

Where
Water
Works
Wonders

Annual Report

Eastern
Irrigation
District



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P.O. Box 128
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Brooks, Alberta
Canada T1R 1B2

2023



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 5th, 2024, 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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Irrigation and Crops

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2023 Board of Directors



Tracy Hemsing
(Chairman)
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



John Ketchmark
Division 5
Scandia/Rainier



Brent Schroeder
Division 6
Tilley



Installing Liner on Springhill Canal

Chairman and Board of Directors' Report

The Board of Directors would like to thank water users for their cooperation and understanding in this trying year.

On June 13th, for the first time ever, Stage 3 of the Drought Plan was initiated.

Above average temperatures in May and no precipitation in the Bow Basin caused river levels to drop one month earlier than normal. The adaptability of the irrigators, the EID staff, the local communities, and businesses portrayed the resiliency of our District.

With the drought still looming, communication with Alberta Environment and the other users along the Bow River will be very important going forward. We appreciate the cooperation of these users this past year.

Reservoirs are built for years like this, and they were heavily utilized. This year highlighted the need for additional reservoir storage, creating water security and more water management ability during times of drought. The Snake Lake Reservoir expansion project will provide the District with more water security. The District continues to advance with geotechnical, design, engineering, environmental, consultative, and regulatory processes for the Snake Lake Reservoir expansion.

In an attempt to make our District more efficient, the Board approved a penalty for irrigators that choose not to communicate their irrigation needs with their Water Operators prior to taking water. A penalty of 48 hours of usage will be charged against the affected parcel. Communication between our Water Operators and irrigators is vital to the effective running of our District's water conveyance system.

In February, after 20 years of not charging an irrigation water rate, the Board approved a \$5.00/acre rate to generate revenue. With operating costs in 2023 at \$29.00/acre and the building of the expanded Snake Lake Reservoir, it was seen that more revenue will need to be generated.

In April, Division 1 (Gem/Bassano) and Division 5 (Scandia/Rainier) were up for election. Congratulations

to Richard Hiebert who was acclaimed in Division 1 and to John Ketchmark who won his seat in Division 5. Thank you to Tony Brummelhuis for running. We would also like to thank Don Jacobson for his years of service in Division 5.

In an attempt to accommodate some larger irrigated projects with high infrastructure costs, the Board increased the number of acres which can be approved in any calendar year, through the Irrigation Acres Bylaw, by 1/3. In 2024, there will be 1,200 acres available for off river and 1,800 acres served via reservoir.

In November, the Board reviewed and approved irrigation applications for development of new acres in 2024. The Board also adopted the practice of setting the capital assets charges immediately following the approvals for irrigation development and in advance of receiving any new applications for acres. With ever increasing land prices and inflationary pressures on infrastructure and operating costs, the new capital assets charges for 2024 are \$3,600/acre for new acres and those in excess of the infill and efficiency acre cap, \$1,500/acre for infill and efficiency acres up to the cap, and \$750/acre for conversion from acres under a terminable agreement. Additional consideration is currently being given to revising the application deadlines for new acres and requiring completion of soil testing in advance of any application submission. Updates will be communicated to irrigators in the upcoming months.

Included in the Irrigation Acres Bylaw is the right of the District to apply for and use left over acres from the year before (carry forward acres). With the carry forward acres from 2022, the Board approved irrigation development on 3 quarters in the Rolling Hills area. These parcels were auctioned on January 30, 2024. The District supplied and installed all of the infrastructure.

The Private Grazing Lease auction was held in November for the renewal of 27 expiring grazing leases. After much debate at the Board level, it was decided in order to honor the PGL contract that was signed 15 years prior, an auction was the fairest way to proceed.



Low Pressure Pivot With Drop Tubes

Chairman and Board of Directors' Report

The Board was pleased to see construction of the Kinbrook Connection Pathway proceed for the benefit and enjoyment of residents and visitors to the area. The Board has donated a strip of land for the pathway along the section south of the County of Newell administration building and approximately 6.0 km of easement where the pathway crosses District lands. As well, 3.5 km of fencing was installed, where the pathway alignment is adjacent to or through EID lands, with full costs of the fencing being sponsored by the District.

In closing, the Board would like to thank irrigators for their cooperation and flexibility with the

measuring of pivots to confirm actual flow levels and the use of IRMA for the ability to manage water on their own parcels, and for businesses exploring solutions when we lowered the maximum allotment.

Feedback was greatly appreciated by the Board and EID staff. As your Board, we are here to represent irrigators and to do what is in the best interest of the District as a whole. Please feel free to reach out to any Board members with concerns and questions.

*Respectfully submitted,
Mr. Tracy Hemsing, Chairman, Board of Directors*



Adil Abdulwahab

Eastern Irrigation District Scholarship Recipients

2023



Jodi Allen



Kennedy Beck



Zachary Bryant



Zane Douglas



Rachael Dyck



Ryan Dyck



Cali Fiset-Hofer



Erin Haag



Ella Hiebert



Madison Janzen



Jay Lucas



Kolby MacNaughton



Ethan McClelland



Emily Oakes



Kassidy Palmer



Lyndsey Peltzer



Jeremy Philpott



Sara Sinclair



Carson Taylor



Codi Troidl



Jared Ulry



Quinn Vikedal



Abby Young

General Manager's Report

Ivan Friesen, General Manager



Going into late April and early May, snow pillows were below average to average, depending on the snow pillow location. Ice and snow persisted in the District headworks and system due to cooler temperatures through to mid-April, before thawing conditions allowed diversions to commence (diversions from the Bow started April 17th) and

to fill reservoirs prior to the irrigation delivery date set for May 5th. An early irrigation date wasn't required as demand was absent, with irrigators waiting for ground conditions to dry and warm before seeding.

With low early irrigation demand, reservoirs were filled to Full Supply Level (FSL), except the Rolling Hills Reservoir. Temperatures, however, starting in late April and in May, were above average and this warmer weather in the upper basin (mountains) created conditions where the snowpack started melting early (end of May) and concluded 1 month earlier than average (end of June is average). This was combined with a lack of rainfall in June, particularly in the upper basin, which created river flows in the first part of June to drop to levels typically seen in late July. The drastic drop in river flows seen in the first week of June, clearly indicated that if these reduced flows continued along with increasing irrigation demands, reservoirs would be depleted during the summer months based upon the observed rate of draw down.

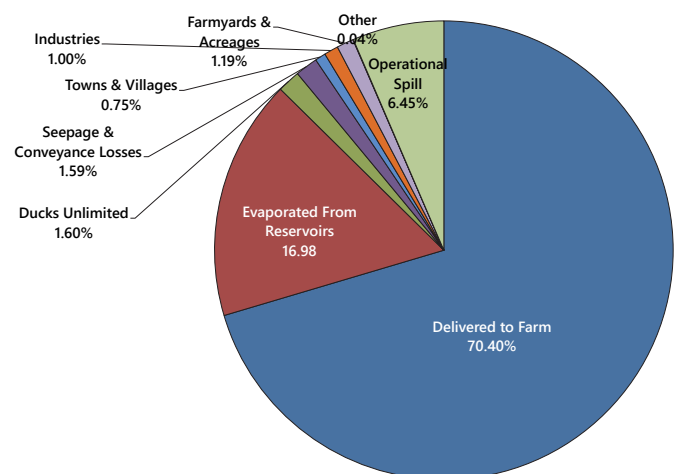
The decision was made to advise the irrigators as soon as possible of the water allotment potential based on the water supply/demand trends, and on June 13th Stage 3 of the Drought Plan was initiated. A 12" (16" below Crawling Valley Reservoir) water allotment was imposed, while allowing irrigators to transfer unused volumes of water between parcels. As the irrigation season continued, modest precipitation events/thunderstorms in the upper basin and some localized precipitation events along with cooperative water sharing measures with the major water users on the Bow River system, allowed additional water allocations to be added. By July 19th, along with several earlier increases, the water allotment per irrigated acre was

raised to 18" (21" below Crawling Valley Reservoir).

Reservoirs were heavily used and ended the year at levels not seen since 2001. To allow additional time for filling reservoirs, the water delivery shut down for irrigation was September 25th (2 weeks earlier than average). Fortunately, with this additional time and cooperative weather conditions, reservoirs were filled to normal or near normal winter levels with diversions completed December 8th.

Water Balance (acre feet)

	2023	2022
Diversion	548,100	480,400
Delivered to Farm	386,100	305,200
Evaporation from Reservoirs	93,100	66,700
Ducks Unlimited	8,800	25,700
Seepage and Conveyance Losses	8,700	8,700
City, Towns and Villages	4,100	4,000
Industries	5,500	4,800
Farmyards and Acreages	6,500	6,400
Change in Storage	-300	10,300
Other Purposes	200	200
Operational Spill	35,400	48,400
Measured Return Flow	48,600	67,700
Operational Spill	35,400	48,400
Farm Spill and Run Off	13,200	19,300



General Manager's Report

Ivan Friesen, General Manager

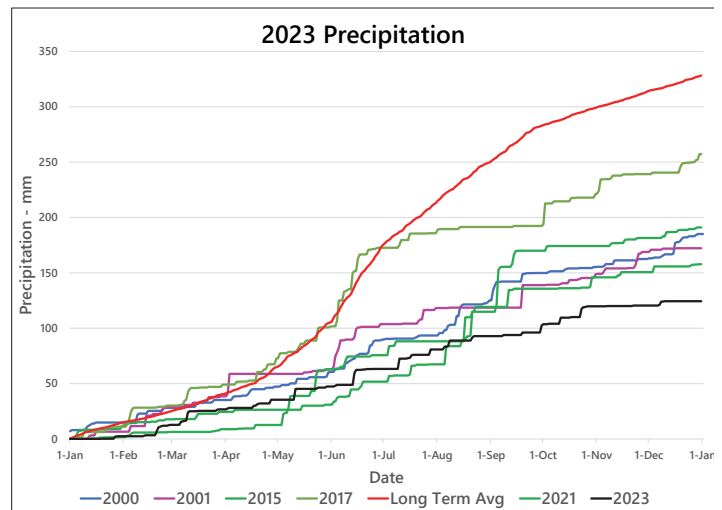
With everyone's cooperation both locally (water users, municipalities, staff, board) and externally (major license holders, government agencies), this year's dry conditions were overcome with limited negative impact in the EID.

The AIM program projects, including the modernization projects, continue to proceed with new pipeline installations occurring again this year. The Snake Lake Reservoir expansion project continues to advance with engineering, geotechnical, and regulatory phases ongoing. The District is still hopeful that construction could commence in 2025.

Two solar projects on District lands have received regulatory approval from the Alberta Utilities Commission to proceed. Construction of the Brooks Solar Farm Project is to be completed by October 31, 2024. Construction of the Tilley Solar Project is to be completed by March 31, 2025.

This year under the amended Farm Improvement Program, 67 applications were approved totaling \$550,189. The majority of these improvements were for converting to a more efficient method of irrigation, cost-shares to accommodate pivots, and return of deductions.

Spring moisture conditions were good to start the grazing season and normal grass growth was seen throughout the District. However, as the season progressed, well below normal precipitation and high



heat prevailed, reducing new growth. Some areas of the District received a few showers, but hot dry conditions put pressure on pasture conditions. Consensus from Grazing Associations supported bringing cattle home a week earlier due to the continuing dry conditions. Total placement of cattle for 2023 was 17,434 (8 year avg has been 16,924 head), which was up by 1,007 head from 2022; however, total AUMs in 2023 were 81,719, down from 84,414 in 2022. The maximum listing for the 2024 season has tentatively been set at 65 head, down from 75 head/member in 2022.

This past fiscal year, 22 new wells were established on District owned land, with an additional 35 twinned



Will Allaby
10 Years



Rob Elliott
10 Years

2023

Eastern Irrigation District Long Term Service Awards



Ray Henderson
10 Years



Jason Thompson
10 Years



Stuart Cleland
15 Years



Ronan Moen
15 Years



Peter Thiessen
15 Years



Mike Stout
20 Years



Carol Philpott
30 Years

General Manager's Report

Ivan Friesen, General Manager

wells on existing leases, 58 wells reclaimed, and 16 abandonment notifications. There were 26 miles or 155 acres of new pipelines.

With the large and growing network of irrigation facilities and EIDNet fibre installations, as of September 12th, the EID is now registered with Alberta One Call, which operates as Utility Safety Partners. This partnership has formalized the ongoing process of receiving pipeline and fibre locates.

Asincere appreciation is extended to the irrigators, Board of Directors, and staff this year for the understanding, flexibility, and additional work necessary in achieving the District's primary directive of conveying water to the farm gate. This year was particularly challenging but showed the resiliency, adaptability, and efficiency of the water users and the District's delivery system.

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

Method of Irrigation: 2023

As of December 31, 2023

Low Pressure Pivot	255,880 (81.04%)
High Pressure Pivot	15,770 (4.99%)
Wheel Move	11,173 (3.54%)
Other Sprinkler	663 (0.21%)
Flood Irrigation (Leveled)	26,159 (8.29%)
Flood Irrigation (Not Leveled)	6,080 (1.93%)
Total	315,725 (100%)

Note: percentages shown are the percentages of total irrigation.

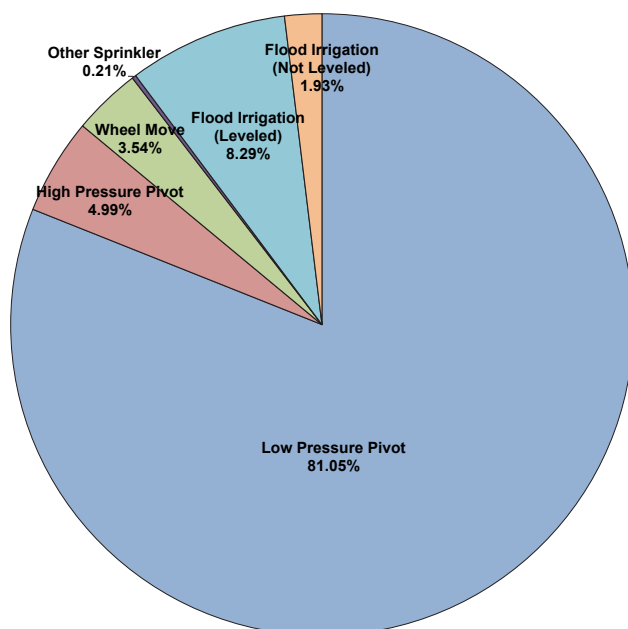
Method of Irrigation: 2002

As of December 31, 2002

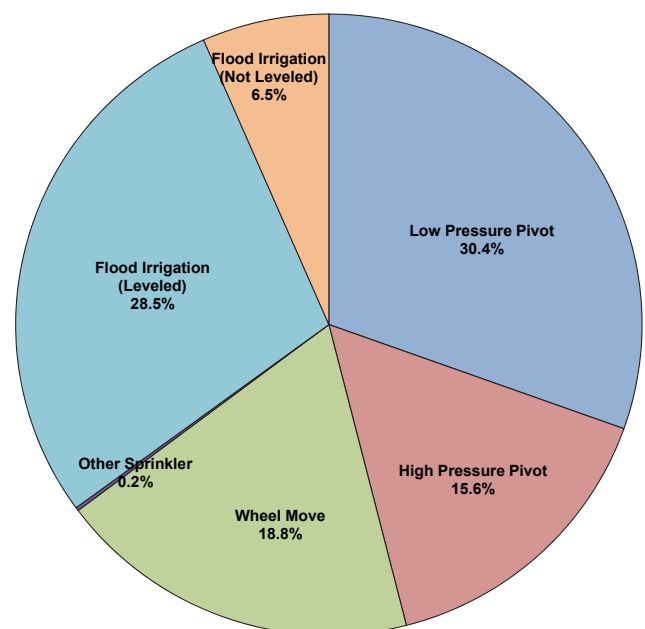
Low Pressure Pivot	86,000 Ac. (30.4%)
High Pressure Pivot	44,000 Ac. (15.6%)
Wheel Move	53,000 Ac. (18.8%)
Other Sprinkler	500 Ac. (0.2%)
Flood Irrigation (Leveled)	80,500 Ac. (28.5%)
Flood Irrigation (Not Leveled)	18,500 Ac. (6.5%)
Total	282,500 Ac. (100%)

Note: percentages shown are the percentages of total irrigation.

Acres by Method of Irrigation: 2023



Acres by Method of Irrigation: 2002



Maintenance of Irrigation Works

As of End of 2023 Water Delivery Season

This past year's costs were essentially the same as the 5 year trailing average with usual variances in costs when compared year over year to 2022. Materials and heavy equipment costs are generally trending higher due to inflationary pressures and higher recovery rates.

Note: The table below was 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					
		2019	2020	2021	2022	2023	Avg.
Canal/Drain	Cleaning	0 km	0 km	0 km	10 km	3 km	2.6 km
	Erosion/Sloughing Repair	-----	-----	-----	0 km	0 km	0 km
Canal and Access Roads	Graveling	28 km	30 km	31 km	6 km	20 km	23 km
	Grading	-----	-----	-----	50 km	184 km	117 km
Canal Banks	Mowing	775 km	775 km	740 km	700 km	460 km	690 km
	Spraying	1,652 km	1,698 km	1,603 km	1,521 km	1,387 km	1,572 km
Aquatic Weed Control		-----	-----	-----	305 km	405 km	355
Pipeline Repairs	Air Vents	-----	-----	-----	38	78	58
	Valves	-----	-----	-----	26	51	39
	Pipe Leaks	-----	-----	-----	10	10	10
Replacement of Farm Turnouts		23	23	16	6	10	16
Replacement of Road Crossings		2	5	6	4	7	5
Repairs to Gates and Hoists		-----	-----	-----	17	15	16
Repairs to Pumps		-----	-----	-----	21	7	14
Repairs/Maintenance to	Water Meters	-----	-----	-----	6	3	5
	Hydrometric Stations	-----	-----	-----	0	0	0

Maintenance of Irrigation Works

As of End of 2023 Water Delivery Season

Maintenance Cost	2019	2020	2021	2022	2023	Average
Heavy equipment	\$970,278	\$883,675	\$986,220	\$1,026,644	\$1,052,747	\$983,913
Labour	1,005,856	1,021,482	1,109,696	1,171,470	1,035,421	1,068,785
Vehicles	190,544	178,633	170,472	170,130	177,605	177,477
Repairs to pump stations and control structures	288,781	443,447	305,847	394,705	267,829	340,122
Materials (culverts, gates, fence posts, etc.)	127,741	171,692	185,410	211,744	195,513	178,420
Chemical for broad leaf weed control	103,313	108,239	110,310	119,765	126,609	113,647
Maintenance of buildings and grounds	44,409	51,202	68,403	38,939	64,131	53,417
Total Costs:	\$2,730,922	\$2,858,370	\$2,936,357	\$3,133,397	\$2,919,855	\$2,915,780



Bow Slope Spillway

Crop and Irrigation Statistics

2023 Crop Summary

Crop Class	Crop Type	Acres
Forage	Alfalfa 2 Cuts	33,121
	Alfalfa 3 Cuts	5,484
	Alfalfa Hay	2,089
	Alfalfa Silage	182
	Barley Silage Underseeded	2,579
	Barley Silage	2,054
	Corn Grazing	1,277
	Corn Silage	19,767
	Custom Variety Forage	641
	Grass Hay	13,763
	Green Feed	7,128
	Millet	280
	Native Pasture	1,639
	Sorghum Sudan Grass	432
	Tame Pasture	32,812
	Timothy Hay	5,249
Cereals	Barley	17,334
	CPS Wheat	601
	Durum Wheat	10,839
	Grain Corn	7,367
	Hard Spring Wheat	55,892
	Malt Barley	308
	Oats	2,911
	Rye	1,044
	Soft Wheat	2,257
	Triticale	7,223
	Winter Wheat	2,280
Oil Seeds	Canola	25,862
	Flax	2,318
	Mustard	152

Crop Class	Crop Type	Acres
Specialty	Alfalfa Seed	12,928
	Carrots	423
	Corn - Sweet	57
	Dill	250
	Dry Beans	3,109
	Dry Peas	6,434
	Faba Beans	1,951
	Grass Seed	150
	Hemp	1,040
	Market Gardens	536
	Mint	125
	Nursery	427
	Pinto Beans	272
	Poppy	29
	Potato	6,614
	Seed Canola	12,728
	Seed Potato	701
	Soy Beans	530
	Sunflower	1,129
	Sugar Beets	614
	Yellow Clover	148
Non Irrigated	Misc.	380
	Non-Crop	146
	Summer Fallow	119

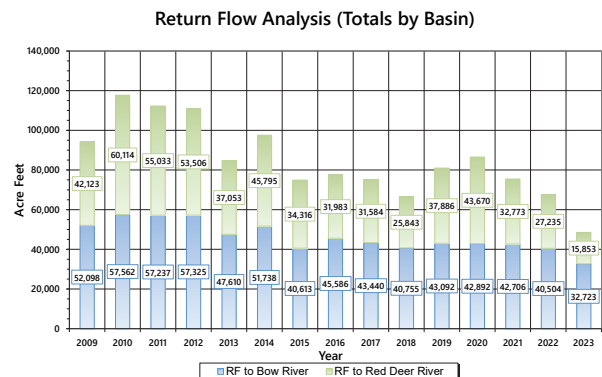
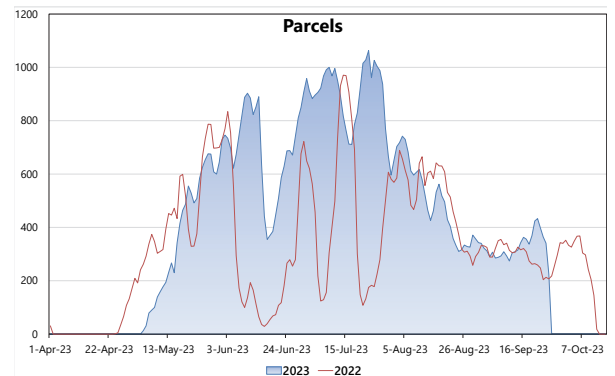
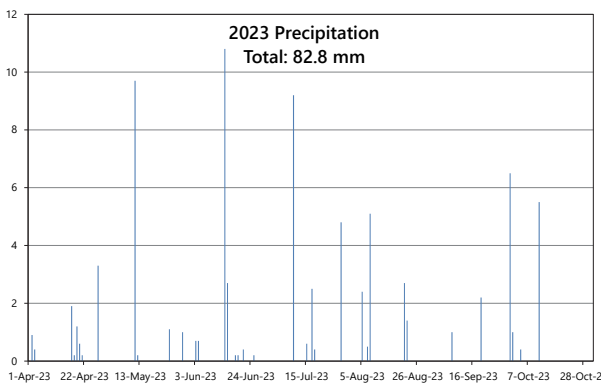
Total of All Crops (As of December 31, 2023)		
Crop Class		Acres
Summary	Forage Crops	128,497
	Cereal Crops	108,056
	Oil Seed Crops	28,332
	Specialty Crops	50,195
	Non-Irrigated	645
Total		315,725

Water Delivery Statistics

As of December 31, 2023

2023 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	19,699	21,600	1.10
District N2 Pitau	Fika	22,996	25,400	1.11
District N3 Gem	Kroschel	15,118	18,600	1.23
District N4 Rosemary	Hasper	22,672	26,500	1.17
District N5 Duchess	Berg	20,501	24,400	1.19
District N6 Cockerill	Leland	22,322	26,700	1.20
District N7 Millicent	Deschamps	22,057	26,400	1.20
District N8 Patricia	McInnis	18,226	23,400	1.28
District S1 Antelope Creek/Brooks	Klassen	21,628	26,100	1.21
District S2 Kitsim	Currie	20,154	26,400	1.31
District S3 Bow Slope	Thiessen	21,815	30,500	1.40
District S4 Aqueduct/Bantry	Canning	15,336	18,200	1.19
District S5 Elizabeth	Becker	15,874	19,600	1.24
District S6 Tilley	Perry	20,189	24,700	1.22
District S7 Rolling Hills North	Olund	18,975	24,500	1.29
District S8 Rolling Hills South	Beierbach	18,163	23,100	1.27
Totals:		315,725	386,100	1.22



Irrigation Rehabilitation Report

Ryan Gagley, Engineering Manager

2023 Rehabilitation

The 2023 construction season saw the District lay 15 km of PVC pipeline, rebuild 4.5 km of earthen canal, and install 11 precast concrete structures. Unfortunately, Secondary C North Branch, the new pipeline out of Crawling Valley Reservoir was unable to be completed due to a lack of material. Work is underway to complete the pipeline for the upcoming 2024 water season.

As is typical for the District, the majority of our projects were designed, managed, and constructed by EID staff. Projects completed throughout the 2022/2023 construction season cost a total of \$37,660,200.

The upcoming 2023/2024 capital construction program will see the District completing the final 4 km of the Sec C North Branch pipeline project, the installation of 25 km of PVC pipe for the 01 One Tree pipeline, and the rehabilitation of three canals.

Irrigation Rehabilitation Program (IRP)

The Irrigation Rehabilitation Program (IRP) 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. Three new check structures and 01A One Tree pipeline will be installed under the program during the 2023/2024 construction season.

Alberta Irrigation Modernization Program Projects

The EID is still completing rehabilitation works under the Alberta Irrigation Modernization (AIM) program, a program where the Government of Alberta contributes 30% in funding, irrigation districts contribute 20%, and the Canadian Infrastructure Bank provides a loan for the remainder that must be repaid. Projects completed under this program are marked accordingly in the tables opposite.

EID/County Drainage Program

The District and the County of Newell are both contributing \$1M to a program that addresses drainage concerns in specific areas of the District/County. The EID surveys, designs, and rehabilitates road borrow ditches, including the District's drains, ensuring proper drainage as a complete system. A few kilometers are left to complete in Rosemary, and when complete, the design team will move to Rolling Hills south where the program will continue.

Irrigation Rehabilitation Program (IRP)

Project	Description	Engineer	Contractor	2023 Project Cost	Total Project Cost
Spring 2023					
02 Bow Slope Pipeline	Closed Pipeline	EID	EID	\$1,662,500	\$3,415,500
Fall 2023					
New Structure - One Tree Canal (NE 29-20-13)	Check Structure	EID	EID	\$3,300	-----
New Structure - One Tree Canal (SE 02-20-14)	Check Structure	EID	EID	\$1,500	-----
New Structure - Sec. B Springhill	Check Structure	EID	EID	\$800	-----
01 A One Tree Pipeline	Closed PVC Pipeline	EID	EID	\$1,655,600	-----
Total:				\$3,323,700	

Irrigation Rehabilitation Report

EID Capital Construction Program

Funds for the EID Capital Construction Program are provided entirely from the District's Irrigation Works Reserve Fund. The 2023 expenditures amount to approximately \$34,336,400 for the installation of 13 km of pvc pipeline and 4.6 km of canal rehabilitation. The breakdown is in the table below.

The upcoming 2023/2024 construction season will see the District installing roughly 30 km of pipeline and nearly 6 km of canal rehabilitation.

EID Capital Construction Program: 2023/2024

Project	Description
Secondary C North Branch (AIM)	Complete Pipeline (4 km)
01 One Tree (AIM)	25 km Pipeline
Springhill Canal	Canal Liner Install (1.8 km)
Springhill Drain	Drain Rehab. (2.2 km)
Newell South Feeder Phase 2 (AIM)	Canal Rehab. (1.9 km)

EID Capital Construction Program

	Project	Description	Engineer	Contractor	2023 Project Cost	Total Project Cost
2021/2022	Scott Pipeline (AIM)	17 km Pipeline	EID	EID	\$167,100	\$17,655,900
	08B, 09B Springhill Pipeline Extension (AIM)	3 km Pipeline	EID	EID	\$33,800	\$1,028,300
2022/2023	Newell South Feeder Canal Rehab. (AIM)	3 km Canal Rehab.	EID	EID	\$571,000	
	Secondary C North Branch Pipeline (AIM)	13 km Pipeline	EID	EID	\$15,729,600	
	02 Bow Slope Canal Rehabilitation	1.6 km Canal Rehab.	EID	EID	\$137,100	\$582,000
	Rolling Hills Reservoir Gate Replacement		EID	EID	\$626,500	
	Sec. A & B North Branch Pipeline Inlet Structure		EID	EID	\$163,800	
	Various Years Projects	Smaller Projects	EID	EID	\$354,000	
	Small Drains		EID	EID	\$170,800	
	District Automation Controls		EID	EID	\$16,300	
	Reservoir Enhancements		EID	EID	\$441,200	
	Culvert Replacement Program		EID	EID	\$229,800	
	EID/County Drainage Program		EID	EID	\$215,800	
	Structure Replacement Program		EID	EID	\$1,177,100	
	Riser Replacement Program		EID	EID	\$144,400	
	District Automation Program		EID	EID	\$572,800	
	Cost Shared Projects - Capital Portion		EID	EID	\$178,600	
	Rolling Hills Reservoir Campground Capital		EID	EID	\$11,700	
	Land Equities - Legal Surveys		EID	EID	\$43,000	
	Cattle Guards		EID	EID	\$800	
2023 & Beyond	SNAKE LAKE Reservoir Expansion (AIM)	Expansion	EID/MPE	EID	\$5,669,500	\$16,353,900
	01 One Tree Pipeline (AIM)	25 km Pipeline	EID	EID	\$7,350,600	
	Springhill Canal and Drain Rehabilitation	Canal/Drain Rehab.	EID	EID	\$287,300	
	Crawling Valley Dam Tile Replacement		EID	EID	\$43,800	
Total					\$34,336,400	



01 One Tree Pipeline Installation

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

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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, 2023, 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, 2023, 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 23, 2024

CHARTERED PROFESSIONAL ACCOUNTANTS

EASTERN IRRIGATION DISTRICT

STATEMENT OF FINANCIAL POSITION

As At September 30, 2023

ASSETS

Current

	General Fund	Irrigation Works Fund	2023 Total	2022 Total
Cash	\$8,729,219	\$24,521,140	\$33,250,359	\$52,331,751
Short term deposits (Note 4)	0	24,641,607	24,641,607	11,102,366
Investments (Note 6)	0	24,820,377	24,820,377	30,743,326
Accounts receivable (Note 5)	5,527,608	1,939,948	7,467,556	9,305,257
Materials and supplies (Note 8)	3,729,410	0	3,729,410	3,302,117
Prepaid expenses	745,524	0	745,524	923,238
	18,731,761	75,923,072	94,654,833	107,708,055
Accounts receivable (Note 5)	0	4,580,664	4,580,664	1,117,708
Trust receivable	0	6,144,222	6,144,222	0
Investments (Note 6)	0	17,380,631	17,380,631	12,120,494
Deposits	166,357	0	166,357	140,895
Trust funds held (Note 16)	215,224	0	215,224	221,931
	19,113,340	104,028,590	123,141,930	121,309,083
Property and Equipment (Note 7)				
Buildings and equipment, net	22,084,238	2,430,584	24,514,822	20,572,296
Irrigation works, net	0	472,924,308	472,924,308	455,383,005
Land (Note 2)	0	13,293,594	13,293,594	13,293,594
	22,084,238	488,648,486	510,732,724	489,248,895
	\$41,197,578	\$592,677,076	\$633,874,654	\$610,557,978

LIABILITIES

Current

Accounts payable and accrued liabilities	\$3,543,666	\$2,231,489	\$5,775,155	\$6,069,157
Goods and services tax payable	18,070	0	18,070	27,526
Unearned revenue (Note 2)	15,327,831	59,629	15,387,460	15,323,521
	18,889,567	2,291,118	21,180,685	21,420,204
Long term debt (Note 9)	0	25,462,887	25,462,887	20,185,705
Trust funds held (Note 16)	215,224	0	215,224	221,931
Provision for gravel pit closure and post closure (Note 17)	0	920,805	920,805	889,234
Unearned revenue (Note 2)	0	292,499	292,499	79,424
Deferred grants and contributions, net (Note 7)	10,999	137,481,468	137,492,467	137,924,740
	19,115,789	166,448,776	185,564,565	180,721,238
Commitments (Note 20)				
Contingencies (Note 21)				

FUND BALANCES

Invested in property and equipment (Notes 7 & 10)	22,073,239	351,167,018	373,240,257	351,324,155
Unrestricted (Note 10)	0	0	0	0
Internally restricted, to be used for future community pasture development (Notes 2 & 10)	8,550	0	8,550	5,700
Internally restricted, to be used for future irrigation works additions (Notes 2 & 10)	0	79,956,403	79,956,403	83,055,742
Externally restricted by the Province of Alberta, to be used for Bassano Dam Spillway project (Notes 2 & 10)	0	0	0	937,962
Externally restricted by the Province of Alberta, to be used for future irrigation works additions (Notes 2 & 10)	0	(4,895,121)	(4,895,121)	(5,486,817)
	22,081,789	426,228,300	448,310,089	429,836,740
	\$41,197,578	\$592,677,076	\$633,874,654	\$610,557,978

EASTERN IRRIGATION DISTRICT

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

For The Year Ended September 30, 2023

	General Fund	Irrigation Works Fund	2023 Total	2022 Total
REVENUE				
WATER EARNINGS				
Water conveyance agreements	\$787,137	\$0	\$787,137	\$741,311
Oil and gas drilling water	292,550	0	292,550	223,455
Penalties	443	0	443	2,409
Irrigation rates (Note 11)	1,578,535	0	1,578,535	0
	2,658,665	0	2,658,665	967,175
Less discounts allowed	(66,300)	0	(66,300)	(65,600)
	2,592,365	0	2,592,365	901,575
LEASE REVENUE AND COMPENSATION				
Oil and gas well leases	25,082,472	0	25,082,472	25,022,750
Right of entry and initial consideration - oil and gas	922,544	0	922,544	1,500,623
Oil and gas administration fees	24,300	0	24,300	28,500
Powerlines	272,611	0	272,611	275,186
Right of entry and initial consideration - powerlines	102,090	0	102,090	16,675
Community grazing leases	1,597,681	0	1,597,681	1,493,677
Irrigated leases	966,488	0	966,488	843,386
Private grazing leases	277,175	0	277,175	286,237
Other lease revenues	378,718	0	378,718	272,225
OTHER REVENUE				
Amortization of deferred grants and contributions	0	7,090,321	7,090,321	7,143,951
Investment income	2,284,327	2,452,667	4,736,994	1,933,972
Gain (loss) on sale of land, equipment and buildings	194,624	268,738	463,362	120,417
Capital asset charges, net	0	6,686,050	6,686,050	3,764,050
Gravel royalties and miscellaneous	0	218,302	218,302	322,172
	34,695,394	16,716,078	51,411,472	43,925,396
EXPENSES				
Amortization of irrigation works and buildings	0	20,369,912	20,369,912	19,801,307
Operations and administration (Schedule 1)	10,105,392	0	10,105,392	9,469,614
Community grazing expenses (Note 12)	1,493,406	0	1,493,406	1,470,977
	11,598,798	20,369,912	31,968,710	30,741,898
Revenue over expenses (Deficiency), before special projects	23,096,596	(3,653,834)	19,442,762	13,183,498
Special projects, net (Note 14)	(976,799)	0	(976,799)	(2,091,262)
EIDNet, net (Note 15)	7,386	0	7,386	168,329
REVENUE OVER EXPENSES (DEFICIENCY)	22,127,183	(3,653,834)	18,473,349	11,260,566
TRANSFER TO IRRIGATION WORKS FUND	(18,245,317)	18,245,317	0	0
FUND BALANCES, BEGINNING OF YEAR	18,199,923	411,636,817	429,836,740	418,576,174
FUND BALANCES, END OF YEAR	\$22,081,789	\$426,228,300	\$448,310,089	\$429,836,740

EASTERN IRRIGATION DISTRICT

STATEMENT OF CASH FLOWS

For The Year Ended September 30, 2023

	General Fund	Irrigation Works Fund	2023 Total	2022 Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Revenue from water operations	\$2,592,365	\$0	\$2,592,365	\$901,575
Compensation from oil and gas operations	26,029,316	0	26,029,316	26,551,873
Compensation from powerline operations	374,701	0	374,701	291,861
Revenue from lease operations	3,220,061	0	3,220,061	2,895,525
Capital asset charges, net	0	6,686,050	6,686,050	3,764,050
Cash receipts from gravel royalties and miscellaneous	0	218,302	218,302	322,171
Operations and administration expenses (Schedule 1)	(10,105,392)	0	(10,105,392)	(9,469,614)
Community grazing expenses (Note 12)	(1,493,406)	0	(1,493,406)	(1,470,977)
Add: Amortization in expenses, not using cash	2,086,460	0	2,086,460	2,014,347
Net cash expenditure on special projects (Note 14)	(976,799)	0	(976,799)	(2,091,262)
Net cash expenditure on EIDNet	310,266	0	310,266	464,133
Investment income	2,284,327	2,452,667	4,736,994	1,933,972
Non-cash investment income	0	(1,105,688)	(1,105,688)	(409,451)
Change in GST receivable and payable	(9,456)	0	(9,456)	5,737
Change in non-cash current assets and liabilities	(2,880,182)	4,087,024	1,206,842	(1,993,233)
	21,432,261	12,338,355	33,770,616	23,710,708
CASH FLOWS USED IN FINANCING AND INVESTING ACTIVITIES				
Grants from Province of Alberta	0	6,659,269	6,659,269	7,793,783
Proceeds on sale of land, buildings and equipment	491,546	272,775	764,321	153,702
Purchase of land, buildings and equipment	(6,153,405)	(319,833)	(6,473,238)	(6,521,365)
Pasture development and reseeded (Note 13)	(411,872)	0	(411,872)	(352,055)
Expenditures on irrigation works (Note 7)	0	(37,660,151)	(37,660,151)	(39,971,184)
Change in non current accounts receivable	0	(3,462,955)	(3,462,955)	132,110
Change in trust receivable	0	(6,144,222)	(6,144,222)	0
Change in irrigation works unearned revenue	0	215,643	215,643	(9,558)
Proceeds on sale of investments	0	36,892,166	36,892,166	22,988,075
Purchase of investments	0	(35,123,667)	(35,123,667)	(29,686,614)
Advances of long term debt	0	5,277,182	5,277,182	8,200,198
Change in deposits	(25,462)	0	(25,462)	14,737
Change in provision for gravel pit closure and post closure (Note 17)	0	31,571	31,571	34,560
Change in irrigation works accounts payable	0	148,649	148,649	915,255
	(6,099,192)	(33,213,575)	(39,312,767)	(36,308,357)
NET INCREASE (DECREASE) IN CASH	15,333,068	(20,875,219)	(5,542,151)	(12,597,650)
Cash, beginning of year	11,641,468	51,792,649	63,434,117	76,031,767
Transfer from general fund	(18,245,317)	18,245,317	0	0
CASH, END OF YEAR	\$8,729,219	\$49,162,747	\$57,891,966	\$63,434,117
Cash is comprised of:				
Cash	8,729,219	24,521,140	33,250,359	52,331,751
Short term deposits	0	24,641,607	24,641,607	11,102,366
	\$8,729,219	\$49,162,747	\$57,891,966	\$63,434,117

EASTERN IRRIGATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2023

1. Purpose of the Organization

The Eastern Irrigation District is charged with the responsibility of efficient and economical distribution of water to users in the District and operates as a not-for-profit organization under the *Irrigation Districts Act*.

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 Program 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, 2023

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, 2023

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 291,259 people and 437 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 12.23% for the excess. Total current and past service contributions by the District to the Local Authorities Pension Plan in 2023 were \$634,740 (2022 - \$602,036). Total current and past service contributions by the employees of the District to the Local Authorities Pension Plan in 2023 were \$569,396 (2022 - \$542,195). At December 31, 2022, the Plan disclosed an actuarial surplus of \$12.67 billion (December 31, 2021 - actuarial surplus of \$11.92 billion).

4. Short Term Deposits

Short term deposits in the amount of \$24,641,607 (2022 - \$11,102,366) are maturing in the next 90 days and include GICs, term deposits and notice demand accounts at interest rates varying from 2.54% to 5.6% (2022 - 0.7% to 3.34%). At year end these deposits have an average annual interest rate of 5.21% and will mature within the next 90 days.

5. Accounts Receivable

Accounts receivable consist of:

	2023	2022
Lease rentals and seismic	\$1,953,262	\$1,910,880
Reclassification agreements	779,715	913,944
Property and equipment	5,736,866	6,229,112
Sundry debtors	1,110,106	723,035
Water rates and charges	2,234,336	463,637
Water conveyance agreements	232,952	193,561
Gravel and dirt	4,031	1,625
Less: Allowance for doubtful accounts	(3,049)	(12,830)
	<u>\$12,048,220</u>	<u>\$10,422,965</u>
Accounts receivable - current	\$7,467,556	\$9,305,257
Accounts receivable - non current	4,580,664	1,117,708
	<u>\$12,048,220</u>	<u>\$10,422,965</u>

6. Investments

Investments consist of:

	2023	2022
Investments - current: term deposits, GIC and notice demand accounts and corporate bonds that mature within 1 year	\$24,820,377	\$30,743,326
Investments - non current:		
Term deposits	17,220,418	11,968,566
Credit union common shares	160,213	151,928
	<u>17,380,631</u>	<u>12,120,494</u>
	<u>\$42,201,009</u>	<u>\$42,863,820</u>
Fair market value at September 30, 2023	<u>\$42,201,009</u>	<u>\$42,863,820</u>

EASTERN IRRIGATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2023

7. Property and Equipment

	Cost	Accumulated Amortization	2023 Net	2022 Net
General Fund:				
Equipment	\$38,543,664	\$17,225,132	\$21,318,532	\$17,261,831
Community pasture reseeded	3,691,351	2,925,646	765,705	944,614
Irrigation Works Fund:				
Buildings	10,010,812	7,580,228	2,430,584	2,365,852
Irrigation works	849,762,928	376,838,620	472,924,308	455,383,005
Land	13,293,594	0	13,293,594	13,293,594
	<u>\$915,302,350</u>	<u>\$404,569,625</u>	<u>510,732,724</u>	489,248,896
Deferred grants and contributions	<u>(\$318,415,469)</u>	<u>\$180,923,002</u>	<u>(137,492,467)</u>	(137,924,740)
Net assets invested in property and equipment			<u>\$373,240,257</u>	\$351,324,156

Included in the cost total above is \$18,339,013 (2022 - \$13,158,977) 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:

	2023	2022
Beginning of year	\$455,383,005	\$434,975,632
Additions to irrigation works:		
District projects	4,706,531	3,981,859
Province of Alberta cost share projects	32,910,638	35,928,845
Survey costs and easements	42,982	60,479
Amortization	(20,118,848)	(19,563,811)
End of year	<u>\$472,924,308</u>	<u>\$455,383,005</u>

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

	2023	2022
Beginning of year	\$137,924,740	\$137,276,267
Contributions from third parties	6,659,269	7,793,783
Amortization	(7,091,542)	(7,145,310)
End of year	<u>\$137,492,467</u>	<u>\$137,924,740</u>

Current year additions to irrigation works are as follows:

	District	Province of Alberta Cost Share	2023 Total	2022 Total
External Charges:				
Materials and supplies	\$1,347,963	\$21,020,847	\$22,368,810	\$23,055,544
Contract services	48,409	1,901,209	1,949,618	934,612
Equipment and other services	1,192,399	2,927,186	4,119,585	6,787,284
Contract services - engineering	96,846	3,869,501	3,966,347	3,438,508
Internal Charges:				
Equipment recovery	1,255,034	2,391,089	3,646,123	3,786,246
Labour recovery - other	620,130	597,370	1,217,500	1,421,298
Labour recovery - engineering	145,750	203,435	349,185	487,213
	<u>\$4,706,531</u>	<u>\$32,910,638</u>	<u>\$37,617,169</u>	<u>\$39,910,705</u>

EASTERN IRRIGATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2023

8. Inventories

	2023	2022
Materials and supplies	\$3,729,410	\$3,302,117

The amount of inventories recognized as an expense during the year was \$837,916 (2022 - \$762,563).

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, 2023 are \$6,710,320.

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, 2024 is \$6,749,976. 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, 2023

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	\$351,324,155	\$0	\$5,700	\$83,055,742	\$937,962	(\$5,486,817)	\$429,836,740
Assets received from Province of Alberta	(6,659,269)	0	0	0	0	6,659,269	0
District contribution to cost share projects							
Irrigation Rehabilitation Program	0	0	0	(1,077,076)	0	1,077,076	0
Bassano Dam Spillway Project	0	0	0	937,962	(937,962)	0	0
Alberta Irrigation Modernization	0	0	0	(24,216,373)	0	24,216,373	0
Additions to property and equipment, net	44,244,303	(6,268,355)	0	(5,065,310)	0	(32,910,638)	0
Revenue over expenses (Deficiency) allocated	(15,668,932)	24,516,522	0	8,076,141	0	1,549,617	18,473,349
Transfer to (from) community pasture development reserve	0	(2,850)	2,850	0	0	0	0
Transfer to irrigation works fund from operations	0	(18,245,317)	0	18,245,317	0	0	0
End of year	\$373,240,257	0	\$8,550	\$79,956,403	\$0	(\$4,895,121)	\$448,310,089

The Board of Directors has authorized the transfer of \$18,245,317 (2022 - \$15,029,323) from current year operations to internally restricted funds to be used for future irrigation works additions and \$2,850 (2022 - \$3,150) for community pasture development.

11. Irrigation Rates

Irrigation rates consist of:

	2023	2022
312,538 acres at \$5 per acre	\$1,562,690	\$0
3,016 acres at \$5 per acre terminable	15,080	0
0 acres subject to annual agreements	0	0
153 acres at \$5 per acre 5R soils	765	0
Minimum parcel rates and adjustments	0	0
	\$1,578,535	\$0

The cost to deliver water to the farm gate during the current year was \$29 per acre (2022 - \$28).

12. Community Grazing Expenses

Community grazing expenses consist of:

	2023	2022
Water	\$380,581	\$392,338
Amortization of equipment and reseeded pastures	290,111	293,500
Property taxes	253,716	278,841
Fences	182,359	153,597
Pasture management fees	110,844	108,093
Irrigated pastures	141,212	89,441
Fire guards	94,152	88,386
Swing fields and miscellaneous	17,204	44,944
Pasture rental fees (net of recoveries)	15,281	14,694
Insurance	7,946	7,143
	\$1,493,406	\$1,470,977

EASTERN IRRIGATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2023

13. Community Grazing Property and Equipment Expenditures

Property and equipment expenditures include:

Grazing water pipeline and improvements
Pasture development and reseeded

2023	2022
\$404,344	\$264,158
7,528	87,897
<u>\$411,872</u>	<u>\$352,055</u>

14. Special Projects

Revenue:

Campgrounds

2023	2022
\$716,659	\$759,733

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
Soil testing
Rural water initiative
Alberta Fish and Game
County pathway
South SK river model
Tilley School Track
BFGA Rifle Range earthwork

(550,189)	(1,953,012)
(687,421)	(593,263)
(115,000)	(115,000)
(120,969)	(86,329)
(103,535)	(11,947)
0	(36,394)
(15,775)	0
(84,271)	0
0	(4,000)
0	(10,000)
0	(11,051)
0	(30,000)
(6,298)	0
(10,000)	0

Deficiency

<u>(\$976,799)</u>	<u>(\$2,091,262)</u>
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15. EIDNet

Revenue:

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

2023	2022
\$1,490,987	\$1,455,149
(24,076)	31,956
1,222	1,358

Total Revenue

<u>1,468,133</u>	<u>1,488,462</u>
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Expenses:

Wages and operating costs
Amortization
Customer installation expenses
Telecommunications and bandwidth

(932,760)	(822,340)
(304,102)	(297,161)
(111,948)	(90,380)
(111,937)	(110,251)

Total Expenses

<u>(1,460,747)</u>	<u>(1,320,133)</u>
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Revenue over expenses (Deficiency)

<u>7,386</u>	<u>168,329</u>
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16. Trust Funds Held

Trust funds held include \$215,224 (2022 - \$221,931) 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

	2023	2022
Beginning of year	\$889,234	\$854,674
Contributions	31,571	34,560
Reclamation activities	0	0
End of Year	<u>\$920,805</u>	<u>\$889,234</u>

EASTERN IRRIGATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2023

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	1	2	3	4	5	5	6	7	
Director's Name	Jason Hale	Richard Hiebert	David Peltzer	Ross Owen	Brian Schmidt	Don Jacobson	John Ketchmark	Brent Schroeder	Tracy Hemsing	Totals
Amounts included in the District's accounts receivable at year end:										
Sundry debtors	\$0	\$0	\$0	\$0	\$0	\$0	\$700	\$0	\$0	\$0
Water rates and charges	0	4,587	3,192	3,754	546	0	3,266	2,478	4,562	22,384
Unearned EIDNet fees	0	(395)	(96)	(241)	(241)	0	(563)	(674)	(337)	(2,546)
Revenues of the District:										
Irrigation works constructed by the District	0	0	0	0	0	0	0	0	0	0
Gain (loss) on sale of land	0	0	0	0	0	0	0	0	0	0
Private grazing, irrigated lease fees and cost recoveries	118	0	0	0	0	0	0	0	4,328	6,218
EIDNet fees	110	473	231	577	577	782	360	1,155	2,453	7,295
Capital assets charges	0	10,450	0	0	0	0	227,700	0	0	9,000
Acre Feet sales/subdivision lieu charges	0	0	0	0	0	0	0	0	0	0
Gravel and dirt sales and miscellaneous	0	0	0	0	0	0	0	0	0	15,460
Water conveyance agreements	0	0	0	0	0	0	569	0	400	1,252
Water rates and charges	0	4,482	3,192	3,754	546	0	3,266	2,478	4,562	22,279
Expenses of the District										
Irrigation works additions	0	0	0	0	0	0	0	0	0	0
Director per diems	0	(7,312)	(11,197)	(10,511)	(9,826)	(5,713)	(4,113)	(10,740)	(14,167)	(62,152)
Farm improvement program	0	0	0	0	(5,061)	0	0	0	0	(31,677)
Director benefits*	0	(365)	(589)	(550)	(509)	(298)	(210)	(562)	(765)	(3,273)
Scholarships	0	(2,000)	0	0	0	0	0	(2,000)	0	(2,000)
Infrastructure Savings Program	0	0	0	0	0	0	0	0	0	0
Rights-of-way purchased by the District	0	0	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, 2023

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 \$590,307 (2022 - \$0) 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 \$68,000 (2022 - \$146,950).

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, 2023

	Equipment Pool	Maintenance	Water Delivery	EID Land Administration	Administration and General	2023 Total	2022 Total
Salaries and benefits							
Salaries	\$1,997,143	\$1,040,658	\$1,850,347	\$326,971	\$1,773,522	\$6,988,641	\$6,894,657
Pension plans	225,511	114,955	220,149	88,696	233,958	883,269	823,957
Group insurance	105,185	57,793	111,650	30,576	107,654	412,858	373,726
Employment insurance and WCB	59,685	26,881	58,388	29,480	48,884	223,319	160,415
Equipment							
Amortization of equipment	1,629,813	0	0	14,751	151,784	1,796,348	1,720,847
Equipment rent (recovery), net	0	1,052,747	87,898	71,685	0	1,212,331	1,146,738
Vehicle expense (recovery), net	(67,989)	221,524	446,910	84,695	72,402	757,542	703,717
Heavy equipment expense	265,613	0	0	0	0	265,613	529,660
Other							
Materials and supplies	182,607	320,774	330,049	4,486	0	837,916	762,563
Irrigation pumps and structures	0	384,275	379,514	0	0	763,789	937,749
Buildings and grounds	130,852	56,847	191,407	27,133	111,861	518,101	447,679
Office supplies and maintenance	0	0	0	0	206,979	206,979	185,164
Professional fees	0	0	0	14,035	220,570	234,605	90,563
Advertising and promotion	244	827	43,470	12,981	168,134	181,359	147,431
Insurance	84,069	0	0	0	29,073	157,439	141,909
Association fees	0	0	0	0	124,110	124,110	122,600
Directors' per diems and CPP (Note 18)	0	0	0	0	77,425	77,425	72,909
Private and irrigated leases	0	0	0	23,853	0	23,853	30,216
Telephone	23,191	6,456	13,327	3,625	10,219	56,818	51,431
Miscellaneous and freight	1,000	1,100	6,190	0	23,449	31,738	33,443
Loan interest expense	0	0	0	0	192,074	192,074	178,621
Water quality testing	0	0	23,642	0	0	23,642	3,632
Directors' expenses	0	0	0	0	21,448	21,448	13,632
Travel	900	247	678	495	15,439	17,759	5,746
Shop supplies and small tools	(36,924)	0	2,907	468	0	(33,550)	(14,708)
Total expenses	4,600,900	3,285,086	3,766,527	733,928	3,588,985	15,975,426	15,564,297
Less:							
Recovery from other capital construction	(1,803,107)	(291,983)	(217,561)	(32,919)	(332,570)	(2,678,139)	(1,878,982)
Recovery from cost share capital construction	(2,462,726)	(73,248)	(384,893)	(22,924)	(248,103)	(3,191,895)	(4,215,701)
	\$335,067	\$2,919,855	\$3,164,073	\$678,085	\$3,008,312	\$10,105,392	\$9,469,614

2024 Annual Meeting Agenda

Annual General Meeting, Tuesday, March 5, 2024, 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 7, 2023, Annual General Meeting

5.0 Business Arising from the Minutes: March 7, 2023, 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 Plan for 2024 Irrigation Season

7.02 General Matters Raised from the Floor

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

- Division 3 (Patricia/Millicent): Mr. Ross Owen (Term Expired)
- Division 6 (Tilley): Mr. Brent Schroeder (Term Expired)

8.0 Adjournment

March 7, 2023, Annual General Meeting

The Eastern Irrigation District held its Annual General Meeting on Tuesday, March 7th, 2023, 1:30 p.m. at the Heritage Inn in Brooks, Alberta. Approximately 140 people were in attendance.

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

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

Mr. Hemsing welcomed those in attendance at the Annual General Meeting, including Jennifer Nitschelm, Director – Irrigation Secretariat; Willemijn Appels, Member – Irrigation Council; Margo Jarvis Redelback, Executive Director – AIDA; several County of Newell Councillors, and City of Brooks Mayor John Petrie.

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

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

Moved by John Ketchmark that Kelly Christman be nominated for Chair.

Mr. Hemsing called for any further nominations.

Daniel Doerksen moved that nominations cease.

Kelly Christman was elected Chair by acclamation. Ms. Christman assumed the chair.

3.0 Adoption of the Agenda

Ms. Christman facilitated introductions of the head tables, advised of the format for making comments and asking questions from the floor, and advised of 2 additions to the proposed agenda. A motion to adopt the agenda as revised was requested.

Moved by Kathlyn Peltzer, seconded by John Brummelhuis, that the agenda be adopted as revised.

Being that no further revisions to the agenda were voiced, a vote on the motion was requested.

The motion to adopt the agenda was carried.

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

Ms. Christman called for a motion to accept or revise the minutes from the March 8, 2022, Annual General Meeting.

Moved by Kathlyn Peltzer, seconded by Anne Marie Philipsen, that the minutes of the 2022 Annual General Meeting be approved as distributed.

Having no requests for revisions or corrections to the minutes, a vote on the motion was requested.

The motion to approve the minutes was carried.

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

Ms. Christman called for items of business arising from the minutes of the 2022 Annual General Meeting; none were raised.

6.0 Canadian Agricultural Partnership (CAP) Water Program – Ms. Marie Oxley – Irrigation Management Specialist, Alberta Agriculture and Irrigation

Ms. Oxley presented a summary of the Canadian Agricultural Partnership – Water Program, which will be replaced by the “Sustainable Canadian Agricultural Partnership” on April 1, 2023. The funding program can be accessed at <https://cap.alberta.ca/CAP/> for more information and is summarized as follows:

Annual Report Insert

Minutes From Annual General Meeting, March 07, 2023

- eligible equipment upgrades:
 - new low-pressure center pivots, to replace flood, wheels, or high pressure pivots
 - retrofit of high pressure center pivots to low pressure center pivots
 - high efficiency sprinkler package upgrades
 - variable rate irrigation equipment and VFD's
 - control panel upgrades
 - pump modifications
 - drip irrigation to replace flood, wheels, or high pressure center pivots
- eligible applicants:
 - Alberta producers that own irrigated agricultural land and have not previously been approved for payment on the parcel described in the application
- eligible funding:
 - 25% of the eligible costs, up to a maximum of \$5,000 for equipment upgrades or upgrading to surface drip irrigation systems, or
 - 25% of the eligible costs, up to a maximum of \$15,000 for converting from flood, wheels, or high pressure pivots to low pressure center pivots or subsurface drip systems
- ineligible items:
 - new pumps, pipelines, irrigation expansions, or used equipment

Ms. Christman asked if there were any questions of Ms. Oxley; none were raised.

7.0 4-H Presentation of Thanks

David Peltzer presented a "Friend of 4-H" plaque of appreciation to the EID, accepted by Ivan Friesen, General Manager, on behalf of Newell 4-H for the club's use of the boardroom since their previous venue became unavailable a couple years ago.

8.0 Presentation of Reports

8.01 Chairman of the Board of Directors Report – Mr. Tracy Hemsing

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

- Winter snowpack and spring rains were a welcome relief from the lingering drought conditions.
- David Peltzer, Brian Schmidt, and Tracy Hemsing were acclaimed in Divisions 2, 4, and 7 respectively.
- The District continues to rehab and improve its infrastructure system to the benefit of water users and is conducting soil testing on various parcels of District owned land to investigate the possibility of irrigation expansion on these lands.
- Preliminary work continues on the Snake Lake Reservoir expansion project.
- Aquatic invasive species remain a major concern for the EID and Alberta Irrigation Districts Association (AIDA) and a collaborative approach continues in the prevention efforts.
- Portions of the Farm Improvement Policy ended September 30, 2022; the policy continues in its remaining format.
- The District continues to work closely with the County of Newell on projects such as the Drainage Program, Kinbrook Connection Pathway, and County of Newell Water Project.
- In October, Jason Hale received the appointment of Deputy Minister of Agriculture and Irrigation for the Province of Alberta. The Board of Directors thank Jason for his years of service to the District and

- welcome Richard Hiebert as he was elected to represent Division 1.
- In November, an open meeting was held with irrigators to receive feedback concerning the renewal of 31 long term (15 year) private grazing leases. Extensive discussions at the Board level resulted in approving a live auction process for the renewal of these leases. Moving forward, the length of term will be for 15 years, and the leases will be fully transferrable to any eligible water user.
 - In January 2023, the Board of Directors voted unanimously to rescind the audio recording policy that was implemented in November 2021. Removing this policy will facilitate the sharing of ideas and perspectives as well as discussion amongst the Board members at meetings.
 - EID staff were thanked for their hard work and dedication, especially during another year of change and pressures of conveying water in dry conditions.
 - Water users were encouraged to continue to reach out to Directors with any suggestions, concerns, and questions.

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

Moved by Arno Doerksen, seconded by Holly Johnson, that the 2022 Chairman of the Board of Directors Report be accepted as presented.

Ms. Christman 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.

8.02 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, both as summarized below:

- A fatal diving incident occurred at the Lake Newell and Rolling Hills structure in October; the Occupational Health and Safety investigation is ongoing. Deepest condolences continue to extend to the family of the deceased.
- Due to the hot dry year prior and little precipitation in winter and early spring, irrigation delivery in 2022 began approximately 10-14 days earlier than usual, starting the week of April 25th. The mountain snowpack was well above average and could meet the early and significant irrigation demand and fill reservoirs to seasonal operating levels. Rains in June through mid-July triggered a more typical irrigation season. Diversion was 478,000 ac-ft, 60,000 ac-ft less than 2021 and included 10,000 ac-ft put back into Lake Newell after the drawdown to accommodate the Scott pipeline inlet. Current snowpack is tracking below to within average ranges.
- 9 out of 33 projects, consisting mainly of open canal to pipeline, are complete under the Alberta Irrigation Modernization (AIM) program. This program is funded by the Government of Alberta providing 30%, irrigation districts contributing an initial 20%, and the Canadian Infrastructure Bank providing a loan to the districts which must be repaid. The Snake Lake Reservoir expansion project, which is part of this program, is in the engineering, geotechnical, and regulatory phase. The 67,000 ac-ft project will move 48,750 currently off-river acres to being under reservoir support and will indirectly support 96,000 off-river acres.
- Material supply constraints have created delays and scheduling adjustments for the District; some projects have been delayed a year or more.
- On-site preconstruction activities are occurring with respect to the proposed Brooks Solar Farm west of Brooks.
- The Farm Improvement Program saw 183 approved applications totalling \$1,964,259; with portions of the program being concluded September 30th. Overall method of irrigation shows low pressure pivots

to have increased from 30.4% in 2002 to 79.97% in 2022. \$12.5M has been contributed to irrigators since the program's inception in 1999, with the large majority of funds being outlaid since 2017 when the policy parameters were expanded.

- The number of cattle in the community grazing leases was reduced due to less reserve grass and poor spring moisture conditions; 16,427 head were placed. The rains in June and early July greatly improved pasture conditions. Snow accumulation to date will help replenish water supplies and it is projected to return to a maximum listing of 75 head per member for 2023. Additional waterlines and effective pasture management have enabled cattle listings to remain relatively stable through dry years versus comparative years in the early 2000's.
- 27 new wells were established on District land, 37 wells were twinned, 39 wells were reclaimed, 34 miles of new pipelines were added, and 1 seismic project was requested. Since 2014, 1,156 wells received abandonment notifications and 260 wells have been reclaimed.
- Phase 1 (One Tree/Duchess/Rosemary) of the EIDNet fibre project is complete and operational, Phase 2 (Bantry/Cassils) is near complete, and Phase 3 (Bow City/Rainier/Scandia) will begin in 2023.
- Topics that were before the Board in 2022:
 - Should the expansion of irrigation acres be done more quickly or differently?
 - Bylaw #965 proposes both off-river and under reservoir areas to have allottable acres increased by 50%. 1st and 2nd readings have been passed.
 - When should the District develop its own lands for irrigated farm or irrigated grazing leases?
 - Bylaw #965 also proposes irrigation development of District land with available carry forward acres.
 - Should the long-term Private Grazing Leases be extended to current holders or bid out as per the 2008 agreement?
 - A live auction renewal process was approved in January 2023 for leases that are not excluded from this process due to unique considerations.
 - Is the District willing to consider all industries/commercial activities that are looking to locate in the County of Newell?
 - All industries/commercial activities may be considered, including renewables. Current approved solar projects continue to move forward.
- Irrigators were encouraged to reach out to Directors to discuss any matters of interest including the following topics before the Board in 2023:
 - What cost may be prohibitive to construct the Snake Lake Reservoir expansion?
 - Should the Capital Asset Charge be increased?
 - Should large scale irrigation developments be allowed?
 - What role beyond irrigation development does the District play in the economic development of the area?
- 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.

Mr. Friesen responded to a question from the floor, followed by Ms. Christman asking for a motion to accept the report.

Moved by George Graham, seconded by Wayne Slenders, that the 2022 General Manager's Report be accepted as presented.

As there were no further questions of Mr. Friesen, Ms. Christman requested a vote on the motion.

The motion to adopt the report was carried.

8.03 Maintenance Report – Mr. Ivan Friesen, General Manager

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

- Maintenance costs for 2022 totalled \$3,133,397; which is somewhat above the 5 year average.
- The increased amount included unexpected maintenance on the Rolling Hills pump station, and increased costs related to inflationary pressures on the cost of materials and increasing recovery rates on heavy equipment.

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

Moved by John Brummelhuis, seconded by John Ketchmark, that the 2022 Maintenance Report be accepted as presented.

Ms. Christman 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.

8.04 Rehabilitation Report – Mr. Ryan Gagley, Engineering Manager

Mr. Gagley reviewed the 2022 Rehabilitation Report, displayed information on completed projects, and advised of plans for future Capital and IRP projects.

- In 2021/2022, \$39,960,000 of District funds were spent on Capital Construction. 25 km of pipeline was installed, over 3 km of canal was rehabilitated, and 10 concrete structures were replaced.
- 2022/2023 capital construction consists of 3 proposed projects, subject to Board approval: 01 One Tree, West Bantry Phase 3, and Rolling Hills Canal Rehabilitation, as well as the continuance of the County/EID Joint Drainage Program in the Rosemary area moving from Phase 2 to 3.
- One new pipeline will be installed under the IRP program in 2022/2023.

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

Moved by Tony Brummelhuis, seconded by John Brummelhuis, that the 2022 Rehabilitation Report be accepted as presented.

Ms. Christman asked if there were any questions of the Engineering Manager; being none a vote on the motion was requested.

The motion to adopt the report was carried.

8.05 Audited Financial Statements of the District – Mr. Ed Chapman, Bevan and Partners

Mr. Chapman, Bevan and Partners, presented the independent auditor's report and the audited financial statements, highlighting the following:

Assets

- Current Assets
 - Overall current assets increased by \$2.42 million. Cash decreased by \$9.33 million, short term deposits decreased by \$3.26 million and investments increased by \$11.66 million.
 - Accounts receivable increased by \$3.08 million. This was due to a large increase of \$2.96 million under the AIM program.
 - Changes that occurred in materials and supplies and prepaid expenses are normal fluctuations that

can occur year to year.

- Non- Current Assets
 - There were no significant changes in long term accounts receivable, deposits, and trust funds from the previous year.
 - Long term investments, which are investments not due within the next 12 months, decreased by \$4.558 million.
- Property and Equipment
 - There was an increase of \$24.7 million net of amortization expenses compared to the previous year.
 - The increase in building and equipment was primarily the result of the continued Fibre Optic installation occurring throughout the District and other normal capital asset additions during the year.
 - The net increase in irrigation works was the result of irrigation works projects capitalized of \$39.97 million and the yearly amortization of \$19.56 million.
 - The irrigation works projects additions were comprised of the AIM projects, IRP projects, and other EID capital projects.
 - During the year there was \$11.179 million spent on the Snake Lake Reservoir expansion.

Liabilities

- The current liabilities are up \$2.33 million over the previous year.
- The increase in accounts payable accounted for substantially all of the increase and is a result of increased AIM expenditures and capital equipment purchases that had been committed to but not yet paid at year end.
- Long term debt increased by \$8.2 million, and this is directly attributable to the AIM Program.
- Deferred grants and contributions increased by \$650K during the year. The district received funding of around \$7.79 million from AIM and the Province of Alberta under the IRP program.

Fund Balances

- Fund balances are used to track how funds have been spent and allocated for future EID projects (Note 10 to the financial statements provides additional details).
- The total fund balances at year end are essentially the District's equity position at year end.
- Internally restricted assets are funds that the Board of Directors has allocated to future projects relating to community pasture development and irrigation works additions.
- Externally restricted assets are funds that have been received from the Province that must be used for specific cost shared irrigation projects.
- The total fund balance increased by \$11.26 million from the previous year end.

Statement of Operations

- During the year, the total water earnings increased by just over \$100K. This increase was a result of increased oil and gas activity in the District over the past year.
- Right of Entry and initial consideration was up over the previous year due to increased oil and gas activity.

- Capital asset charges increased by \$500K over the previous year, which is a product of the AIM program.
- Amortization of irrigation works has increased over the past year and was expected given the most recent capital asset additions to irrigation works.
- Total operating and administration expenses were up \$1.3 million; however, this was not the result of one specific item but more because everything was more expensive compared to 2021.
- Special projects saw increased expenditures over the previous year. A significant increase in Farm Improvement Program expenses was the primary reason for the net change from the previous year. This was due to an influx of applications as part of the program ended at the end of September.
- EIDNet revenue, as laid out in Note 15 to the financial statements, stayed consistent with the previous year and profitability dropped due to increased expenses and increased amortization expense as a result of the completed fibre line projects.
- The surplus at the end of the year was \$11.2 million.

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

Moved by Wayne Slenders, seconded by John Ketchmark, that the 2022 Independent Auditor's Report and Financial Statements be accepted as presented.

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

The motion to adopt the report was carried.

9.0 General Matters & New Business

9.01 General Matters Raised from the Floor

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

Directors and the General Manager responded to various questions from the floor regarding the reinstated water rate, the Snake Lake Reservoir expansion project, irrigation development, capital asset charges, and hydroelectric generation.

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

Mr. Friesen reported that the terms for the current Directors for Electoral Division 1 (Gem/Bassano) and Electoral Division 5 (Scandia/Rainier) have been completed; therefore, nominations are being accepted for these divisions. The nomination period will close Wednesday, March 8, 2023, at 5:00 p.m. Nomination forms can be obtained from the District Office. An election, if necessary, will be held Tuesday, April 11th.

Mr. Hemsing thanked everyone for attending and encouraged further discussions with Board Members after the meeting.

10.0 Adjournment

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

Moved by Allen Nielsen that the annual meeting be adjourned at 3:50 p.m.

Notes

NOTICE FOR FILING NOMINATIONS

Irrigation Districts Act, Parts 2 and 3

Local Authorities Election Act, Part 1

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

Notice is hereby given that nominations for the election of a candidate for the office of Member of the Board of the District for each of **Electoral Divisions 3 and 6** will be received at the Eastern Irrigation District office, 550 Industrial Road West, Brooks, AB, until **5:00 p.m. local time on Wednesday, March 6, 2024**.

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

Electoral Division 3 (Patricia/Millicent)

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

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

Electoral Division 6 (Tilley)

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

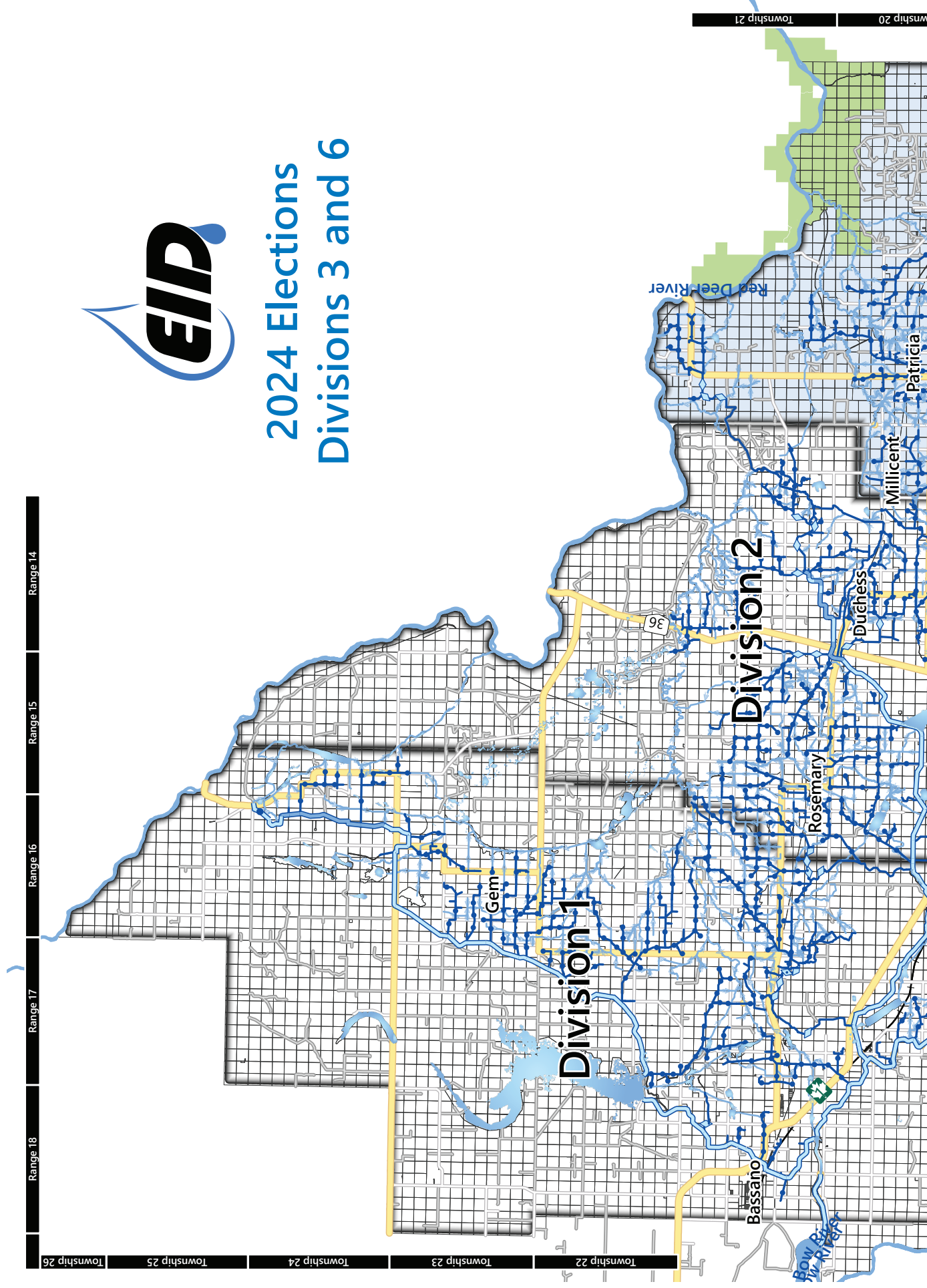
Township 16 Range 11 W4M	All Sections
Township 16 Range 12 W4M	All Sections
Township 16 Range 13 W4M	All Sections
Township 16 Range 14 W4M	All Sections
Township 17 Range 10 W4M	NW 31
Township 17 Range 11 W4M	All Sections
Township 17 Range 12 W4M	All Sections
Township 17 Range 13 W4M	All Sections
Township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

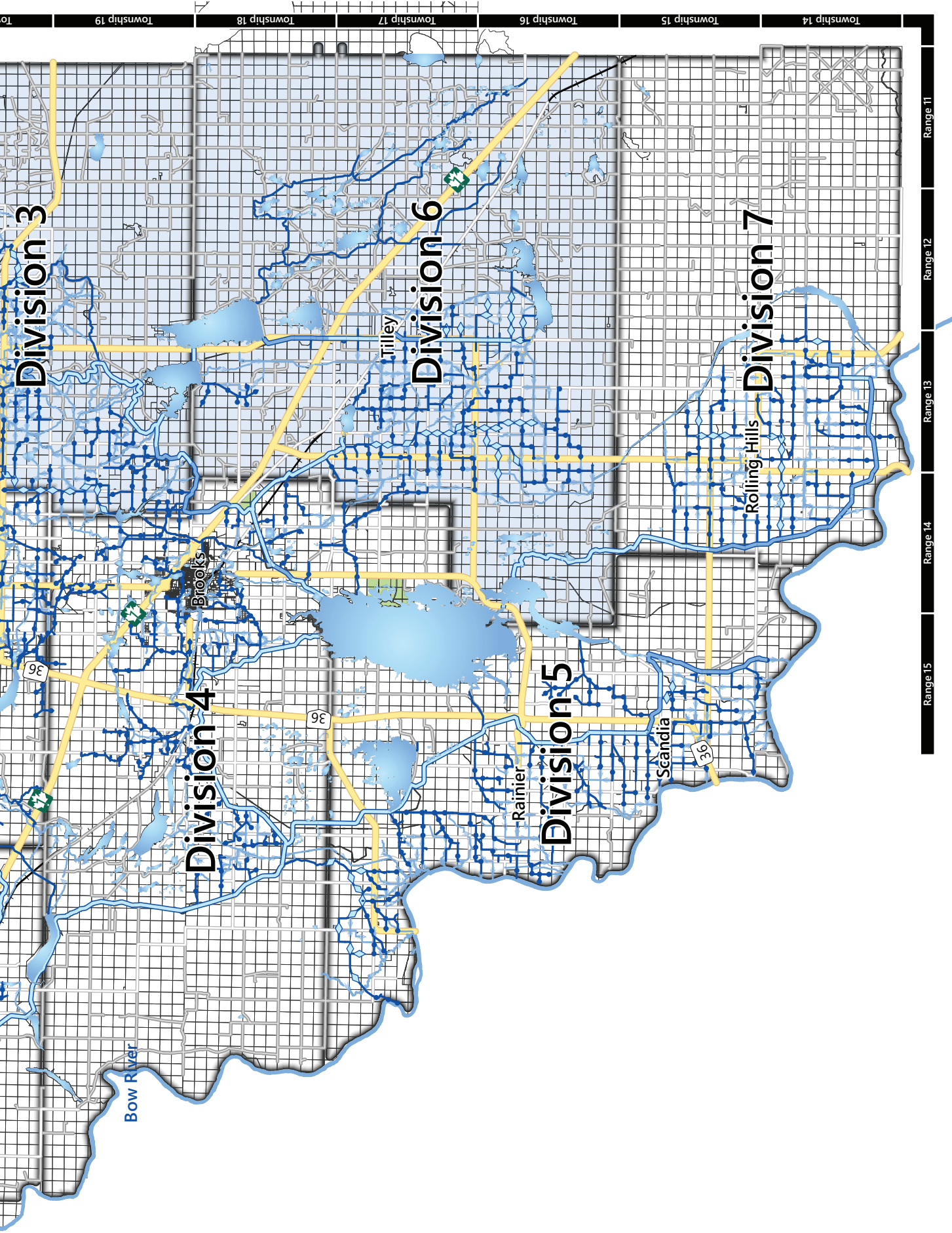
Nomination forms and additional information regarding this election are available from the Eastern Irrigation District office. If required, an **Election** will be held Tuesday the **9th** day of **April, 2024**.

Dated at the City of Brooks, in the Province of Alberta, this 5th day of February, 2024.

Ivan Friesen, Returning Officer

Electoral Divisions Map





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 6, 2024.

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

CANADA				POSTES	
POST				CANADA	
		Postage paid		Port payé	
Personalized Mail		Personalized Mail		Courrier personnalisé	
				3797546	