen also agreed, recognizing that the population of Calgary and billions in damage incurred will influence the government's decisions on infrastructure spending. While the Eyremore Dam is valued in this part of the province, the 3 proposed upstream dams which have had public consultations have dual purposes (flood and drought mitigation) and the Bow River districts support those proposed projects too.

George Murray V enquired if Snake Lake Reservoir is a good possibility. Mr. Friesen advised the project has definite potential. Currently the reservoir supports approximately 50,000 acres downstream but is limited in its support. The proposal is to expand the reservoir by 53,000 acre feet, enabling full reservoir support for the acres directly downstream of it and will indirectly support or reduce the risk of those remaining 100,000 acres being served directly off the river.

Wayne Slenders acknowledged that the Farm Improvement Program was started to encourage efficiencies in the District; the program approved over \$1.4 M last year, and he asked if information could be placed on the website showing what types of applications would qualify. Mr. Slenders also asked how this program works for the strategic plan of the District. Mr. Friesen informed that the policy is on the website (Information tab, Bylaws/Policy) and that the essence of the program is to provide efficiencies or further incentives to get efficient, as in flood to pivot conversions. Historically too, people that have provided efficiencies to the District, who haven't yet received a grant, may qualify on projects now to remain efficient.

The motion to adopt the report was carried.

6.03 Maintenance Report – Mr. Ivan Friesen, General Manager

Mr. Friesen presented the Maintenance of Irrigation Works Report, as summarized below:

- Maintenance costs for 2019 totalled \$2,730,922; on average over the last 5 years.

Moved by Ivan Friesen, Seconded by Leonard Parker that the 2019 Maintenance Report be accepted as presented.

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

Don Jacobson asked what the District is allowed to do and what it does for chemical weed control on canal banks. Mr. Friesen and Jason Thompson, Occupational Health & Safety Coordinator and Environmental Technician responded that for the District, spraying is permitted up to 5 m from water's edge. Dicamba is used for broadleaf control and glyphosate (Roundup) for grass. Mr. George added the residues associated with Dicamba are identified in water monitoring of drains, so water users should be careful not to spill (or apply) close to water bodies or drains.

The motion to adopt the report was carried.

6.04 Rehabilitation Report – Mr. Ryan Gagley, Engineering Manager

Mr. Gagley reviewed the 2019 Irrigation Rehabilitation Report, displayed information on completed projects and advised of plans for future IRP and capital projects.

- In 2018/2019, \$14,794,100 of District funds were spent on Capital Construction, installing 3 pipeline projects (24.5 km) and rehabbing 1 canal (0.3 km). 54" diameter pipe was used for the first time without any issues; 750 m was installed on the 11-H West Bantry project.
- 2019/2020 capital construction will consist of 3 major projects as well as the continuation of the EID/County Drainage Program.
- In 2019, \$2,503,400 were spent on Irrigation Rehabilitation Program (IRP) projects rehabbing 6.0 km of canal. Plans for 2019/2020 are to install 9.0 km of pipeline. IRP funding is cost-shared 75:25 between the Province and the District.

- 6 major construction projects planned for 2020/2021 consist of: 01-C Springhill Pipeline, C Springhill Pipeline, 10-H West Bantry Pipeline, 16-H West Bantry Pipeline and West Bantry Canal – Reach 2. Work under the County/EID Joint Drainage Program will continue, first in the Bow City area then moving to Rosemary.

Moved by Ryan Gagley, Seconded by Martin Wiebe that the 2019 Rehabilitation Report be accepted as presented.

Mr. George asked if there were any questions of the Engineering Manager; none were raised.

The motion to adopt the report was carried.

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

Kevin Bridges, Assistant General Manager – Corporate Services, presented the independent auditor's report and the audited financial statements, highlighting the following:

Compared to 2018:

- Changes in assets:
 - Current assets decreased over the year by \$14.2 million. Cash, short term investments and current investments are down by \$14.5 million. During 2019, funds on hand for the Bassano Dam Spillway project decreased by \$10.1 million, funds on hand for IRP projects decreased by \$2.4 million and about \$1.1 million were moved from short term to long term investments, which explains \$13.6 million of the reduction. The remainder of the change is a function of our cash requirements planning and the timing of cash receipts and payments. Accounts receivable balances, both current and non-current, decreased primarily due to payments received on those accounts. Materials and supplies inventory increased by \$585,000. At times, we have difficulty obtaining timely delivery of certain materials so we increased the amount of those materials that we keep on hand. The change in Prepaid expenses is a normal fluctuation.
 - Non-current assets increased by \$1.2 million, which is primarily due to the increase of \$1.1 million in long-term investments.
 - Property and equipment assets, in total, increased by \$14.96 million net of amortization expense. Building changes include improvements to the main office and to one of the District's residences. The equipment changes involved the usual truck and equipment replacements. \$29.6 million were invested into irrigation works which was partially offset by an amortization expense of \$16.8 million. The investment in irrigation works includes \$9.9 million for the Bassano Dam Emergency Spillway project. \$2.2 million were invested to purchase land comprised of 164 acres along the eastern shore of Lake Newell Reservoir and 104 acres of former railroad right of way that runs through the District's land west of Brooks.
- Accounts payable and accrued liabilities decreased by \$3.5 million, primarily due to two factors: (1) a reduction in construction holdbacks and accounts payable for the Bassano Dam Emergency Spillway project and (2) a reduction in the amount held as land sale deposits as a result of the sale of some of the former irrigated lease lands.
- Unearned revenues (current and non-current) in total are down \$1.2 million from 2018. Within the unearned category, unearned revenues from oil and gas are down \$995,600 (this reduction is due to Torxen's October rental payment having been received in September 2018 and not until October 2019 – just after the yearend), unearned revenues from land sales are down by \$187,200 and unearned revenues from rent are down \$10,300 and unearned revenues from powerlines are up \$5,500.
- In 2019, the District did not receive any funding from the Province under the IRP program. In 2019, \$6.2 million from IRP grant funds received in prior years and from the Bassano Dam Spillway grant funds were drawn into income. These transactions account for the \$6.2 million decrease from 2018.



Annual Report Insert

Minutes From Annual General Meeting, March 10, 2020

Fund Balances:

- The Internally Restricted Pasture Development Fund started the year at \$163,504. \$2,850 were added during the year for a yearend balance of \$166,354.
- The Internally Restricted Fund for Future Irrigation Works started the year with a balance of \$85.2 million. As the District did not receive an IRP grant in 2019, the District did not transfer any money from this Fund to the Internally Restricted Fund – Province of Alberta. \$8.68 million were transferred to the Externally Restricted Fund – Bassano Dam Spillway to pay the District's share of the costs of that project. \$19.5 million were withdrawn to pay for land & building purchases and capital projects funded solely by the District. \$4.02 million were added to the fund from capital asset charges, gravel royalties and dirt sales, the gain on the sale of land, and from interest earnings. \$19.4 million was contributed from current year's operations. Over the year, the fund balance decreased by about \$4.7 million.
- The Bassano Dam Emergency Spillway fund started the year at \$2.1 million. \$8.68 million were added as the District's contribution. \$9.9 million were spent on the project and \$92,800 of interest income was added, for a yearend total of \$973,300.
- The Externally Restricted Fund – Province of Alberta holds a combination of grant money from the Province through the IRP grant program plus the District's 25% matching share. \$2.5 million were spent on eligible capital projects and \$114,800 of interest earnings were added to the Fund. Over the year, this Fund balance decreased by about \$2.4 million.

Statement of Operations & Changes in Fund Balances:

- Total 2019 water earnings were up from 2018 by \$205,400. This change is due primarily to a \$48,100 increase in water conveyance revenue and a \$155,100 increase in oil and gas drilling water revenue.
- Oil and gas well lease fees were up \$74,700 from 2018. Oil and gas right of entry fees and administration fees were down \$67,700 from 2018. The total of all oil and gas revenues in 2019 is virtually unchanged from 2018.
- Community grazing lease revenues decreased by \$45,700 in 2019 due primarily to a small reduction in the number of cattle pastured and a slightly shorter grazing season.
- Irrigated lease fees decreased in 2019, primarily due to there being fewer irrigated leases as a result of the sale of some of those parcels.
- Private grazing lease fees increased by \$27,000 due to some rate increases and an increase in the amount of land subject to private grazing leases.
- Investment income was lower by \$237,600 due to lower investment rates and less money being invested, primarily due to the funds on hand for the Bassano Dam Spillway project being spent and no new IRP grant money being received.
- The gain on the sale of land, equipment and buildings is made up of:
 - a loss of \$46,400 from the usual disposal of various pieces of equipment. The overall loss is primarily attributable to the disposal of a 350 excavator at a loss of \$62,000 and a \$16,500 write off that resulted from updating our assets register for a number of small items that were no longer in our assets inventory. Those losses were partially offset by a gain of \$32,000 from the sale of the light trucks.
 - a gain on the sale of land of \$1.9 million from the sale of road widening lands to the County of Newell (49 acres), 2 small parcels of dry land (10 acres), the K300 mortgage principal and interest payments and the sale of five former irrigated lease parcels.
- The capital assets charges revenue is made up of \$947,900 from issuing irrigation acres plus \$10,750 from new acreage agreements.
- In 2019, the District received \$721,400 from the Province as an operational grant.
- The District received \$148,100 from dirt sales which was partially offset by net gravel pit expenses of \$48,300.
- In 2019, total operating and administration costs of \$14.24 million were incurred compared to \$14.49 million in 2018. Of the \$14.24 million, \$5.86 million were recovered from or charged to capital construction projects leaving net 2019 operating costs of \$8.38 million, which is \$434,800 less than

2018. The decrease is primarily attributable to higher recoveries from capital projects combined with lower expenses for materials, supplies and irrigation pumps, which were partially offset by higher equipment expenses.
- Community grazing expenses increased by \$295,000 due to increases in expenses for fences, amortization, water, property taxes, fire guards and irrigated pastures.
 - The net cost of Special Projects decreased in 2019 by \$342,200. Special Project costs increased for the Campgrounds, Aquatic Invasive Species programs, New Development Infrastructure Grant program, HALO Air Ambulance donation, Engineering Feasibility Studies, Aerial Photos, Soil Testing and Public Signs. Special Project costs decreased for the Farm Improvement Grant program, Dam Safety Inspections, remediation of the old truck shop property, Rural Water Initiative and the Class 5 soils management guidelines project.
 - In 2019, EIDNet's revenues exceeded its expenses by \$189,800 due to an increase in revenues of \$85,700 and a decrease in expenses of \$117,400. Costs for customer installations and for amortization decreased while costs for wages, operating costs, telecommunications and bandwidth increased.

Mr. Bridges confirmed that IRP funding was received in February and conveyed the District's appreciation for the Province's financial support.

Moved by Kevin Bridges, Seconded by Carl Chomistek that the 2019 Independent Auditor's Report and Financial Statements be accepted as presented.

Mr. George asked if there were any questions of the Assistant General Manager – Corporate Services.

Stephen Anderson enquired whether the ongoing expenses of reseeding and waterline projects were all on community pasture or on some private grazing leases. Mr. Bridges confirmed that the expenditures were solely for waterline projects for community pastures and that no reseeding was done in 2019.

Carl Chomistek asked how much IRP funding dropped this year and what it looks like in the next 2 years. Mr. Bridges summarized that the Irrigation Rehabilitation Fund for all 13 districts in recent years used to be \$19 M, dropped to \$14 M and then will drop to \$10 M this year, however the government has advised of a 3 year plan that will bring this fund back up to \$12 M.

John DeJong commented on the facilities built in the last 30 years and money spent on ads and promotions, asking if the EID ever considers spending more money to promote the area. Mr. DeJong was thanked for his comment and his question was noted by the Board.

Wayne Slenders stated that the District is charging \$0/acre for delivering water, but the actual cost was \$26/acre, comparing other districts' water conveyance charges and asking what would account for the difference between those districts and the EID. Mr. Bridges clarified that \$26/acre is the actual cost to the EID and the rates quoted of other districts is their water rate (presumably not their actual cost), adding that besides the difference in the amount of infrastructure he could not comment as to district comparisons.

Wayne Slenders asked if the total for EIDNet Customer Installation Expenses was solely derived from the \$300 installation fee charged to customers. Mr. Bridges advised that this line does not exclusively include new installations, but also equipment upgrades. Mr. Slenders further stated that if EIDNet becomes a substantial investment with capital and operating costs to maintain the client base, the Board and Management need to be sure of their decisions since EIDNet is not a monopoly and is subject to a lot of competition. Mr. Bridges assured that conversations have been held for about 2 years on the fibre project and that the Board is well informed.

Referencing Property and Equipment – Land, Don Jacobson asked what land was purchased for \$4 M. Mr. Bridges advised that amount is an historical total cost of investments in land that the District has made over all the years in existence, with some noteworthy ones of late being development costs at Silver Sage (joint project with the City, County and EID) and recently purchasing 164 acres along the shore of Lake Newell. Mr. Jacobson further asked what the \$2 M increase was for since the previous year and Mr. Bridges



Annual Report Insert

Minutes From Annual General Meeting, March 10, 2020

responded that it was largely for the land along Lake Newell shoreline and for former railway ROW (within other District lands).

Mr. Friesen, circling back to Mr. Slenders' question, added that one uniqueness of the EID when comparing to other districts, is that the EID owns and operates its own headworks; other district headworks are owned by Alberta Environment. Another significant difference is that the EID has a vast drainage network, of which other districts do not have to near the same extent.

The motion to adopt the report was carried.

In reference to his upcoming retirement, Mr. Bridges expressed his appreciation for working with the EID and thanked the Board of Directors, co-workers and colleagues.

7.0 Capital Assets Charges – Mr. Ivan Friesen, General Manager

Mr. Friesen presented an update to the Capital Assets Charges Bylaw, for the remaining approximate 3,500 – 3,700 irrigation acres:

- The charge to convert from terminable acres to irrigation acres was raised from \$100/acre to \$250/acre.
- The charge to purchase infill or efficiency acres, up to a maximum of 50 irrigation acres per parcel, was raised from \$300/acre to \$750/acre.
- For infill or efficiency acres in excess of 50 irrigation acres per parcel, or for irrigation acres added to a parcel previously assessed as dry as of December 31, 2019, the charge was raised from \$750/acre to \$1,750/acre.

Stephen Anderson asked if the moratorium for purchasing irrigation acres has been lifted. Mr. Friesen responded that only efficiency or infill acres may be purchased at this point; the moratorium remains on new parcel irrigation acres.

Wayne Slenders queried whether this bylaw is approved, and if so why a normal procedure for other institutions such as 21 days notification and passing the bylaw at an AGM is not observed. Mr. Friesen advised that the bylaw was approved, given 2nd and 3rd readings at the March 9th Board Meeting, and that the Board is given the authority to make bylaws. Jennifer Nitschelm, Director – Irrigation Secretariat, confirmed that there is no requirement for the Board to give notice and pass their bylaws at an AGM.

Leonard Parker questioned, for people who have applied for irrigation acres before, whether it is the previous or current rate. Mr. Friesen informed that those who applied prior to January 29, 2020, whose applications have been legitimized through the Lands department, will be approved under the old rates.

Harold Brauer stated that when he had asked about purchasing acres, he was told there weren't any available because they would be off-river and yet because of the general assessment survey he was sold an acre. He would like another 4 acres, does not understand why they are not available, and now, if the acres become available, would have to pay the increased amount with not seeing any improvements in the area. Mr. Friesen responded that at the time of the 2003 expansion the District had a moratorium on all off-river acres. Approximately 5 years ago, due to the cumulative efficiencies of pipelining and water user conversions, it was felt that more water could be allotted to those areas and 500 acres/year were granted. Perhaps the request for acres was before this time or after the acres were gone. Furthermore, from Board discussions regarding the general assessment, it was agreed that some acres could be granted to clean up assessments on parcels where otherwise ineligible for additional acres. Mr. Friesen concluded that the next presentation on Irrigation Expansion will explain acre availability and that capital assets charges were adjusted to reflect market changes, which affect everyone.

Keith Jones asked the Board for the rationale in adding a 150% increase to the Capital Assets Charges. Mr. Owen responded that the current land prices were compared to the land and capital assets values the last time the bylaw was adjusted and were set accordingly.

Leonard Parker requested an explanation of why capital assets charges would be tied to land prices; stating that the EID exists to deliver water, and income and expense should determine what it costs to deliver the water. Mr.

Brummelhuis cited an example from the SMRID where 4,000 acres were sold at \$1,800/acre on a first-come first served basis. The acres were sold by 8:00 a.m. the day following the announcement; with many more wanting to purchase than getting the opportunity. In retrospect, it was conveyed to the EID Board that perhaps their board did not do their due diligence in assessing and setting an appropriate rate and sale parameters, both for distribution of acres to water users and in reflection of asking the government for funding (IRP grants). Mr. Brummelhuis also added that for the EID there are water users that are being asked to take on additional risk if passing a plebiscite to increase the expansion limit, who do not have land to expand on, so the payoff to them should be capital assets revenue that could be applied to a reservoir fund. Mr. Owen added that there is a finite amount of land and water, so should the District not save for a reservoir? As well, the 29,000 acre increase being proposed was generated from efficiencies, asking what is the payoff to the water users who made those efficiencies?

John Ketchmark asked what the benefit is to those water users not buying additional irrigation acres. Mr. Owen responded that the capital assets revenue could be earmarked for reservoir support. Mr. Ketchmark asked if that is going to happen. Mr. Owen responded that it hasn't been confirmed yet, but he is fully supportive doing that to enable an increased expansion limit is no more of a risk and possibly a benefit to those water users.

Richard Hiebert countered that water users under Crawling Valley Reservoir have no risk to water supply and so should assume their capital assets rates be cheaper. Floyd George commented that he would prefer the 29,000 acres be added to the District to help pay for District expenses. Mr. Brummelhuis responded that it is a good situation for water users below Crawling Valley, but those not below reservoirs feel like second class citizens, so the District is working hard on more reservoir support.

Mike Hale expressed a feeling of 2 classes of water users – those in the north wanting to develop and those in the south that have already developed; stating that they want the opportunity to develop their lands. Mr. Hale also asked why the Board isn't being a leader in getting processors to come to the area and to the north. Mr. Brummelhuis responded that there are the same risks and opportunities for all water users.

Harold Brauer commented that he would prefer paying a nominal water rate than the increased capital assets charges. He further stated the \$26/acre cost to deliver water if charged over 311,000 acres would bring in more than \$8 M to work with; stating that the District should consider that instead of fictitious values on land.

Tom Parker cited the WID which set a limit and 6 month timeframe for distribution of extra irrigation acres which gave people an opportunity to consider. The water users that applied prior to the rate increase are fortunate but asked about the others. He stressed that Board and management are to represent the water users, that he felt the majority of water users do not want an increase and further asked Jason Hale to comment on meetings that he held. Mr. Hale informed that he held meetings in Gem and Bassano with water users and the sentiment was to increase the capital assets charges a little but not to what has been suggested. He added that his area has to truck further and a lot of producers grow forage so to add a higher capital assets rate adds an extra burden and is especially difficult to get younger people involved in the industry. Mr. Peltzer stated that expansion is totally based on efficiency and advised that his meeting in Rosemary showed 4 opposing an increase to rates but he also received phone calls and comments after the meeting for support of \$3,000/acre.

Wayne Slenders noted that the strategy of the Farm Improvement Program to improve efficiencies is admirable but using a method based on equity/land values for setting capital assets charges, given north vs south differences, is a can of worms.

Mike Hale asked what the urgency was to raise capital assets rates and why the District didn't send a mailout asking for people's opinions. Mr. Brummelhuis advised that increasing the rate was not an easy thing to do but when talking about a plebiscite the Board wanted the water users to include this information in their decision making. Mr. Owen remarked that an important question to ask yourself is "What are your water acres worth?"; further stating that if anyone is willing to sell their acres for \$1,750 then he's interested.

Mike Hale questioned why the Board didn't initiate gradual increases to the rate rather than a big jump. Stephen Anderson noted that Brian Schmidt suggested using an incremental percentage cost of infrastructure as you



Annual Report Insert

Minutes From Annual General Meeting, March 10, 2020

go, maybe 4 or 5%, to avoid picking numbers; encouraging to develop a strategy for a formula rather than the controversy of north vs south land values, which would also help if land values drop. Mr. Wilson cautioned using the model of cost of infrastructure to set capital assets as it has not been realized in any other irrigation project, and if doing so in the EID, the rate could be as high as \$5,000/acre.

8.0 Irrigation Expansion – Mr. Earl Wilson, Special Projects Manager

Mr. Wilson presented the Irrigation Expansion Update, with comment summarized as follows:

- Alberta Agriculture completed a study of on-farm irrigation efficiency (amount of water used by plant ÷ water delivered to farm) of the various methods of irrigation. Based on this study, the District adopted a conservative estimate of on-farm efficiencies for the 2003 expansion.
- The 2003 25,000 acre expansion plan had 10,000 acres being developed below Crawling Valley and Lake Newell, 3,000 acres being developed off return flow channels and 12,000 acres from efficiencies gained by converting 71,500 acres to a more efficient method of irrigating. The average on-farm efficiency was estimated to go from 69.5% to 74%.
- Since 2003, 1,800 acres were developed on return flow channels, 112,000 acres converted to more efficient methods of irrigating and the average on-farm efficiency went from 69.5% in 2003 to 79.5% in 2019.
- The years 2000 and 2019 were dry years with almost exactly the same precipitation. The farm gate demand was 453,000 acre feet for 286,000 acres in 2000. Using the conservative conversion numbers used in 2003, the plan estimated a farm gate demand of 430,000 acre feet (1.4 feet/acre) in 2019, but the actual demand was 339,000 acre feet (1.1 feet/acre).
- Reasons for the difference in demand are: a 22% reduction in high water use crops, not as many heat units in the late summer of 2019 vs 2000, too conservative a conversion factor and pivots today are more efficient than in 2003.
- Going forward, if the District adds 11,000 acres from efficiencies already made, adds the 10,000 acres below Crawling Valley and Lake Newell and adds 8,000 acres from the conversion of a further 43,000 acres, it will put the District back at a slightly lower risk than the 2003 plan. With 20% more high water use crops back in, it estimates a farm gate demand of 430,000 acre feet (1.26 feet/acre), and in an extremely dry year 20% more could be supplied under our license, bringing delivery to the farm gate up to 1.5 feet/acre.
- Alberta Agriculture and Alberta Environment completed computer model runs for an expansion to 340,000 acres with an increase of 20% in high water use crops and the consideration of the BRID expansion in place.
- For the years 1928 – 2001 modelling shows no shortage below Crawling Valley Reservoir, 4 years with a shortage of less than 1" below Lake Newell Reservoir, and 2 years (1936 and 2001) with a shortage between 1" and 2" below Lake Newell Reservoir. The unsupported areas had 6 years with less than a 1" shortage, 1 year with 1" – 2" shortage, 1 year with 2" – 3" shortage and 2 years with 3" – 4" shortage.
- A shortage of less than 2" is negligible as the demand model is based on the plant's total potential use and farmers do not irrigate to that level.
- It is planned for 12,000 acres of the 29,000 to be reserved for infill.
- A maximum of 2,500 acres are to be added in any year, of which a minimum of 1,000 acres are to be reserved for infill and a maximum of 1,000 acres are to be from unsupported areas.
- Applications will be rated using the District's Irrigation Acres Bylaw, which gives priority to infill parcels and new parcels using transferred efficiency acres and/or having reservoir support.

Stephen Anderson enquired what crops were included under the high water use category and why the category was increased 20%. Mr. Wilson responded that alfalfa, corn, irrigated pasture, sugar beets and potatoes would be included, not cereals; and as the EID has a high water use in general it was a conservative approach to not plan for the same amount of cereals, nor plan for a decrease.

Max Tateson remarked that if applications are not received for 1,000 acres of infill in a year development would be restricted, stating that infill and new development shouldn't be connected nor one restrict the other. Mr. Wilson answered that yes, infill is restricting new development; the restrictions are to give water users plenty of time to plan.

John Ketchmark noted that some systems were designed for a certain number of pivots and can't handle anymore

infill, which eliminates opportunity; as well, they've made flood to pivot conversions in the past without getting District grants. Mr. Ketchmark asked if there would be consideration for either of these matters; furthermore, asking about the 40 acre/parcel restriction. Mr. Wilson advised that many conversions happened in the 1970's and 1980's (prior to the Farm Improvement Program); the best development applications will receive water; and when engineering pipeline projects it is a balancing act of the cost of pipe vs increasing the capacity. The 40 acre minimum/parcel has been in place since before his time.

Wade Tobler questioned if the historical data shows that 1,000 cfs can be diverted from the river when needed. Mr. Wilson advised that, yes, the modelling shows that 1,000 cfs can be diverted. In 2001, the District was only shorted the 1,000 cfs by a small amount on a couple days and diverted the full license by December.

Mentioning the Government's support for value-added agricultural industry and economic diversification in the Province as an important part of their strategy, Keith Jones commended the District on the proposal to add 29,000 new irrigation acres. However, he questioned whether the 2,500 acres/year maximum would see a lot of investment going to other irrigation districts since it would be over 10 years to develop the 29,000 acres; moreover asking if the EID is pro-development or does it want to restrict development of irrigation in southern Alberta, contrary to how the BRID distributed acres. Mr. Wilson confirmed that the Board is pro-development, and this same approach was used in 2003. There may be more demand at first but this pace matched the applications quite well, so it was agreed to keep the same procedure. Mr. Wilson noted that the BRID sold all their acres but doesn't require the acres to be developed, as does the EID.

Recognizing a finite amount of future irrigation acres from the river, Blaine Johnson asked if the 29,000 acres are not used up by the EID in the proposed timeframe, will they be re-allocated to somewhere else, further asking if this is the final opportunity for expansion. Mr. Wilson observed that Mr. Johnson was referring to the "use it or lose it" concept for licenses on the Bow River, that the EID has the largest license on the Bow and that there is always an apparent risk that the government could claw back. The EID expansion plans are based on risk; some water users are used to more risk, such as in the southern districts, but in the EID they are not. Lastly, there are not a lot of undeveloped irrigable acres left in the EID; 29,000 acres will cover those acres majorly.

Max Tateson commented that he would think the government would find it harder to claw back water from individual water users than the District, but it isn't the farmers that hold the license. He supported expansion and the use of efficiency acres, but not to the degree of rationing water every 3 years. Mr. Wilson agreed that expansion could occur with no higher risk than in 2003, noting that information mailouts, public meetings and a plebiscite is part of the procedure, but asked for a straw vote on the matter. Far more voted in favour than opposed.

Max Tateson reiterated that if development is seen as a good thing then more acres are available to pay, or not pay, for an annual water rate; he encouraged the District to work towards it and not deal with the details first. Mr. Wilson acknowledged that the availability of water can be proved, that the parameters of selling acres should be set and there would be more benefit of paying expenses with an increased capital assets charge.

Leonard Parker commented that the EID water users are fortunate for not having to pay for the delivery of water yet there is only a certain amount of Oil & Gas surface lease revenue to offset this cost. He then asked if 29,000 acres were added and the Oil & Gas revenue was stagnant, would the associated costs to support new acres then require a water rate or would the new acres help lower the rate. Mr. Wilson advised that the water rate is a separate decision from expansion. The District has been fortunate to receive Oil & Gas revenue for as long as it has but this revenue cannot be banked on. The 29,000 new acres would contribute approximately 10% additional revenue from water, at little extra cost.

Mr. George thanked Mr. Wilson for his report.

9.0 EIDNet Proposed Upgrades – Mr. Kevin Bridges, Assistant GM, Corporate Services

Mr. Bridges presented the EIDNet Proposed Upgrades, with comment summarized as follows:

- Demand for bandwidth from EIDNet customers has increased 30-35% per year; or, stated another way, in just 3



Annual Report Insert

Minutes From Annual General Meeting, March 10, 2020

years the volume of traffic in the network has more than doubled. To meet this growth, an 8 year plan is being proposed to connect 14 EIDNet towers to a fibre network.

- Fibre can accommodate the increased and future bandwidth requirements for new technologies, monitoring capabilities, automation, control and streaming services.
- The sector radios (customer to/from tower) already have the capability for higher speed connections however the backhaul radios (tower to tower) are limited by the lack of available spectrum from Industry Canada. The backhaul throughput limit has been reached on the Duchess and Rosemary towers, therefore, the District has temporarily placed a moratorium on new customers or upgrades on those towers.
- Local and industry growth forecasts, options for long term solutions, independent consultant advice and fibre layout plans were examined to formulate an efficient and sustainable upgrade plan, with capabilities of serving forecasted future growth.
- EIDNet statistics are similar to network statistics across North America, and the rate of growth is expected to increase considerably beyond 2020.
- The EID also uses remote monitoring and control technology to improve water delivery operations, each year increasing the number of automation sites monitored through the EIDNet network. This is an integral part of the District's conveyance system, alerting water operators of potential issues and allowing efficient off-site management of the system, including monitoring river flows and adjusting gates at the Bassano Dam.
- Currently, there are 18 towers, each serving customers in an approximate 10 km radius, which allows EIDNet to provide service throughout most of the rurally populated areas.
- 8 phases of fibre connection, in order of area urgency, between 14 of the towers is being proposed for a total project cost of \$15 M. The capital investment will be recovered as an amortized expense over 25 years. As each phase is completed, higher speed services will be delivered within that tower's coverage area. The project is being constructed so that in the future, the capability will be available for "direct fibre network to customer connections", rather than the current "tower to customer" connections.
- The first phase from the Brooks tower to the One Tree, Duchess and Rosemary towers has been approved, at a project cost of \$3 M. EID staff will be handling the engineering design, land access, construction and implementation; contractors will be used where required for specialized portions of the project. It is planned to be operational by late 2020.
- A new 50Mb/10Mb account service is being offered for customers served by the Brooks tower. As each phase of the fibre project is completed this service will be offered in those areas as well.

Max Tateson questioned whether this proposal makes sense as it gets the District away from its basic mandate of delivering water. Mr. Bridges confirmed that he supported the project and that he or his staff could speak directly to any concerns.

Holly Johnson queried why the District didn't tie into the same fibre optic system as what all the local rural schools are using, also commenting on agricultural machinery guidance technology being developed and past recommended technology, asking if Wi-Fi is really the best way. Mr. Bridges advised that the District and the independent consultant who evaluated the system believes it is. Satellite technology is around and getting better. Agricultural machinery will still be required to have a connection to a satellite, tower or fibre; and phasing the project over 8 years allows for some adaptation to the plan if needed. Alberta SuperNet was examined; however, it was more expensive to tie into that system and pay lease fees than to build a separate system.

Wayne Slenders stated that with last year's profit of \$200,000 the fibre project would take 75 years to pay back. Mr. Bridges advised that amortization expenses are removed prior to reporting the net profit, therefore, the District's 25 year pay-back is valid. Mr. Slenders disclosed that he is a sitting board member of CCI Wireless (a competing Alberta internet service provider), informing that there are multiple solutions to internet problems with latency and backhaul issues, such as high speed microwave and multi-levels of usage to increase speeds. Mr. Slenders further advised that addressing the 50/10 recommendation from CRTC, capabilities of existing equipment and towers, ongoing costs, competition from Telus and Rogers, reinvestment of gross capital every 4 years and bandwidth problems, it cannot just be fibre that will solve the issues. He applauded the Board in getting this project started as data consumption projections are correct but very much cautioned on being sure of the forthcoming decisions as the cost is not an immaterial amount. Mr. Bridges acknowledged that the project is not immaterial; the plan has

been examined and discussed for 2 years, investment models projecting out 40 years have been studied, and the analysis shows a fibre buildout to be cheaper than continuing with backhaul radios. The buildout is planned for 8 years, in 8 phases, and it does show the project paying for itself in 25 years. Mr. Bridges further recognized that EIDNet is different than CCI, thanking Mr. Slenders for disclosing his affiliation with CCI, advising that EIDNet was initiated because no company at that time would provide internet in particular to rural residents, and that is still the case today. The District wished to provide internet at a competitive price, and although it is not the core mandate for the EID, it helps farmers get information, be more successful and stay on the farm, which is all important to the EID. EIDNet is an allied service to the District's water operation.

10.0 New Business

10.01 General Matters Raised from the Floor

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

Harold Brauer expressed a grievance he's had with the EID for quite a few years concerning the maintenance on a flume. In 1994, a pipeline was installed, and Mr. Brauer had signed an agreement but wanted a ditch to run on the west side of the quarter, which was an EID spill and irrigation ditch. Mr. Brauer further stated that he signed off on the top pipeline but would not agree to where the domestic turnout was proposed to be placed, advising that Board members and staff have been provided with information but he has been continually refused an audience with the Board. He added that 4 Board members have come and spoken with him and he feels he may have an agreement but things change once it is discussed back in the boardroom, further stating that letters from the Farmers' Advocate office and Alberta Environment should convince the EID to live up to their responsibilities. Mr. Friesen confirmed that a number of Board members went directly to Mr. Brauer's yard and quarter to view the matter first-hand, stated that the District is living up to what's required and that an offer was made which wasn't accepted.

Mr. Brauer countered that at first an offer wasn't made, then he had indicated to staff where he wanted the check and would allow the trees to be removed and deposited on his place, so thought he had an agreement. The latest letter received states that the offer to knock down the trees and remove them to his pit, but not haul in fill or install a 6" line, has expired and that no further offers and audience of the Board would be made, but it has taken him more than a year to get letters from Farmers' Advocate and Alberta Environment. Mr. Chrumka responded that this matter has been dealt with for a very long time, an offer with a deadline was made which was refused and that a lot of details are not being disclosed. After each review by the Board the same conclusion is made.

Mr. Brauer asked if the EID can abandon a ditch and then it's the farmer's responsibility to clean it up; further stating that his request for a 6" pipeline has never changed and is stunned that the District's method of reclaiming a ditch doesn't include hauling in dirt. He disagreed with the District's interpretation of the letters received, said there were problems with the Board and could see this matter getting legal. Mr. Chrumka stated that an offer was made but Mr. Brauer wanted more; the District is meeting its obligations and a number of entities agree. The matter has been reviewed several times with the same outcome.

John Brummelhuis enquired as to the status of Quagga mussels. Mr. Friesen advised that so far everything is testing negative in the Bow Basin. Inspections at the Coutts and Dunmore borders totalled over 4,300 watercraft of which over 2,100 were deemed high risk. Total Provincial inspections surpassed 10,000, with 19 mussel fouled watercraft being found. The District continues to educate the public, monitor boat launches and enforce the AIS Prevention Program.

Commenting that the minutes water users see are edited, Wyatt Gutfriend requested that the meetings be voice recorded like the County, making the following motion.

Moved by Wyatt Gutfriend that the EID monthly Board of Director Meetings be voice recorded



Annual Report Insert

Minutes From Annual General Meeting, March 10, 2020

and posted un-edited to the District website, so the public can hear the full discussions of the meetings.

Tom Parker seconded the motion.

F. George called for discussion and a vote on the motion. A portion of the audience voted on the matter, with 26 in favour and 13 opposed.

Referencing the act of direction from the floor, Tom Parker questioned whether comments concerning the increase in capital assets charges do any good or has the Board already made their minds up. Mr. George observed that any motions from the floor are recommendations to the Board; the Board is not bound by these motions.

Leonard Parker suggested on the motion just passed that reviewing the audio recording could be far too cumbersome and recommended to keep recording and posting minutes in print as has been the practice.

10.02 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 1 Gem/Bassano and Division 5 Scandia/Rainier has been completed and therefore nominations are being accepted for these divisions. The nomination period will close Wednesday, March 11, 2020, at 5:00 p.m. Nomination forms can be obtained from the District Office.

11.0 Adjournment

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

Moved by Lammert Lyzenga that the annual meeting be adjourned at 5:00 p.m. CARRIED



NOTICE FOR FILING NOMINATIONS

Irrigation Districts Act, Parts 2 and 3

Local Authorities Election Act, Part 1

LOCAL JURISDICTION: Eastern Irrigation District, PROVINCE OF ALBERTA (the "District")

Notice is hereby given that nominations for the election of a candidate for the office of Member of the Board of the District for each of **Electoral Divisions 3 and 6** will be received at the Eastern Irrigation District office, 550 Industrial Road West, Brooks, AB, until **5:00 p.m. local time on Wednesday, March 10, 2021**.

For the purposes of this election the description of the boundaries of the electoral divisions are:

Electoral Division 3 (Patricia/Millicent)

The boundaries of Division No. 3 shall enclose the following lands ("section(s)" refers to full or parts thereof):

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

Electoral Division 6 (Tilley)

The boundaries of Division No. 6 shall enclose the following lands ("section(s)" refers to full or parts thereof):

Township 16 Range 11 W4M	All Sections
Township 16 Range 12 W4M	All Sections
Township 16 Range 13 W4M	All Sections
Township 16 Range 14 W4M	All Sections
Township 17 Range 10 W4M	NW 31
Township 17 Range 11 W4M	All Sections
Township 17 Range 12 W4M	All Sections
Township 17 Range 13 W4M	All Sections
Township 17 Range 14 W4M	Sections 1, 2, 3, 4, 5, 6, 12, 13, 24, 25 and 36
Township 18 Range 10 W4M	NW 6
Township 18 Range 11 W4M	All Sections
Township 18 Range 12 W4M	All Sections
Township 18 Range 13 W4M	All Sections

Nomination forms and additional information regarding this election are available from the Eastern Irrigation District office. If required, an **Election** will be held Tuesday the **13th** day of **April, 2021**.

Dated at the City of Brooks, in the Province of Alberta, this 2nd day of February, 2021.

Ivan Friesen, Returning Officer

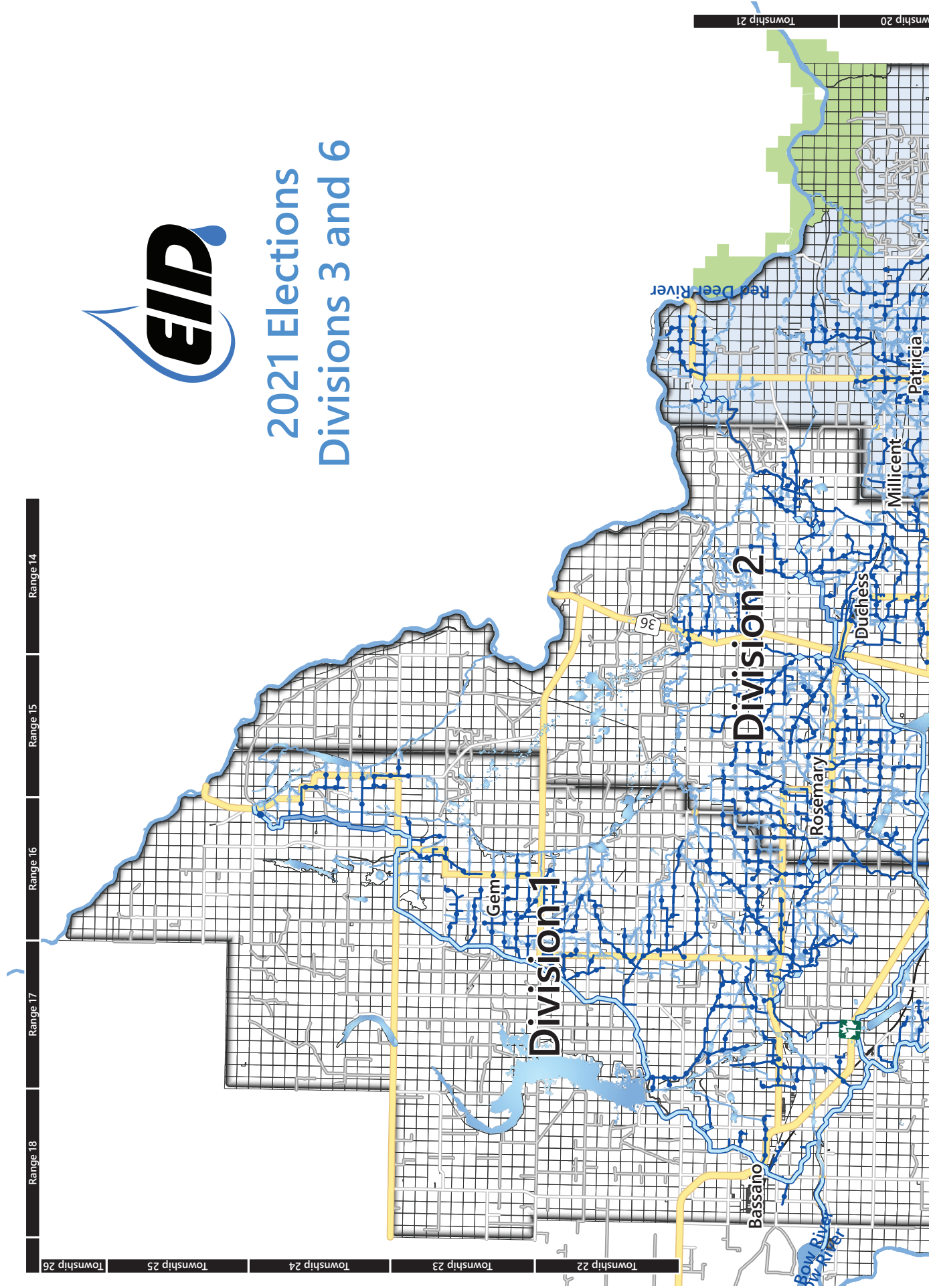


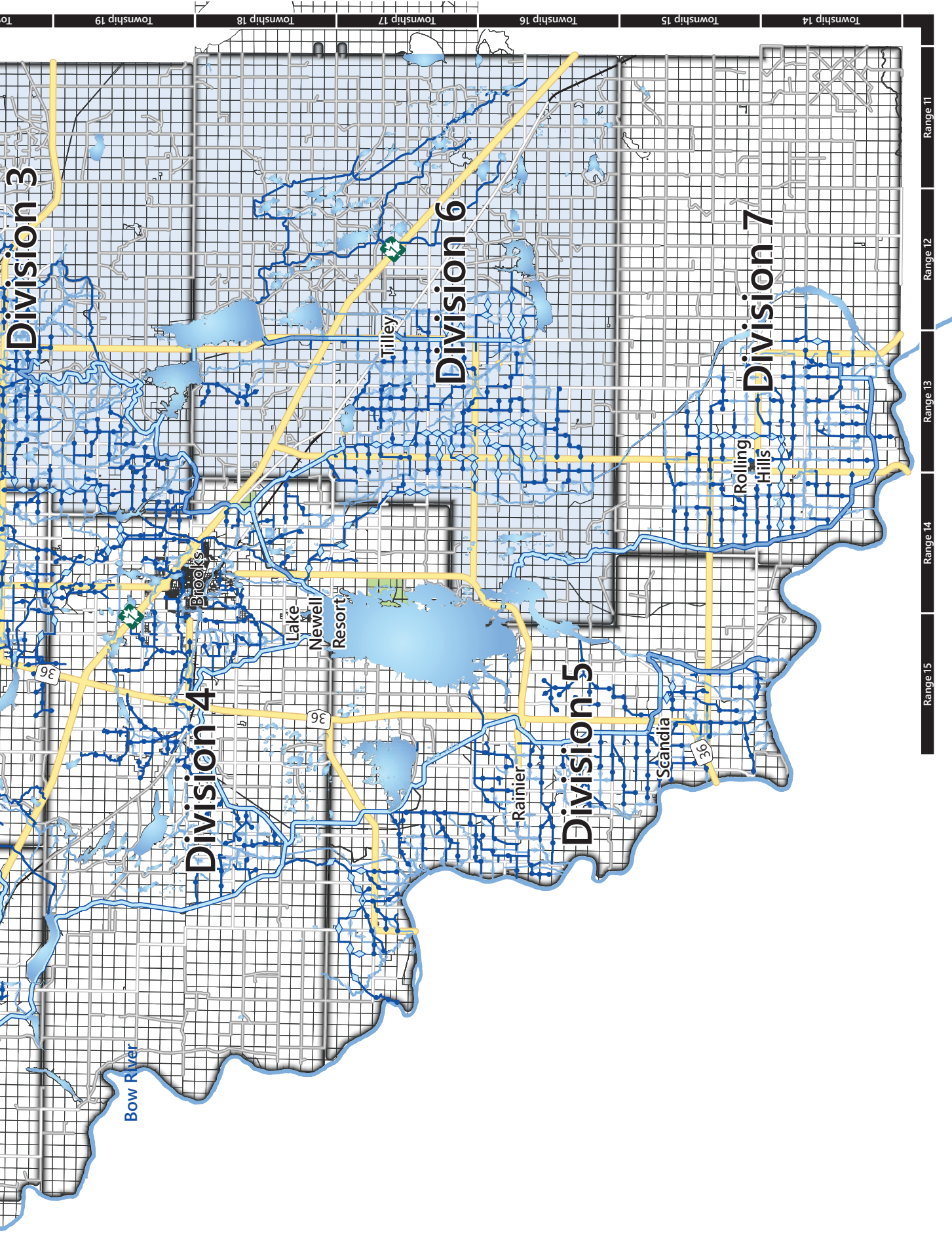
Eastern Irrigation District

Electoral Divisions Map



2021 Elections Divisions 3 and 6







NOMINATION PAPER AND CANDIDATE'S ACCEPTANCE

Irrigation Districts Act, s. 33, 35, 36 & Part 3 and Local Authorities Election Act s. 22, 27, 28, 68.1, 151

LOCAL JURISDICTION: Eastern Irrigation District, PROVINCE OF ALBERTA (the "District")

We, the undersigned irrigators of the District, nominate:

Name: (please print) _____
(surname) (given names)

Phone: (home/cell): _____ **Email:** _____

Mailing Address: _____ **Land Location with Irrigation Acres in this Electoral Division:** _____

as a candidate at the election about to be held for the office of Member of the Board of the District for Electoral Division:

Signatures of at least 2 irrigators of the District:

Printed Name:

**Land Location containing
Irrigation Acres in the District:**

Signature:

1. _____
2. _____
3. _____

CANDIDATE'S ACCEPTANCE

- I, the above named candidate, solemnly swear (affirm)
- THAT I am eligible under sections 33, 35 and 36 of the *Irrigation Districts Act* to be elected to the office;
- THAT I am not otherwise disqualified under section 22 of the *Local Authorities Election Act* (as applicable);
- THAT I will accept the office if elected;
- THAT I have read sections 33, 35, 36 and Part 3 of the *Irrigation Districts Act*, and sections 22, 27, 28, 68.1 and 151 of the *Local Authorities Election Act*, and understand their contents (documents available from the EID Office); and

THAT I am appointing: _____ (mailing address) _____
(name - must be an elector)

_____ (phone #) _____ as my official agent.

Print name as it should appear on the ballot:

(Candidate's Surname)

(Given Name(s) (may include nicknames but not titles i.e. Mr., Mrs., Dr.))

SWORN (AFFIRMED) BEFORE ME

at the _____ of _____

in the Province of Alberta,

this _____ day of _____, 20____.

(Signature of Returning Officer or Commissioner of Oaths)

(Candidate's Signature)

IT IS AN OFFENCE TO SIGN A FALSE AFFIDAVIT OR A FORM THAT CONTAINS A FALSE STATEMENT

NOTE: The personal information on this form is being collected to support the administrative requirements of the local authorities election process and the *Irrigation Districts Act*, and is authorized under sections 54 and 58 of the *Irrigation Districts Act*, section 27 of the *Local Authorities Election Act* and section 33(c) of the *Freedom Of Information and Protection of Privacy Act*. The personal information will be managed in compliance with the privacy provisions of the *Freedom of Information and Protection of Privacy Act*. If you have any questions concerning the collection of this personal information, please contact the Assistant General Manager - Legal and Corporate Services, 362-1400.

RETURNING OFFICER'S ACCEPTANCE

Returning Officer signals acceptance by signing this form.

(Signature of Returning officer)

NOTE: The time for filing nominations expires at 5:00 p.m. local time on [Wednesday, March 10, 2021](#).

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