

Where
Water
Works
Wonders

Annual Report



Eastern
Irrigation
District



2022



Phone: (403) 362-1400
Fax: (403) 362-6206
Email: eid@eid.ca
www.eid.ca

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

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 7th, 2023, at 1:30** in the afternoon at the Heritage Inn, 1217 – 2nd Street West, Brooks, Alberta.

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

- irrigated agriculture
- household and livestock water uses
- municipal and industrial water requirements
- many recreational needs and enhanced environmental conditions

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

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

In addition to the water management functions of the District, the EID owns and is responsible for the operation and management of large tracts of native and improved pasture lands. These lands are primarily used in support of the beef cattle industry.

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

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

Eastern Irrigation District

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Cover Photo:
Construction Project: Scott
pipeline west of Highway 873.

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2021 Board of Directors



Jason Hale
(Chairman: Apr. - Sep.)
Division 1
Gem/Bassano



Tracy Hensing
(Chairman: Oct. - Cur.)
Division 7
Rolling Hills

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.



Richard Hiebert
Division 1
Gem/Bassano



David Peltzer
(Vice-Chair)
Division 2
Rosemary/Duchess



Ross Owen
Division 3
Patricia/Millicent



Brian Schmidt
Division 4
Cassils/Brooks



Don Jacobson
Division 5
Scandia/Rainier



Brent Schroeder
Division 6
Tilley



Steam Rising off of Main Bantry Canal

Chairman and Board of Directors' Report

The Board of Directors would like to thank the water users for their support throughout the year. The concerns of the lingering drought were on everyone's mind heading into spring although the winter snowpack was above average setting us up for adequate runoff in the spring. The rain we received in June was a welcome sight, it allowed crops and grass to grow and gave a little reprieve from the extensive dry conditions.

This April, Divisions 2, 4, and 7 Board seats were up for election. Congratulations to David Peltzer, Brian Schmidt, and Tracy Hemsing who were acclaimed to serve on the Board for another three year term.

The Board of Directors continues to keep in mind the Vision and Mission statements as we work with landowners while enhancing our irrigation system through new pipelines and rehabilitation projects to provide opportunities for sustained growth for our water users and surrounding communities. The District is also conducting soil testing on various parcels of District owned land to further investigate the possibility of irrigation expansion on these lands.

Preliminary work continues with the Snake Lake Reservoir expansion project as we prepare to construct this District enhancing reservoir, a multi-generational project that will benefit our District, local communities, and others within the Bow River Basin.

Aquatic invasive species, specifically invasive mussels, remain a major concern for the District and Alberta Irrigation Districts Association (AIDA). We are working collaboratively to stop the spread of these invasive species through education, mandatory watercraft registration, and water monitoring. This summer we continued to see high boat use on our reservoirs. We thank the dedicated staff who tirelessly monitor our reservoirs to keep them free from mussels.

As sections of the Farm Improvement Grant came to a close as of September 30, 2022, the Board of Directors would like to thank the staff involved with administering this grant; it was a very time-consuming process. The Board is very proud of the program and the financial assistance it provided the water users.

The EID continues to work closely with the County of Newell on projects such as the joint Drainage Program and the Kinbrook Connection Pathway. Also, the Board

is continuing the \$2,000 grant for eligible water users to assist with connecting to phase 2 of the County of Newell Water Project.

In October, our Chairman, Jason Hale, received the appointment of Deputy Minister of Agriculture and Irrigation for the Province of Alberta. Accepting the appointment meant that he must step down from the EID Board of Directors. Having Jason in this position with the government is a huge asset for our District. The Board of Directors would like to thank Jason for his years of service to the District. The District held a by-election and Richard Hiebert was elected to represent Division 1. We would like to thank Braden Douglass for also stepping forward and showing an interest in the District.

In November, a public meeting was held with water users concerning the renewal of the 31 long term private grazing leases that are expiring at the end of 2023. The request from water users at the meeting was that, if a tender process or auction were to be held, existing leaseholders be given the right to match the highest tender or bid. After extensive discussion at the Board level, it was decided to move forward with an auction by way of a live bid. This honors the direction for the expired leases that were signed in 2008 and gives existing lease holders the opportunity to be high bid in an open format. Information packages for individual leases will be available to outline the terms and associated costs. Moving forward, the length of term will be for 15 years, and these leases will be fully transferrable to any eligible water user in the District.

In January, the Board of Directors voted unanimously to rescind the audio recording policy that was implemented in November of 2021. Removing this policy will facilitate the sharing of ideas and perspectives as well as discussion amongst the Board members at meetings. Administering the audio recording policy has also required more time of EID staff, at times the recordings have been inaudible, and overall, there has been minimal uptake in accessing the posted audio recordings. For water users who are interested in what transpires at Board meetings and are concerned about transparency, a representative from the Brooks Bulletin is still permitted to attend Board meetings and the meeting minutes will continue to be posted on the EID website.

Chairman and Board of Directors' Report

In closing, the Board of Directors would like to thank the EID staff for all their hard work and dedication. This has been another year of change and pressures of conveying water in dry conditions. Your dedication and support have not gone unnoticed.

I would like to encourage all the water users to continue to reach out to Directors with your suggestions,

concerns, and questions. As your Board, we are here to represent water users and do what is in the best interest for you and the District as a whole.

*Respectfully submitted,
Jason Hale, Past-Chairman, Board of Directors
Tracy Hemsing, Chairman, Board of Directors*



William Anderson

Eastern Irrigation District Scholarship Recipients

2023



Luke Boyd



Nathan Douglass



Mackenzie Dyck



Kate Elgersma



Adair Janeiro
Garcia-Rivera



Harrison Gietz



Kate Gubbins



Megan Gubbins



Cole Hauck



Ethan Hiebert



Gabe Huckerby



Emily Jourdin



Lucas Klassen



Eric Magnusson



Maria Montesinos



Rebecca Nielsen



Daniel Porter



Gavin Schroeder



Breanne Schuh



Sarah Singular



Delaney Tateson
Douglas



Aaron Van
Steekelenburg

General Manager's Report

Ivan Friesen, General Manager



A fatal diving incident occurred at the Lake Newell and Rolling Hills structure in October 2022. The Occupational Health and Safety investigation is ongoing and the EID has no additional updates to provide until the investigation has concluded. Our deepest condolences continue to extend out to the family of the deceased.

The start to the 2022 irrigation season was a contrast of prospects. Locally it looked discouraging, with poor soil moisture conditions from the hot dry year prior and little precipitation in the winter and early spring timeframe. This was contrasted with the mountain snowpack generally well above average across the reporting snow pillows, giving optimism of an adequate river flow from the snow melt to meet the anticipated early and significant irrigation demand, while also filling reservoirs from winter to seasonal operating levels. This played out with irrigation delivery operations starting the week of April 25th (approx. 10-14 days earlier than the long-term average) and demand well above average through the May period. The rains starting in June through mid-July changed a potentially challenging irrigation season into a more typical one. Diversion for the year was approximately 478,000 ac-ft (538,000 ac-ft – 2021) which included approximately 10,000 acre-ft put back into total reservoir storage due to the prior year Lake Newell drawdown to accommodate the construction of the Scott pipeline inlet.

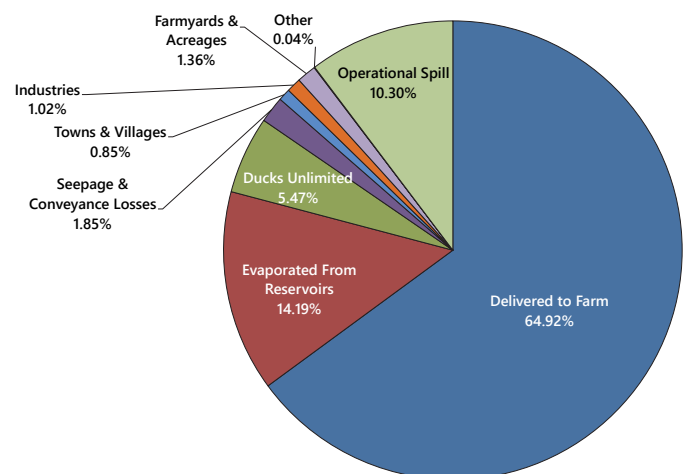
The Alberta Irrigation Modernization (AIM) program is well underway with construction complete on 9 out of 33 projects consisting mainly of open canal to pipeline projects. The AIM program is comprised of the Government of Alberta (GOA) providing 30% in funding, the Districts contributing 20% down and the Canadian Infrastructure Bank (CIB) providing a loan that must be repaid. Snake Lake Reservoir expansion, which is also part of this program, is in the phase of extensive engineering, geotechnical work, and regulatory process. It is anticipated that this phase of work will take 18-24 months to complete.

As with many industries, the irrigation industry has encountered material supply constraints which have created delays and scheduling adjustments. To date, the District has been able to adapt to accommodate delivery of materials, but it has also necessitated the rehabilitation of some projects being delayed a year or more.

Solar projects on District lands continue to move forward. In particular, on-site pre-construction activities are occurring in advance of anticipated construction of the Brooks Solar Farm west of Brooks proceeding in 2023.

Water Balance (acre feet)

	2022	2021
Diversion	480,400	537,700
Delivered to Farm	305,200	374,200
Evaporation from Reservoirs	66,700	75,700
Ducks Unlimited	25,700	23,200
Seepage and Conveyance Losses	8,700	8,700
City, Towns and Villages	4,000	4,200
Industries	4,800	4,100
Farmyards and Acreages	6,400	6,400
Change in Storage	10,300	-17,400
Other Purposes	200	200
Operational Spill	48,400	58,400
Measured Return Flow	67,700	75,500
Operational Spill	48,400	58,400
Farm Spill and Run Off	19,300	17,100



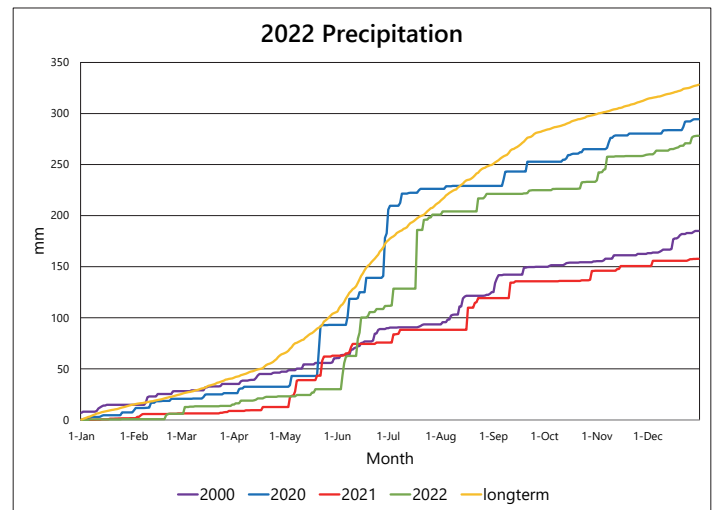
General Manager's Report

Ivan Friesen, General Manager

The Farm Improvement Program saw 183 approved applications totaling \$1,964,259 with portions of the program being concluded September 30th, 2022. The majority of these improvements were for smart control pivot panels, installation of corner arms, pump upgrades, and nozzle packages, then converting to a more efficient method of irrigation, cost-shares for tree removal or drain relocations, and return of deductions.

The grazing season in 2022 was also contrasted. Declining reserve grass from the year prior, poor spring moisture conditions, and the pessimistic outlook for even average grass growth in 2022, resulted in the reduction in the number of cattle placed in the 10 community grazing associations. The maximum listing was reduced from 75 to 70 head with a total of 16,427 head (prior 5 year average of 16,886) placed on community pastures. However, the rains in June and early July throughout the District resulted in drastically improved pasture conditions with very good grass growth, and replenished reserve grass going into the 2023 season. The accumulated snow to date also provides optimism towards next year in refilling water supplies in needed areas. It is projected to increase the maximum listing next year to 75 head per member.

This past year, 27 new wells were established on District owned land, with an additional 37 twinned wells on existing leases, and 39 wells reclaimed. There were 34 miles or 204 acres of



new pipelines. 1 seismic project was requested.

The District would like to thank Chuck Getz, who retired in 2022, for his dedication and years of service.

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*



Bill Anhel
10 Years



Chris Cochrane
10 Years



Nathan Fontaine
10 Years



Earl Palaschak
10 Years



Brent Kroschel
15 Years



Jim Olund
15 Years



Mary Ketchmark
20 Years



Troy Canning
25 Years



Roger McLean
25 Years



Brian Windrum
25 Years



Randy Hayes
35 Years



Bill Kazimir
35 Years



Gord Leland
35 Years

2022
EID
Long Term
Service
Awards

General Manager's Report

Ivan Friesen, General Manager



Pivot South of Rolling Hills

Method of Irrigation: 2022

As of December 31, 2022

Low Pressure Pivot	249,604 (79.97%)
High Pressure Pivot	16,814 (5.39%)
Wheel Move	11,814 (3.79%)
Other Sprinkler	683 (0.22%)
Flood Irrigation (Leveled)	27,100 (8.68%)
Flood Irrigation (Not Leveled)	6,107 (1.96%)
Total	312,122 (100%)

Note: percentages shown are the percentages of total irrigation.

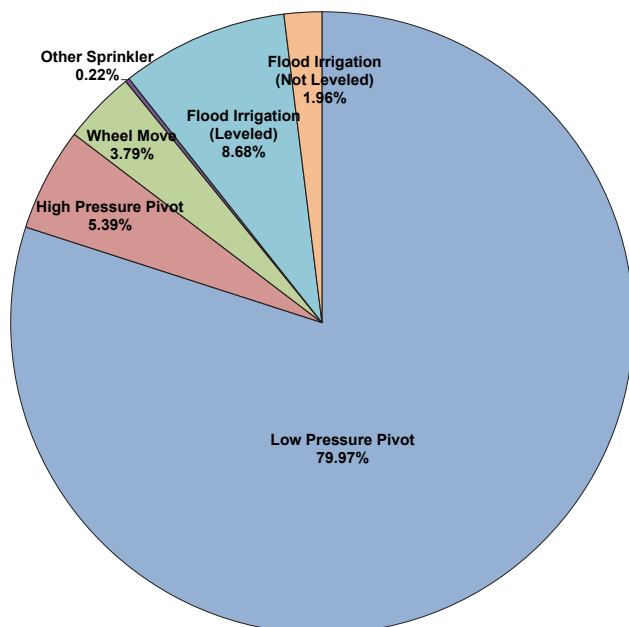
Method of Irrigation: 2002

As of December 31, 2002

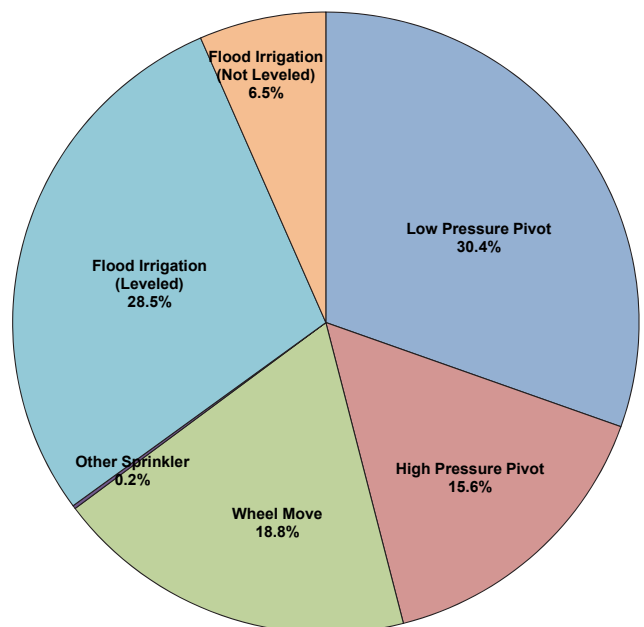
Low Pressure Pivot	86,000 Ac. (30.4%)
High Pressure Pivot	44,000 Ac. (15.6%)
Wheel Move	53,000 Ac. (18.8%)
Other Sprinkler	500 Ac. (0.2%)
Flood Irrigation (Leveled)	80,500 Ac. (28.5%)
Flood Irrigation (Not Leveled)	18,500 Ac. (6.5%)
Total	282,500 Ac. (100%)

Note: percentages shown are the percentages of total irrigation.

Acres by Method of Irrigation: 2022



Acres by Method of Irrigation: 2002



Maintenance of Irrigation Works

As of End of 2022 Water Delivery Season

This year saw above average costs when compared to the 5 year average. This increased amount included unexpected maintenance on the Rolling Hills pump station and is reflected in the higher costs in labour and repairs to pump stations. Other increased costs are related to the inflationary pressures on the cost of materials and increasing recovery rates on heavy equipment.

Note: The table below has been revised for the 2022 Annual Report. Previous years' data is not available for the newly added items but will be filled in going forward.



Type of Maintenance		Amount					
		2018	2019	2020	2021	2022	Avg.
Canal/Drain	Cleaning	0 km	0 km	0 km	0 km	10 km	0 km
	Erosion/Sloughing Repair	-----	-----	-----	-----	0 km	-----
Canal and Access Roads	Graveling	36 km	28 km	30 km	31 km	6 km	26 km
	Grading	-----	-----	-----	-----	50 km	-----
Canal Banks	Mowing	875 km	775 km	775 km	740 km	700 km	773 km
	Spraying	1,689 km	1,652 km	1,698 km	1,603 km	1,521 km	1,633 km
Aquatic Weed Control		-----	-----	-----	-----	305 km	-----
Pipeline Repairs	Air Vents	-----	-----	-----	-----	38	-----
	Valves	-----	-----	-----	-----	26	-----
	Pipe Leaks	-----	-----	-----	-----	10	-----
Replacement of Farm Turnouts		21	23	23	16	6	18
Replacement of Road Crossings		12	2	5	6	4	6
Repairs to Gates and Hoists		-----	-----	-----	-----	17	-----
Repairs to Pumps		-----	-----	-----	-----	21	-----
Repairs/Maintenance to	Water Meters	-----	-----	-----	-----	6	-----
	Hydrometric Stations	-----	-----	-----	-----	0	-----

Maintenance of Irrigation Works

As of End of 2022 Water Delivery Season

Maintenance Cost	2018	2019	2020	2021	2022	Average
Heavy equipment	\$964,695	\$970,278	\$883,675	\$986,220	\$1,026,644	\$966,302
Labour	1,083,786	1,005,856	1,021,482	1,109,696	1,171,470	1,078,458
Vehicles	179,900	190,544	178,633	170,472	170,130	177,936
Repairs to pump stations and control structures	430,044	288,781	443,447	305,847	394,705	372,565
Materials (culverts, gates, fence posts, etc.)	230,882	127,741	171,692	185,410	211,744	185,494
Chemical for broad leaf weed control	94,534	103,313	108,239	110,310	119,765	107,232
Maintenance of buildings and grounds	52,261	44,409	51,202	68,403	38,939	51,043
Total Costs:	\$3,036,102	\$2,730,922	\$2,858,370	\$2,936,357	\$3,133,397	\$2,939,030



Crop and Irrigation Statistics

2022 Crop Summary

Crop Class	Crop Type	Acres
Forage	Alfalfa 2 Cuts	31,468
	Alfalfa 3 Cuts	5,826
	Alfalfa Hay	2,467
	Alfalfa Silage	345
	Barley Silage Under Seed	1,793
	Barley Silage	2,034
	Corn Grazing	1,060
	Corn Silage	17,577
	Custom Variety Forage	393
	Grass Hay	15,139
	Green Feed	4,791
	Millet	291
	Native Pasture	1,104
	Oats Silage	70
	Sorghum Sudan Grass	448
	Tame Pasture	33,263
	Timothy Hay	6,665
Cereals	Barley	17,437
	CPS Wheat	157
	Durum Wheat	11,301
	Grain Corn	5,258
	Hard Spring Wheat	49,244
	Oats	2,383
	Rye	1,087
	Soft Wheat	2,009
	Triticale	6,607
	Winter Wheat	4,779
Oil Seeds	Canola	28,422
	Flax	7,395
	Mustard	130

Crop Class	Crop Type	Acres
Specialty	Alfalfa Seed	14,324
	Carrots	420
	Dill	250
	Dry Beans	2,950
	Dry Peas	4,970
	Faba Beans	830
	Grass Seed	568
	Hemp	932
	Market Gardens	333
	Mint	125
	Nursery	399
	Pinto Beans	534
	Potato	7,525
	Seed Canola	13,377
	Seed Potato	60
	Soy Beans	771
	Sugar Beets	1,601
	Yellow Peas	351
Non Irrigated	Misc.	477
	Non-Crop	273
	Summer Fallow	109

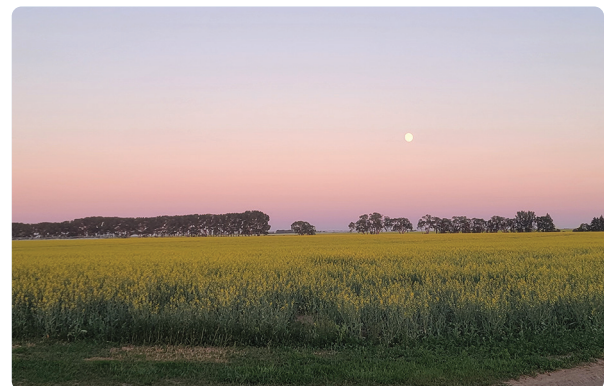
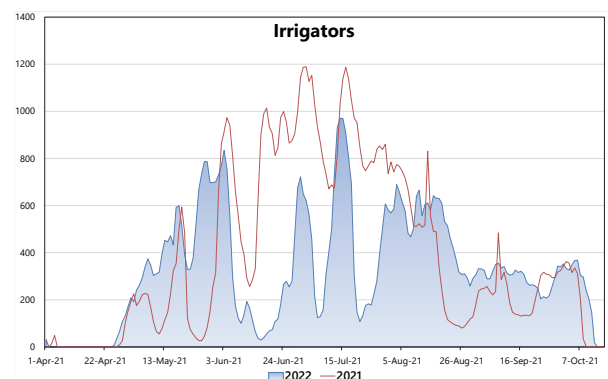
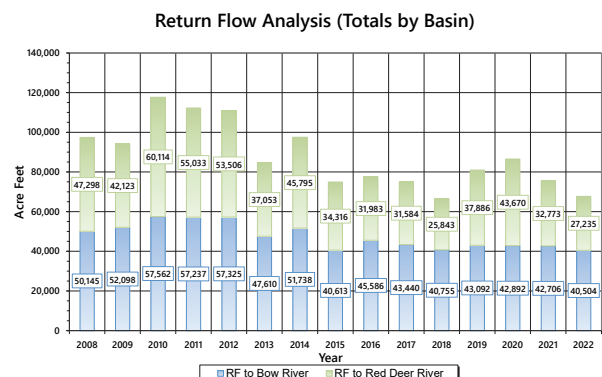
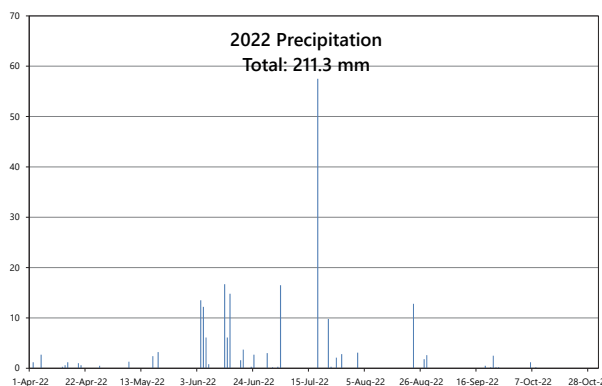
Total of All Crops (As of December 31, 2022)		
Crop Class		Acres
Summary	Forage Crops	124,734
	Cereal Crops	100,262
	Oil Seed Crops	35,947
	Specialty Crops	50,320
	Non-Irrigated	859
Total		312,122

Water Delivery Statistics

As of December 31, 2022

2022 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	Lepp	19,108	16,100	0.84
District N2 Pitau	Fika	22,773	18,200	0.8
District N3 Gem	Kroschel	14,613	13,600	0.93
District N4 Rosemary	Hasper	22,478	19,100	0.85
District N5 Duchess	Berg	20,516	19,600	0.96
District N6 Cockerill	Leland	22,287	19,800	0.89
District N7 Millicent	Deschamps	22,054	19,200	0.87
District N8 Patricia	McInnis	18,182	21,500	1.18
District S1 Antelope Creek/Brooks	Klassen	21,250	19,200	0.90
District S2 Kitsim	Currie	19,842	22,300	1.12
District S3 Bow Slope	Thiessen	21,733	27,300	1.26
District S4 Aqueduct/Bantry	Canning	14,210	12,700	0.89
District S5 Elizabeth	Williams	15,856	14,700	0.93
District S6 Tilley	Cleland	20,146	20,200	1.00
District S7 Rolling Hills North	Olund	18,921	21,200	1.12
District S8 Rolling Hills South	Beierbach	18,153	20,500	1.13
Totals:		312,122	305,200	0.98



Irrigation Rehabilitation Report

Ryan Gagley, Engineering Manager

2022 Rehabilitation

In 2022, the EID construction crews installed over 25 km of PVC pipeline, rehabilitated more than 3 km of canal and replaced 10 concrete structures. The big project, Scott Pipeline, saw the District installing a new closed pipeline directly out of Lake Newell Reservoir that serves over 5,000 acres with room for future development in the area.

As is typical for the District, the majority of our projects were designed, managed and constructed by EID staff. Projects completed throughout the 2021/2022 construction season cost a total of \$39,960,000.

The upcoming 2022/2023 capital construction program will consist of two major projects, as well as the continuation of the EID/County Joint Drainage Program. The drainage program will continue in the Rosemary area with crews finishing up Phase 2 and moving onto Phase 3.



Scott Pipeline Stilling Pond Inlet Pipe

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. One new pipeline will be installed under this program during the 2022/2023 construction season.

Irrigation Rehabilitation Program (IRP)

Project	Description	Engineer	Contractor	2022 Project Cost	Total Project Cost
Spring 2022					
Bow Slope Canal	Canal Rehabilitation	EID	EID	\$1,373,800	\$1,387,300
F Tilley Check Structure	Structure Rebuild	Aqua Systems 2000	Aqua Systems 2000	\$268,400	\$ 276,800
Fall 2022					
02 Bow Slope Pipeline	PVC Pipeline	EID	EID	\$1,738,200	-----
Total:				\$3,380,400	\$1,664,100

Irrigation Rehabilitation Report

EID Capital Construction Program

Funds for this program are provided entirely from the District's Irrigation Works Reserve Fund. The 2022 expenditures amount to approximately \$36,579,600 for the installation of 25 km of pipeline and 3 km of canal rehabilitation. The fall of 2022/spring 2023 will see the construction of approximately 13 km of pipeline and 3 km of canal rehabilitation under this program.

EID Capital Construction Program: 2022/2023

Project	Description
Secondary C North Branch	13 km Pipeline
Lake Newell South Feeder	3 km Canal Rehab.
District Automation	Automation
2022/2023 Structure Program	Structure Replacement
EID/County Joint Partnership	Drainage Program

EID Capital Construction Program

	Project	Description	Engineer	Contractor	2022 Project Cost	Total Project Cost
2020/2021	01 C Springhill Pipeline	6.5 km Pipeline	EID	EID	\$350,300	\$3,860,000
	C Springhill	11 km Pipeline	EID	EID	\$167,400	\$11,064,700
	01 C Springhill Pumphouse	Pump Station	MPE	VHL/Academy	\$118,400	\$1,629,600
2021/2022	Scott Pipeline	17 km Pipeline	EID	EID	\$14,606,700	\$17,424,300
	12 Springhill Pipeline	1.2 km Pipeline	EID	EID	\$3,954,500	\$3,991,400
	08 B Springhill Pipeline	3 km Pipeline	EID	EID	\$946,600	\$994,600
	Structure Replacement Program		EID	EID	\$884,600	
	West Bantry Canal Phase 2	Canal Rehab.	EID	EID	\$548,600	\$550,000
	02 Bow Slope Canal	Canal Rehab.	EID	EID	\$435,500	\$445,300
	13 H West Bantry Pipeline	1 km Pipeline	EID	EID	\$402,900	\$422,400
	Various Years Projects	Smaller Projects	EID	EID	\$343,800	
	EID/County Drainage Partnership		EID	EID	\$330,200	
	District Automation Program		EID	EID	\$305,200	
	Reservoir Maintenance Program				\$292,400	
	Tilley B Reservoir Debris Boom		EID	EID	\$263,500	
	Cost Shared Projects		EID	EID	\$243,500	
	Culvert Replacement Program		EID	EID	\$206,400	
	Campgrounds				\$147,100	
	Land Equities / Purchases				\$60,500	
	Small Drain Works				\$35,200	
	Riser Replacement Program				\$22,600	
2022 & Beyond	Snake Lake Land Acquisition/Eng.	Reservoir	EID/MPE	EID	\$10,684,300	
	01 One Tree Pipeline	25 km Pipeline	EID	EID	\$758,600	
	Secondary C North Branch	13 km Pipeline	EID	EID	\$343,000	
	Lake Newell South Feeder	3 km Canal Rehab.	EID	EID	\$127,800	
Total					\$36,579,600	



12 Springhill Check Structure Modifications

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*.

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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
Robbie F. Hodgson CPA, CA
Thomas G. Crews CPA
* 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, 2022, 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, 2022, 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

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 24, 2022

CHARTERED PROFESSIONAL ACCOUNTANTS

EASTERN IRRIGATION DISTRICT

STATEMENT OF FINANCIAL POSITION

As At September 30, 2022

ASSETS

Current

	General Fund	Irrigation Works Fund	2022 Total	2021 Total
Cash	\$11,641,468	\$40,690,283	\$52,331,751	\$61,669,074
Short term deposits (Note 4)	0	11,102,366	11,102,366	14,362,693
Investments (Note 6)	0	30,743,326	30,743,326	19,077,462
Accounts receivable (Note 5)	3,278,284	6,026,973	9,305,257	6,227,809
Materials and supplies (Note 8)	3,302,117	0	3,302,117	2,881,677
Prepaid expenses	923,238	0	923,238	1,068,266
	19,145,107	88,562,948	107,708,055	105,286,981
Accounts receivable (Note 5)	0	1,117,708	1,117,708	1,249,818
Investments (Note 6)	0	12,120,494	12,120,494	16,678,369
Deposits	140,895	0	140,895	155,632
Trust funds held (Note 16)	221,931	0	221,931	272,018
	19,507,933	101,801,150	121,309,083	123,642,818
Property and Equipment (Note 7)				
Buildings and equipment, net	18,206,444	2,365,852	20,572,296	16,281,165
Irrigation works, net	0	455,383,005	455,383,005	434,975,632
Land (Note 2)	0	13,293,594	13,293,594	13,293,594
	18,206,444	471,042,451	489,248,895	464,550,391
	\$37,714,377	\$572,843,601	\$610,557,978	\$588,193,209

LIABILITIES

Current

Accounts payable and accrued liabilities	\$3,986,317	\$2,082,840	\$6,069,157	\$3,836,342
Goods and services tax payable	27,526	0	27,526	21,789
Unearned revenue (Note 2)	15,266,460	57,061	15,323,521	15,224,395
	19,280,303	2,139,901	21,420,204	19,082,526
Long term debt (Note 9)	0	20,185,705	20,185,705	11,985,507
Trust funds held (Note 16)	221,931	0	221,931	272,018
Provision for gravel pit closure and post closure (Note 17)	0	889,234	889,234	854,674
Unearned revenue (Note 2)	0	79,424	79,424	146,043
Deferred grants and contributions, net (Note 7)	12,220	137,912,520	137,924,740	137,276,267
	19,514,454	161,206,784	180,721,238	169,617,035
Commitments (Note 19)				
Contingencies (Note 20)				

FUND BALANCES

Invested in property and equipment (Notes 7 & 10)	18,194,223	333,129,931	351,324,155	327,274,124
Unrestricted (Note 10)	0	0	0	0
Internally restricted, to be used for future community pasture development (Notes 2 & 10)	5,700	0	5,700	168,903
Internally restricted, to be used for future irrigation works additions (Notes 2 & 10)	0	83,055,742	83,055,742	98,083,439
Externally restricted by the Province of Alberta, to be used for Bassano Dam Spillway project (Notes 2 & 10)	0	937,962	937,962	936,986
Externally restricted by the Province of Alberta, to be used for future irrigation works additions (Notes 2 & 10)	0	(5,486,817)	(5,486,817)	(7,887,278)
	18,199,923	411,636,817	429,836,740	418,576,174
	\$37,714,377	\$572,843,601	\$610,557,978	\$588,193,209

EASTERN IRRIGATION DISTRICT

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

For The Year Ended September 30, 2022

	General Fund	Irrigation Works Fund	2022 Total	2021 Total
REVENUE				
WATER EARNINGS				
Water conveyance agreements	\$741,311	\$0	\$741,311	\$715,209
Oil and gas drilling water	223,455	0	223,455	148,100
Penalties	2,409	0	2,409	355
Irrigation rates (Note 11)	0	0	0	0
	967,175	0	967,175	863,665
Less discounts allowed	(65,600)	0	(65,600)	(65,200)
	901,575	0	901,575	798,465
LEASE REVENUE AND COMPENSATION				
Oil and gas well leases	25,022,750	0	25,022,750	25,062,835
Right of entry and initial consideration - oil and gas	1,500,623	0	1,500,623	482,257
Oil and gas administration fees	28,500	0	28,500	22,200
Powerlines	275,186	0	275,186	265,781
Right of entry and initial consideration - powerlines	16,675	0	16,675	450
Community grazing leases	1,493,677	0	1,493,677	1,441,420
Irrigated leases	843,386	0	843,386	840,003
Private grazing leases	286,237	0	286,237	253,689
Other lease revenues	272,225	0	272,225	226,753
OTHER REVENUE				
Amortization of deferred grants and contributions	0	7,143,951	7,143,951	7,072,594
Investment income	1,208,081	725,891	1,933,972	1,703,183
Gain (loss) on sale of land, equipment and buildings	29,917	90,500	120,417	87,532
Capital asset charges, net	0	3,764,050	3,764,050	3,262,500
Operational grant	0	0	0	0
Gravel royalties and miscellaneous	0	322,172	322,172	39,218
	31,878,832	12,046,564	43,925,396	41,558,877
EXPENSES				
Amortization of irrigation works and buildings	0	19,801,307	19,801,307	19,204,211
Operations and administration (Schedule 1)	9,469,614	0	9,469,614	8,197,748
Community grazing expenses (Note 12)	1,470,977	0	1,470,977	1,426,078
	10,940,591	19,801,307	30,741,898	28,828,037
Revenue over expenses (Deficiency), before special projects	20,938,241	(7,754,743)	13,183,498	12,730,840
Special projects, net (Note 14)	(2,091,262)	0	(2,091,262)	(915,920)
EIDNet, net (Note 15)	168,329	0	168,329	291,008
REVENUE OVER EXPENSES (DEFICIENCY)	19,015,309	(7,754,743)	11,260,566	12,105,928
TRANSFER TO IRRIGATION WORKS FUND	(15,029,323)	15,029,323	0	0
FUND BALANCES, BEGINNING OF YEAR	14,213,937	404,362,237	418,576,174	406,470,246
FUND BALANCES, END OF YEAR	\$18,199,923	\$411,636,817	\$429,836,740	\$418,576,174

EASTERN IRRIGATION DISTRICT

STATEMENT OF CASH FLOWS

For The Year Ended September 30, 2022

	General Fund	Irrigation Works Fund	2022 Total	2021 Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Revenue from water operations	\$901,575	\$0	\$901,575	\$798,465
Compensation from oil and gas operations	26,551,873	0	26,551,873	25,567,291
Compensation from powerline operations	291,861	0	291,861	266,231
Revenue from lease operations	2,895,525	0	2,895,525	2,636,865
Capital asset charges, net	0	3,764,050	3,764,050	3,262,500
Operational grant	0	0	0	0
Cash receipts from gravel royalties and miscellaneous	0	322,171	322,171	164,218
Operations and administration expenses (Schedule 1)	(9,469,614)	0	(9,469,614)	(8,197,748)
Community grazing expenses (Note 12)	(1,470,977)	0	(1,470,977)	(1,426,078)
Add: Amortization in expenses, not using cash	2,014,347	0	2,014,347	1,709,273
Net cash expenditure on special projects (Note 14)	(2,091,262)	0	(2,091,262)	(915,920)
Net cash expenditure on EIDNet	464,133	0	464,133	480,322
Investment income	1,208,081	725,891	1,933,972	1,703,183
Non-cash investment income	0	(409,451)	(409,451)	(1,262,535)
Change in GST receivable and payable	5,737	0	5,737	(3,906)
Change in Payroll taxes payable	0	0	0	0
Change in non-cash current assets and liabilities	1,015,497	(3,008,730)	(1,993,233)	(1,644,583)
	22,316,776	1,393,931	23,710,708	23,137,575
CASH FLOWS USED IN FINANCING AND INVESTING ACTIVITIES				
Grants from Province of Alberta	0	7,793,783	7,793,783	10,085,544
Proceeds on sale of land, buildings and equipment	63,202	90,500	153,702	305,392
Purchase of land, buildings and equipment	(6,140,570)	(380,795)	(6,521,365)	(3,648,820)
Pasture development and reseeded (Note 13)	(352,055)	0	(352,055)	(379,152)
Expenditures on irrigation works (Note 7)	0	(39,971,184)	(39,971,184)	(29,731,385)
Change in non current accounts receivable	0	132,110	132,110	(289,125)
Change in irrigation works unearned revenue	0	(9,558)	(9,558)	(10,234)
Proceeds on sale of investments	0	22,988,075	22,988,075	43,604,074
Purchase of investments	0	(29,686,614)	(29,686,614)	(3,000,000)
Advances of long term debt	0	8,200,198	8,200,198	11,985,507
Change in deposits	14,737	0	14,737	14,666
Change in provision for gravel pit closure and post closure (Note 17)	0	34,560	34,560	21,823
Change in irrigation works accounts payable	0	915,255	915,255	878,994
	(6,414,686)	(29,893,670)	(36,308,357)	29,837,284
NET INCREASE (DECREASE) IN CASH	15,902,090	(28,499,740)	(12,597,650)	52,974,859
Cash, beginning of year	10,768,701	65,263,066	76,031,767	23,056,908
Transfer from general fund	(15,029,323)	15,029,323	0	0
CASH, END OF YEAR	\$11,641,468	\$51,792,649	\$63,434,117	\$76,031,767
Cash is comprised of:				
Cash	\$11,641,468	\$40,690,283	\$52,331,751	\$61,669,074
Short term deposits	0	11,102,366	11,102,366	14,362,693
	\$11,641,468	\$51,792,649	\$63,434,117	\$76,031,767

EASTERN IRRIGATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2022

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 *Alberta Irrigation Districts Act*.

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 the projects in the fund. The Irrigation Rehabilitation Partnership with the Province of Alberta contributes to this fund 75% of the expenditures on projects approved by the Irrigation Council. The Alberta Irrigation Modernization program with the Province of Alberta contributes to this fund 30% 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%
Fibre lines and equipment	4%

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)(l) of the *Income Tax Act*.

EASTERN IRRIGATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2022

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.

EASTERN IRRIGATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2022

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 281,764 people and 435 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 8.45% of pensionable earnings up to the Canada Pension Plan's Maximum Pensionable Earnings and 12.8% for the excess. Total current and past service contributions by the District to the Local Authorities Pension Plan in 2022 were \$602,036 (2021 - \$639,512). Total current and past service contributions by the employees of the District to the Local Authorities Pension Plan in 2022 were \$542,195 (2021 - \$580,529). At December 31, 2021, the Plan disclosed an actuarial surplus of \$11.92 billion (December 31, 2020 - actuarial surplus of \$4.96 billion).

4. Short Term Deposits

Short term deposits in the amount of \$11,102,366 (2021 - \$14,362,693) are maturing in the next 90 days and include GICs, term deposits and notice demand accounts at interest rates varying from 0.7% to 3.34% (2021 - 0.7% to 2.7%). At year end these deposits have an average annual interest rate of 1.83% and will mature within the next 90 days.

5. Accounts Receivable

Accounts receivable consist of:

	2022	2021
Lease rentals and seismic	\$1,910,880	\$1,821,723
Reclassification agreements	913,944	991,255
Property and equipment	6,229,112	3,329,785
Sundry debtors	723,035	664,422
Water rates and charges	463,637	497,393
Water conveyance agreements	193,561	191,253
Gravel and dirt	1,625	1,625
Less: Allowance for doubtful accounts	(12,830)	(19,830)
	<u>\$10,422,965</u>	<u>\$7,477,627</u>
Accounts receivable - current	\$9,305,257	\$6,227,809
Accounts receivable - non current	1,117,708	1,249,818
	<u>\$10,422,965</u>	<u>\$7,477,627</u>

6. Investments

Investments consist of:

	2022	2021
Investments - current: term deposits, GIC and notice demand accounts and corporate bonds that mature within 1 year	\$30,743,326	\$19,077,462
Investments - non current:		
Term deposits	11,968,566	16,533,384
Credit union common shares	151,928	144,985
	<u>12,120,494</u>	<u>16,678,369</u>
	<u>\$42,863,820</u>	<u>\$35,755,831</u>
Fair market value at September 30, 2022	<u>\$42,863,820</u>	<u>\$35,755,831</u>

EASTERN IRRIGATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2022

7. Property and Equipment

	Cost	Accumulated Amortization	2022 Net	2021 Net
General Fund:				
Equipment	\$33,081,452	\$15,819,621	\$17,261,831	\$13,014,341
Community pasture reseeding	3,683,823	2,739,209	944,614	1,044,271
Irrigation Works Fund:				
Buildings	9,758,662	7,392,810	2,365,852	2,222,553
Irrigation works	812,102,777	356,719,772	455,383,005	434,975,632
Land	13,293,594	0	13,293,594	13,293,594
	<u>\$871,920,309</u>	<u>\$382,671,413</u>	<u>489,248,896</u>	464,550,391
Deferred grants and contributions	<u>(\$311,756,200)</u>	<u>\$173,831,459</u>	<u>(137,924,740)</u>	(137,276,267)
Net assets invested in property and equipment			<u>\$351,324,156</u>	<u>\$327,274,124</u>

Included in the cost total above is \$13,158,977 (2021 - \$2,407,903) 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:

	2022	2021
Beginning of year	\$434,975,632	\$424,228,021
Additions to irrigation works:		
District projects	3,981,859	3,293,250
Province of Alberta cost share projects	35,928,845	26,284,229
Survey costs and easements	60,479	153,906
Amortization	(19,563,811)	(18,983,774)
End of year	<u>\$455,383,005</u>	<u>\$434,975,632</u>

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

	2022	2021
Beginning of year	\$137,276,267	\$134,264,825
Contributions from third parties	7,793,783	10,085,544
Amortization	(7,145,310)	(7,074,102)
End of year	<u>\$137,924,740</u>	<u>\$137,276,267</u>

Current year additions to irrigation works are as follows:

	District	Bassano Dam Spillway	Province of Alberta Cost Share	2022 Total	2021 Total
External Charges:					
Materials and supplies	\$1,261,741	\$0	\$21,793,803	\$23,055,544	\$15,223,465
Contract services	86,403	0	848,209	934,612	2,330,415
Equipment and other services	1,061,502	0	5,725,782	6,787,284	5,162,353
Contract services - engineering	99,899	0	3,338,609	3,438,508	957,242
Internal Charges:					
Equipment recovery	988,181	0	2,798,065	3,786,246	4,154,910
Labour recovery - other	384,044	0	1,037,254	1,421,298	1,293,590
Labour recovery - engineering	100,091	0	387,122	487,213	455,502
	<u>\$3,981,859</u>	<u>\$0</u>	<u>\$35,928,845</u>	<u>\$39,910,705</u>	<u>\$29,577,478</u>

EASTERN IRRIGATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2022

8. Inventories

	2022	2021
Materials and supplies	\$3,302,117	\$2,881,677

The amount of inventories recognized as an expense during the year was \$762,563 (2021 - \$783,507).

9. Long Term Debt

Long term debt consists of a term loan with Irrigating Alberta Inc. which is repayable in variable annual installments including interest at 1.0%.

Annual payments began in January 2022 and the loan is due in 2056.

The loan is secured by Incremental Revenues earned by the District. Incremental Revenues are generally defined in the loan agreement as revenues earned, as a result of the Alberta Irrigation Modernization program above the baseline revenues for irrigation rates, capital asset and capital construction charges and any other revenues directly attributable to the projects. The net book value of the Incremental Revenues at September 30, 2022 are \$3,753,400.

Current portion of long term debt

The current portion of the long term debt described above is not known as of the date of the financial statements. The Incremental Revenues that will be transferred to the Irrigating Alberta Inc. on January 31, 2023 is \$3,770,900. The current portion of the loan will be paid from those funds.

Five year repayment schedule

The loan repayment schedule is not determinable at the date of the financial statements as the amount of the loan is determined by the Irrigation Works projects that will be completed in the future and the repayments are impacted by the Incremental Revenues collected in the future.

EASTERN IRRIGATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2022

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	\$327,274,124	\$0	\$168,903	\$98,083,439	\$936,986	(\$7,887,278)	\$418,576,173
Assets received from Province of Alberta	(7,793,783)	0	0	0	0	7,793,783	0
District contribution to cost share projects							
Irrigation Rehabilitation Program	0	0	0	(957,888)	0	957,888	0
Bassano Dam Spillway Project	0	0	0	0	0	0	0
Alberta Irrigation Modernization	0	0	0	(29,321,739)	0	29,321,739	0
Additions to property and equipment, net	46,811,320	(6,459,341)	0	(4,423,133)	0	(35,928,845)	0
Revenue over expenses (Deficiency) allocated	(14,967,506)	21,325,459	0	4,645,741	976	255,896	11,260,566
Transfer to (from) community pasture development reserve	0	(3,150)	3,150	0	0	0	0
Applied to grazing expenses	0	166,353	(166,353)	0	0	0	0
Transfer to irrigation works fund from operations	0	(15,029,323)	0	15,029,323	0	0	0
End of year	\$351,324,155	\$0	\$5,700	\$83,055,742	\$937,962	(\$5,486,817)	\$429,836,739

The Board of Directors has authorized the transfer of \$15,029,323 (2021 - \$17,965,358) from current year operations to internally restricted funds to be used for future irrigation works additions and \$3,150 (2021 - \$1,650) for community pasture development. As well, authorization was given to use \$166,353 from the community pasture reserve to pay for some of the pasture reseeding costs.

11. Irrigation Rates

Irrigation rates consist of:

	2022	2021
308,846 acres at \$0 per acre	\$0	\$0
3,110 acres at \$0 per acre terminable	0	0
0 acres subject to annual agreements	0	0
122 acres at \$0 per acre 5R soils	0	0
Minimum parcel rates and adjustments	0	0
	<u>\$0</u>	<u>\$0</u>

The cost to deliver water to the farm gate during the current year was \$28 per acre (2021 - \$24). The Board of Directors approved using other District revenues to pay this cost so that the water rate charged to the irrigators could be set at \$0 per acre (2021 - \$0).

12. Community Grazing Expenses

Community grazing expenses consist of:

	2022	2021
Water	\$392,338	\$402,842
Amortization of equipment and reseeded pastures	293,500	293,274
Property taxes	278,841	265,053
Fences	153,597	165,120
Pasture management fees	108,093	102,500
Irrigated pastures	89,441	88,729
Fire guards	88,386	60,380
Swing fields and miscellaneous	44,944	26,215
Pasture rental fees (net of recoveries)	14,694	16,523
Insurance	7,143	5,441
	<u>\$1,470,977</u>	<u>\$1,426,078</u>

EASTERN IRRIGATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2022

13. Community Grazing Property and Equipment Expenditures

Property and equipment expenditures include:

Grazing water pipeline and improvements
Pasture development and reseeded

2022	2021
\$264,158	\$291,361
87,897	87,791
<u>\$352,055</u>	<u>\$379,152</u>

14. Special Projects

Revenue:

Campgrounds

2022	2021
\$759,733	\$787,322

Expenses:

Farm improvement program
Campgrounds
Partners in Habitat Development
Aquatic Invasive Species - public education
Dam safety inspections
Aerial photo
Environmental remediation - old truck shop property
Engineering feasibility studies
Rural water initiative
Alberta Fish and Game
County pathway
South SK river model

(1,953,012)	(792,354)
(593,263)	(605,912)
(115,000)	(115,000)
(86,329)	(102,221)
(11,947)	(57,256)
(36,394)	0
0	(16,500)
0	(10,000)
(4,000)	(4,000)
(10,000)	0
(11,051)	0
(30,000)	0

Deficiency

<u>(\$2,091,262)</u>	<u>(\$915,920)</u>
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15. EIDNet

Revenue:

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

2022	2021
\$1,455,149	\$1,410,851
31,956	48,168
1,358	1,509
<u>1,488,462</u>	<u>1,460,527</u>

Expenses:

Wages and operating costs
Amortization
Customer installation expenses
Telecommunications and bandwidth

(822,340)	(767,287)
(297,161)	(190,822)
(90,380)	(106,143)
(110,251)	(105,267)

Total Expenses

<u>(1,320,133)</u>	<u>(1,169,519)</u>
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Revenue over expenses (Deficiency)

<u>\$168,329</u>	<u>\$291,008</u>
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16. Trust Funds Held

Trust funds held include \$221,931 (2021 - \$272,018) 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

	2022	2021
Beginning of year	\$854,674	\$832,851
Contributions	34,560	21,823
Reclamation activities	0	0
End of Year	<u>\$889,234</u>	<u>\$854,674</u>

EASTERN IRRIGATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2022

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	6	7	
Director's Name	Jason Hale	David Peltzer	Ross Owen	Brian Schmidt	Don Jacobson	Brent Schroeder	Tracy Hemsing	
Amounts included in the District's accounts receivable at year end:								
Sundry debtors	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Amounts included in the District's accounts payable at year end:								
Unearned EIDNet fees	(334)	(96)	(241)	(241)	(1,126)	(674)	(337)	(3,048)
Revenues of the District:								
Irrigation works constructed by the District	0	0	0	0	0	0	0	0
Gain (loss) on sale of land	0	0	0	0	0	0	0	0
Private grazing, irrigated lease fees and cost recoveries	1,890	0	0	0	0	0	4,328	6,218
EIDNet fees	1,785	231	577	577	2,392	1,155	577	7,295
Capital assets charges	0	0	0	0	9,000	0	0	9,000
Acre Feet sales/subdivision lieu charges	0	0	0	0	0	0	0	0
Gravel and dirt sales and miscellaneous	0	0	13,200	0	0	0	2,260	15,460
Water conveyance agreements	0	0	0	0	958	0	294	1,252
Expenses of the District								
Irrigation works additions	0	0	0	0	0	0	0	0
Director per diems	(11,197)	(9,140)	(8,226)	(9,369)	(9,826)	(9,369)	(12,339)	(69,464)
Farm improvement program	(3,000)	(12,500)	0	0	0	(16,177)	0	(31,677)
Director benefits*	(564)	(448)	(397)	(460)	(487)	(461)	(627)	(3,445)
Scholarships	0	(2,000)	0	0	0	0	0	(2,000)
Infrastructure Savings Program	0	0	0	0	0	0	0	0
Rights-of-way purchased by the District	0	0	0	0	0	0	0	0

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

EASTERN IRRIGATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2022

19. 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

20. Commitments

Uncompleted contracts:

The District has commitments in an estimated amount of \$0 (2021 - \$244,710) 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 \$146,950 (2021 - \$0).

21. Contingencies

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

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

22. Comparative Amounts

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

23. Approval of Financial Statements

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

EASTERN IRRIGATION DISTRICT

SCHEDULE OF OPERATIONS AND ADMINISTRATION EXPENSES

Schedule 1

For The Year Ended September 30, 2022

	Equipment Pool	Maintenance	Water Delivery	EID Land Administration	Administration and General	2022 Total	2021 Total
Salaries and benefits							
Salaries	\$1,997,909	\$1,033,093	\$1,875,522	\$282,330	\$1,705,803	\$6,894,657	\$6,787,917
Pension plans	220,167	120,497	211,207	77,483	194,602	823,957	844,330
Group insurance	106,260	51,676	105,952	26,269	83,570	373,726	370,956
Employment insurance and WCB	45,194	18,337	43,681	20,125	33,078	160,415	176,514
Equipment							
Amortization of equipment	1,569,169	0	0	14,751	136,927	1,720,847	1,415,999
Equipment rent (recovery), net	0	1,026,643	90,126	29,968	0	1,146,738	1,086,632
Vehicle expense (recovery), net	(85,341)	213,870	421,483	61,771	91,934	703,717	566,809
Heavy equipment expense	529,660	0	0	0	0	529,660	381,992
Other							
Materials and supplies	179,530	330,279	232,800	19,955	0	762,563	783,507
Irrigation pumps and structures	0	634,176	303,573	0	0	937,749	768,232
Buildings and grounds	105,648	32,946	158,973	31,576	118,535	447,679	408,136
Office supplies and maintenance	0	0	0	0	185,164	185,164	174,657
Professional fees	0	0	0	700	89,863	90,563	149,145
Advertising and promotion	747	0	0	8,357	138,327	147,431	141,641
Insurance	70,926	843	42,797	0	27,344	141,909	134,308
Association fees	0	0	0	0	122,600	122,600	103,842
Directors per diems and CPP (Note 18)	0	0	0	0	72,909	72,909	75,165
Private and irrigated leases	0	0	0	0	0	0	49,600
Telephone	22,742	5,150	13,002	30,216	7,117	30,216	48,871
Miscellaneous and freight	600	1,096	4,845	3,420	23,901	51,431	31,159
Loan interest expense	0	0	0	0	178,621	178,621	0
Water quality testing	0	0	3,632	0	0	3,632	28,606
Directors expenses	0	0	0	0	13,632	13,632	13,275
Travel	859	134	1,230	107	3,418	5,746	4,264
Shop supplies and small tools	(15,768)	0	917	143	0	(14,708)	(34,461)
Total expenses	4,748,300	3,468,741	3,509,740	610,169	3,227,347	15,564,297	14,511,094
Less:							
Recovery from other capital construction	(1,356,030)	(217,158)	(103,566)	(10,475)	(191,752)	(1,878,982)	(1,570,761)
Recovery from cost share capital construction	(2,983,331)	(118,187)	(684,955)	(336)	(428,892)	(4,215,701)	(4,742,585)
	\$408,939	\$3,133,396	\$2,721,218	\$599,358	\$2,606,703	\$9,469,614	\$8,197,748

2023 Annual Meeting Agenda

Annual General Meeting, Tuesday, March 7, 2023, at 1:30 pm

1.0 Welcome and Opening Remarks: Mr. Tracy Hemsing, Chairman, Board of Directors

2.0 Election of a Chair for the Annual General Meeting: Mr. Tracy Hemsing

3.0 Adoption of the Agenda

4.0 Approval of the Minutes: March 8, 2022, Annual General Meeting

5.0 Business Arising from the Minutes: March 8, 2022, Annual General Meeting

6.0 Presentation of Reports

6.01 Chairman of the Board of Directors Report: Mr. Tracy Hemsing

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: Ed Chapman, Bevan and Partners

7.0 General Matters and New Business

7.01 General Matters Raised from the Floor

7.02 Report on Scheduled Elections: Mr. Ivan Friesen, Returning Officer

- Division 1 (Gem/Bassano): Mr. Richard Hiebert (Term Expired)
- Division 5 (Scandia/Rainier): Mr. Don Jacobson (Term Expired)

8.0 Adjournment

March 8, 2022, Annual General Meeting

The Eastern Irrigation District held its Annual General Meeting on Tuesday, March 8th, 2022, 1:30 p.m. at the Heritage Inn in Brooks, Alberta. Approximately 110 people were in attendance.

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

1.0 Welcome and Opening Remarks – Mr. Jason Hale, Chairman, Board of Directors

Mr. Hale welcomed those in attendance at the Annual General Meeting, including Jennifer Nitschelm, Director – Irrigation Secretariat; Mark Miyanaga, Member – Irrigation Council; Margo Jarvis Redelback, Executive Director – AIDA; and County of Newell Councillors.

2.0 Election of a Chair for the Annual General Meeting – Mr. Jason Hale

Mr. Hale called for nominations for Chair of the annual meeting.

Moved by Wayne Slenders that Holly Johnson be nominated for Chair.

As no further nominations were placed, Holly Johnson was elected Chair by acclamation. Ms. Johnson assumed the chair.

3.0 Adoption of the Agenda

Ms. Johnson advised of the format for making comments and asking questions from the floor. A motion to adopt the agenda was requested.

Moved by Wayne Slenders, seconded by Daniel Doerksen, that the agenda be adopted as presented.

Ms. Johnson asked if there were any requests for additions or deletions to the agenda; being none a vote on the motion was requested.

The motion to adopt the agenda was carried.

4.0 Approval of the Minutes – March 9, 2021, Annual General Meeting

Ms. Johnson called for a motion to accept or revise the minutes from the March 9, 2021, Annual General Meeting.

Moved by Wayne Slenders, seconded by John Ketchmark, that the minutes of the 2021 Annual General Meeting be approved as distributed.

Ms. Johnson asked if there were any revisions to the minutes; being none a vote on the motion was requested.

The motion to approve the minutes was carried.

5.0 Business Arising from the Minutes – March 9, 2021, Annual General Meeting

Ms. Johnson called for items of business arising from the minutes of the 2021 Annual General Meeting; none were raised.

6.0 “Economic Value of Alberta’s Irrigation Districts” – Ms. Margo Jarvis Redelback, Exec. Director, AIDA

Ms. Jarvis Redelback presented a summary on the Economic Value of Alberta’s Irrigation Districts, a report commissioned by the AIDA last year, which focused on the period of 2011 – 2018. A greater impact on the economy than previously demonstrated in the 2015 study, the new report can be found by visiting www.albertairrigation.ca. The presentation is summarized as follows:

- Over 40% of the world’s food supply is dependent on irrigation.

- Irrigation is the most reliable prevention for famine.
- Canada has the ability to significantly increase food production to support global population growth.
- Alberta's 13 irrigation districts support 60 different crop varieties and 29 specialty crops on 4.4% of Alberta's cultivated area. Irrigated crop production for various crops can be between 2 and almost 6 times as much as equivalent crops grown on dryland.
- Inputs, operations, maintenance, rehab, and labour of irrigation districts and farm businesses, as well as agricultural product and processing, all influence the economy.
- Water conveyed for community and industrial use, hydropower production, recreation, flood mitigation, and wildlife habitat also contribute to the economy.
- Irrigated crop sales total \$1.076 billion per year, which is 17% of total provincial farm sales.
- Specialty crops generate almost 50% of the total crop sales on 22% of the irrigated land base.
- Livestock production in irrigation districts saw \$2.2 billion per year, which is 38% of Alberta's total average livestock sales and is 2 times more revenue than crop production.
- Combined irrigated crop and livestock production total \$3.3 billion per year, 27% of the total primary agriculture sales in Alberta, \$1.019 Billion to total agri-food GDP, supports 10,786 full time jobs, and generates 8 times more revenue per acre than dryland.
- Irrigation related food processing accounts for \$2.086 billion to provincial GDP, \$1.12 billion in labour income, and 16,128 full time jobs.
- Every \$1.00 invested by the Government of Alberta in irrigation districts generates \$3.56 in added revenue to the GOA.
- Total economic impacts of irrigated agriculture see \$5.4 billion to provincial GDP, \$3.2 billion in labour income, approximately 46,000 full time jobs, and 80% of income-generated benefits accrued to the province and 20% to irrigation producers.
- With the assistance of the Alberta Irrigation Modernization (AIM) program, future opportunities are seen in increased and diversified crop production. Other opportunities will likely be seen in increased intensive livestock production and solar power development.

Ms. Johnson asked if there were any questions of Ms. Jarvis Redelback. Mr. Hale and Ms. Jarvis Redelback responded to questions and comments from the floor.

7.0 Presentation of Reports

7.01 Chairman of the Board of Directors Report – Mr. Jason Hale

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

- Water users were thanked once again for their patience as the District continued to deal with COVID-19 restrictions.
- Appreciation was given to outgoing Director Bob Chrumka for his years of service and a welcome to new Director Brent Schroeder in Division 6. Ross Owen was acclaimed in Division 3.
- New Vision and Mission Statements were adopted to help set goals and guide decisions. A Board Code of Conduct was also approved. [documents can be found at www.eid.ca]
- Admin and staff prepared extensive information for plebiscite expansion discussion. A plebiscite to increase the expansion limit to 345,000 was passed with 75% of those voting water users, voting in favour. Subsequently, irrigation development applications were approved in April and November.
- The Government of Alberta, Canada Infrastructure Bank, EID, and 9 other irrigation districts together invested an additional \$118 million to modernize irrigation infrastructure. This brings the total investment under this program to just under \$1 billion.

- Aquatic invasive species continue to be a major concern for the District and AIDA. A collaborative approach is continued through education, mandatory inspections, and watercraft registration. Thanks to staff, a total of 4,166 watercraft were registered in the EID, and 12 high risk watercraft were disallowed entry to our reservoirs.
- The EID and County of Newell continue to work together through the County/EID Joint Drainage Program and have this year collaborated on a Soil Erosion/Degradation Advisory Committee.
- Even with increased demands on the system, the District's infrastructure provided certainty for water users during a summer of drought.
- A crucial infrastructure project, the expansion of Snake Lake Reservoir, will benefit the District, local communities, and others within the Bow River Basin by supplying additional water storage to help alleviate current pressure on the river and the EID system. The District is extremely pleased to have entered into a sale agreement for the land required for the project.
- EID staff were thanked for their hard work and dedication, especially during a year of changing restrictions and conveying water in dry conditions.
- Water users were encouraged to continue to reach out to Directors with any questions, concerns, or suggestions.

Ms. Johnson asked for a motion to accept the report.

Moved by John Ketchmark, seconded by Wayne Slenders, that the 2021 Chairman of the Board of Directors Report be accepted as presented.

Ms. Johnson asked if there were any questions of the Chairman; being none she asked for a vote on the motion.

The motion to adopt the report was carried.

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

Mr. Friesen presented a PowerPoint providing expanded and complimentary information to the General Manager's Report contained in the District's 2021 Annual Report, as summarized below:

- Precipitation in 2021 began well below the long term average, prompting an earlier water delivery date of April 25th. Precipitation remained low and comparable to other dry years; however, diversion was 118,000 ac-ft lower than in 2000 (another extremely dry year).
- 310,000 acres are being irrigated in the EID with consistently less water than was used to irrigate 100,000 acres in 1935. Overall diversion from the Bow River for the WID, EID, and BRID is trending downward, while irrigated acreage increases. In 1987, approx. 1,100,000 ac-ft was diverted as compared to approx. 700,000 ac-ft in 2020; and approx. 525,000 irrigation acres were assessed as compared to approx. 685,000 irrigation acres in 2020.
- Efficiencies of method of irrigation from 2002 to 2021 can be seen in low pressure pivots increasing from 30.4% to 78.22%, wheel moves decreasing from 18.8% to 4.07%, and leveled flood decreasing from 28.5% to 9.48%. High pressure pivot, unlevelled flood, and other methods make up the difference.
- Snowpack sites continue to show accumulation and are tracking well above the upper quartile.
- The plebiscite to increase the expansion limit from 311,000 to 345,000 passed with 75% of those voting, voting in favour. The Expansion Limit Change Bylaw allows for the expansion limit to be changed from 311,000 irrigation acres to 345,000 acres. No more than 340,000 irrigation acres may be assessed until the Snake Lake Reservoir expansion project is commissioned, or the Board holds a meeting with the water users and consequently approves to exceed the 340,000 acre limit to 345,000 by a special resolution approved by not less than 6 Directors of the Board.
- Subject to permitted exceptions, the Irrigation Acres Bylaw limits approval of new parcel irrigation acres

- in any given year to 2,000 and for new parcel irrigation acres which are not located downstream of either Lake Newell Reservoir or Crawling Valley Reservoir to 800.
- In spring, 2,000 acres were approved for completion by September 30, 2021. 700 infill acres were also approved throughout the year. In fall, another 2,000 acres were approved for completion by September 30, 2022.
 - Through the Alberta Irrigation Modernization (AIM) program, \$282.8 million will be invested for modernization projects and reservoir expansion within the EID. The District contributes 20% upfront, the Province funds 30%, and the CIB contributes 50% through financing arrangements.
 - The Snake Lake Reservoir expansion project would move 48,750 downstream irrigation acres under reservoir support and indirectly support 96,000 river acres. Full scale geotechnical drilling commenced March 1, 2022. Regulatory approvals are ongoing. The project has a completion schedule of 2027 – spring 2028.
 - Farm Improvement grants have totalled \$10.6 million since 1999 (\$7.4 million in the last 5 years). The Board has approved the removal of sections 8.0 (panel, pump, nozzles, and pivot modification upgrades) and 9.0 (corner arms and subsurface corners) to take effect September 30, 2022, rendering related expenditures incurred after September 30, 2022, ineligible for reimbursement.
 - An average of nearly 87,000 AUM or 17,000 head have been placed in Community Grazing pastures over the last 7 years. 5 of the last 7 years have experienced lower than average precipitation which can limit the grazing season. Additional waterlines and pasture management have enabled cattle listings to remain relatively stable.
 - 9,245 oil and gas leases and twinned wells have been acquired within the District since 1990. Since 2014, 934 leases have been abandoned and 221 reclamation certificates have been issued.
 - A 400-megawatt solar facility is being proposed by Solar Krafte to be sited in part on 3,600 acres of EID lands which are heavily impacted by conventional energy production. A revenue stream for the District, the facility is also expected to provide significant property tax revenue and direct and indirect economic activity in the County and City. The AUC hearing is to be held in March.
 - Phase 1 of the 8 phase fibre build for EIDNet has been completed, connecting One Tree, Duchess, and Rosemary towers to the Brooks tower. Phase 2 is scheduled for 2022 to build the Cassils and Bantry reaches, at an estimated project cost of \$1,800,000.
 - Water users were encouraged to give their input to Directors regarding the following matters:
 - Should the expansion of irrigation acres be done more quickly or differently? Demand for irrigation acres is particularly high in river supported areas and relatively weaker on the reservoir supported areas.
 - When should the District develop its own lands for irrigated farm or irrigated grazing leases? When the 1,200 irrigation acre allotment for reservoir supported areas is not fully subscribed, does this allow the District to participate?
 - Should the 15 year long term grazing leases expiring at the end of 2023 be extended to current holders or bid out as per the 2008 agreement? The District plans to have public meetings this fall with a decision made late 2022 – early 2023.
 - The District is willing to consider all industries/commercial activities that are looking to locate in the County of Newell to diversify revenue streams, including renewables.
 - Sincere appreciation was extended to water users, Directors, and staff for the dedication and work in achieving the District's primary directive of conveying water to the farm gate.
 - For details on the General Manager's Report as printed in the District's 2021 Annual Report Book, visit www.eid.ca

Ms. Johnson asked for a motion to accept the report.

Moved by David Slomp, seconded by Allen Nielsen, that the 2021 General Manager's Report be accepted as presented.

Ms. Johnson asked if there were any questions of the General Manager. Mr. Friesen responded to questions and comments from the floor. Ms. Johnson requested a vote on the motion.

The motion to adopt the report was carried.

7.03 Maintenance Report – Mr. Ivan Friesen, General Manager

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

- Maintenance costs for 2021 totalled \$2,936,357; which is on average over the last 5 years.
- There was an increased amount of drain/canal cleaning and clipping and a reduced amount of mowing and spraying when compared to the average. Both can largely be attributed to hot summer conditions in 2021.

Ms. Johnson asked for a motion to accept the report.

Moved by Gerwin Van Den Hoek, seconded by Kelly Christman, that the 2021 Maintenance Report be accepted as presented.

Ms. Johnson asked if there were any questions of the General Manager; being none she asked for a vote on the motion.

The motion to adopt the report was carried.

7.04 Rehabilitation Report – Mr. Ryan Gagley, Engineering Manager

Mr. Gagley reviewed the 2021 Rehabilitation Report, displayed information on completed projects, and advised of plans for future Capital and IRP projects.

- In 2020/2021, \$29,731,800 of District funds were spent on Capital Construction. 29 km of pipeline were installed on 5 projects, where for almost 5 km the largest diameter PVC pipe available (60"/1500 mm) was installed.
- 2021/2022 capital construction consists of: Scott Pipeline, 13-H West Bantry, 08-B Springhill extension, 09-B Springhill extension, 12 Springhill, as well as the continuance of the County/EID Joint Drainage Program in the Rosemary area.
- IRP projects to be completed in 2021/2022 are: Bow Slope Canal, 15 North Branch check structure, and F Tilley check structure.
- All projects being proposed for 2022/2023 include: Secondary C North Branch, 01 One Tree, 02 Bow Slope, Lake Newell Feeder, West Bantry – Phase 3, and County Drainage.

Ms. Johnson asked for a motion to accept the report.

Moved by George Graham, seconded by Tony Brummelhuis, that the 2021 Rehabilitation Report be accepted as presented.

Ms. Johnson asked if there were any questions of the Engineering Manager. Mr. Gagley responded to questions and comments from the floor. Ms. Johnson requested a vote on the motion.

The motion to adopt the report was carried.

7.05 Audited Financial Statements of the District – Mr. Justin Latrace, MNP

Mr. Latrace, MNP, presented the independent auditor's report and the audited financial statements,

highlighting the following:

Assets

- Current Assets
 - Cash/STI/CI increased by approx. \$34 M. There was a larger than usual increase as interest rates were cut during the pandemic. Since a better rate of return was received on the chequing account versus investing in any term deposits, numerous GICs and term deposits were not renewed. Additionally, it is expected to see an increase in cash given the additional financing being funded by the federal and provincial government for the Alberta Irrigation Modernization (AIM) program. Under the AIM program, the GOA covers 30% of the costs and the Canada Infrastructure Bank provides financing for 50% of the costs associated with our modernization projects and the Snake Lake Reservoir expansion.
 - Accounts receivable increased by approx. \$2.7 M. This is primarily due to a receivable under the AIM program of \$2.87 M. The remainder of the changes are normal fluctuations that occur from year to year.
 - Inventory and prepaid expenses saw minor increases, which are normal fluctuations that occur from year to year.
- Non-Current Assets
 - The total decreased by approx. \$20 M, which is largely due to the decrease in long term investments. Long term investments are normally more consistent as GICs are renewed with longer than one year to maturity; however, given the poor interest rates, the EID paused the long term GIC investments.
 - The remaining fluctuations in deposits, non-current AR, and trust funds are minor and within normal expectations.
- Property and Equipment
 - There was a net increase of \$12.4 M (refer to Note 7 of the Financial Statements).
 - Total Irrigation Works (IW) projects capitalized were \$29.7 M. An increase in activity on projects was seen compared to the previous year due to the increase in funding under the AIM program.
 - There were no land purchases during the year. A few land sales occurred, totalling 34 acres.

Liabilities

- Accounts payable is up \$1.4 M. This is expected with the increase in IW activity during the year.
- Unearned revenue (current and non-current) increased by \$1 M, which is mostly caused by an increase in unearned oil and gas revenue.
- Long term debt is a loan associated with the AIM program. The EID will be taking a loan for 50% of the IW projects that qualify for the AIM program.
- In regard to deferred grants and contributions, the EID received \$10.1 M in grant revenue this year which will be amortized into revenue as the funds are spent. In 2021, \$7.1 M was amortized into revenue.

Fund Balances

- Fund balances are used to track how funds have been spent and allocated/earmarked for future spending on EID projects and initiatives (refer to Note 10).
- The internally restricted pasture development fund had \$1,650 allocated to it to bring the ending balance to \$167,254.
- The Internally Restricted Fund for future Irrigation Works started the year with a balance of \$80.2 M.

As the District did receive an IRP grant in 2021, the District was required to contribute to the Externally Restricted Fund – Province of Alberta in the amount of \$964,000. \$3.6 M were withdrawn to pay for building purchases and capital projects funded solely by the District. \$4.4 M were added to the fund from capital asset charges, gravel royalties & dirt sales, the gain on the sale of land, and from interest earnings. The Board of Directors transferred \$17.96 M into the fund from current year's operations. Over the year, the fund balance increased by about \$17.8 M.

- The Bassano Dam project added \$583 in interest income to bring the ending balance to \$936,403.
- The externally restricted Province of Alberta Fund started with a positive balance of \$7.2 M; \$10.1 M in grant funds were received and allocated to the account. \$26.2 M in irrigation works additions were made in cost share with the province of Alberta which brings the ending balance to a deficit of \$7.8 M.

Statement of Operations

- Total water earnings were up by nearly \$30,000. This number is driven by oil and gas drilling which was consistent with last year. This number is expected to go up as oil and gas drilling seems to be increasing in fiscal 2022.
- Lease Revenues
 - Total oil and gas/powerline revenues were very consistent with the previous year. The aggregate decrease of 64,000 was expected as oil and gas was very consistent with 2020; however, revenues are expected to increase somewhat in fiscal 2022.
 - Community Pasture lease revenue increased \$114,000 while irrigated leases also increased \$98,000.
 - These increases were offset by decreases in private grazing leases of \$10,000 and other lease revenues are down \$21,000.
- Investment income is down \$469,000 which was expected as a full year of low interest rates was experienced.
- The gain on the disposal of land, equipment, and buildings consisted of approx. 34 acres in land sold during the year and the disposal of trucks and various other capital items.
- Capital asset charges are up by \$1.9 M which is a product of the AIM program.
- Net gravel sales in 2021 were \$164,000 compared to \$418,000 in 2020.
- Amortization of irrigation works is up as well due to the increase in irrigation works assets being greater than amortization reported in the previous year.
- Total operating and administrative costs were \$14.5 M compared to \$13.5 M in 2020 (refer to Schedule 1). Of the \$14.5 M of incurred costs in 2021, \$6.3 M were recovered from or charged to capital construction projects leaving net 2021 operating costs of approx. \$8.2 M, which is only \$18,000 less than last year.
- Community grazing expenses were up \$124,000 which is primarily due to the increase in water expenses (pumping costs and maintenance) in 2021, caused by the hot, dry summer.
- Special projects to highlight (refer to Note 14):
 - Campground expenses were up \$226,000 due to a full year of the campgrounds being open in fiscal 2021, compared to a partial year due to covid in 2020. Campground revenue is also up \$107,000 for the same reason.
 - Farm Improvement grant expenses decreased by approx. \$254,000.
 - Other special projects are listed in Note 14.
- EIDNet net income was \$291,000, which is up \$111,000 compared to last year (refer to Note 15). Income is up due to the increase in subscription revenues while operating costs remained consistent with the previous year.
- Overall, the surplus for the year is \$12.1 M.

Ms. Johnson asked for a motion to accept the report.

Moved by Tim Doerksen, seconded by Tony Brummelhuis, that the 2021 Independent Auditor's Report and Financial Statements be accepted as presented.

Ms. Johnson asked if there were any questions of Mr. Latrace; being none she asked for a vote on the motion.

The motion to adopt the report was carried.

8.0 General Matters & New Business

8.01 Integrated EID Website – Mr. Mark Porter, Information Services Supervisor

Mr. Porter advised that technical advancements have enabled the integration of the IRMA App and the newly revised www.eid.ca website.

- The Irrigation Recording and Management App (IRMA) was developed to record and review real time irrigator water orders, water usage by parcel, canal/pipeline flow rates, reservoir levels, and river diversion rates, as well as recording crop details and irrigation method. Water users can obtain an account to see details specific to their parcels such as water orders, water use, current flow rates, assessed acres, supply pipeline or canal, and Water Operator area.
- The District's new website www.eid.ca will be fully accessible on mobile devices, containing updated information and a quick link to IRMA mapping. Secure login accounts will provide access to online permits, applications, and IRMA data.

Ms. Johnson asked if there were any questions of Mr. Porter; none were raised.

8.02 General Matters Raised from the Floor

Ms. Johnson asked if there were any questions from the floor.

Directors and the General Manager responded to various questions from the floor regarding algae control, water storage, a suggestion to bring back a water rate, Board review of engineering projects, development of the vision and mission statements, proposed multi-purpose dams west of Calgary, irrigation development, declining oil and gas revenue, renewable energy, and IRP funding.

8.03 Report on Scheduled Elections – Mr. Ivan Friesen, Returning Officer

Mr. Friesen reported that the term of the members of the Board of Directors for Electoral Division 2 Rosemary/Duchess, Electoral Division 4 Cassils/Brooks, and Electoral Division 7 Rolling Hills has been completed, and therefore nominations are being accepted for these divisions. The nomination period will close Wednesday, March 9, 2022, at 5:00 p.m. Nomination forms can be obtained from the District Office. An election, if necessary, will be held Tuesday, April 12th.

8.02 General Matters Raised from the Floor cont'd

Ms. Johnson asked if there were any further questions from the floor. A general matter raised earlier from the floor was given further discussion.

9.0 Adjournment

There being no further questions and no new business arising, Ms. Johnson called for a motion to adjourn the meeting.

Moved by Wayne Slenders that the annual meeting be adjourned at 4:01 p.m.

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 1 and 5** 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 8, 2023**.

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

Electoral Division 1 (Gem/Bassano)

The boundaries of Division No. 1 shall enclose the following lands
["section(s)" refers to full or parts thereof]:

Township 20 Range 16 W4M	Sections 4, 5, 6, 7, 8, 9, 16, 17, 18, 19, 20, 21, 28, 29, 30, 31, 32 and 33
Township 20 Range 17 W4M	All Sections
Township 20 Range 18 W4M	All Sections lying to the north and east of the Bow River
Township 20 Range 19 W4M	NE 36, NW 36
Township 21 Range 16 W4M	Sections 4, 5, 6, 7, 8, 9, W1/2 15, 16, 17, 18, 19, 20, 21, 22, W1/2 23, 26, 27, 28, 29, 30, 31, 32, 33, 34 and 35
Township 21 Range 17 W4M	All Sections
Township 21 Range 18 W4M	All Sections
Township 22 Range 16 W4M	All Sections
Township 22 Range 17 W4M	All Sections
Township 22 Range 18 W4M	All Sections
Township 23 Range 15 W4M	Sections 5, 6, 7, 8, 17, 18, 19, 20, 29, 30, 31 and 32
Township 23 Range 16 W4M	All Sections
Township 23 Range 17 W4M	All Sections
Township 23 Range 18 W4M	All Sections
Township 24 Range 15 W4M	Sections 5, 6, 7, 8, 17, 18, 19, 20, 29, 30, 31 and 32
Township 24 Range 16 W4M	All Sections
Township 24 Range 17 W4M	All Sections
Township 25 Range 15 W4M	Sections 5, 6, 7, 8 and 18 lying to the south and west of the Red Deer River
Township 25 Range 16 W4M	All Sections lying to the south and west of the Red Deer River
Township 25 Range 17 W4M	Sections 1, 2, 3, 4, 5, and 6
Township 26 Range 16 W4M	Sections 4, 5, 6, 7 and 8 lying to the south and west of the Red Deer River

Electoral Division 5 (Scandia/Rainier)

The boundaries of Division No. 5 shall enclose the following lands
["section(s)" refers to full or parts thereof]:

Township 14 Range 14 W4M	Sections 29, 30, 31 and 32 lying to the north and east of the Bow River
Township 14 Range 15 W4M	All Sections lying to the north of the Bow River
Township 14 Range 16 W4M	All Sections lying to the north and east of the Bow River
Township 15 Range 14 W4M	Sections 4, 5, 6, 7, 8, 9, 16, 17, 18, 19, 20, 21, 28, 29, 30, 31, 32 and 33
Township 15 Range 15 W4M	All Sections
Township 15 Range 16 W4M	All Sections lying to the north and east of the Bow River
Township 16 Range 15 W4M	All Sections
Township 16 Range 16 W4M	All Sections lying to the east of the Bow River
Township 17 Range 15 W4M	All Sections
Township 17 Range 16 W4M	All Sections lying to the north and east of the Bow River
Township 17 Range 17 W4M	All Sections lying to the north and east of the Bow River
Township 17 Range 18 W4M	Section 36 lying to the north of the Bow River

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 **11th** day of **April, 2023**.

Dated at the City of Brooks, in the Province of Alberta, this 3rd day of February, 2023.

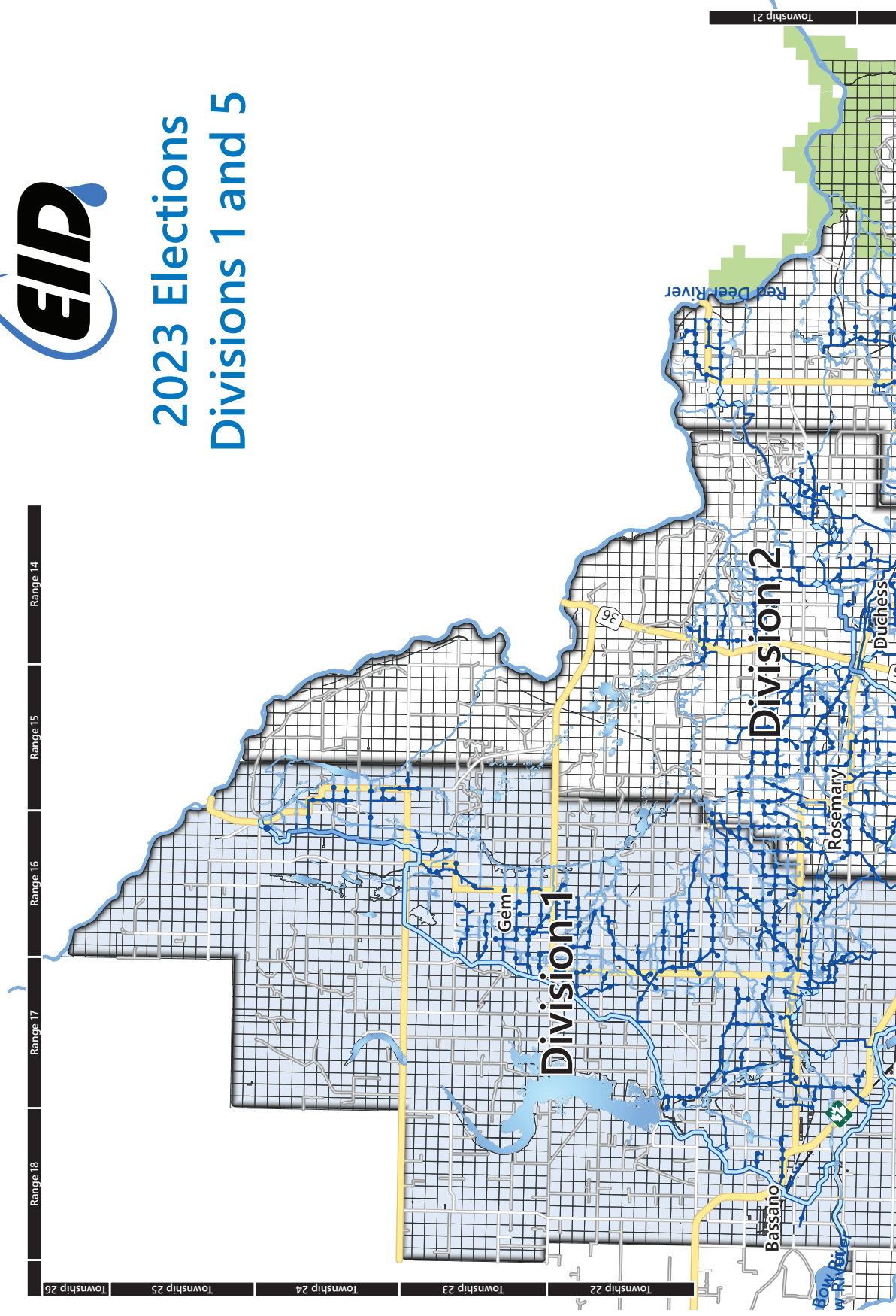
Ivan Friesen, Returning Officer

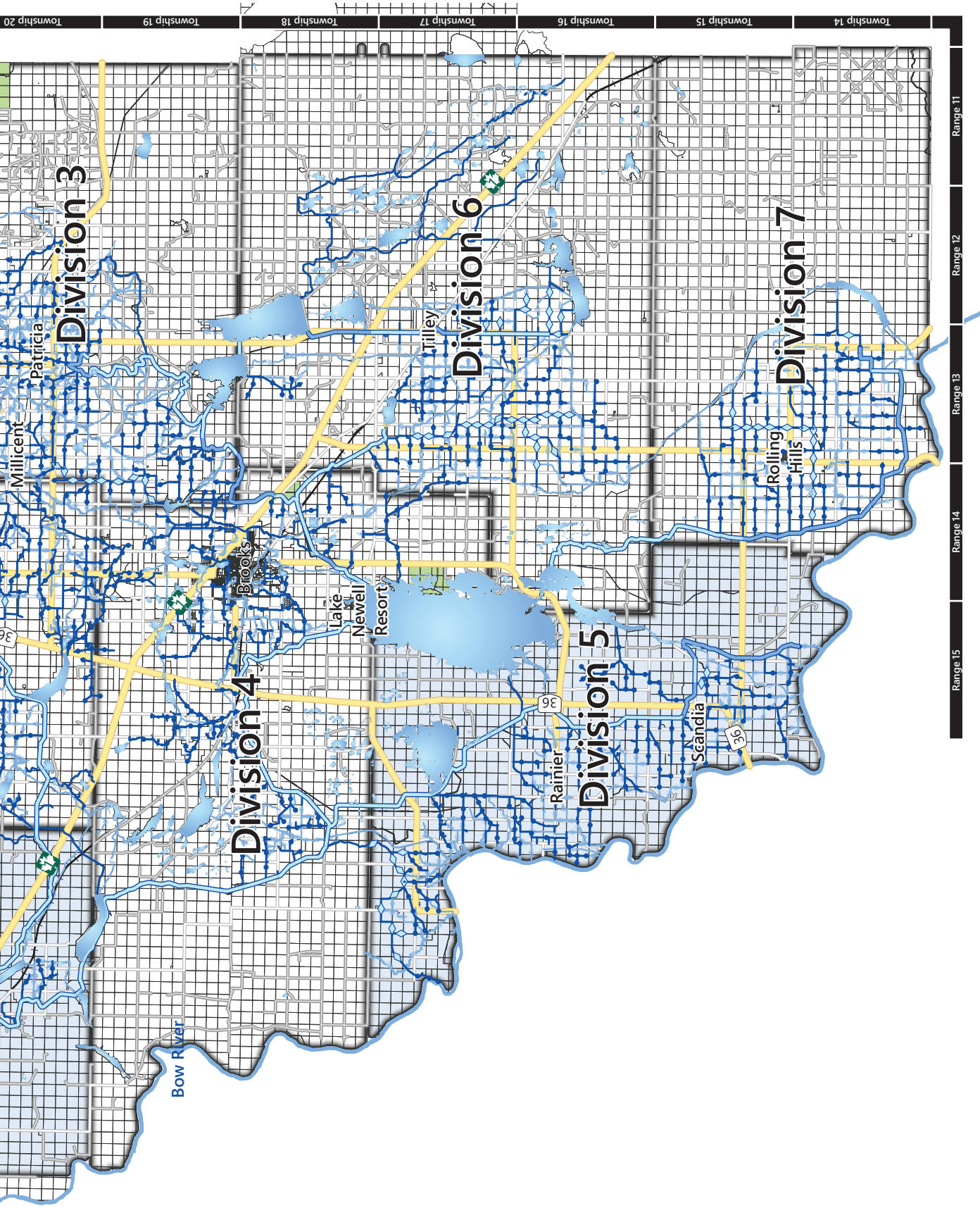
Eastern Irrigation District

Electoral Divisions Map



2023 Elections Divisions 1 and 5





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 8, 2023.

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

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