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January 27, 2004 Directors Meeting

The Directors of the Eastern Irrigation District held a meeting on the 27th day of January, 2004. Those in attendance were:

- | | |
|----------------------|---------------------------|
| Mr. Bob Chrumka | Chair [Division 06] |
| Mr. Clint Henrickson | Vice-Chair [Division 03] |
| Mr. Tom Livingston | Director [Division 02] |
| Mr. Neil Johnson | Director [Division 04] |
| Mr. Allen Nielsen | Director [Division 05] |
| Mr. Pat Hemsing | Director [Division 07] |
| Mr. Earl Wilson | General Manager |
| Mr. Kevin Bridges | Assistant General Manager |
| Renate Dykstra | Executive Assistant |

The meeting was called to order at 9:30 a.m.

1.0 Adoption of Agenda

- The following items were noted for addition to the Agenda:
- Prairie Conservation Forum added to item 9.0 Lands;
- Letter from Lazy A Farms Ltd. added to item 9.0 Lands;

01-01-2004 Moved by Allen Nielsen that the Board adopt the Agenda with noted additions. Seconded by Pat Hemsing. CARRIED

2.0 Approval of Minutes

02-01-2004 Moved by Pat Hemsing that the Board approve the Minutes of the December 18, 2003, meeting, as presented, with noted amendments. Seconded by Allen Nielsen. CARRIED

3.0 Report on Chamber of Commerce Meetings

3.01 Canadian Badlands Tourism – January 19, 2004

Pat Hemsing advised the meeting the Alberta Economic Development is wanting to promote tourism in the area from Stettler to the U.S. border. As the EID takes up a large part of this area, they wish to have a Director from the EID attend their meetings and to assist with the promotion of tourism in this area. The meetings are once a month, however it is unclear as to what specific role the Director is to undertake in this regard. It was suggested that it would be very good public relations for the EID to partake in the development of this project and it would help to educate the public as to the economic spinoff in this area as a result of irrigation. The City of Calgary and the City of Edmonton are areas that would definitely be targeted by the advertising.

03-01-2003 Moved by Neil Johnson that Pat Hemsing and/or Clint Henrickson, and Kevin Bridges attend the Canadian Badlands Tourism meetings and participate in the promotion of tourism in the area on behalf of the District. Seconded by Allen Nielsen. CARRIED

3.02 Chamber of Commerce Luncheon – January 16, 2004

A report was given by Earl Wilson with regard to the Honourable Lyle Oberg's speech at the Chamber of Commerce luncheon on January 16, 2004. Dr. Oberg spoke about Alberta leading the world in education and being 5 years ahead of most other countries in the world. He spoke on the Alberta Government spending \$193 million to construct the Supernet, which would give all schools, libraries, hospitals and government offices high speed internet. As the EID supplies internet service to Grasslands School District as one of its largest customer, it may affect the EID net.

Garnet Altwasser also spoke at the luncheon on his trip to Washington with respect to the BSE situation between Canada and the U.S. He was optimistic that the situation will be resolved. He also spoke highly of the new Minister of Agriculture, Bob Speller.

4.0 Northwest Operators Irrigation Conference – January 20 – 22, 2004

Clint Henrickson presented a written report on the Northwest Operators Irrigation Conference he, Neil Johnson and Bob Chrumka attended in Boise, Idaho. Out of the 210 registrations, 29 were from Canada. A number of workshops were attended with regard to legal problems concerning water rights and relinquishment, water quality monitoring and testing programs, canal automation, operations, screening, modernization and flow measurement, and new technology for lining worn out or corroded pipelines without excavating them. The workshops and presentations were very informative. Mr. Henrickson spoke to Mr. Richard Lemargie, the speaker on water rights and relinquishment, and Mr. Lemargie remarked that he believes that the Alberta irrigation industry is years ahead of them in our accomplishments with regard to water legislation and water rights protection.

5.0 AIPA Meeting – January 12, 2004

5.01 Suggestions for Conference Committee

Earl Wilson gave a report on the AIPA Meeting held in Strathmore on January 12, 2004. All except one of the EID Directors were present. The AIPA would like to put on a conference in January or February of 2005, and is looking for individuals to come up with a theme and to help organize the conference. The Board felt that Calgary would be a more suitable location than Lethbridge to hold the conference, and February of next year would be an excellent time as it is prior to an election and it will be easier to have Ministers attend. The consensus of the Board was that the executive committee of the AIPA should be planning the conference.

5.02 Provincial Water Advisory Council

The focus of this discussion was on the nominations for the Provincial Water Advisory Council which will consist of a 12 person committee. The consensus was that it is very important that the irrigation sector is well represented as this panel will have a lot of influence in the decisions made by the Provincial Government. Bob Chrumka and Earl Wilson will be meeting with Lorne Taylor in early February with the view to encourage that the council include individuals with much proactive experience in the irrigation sector, such as Jim Webber or Richard Phillips.

Floyd George [Division 01] enters at 10:25 a.m.

6.0 Financial Statements

6.01 December 31, 2003 Statement

Kevin Bridges presented the December 31, 2003 Financial Statements. He pointed out that these financial statements are preliminary as all of the year end accounting is not completed. The year end audit has commenced with expected completion by the end of February, at which time finalized financial statements for the year 2003 will be provided.

The preliminary financial statements show that revenues in all categories except water exceeded the budget, and expenses in every department are under budget by approximately \$800,000, resulting in a higher than budgeted surplus. Gross revenues are up from the prior year by \$5.2 million, with the net surplus being \$5.4 million higher than 2002. These numbers may change somewhat once the year end is completed.

The Board gave direction to Kevin Bridges to set up two separate accounts under Directors Expenses (Administration Expenses), one account being for per diems and one account being for mileage, meals, conference and travel. It was noted that Miscellaneous Fees (Administration Expenses) were high due to land titles fees and that a separate account should be set up specifically for land titles charges.

The Board had made inquiries as to the Farm Credit Canada Bonds at the December 2003 meeting. Kevin Bridges advised that the bonds carry a AAA rating and have maturities ranging from 6 months to 4.5 years, with coupon rates from 3.5% to 6.5% and are selling at a premium so that their effective yield to maturity ranges from 2.2% to 3.65%. The District's short term (less than one year) investments are currently earning 2.44 to 2.7% in GICs, and the longer term (more than one year) investments are earning from 5.15% to 8.52%.

6.02 Investment Report

An Investment Report as at December 31, 2003, was submitted to the Board showing term deposits in the amount of \$3,500,000, investment certificates at \$14,424,389 and bond investments in the amount of \$26,700,527 for a total of \$41,124,916.

04-01-2004 Moved by Neil Johnson that the Board approve the preliminary Financial Statements to December 31, 2003, as presented. Seconded by Clint Henrickson. CARRIED

Rick Martin and Dominic Ruggieri enter at 11:07 a.m.
Introductions were made.

Presentation by Dominic Ruggieri – Regional Executive Director of Alberta Sustainable Resources

Dominic Ruggieri gave a presentation of the roles and responsibilities his department has in the Department of Sustainable Resource Development (SRD). His office serves as a one-window contact for the SRD in the southeast region of the Province and champions regional issues within the Department. They are involved in the areas of public lands, forests, wildlife, and

fisheries. He is the contact person for the EID on any issues we may have relating to the SRD. He felt that his department could be of service to the EID in the areas of wildlife, fisheries and fire management . He was asked about the availability of walleye as the District wishes to stock the Rolling Hills Reservoir with walleye as trout don't do well due to the warm water in the reservoirs. He advised that he would contact the appropriate individual and they would contact the EID. He was also asked about restrictions for the oil and gas industry in sand dune areas. and was requested to provide the District with the industrial standards of guidelines and resources for sensitive areas being used on public lands.

A break was held at 11:40 a.m.

An in-camera meeting was called at 11:45 a.m. Kevin Bridges and Renate Dykstra existed the meeting.

Meeting recessed at 11:55 a.m.
Meeting reconvened at 12:25 p.m.

A Director requested that high speed internet be investigated to determine if the EID net could become involved in high speed internet service.

George Romao and Jim Meador enter.

7.0 Engineering Report

7.01 Project Status

Capital Projects

F & G West Bantry
3.5 km and 2.5 km pipelines
- pipe installation started this week

01-08 A Springhill
5.5 km pipeline
- pipeline installed by January 30, 2004
- pond and structures remain

7 Bow Slope
8 km lined canal
- liner installation 60% completed
- structure installation 60% complete
- armour 30% complete

G10 North Bantry
1 km lined canal
2 pipelines – total of 2.3 km
- canal earthwork and liner complete
- structure installation underway
- pipeline complete

07B Springhill

- 3 km pipeline
- pipeline complete
- pond and structures remain

H Cowoki

- 2.4 km pipeline and
- 8 km pipeline
- pipelines complete except for clean-up

- pump system and structure
- scheduled to start next week

A West Bantry

- 2.2 km pipeline
- complete except for clean-up

12-01 Rolling Hills

- 3.8 km pipeline
- pipeline complete except for clean-up

23 Rolling Hills

- 3.5 km pipeline
- pipeline complete except for clean-up

IRP Projects

15 Bow Slope

- 8 km pipeline
- pipe installation starting January 26, 2004

15 East Branch

- 3 km pipeline
- pipeline and turnouts complete
- settling pond remains

Tilley Canal

- 4 km lined canal
- liner 80% installed

- 300 m pipeline
- scheduled for March

- cast-in-place outlet structure
- scheduled to start in February

7.02 Capital Structures Program

George Romao presented the following capital projects for approval:

7.02.1 West Bantry Canal: Check for Lateral H West Bantry

The problem with this structure is that it is difficult to adjust the checkboards when the canal is flowing. The proposal is to install a motorized control gate (without automation) and a Langemann gate is recommended, as it is easiest to retrofit to the existing structure. The estimated cost is \$36,000.

05-01-2004 Moved by Pat Hemsing that the Board approve the purchase and installation of a Langemann gate at the check structure for Lateral H West Bantry at an estimated cost of \$36,000. Seconded by Floyd George. CARRIED

7.02.2 John Ware Spillway Control Structure

The existing control structure used to control levels on the Springhill Canal, 4 km west of Duchess is in good condition and conveys canal overflow into the John Ware Spillway. The problem is that the installation of the Secondary E Springhill pipeline system has caused more fluctuations of the canal overflow into John Ware and at times there is no overflow feeding John Ware. The John Ware is a supply canal as well as a spillway and there needs to be a low level turnout supply base flow. The proposal is to install a second control structure with an undershot gate used to maintain a minimum base flow into the John Ware, and the existing structure will continue to operate as a level control. The estimated cost of this project is \$70,000.

06-01-2003 Moved by Tom Livingston that the Board approve the installation of a second control structure with an undershot gate on the John Ware Spillway at an estimated cost of \$70,000. Seconded by Pat Hemsing. CARRIED

7.02.3 New East Branch Canal Turnout

The W ½ 26-18-16 W4M was flood irrigated from a high delivery point supplied by the 03 East Branch lift pump. The landowner (George Niznik) will be installing a pivot on this land and with conversion to pivot irrigation the proposal is to abandon the existing delivery points and the lateral supplying them, and to install a new turnout off of the East Branch Canal, to supply an existing dugout, at an estimated cost of \$40,000. The aforesaid dugout could also supply a potential pipeline that would eliminate 04 East Branch.

07-01-2003 Moved by Pat Hemsing that the Board approve the installation of a new turnout off of the East Branch Canal to supply an existing dugout on the W ½ 26-18-16 W4M and to abandon the existing delivery points and laterals supplying them. Seconded by Floyd George. CARRIED

8.0 Operations

8.01 Farm Improvements

Jim Meador provided information regarding the following proposed Farm Improvement projects:

8.01.1 768976 Alberta Ltd. (Brent Schroeder) SE 11 and S ½ 12-18-13 W4M

Mr. Schroeder has 241 acres of flood irrigation in the SE 11-18-13 W4M, SW 12-18-13

W4M and SE 12-18-13 W4M. He wishes to install 3 pivots. The recommended farm improvement is 241 acres of flood irrigation to pivot irrigation with payment to the water user in the amount of \$13,903.29.

08-01-2004 Moved by Clint Henrickson that the Board approve the proposed farm improvements of Brent Schroeder on the SE 11-18-13 W4M, the SW 12-18-13 W4M and the SE 12-18-13 W4M, as presented, with a total payment to the water user in the amount of \$13,903.29. Seconded by Neil Johnson. CARRIED

8.01.2 AI Zandbelt – NW 31-15-15 W4M

This farm improvement calls for the conversion of 145 acres of wheel move irrigation in the NW 31-15-15 W4M to 134 acres of pivot irrigation. The pivot is to be low pressure complete with drop tubes and no cold weather shut-offs and the pivot is to be piped from the same legal delivery pump site (off of 17 Bow Slope pipeline) to the pivot centre. The water user wishes to keep the remaining 11 irrigation acres that are not under the pivot. Payment to the water user is as follows:

145 acres wheels to pivot	\$2,500.00
11 acres kept (11 x \$200)	\$2,200.00
Payment to water user:	\$ 300.00

09-01-2004 Moved by Allen Nielsen that the Board approve the farm improvement of AI Zandbelt on the NW 31-15-15 W4M for the conversion of 145 acres of wheel move irrigation to 134 acres of pivot irrigation, with the water user keeping the remaining 11 irrigation acres, resulting in payment to the water user of \$300. Seconded by Pat Hemsing. CARRIED

The Board requested that they be provided with the total amount paid to water users under the farm improvement policy in 2003.

George Romao and Jim Meador exit at 1:00 p.m.

8.02 Springhill Pressure Pipeline System

MPE Engineering did an assessment of the pump station and advised that the variable speed drive on the 150 hp pump will need replacing as no parts can be purchased for it, the electrical and control equipment does not meet code, and the PLC requires upgrading. The condition that the pump station is in presently is hard on the system and is not energy efficient. MPE suggested five alternatives ranging in cost from \$34,000 to \$162,000. MPE's recommendation is for a complete overhaul including replacing the existing 150 hp variable speed drive and the PLC, and to add a second variable speed drive to one of the 75 hp pumps, the installation of soft starts on the four remaining pumps, and the replacement of the motor control centre, main breaker and utility metering cabinet at an estimated cost of \$162,000. This recommendation will modernize the pump station to current standards, reduce power consumption and reduce yearly maintenance costs. The suggestion was to not accept MPE's recommendation for a complete overhaul at this time as there is not enough time to have this done prior to water delivery in the spring, however, the District should perhaps purchase the variable speed drive and PLC in case of failure of the existing ones this irrigation season and then proceed with the overhaul after the irrigation season has ended. This will allow us

more time to analyze the various options before proceeding with the total overhaul.

- 10-01-02004 Moved by Floyd George that the Board approve the purchase of the variable speed drive and PLC this year and to overhaul the Springhill pressure system at a future date. Seconded by Neil Johnson. CARRIED**

A Director advised that he had received a call from a water user who requested that the District address the issue of small acreage owners not paying for their share of power used to deliver water to their acreages on the high pressure systems. There was also a suggestion to have a meeting with the landowners to discuss the locking in of power rates.

- 11-01-2004 Moved by Neil Johnson that the Board address the rate paid by acreage owners receiving water for their acreages on all pressure systems. Seconded by Clint Henrickson. CARRIED**

9.0 Lands

9.01 Discharge of Irrigable Unit – Plan 0311902, Block 2, Lot 1 (SW 22-20-14 W4M)

This District has received a request by Karl Gongal, the owner of Plan 0311902, Block 2, Lot 1, to have the irrigable unit discharged from his acreage.

- 12-01-2004 Moved by Pat Hemsing that the Board approve the discharge of the irrigable unit on Plan 0311902, Block 2, Lot 1, as requested by Karl Gongal. Seconded by Tom Livingston. CARRIED**

9.02 Irrigable Unit – Patterson Lease Lands

Earl Wilson advised the meeting that the Patterson Lease lands do not have an irrigable unit registered on the title as it is owned by the EID, however, these lands are being tendered for sale and accordingly require the designation of an irrigable unit.

- 13-01-2004 Moved by Tom Livingston that the District approve the registration of an irrigable unit on the Patterson Lease lands, namely Pt. Section 22-14-14 W4M and Pt. Section 15-14-14 W4M, and on all other lease lands owned by the EID requiring an irrigable unit. Seconded by Clint Henrickson. CARRIED**

9.03 Transfer of Irrigable Acres

9.03.1 Transfer of Irrigation Acres NW 29-20-14 W4M to SE 13-20-15 W4M

Earl Wilson advised the meeting that he had received a request for the transfer of 22 irrigation acres from the NW 29-20-14 W4M, owned by David and Elsie Wiens to the SE 13-20-15 W4M, owned by Armand and Kathy Ramer.

- 14-01-2004 Moved by Tom Livingston that the Board approve the transfer of 22 irrigation acres from the NW 29-20-14 W4M, (David and Elsie Wiens) to the SE 13-20-15 W4M (Armand and Kathy Ramer). Seconded by Clint Henrickson. CARRIED**

9.03.2 Transfer of Irrigation Acres SE 17-17-16 W4M to SE 21-17-16 W4M

Earl Wilson advised the meeting that he had received a request from Riverbow Ranch Ltd. for the transfer of 120 irrigation acres from the NE 17-17-16 W4M to SE 21-17-16 W4M (both quarters are owned by Riverbow Ranch Ltd.) and for an increase of 10 irrigation acres to make a pivot circle.

- 15-01-2004 Moved by Floyd George that the Board approve the transfer of 120 irrigation acres for Riverbow Ranch Ltd., from the NE 17-17-16 W4M to the SE 21-17-16 W4M, subject to soil classification. Seconded by Allen Nielsen. CARRIED**
- 16-01-2004 Moved by Floyd George that the Board approve the application of Riverbow Ranch Ltd. for the increase of 10 irrigation acres in the SE 21-17-16 W4M. Seconded by Allen Nielsen. CARRIED**

9.04 Letter from Allen Nielsen

Allen Nielsen has requested to purchase 20 irrigation acres (water rights) in the SW 32-15-15 W4M, which the District owns but has not used for a long period of time. A suggestion was that these acres be taken off of the water roll since no irrigation has taken place for some time. Another suggestion was that perhaps the irrigation acres should be put up for bid instead to make it fair for all water users.

- 17-01-2004 Moved by Neil Johnson that the Board approve the sale of 20 irrigation acres (water rights) in the SW 32-15-15 W4M by tender. Seconded by Floyd George. CARRIED**

9.05 Sale of Land to Brooks Asphalt

Earl Wilson gave an update of the land sale to Smith Group Holdings (Brooks Asphalt). He advised the meeting that the County of Newell will be having a hearing in the first week of February on the new area structure plan. The outcome would likely result in the change of land use for the NE 20-18-14 W4M , and thereafter Brooks Asphalt could apply for subdivision and land sale would likely happen in spring.

9.06 Irrigated Lease Sale (Patterson) Update

Earl Wilson presented the proposed ad inviting tenders on the Patterson Lease lands. It was suggested that the minimum price be rounded to \$815,000. He advised that he has Ken Lutes drafting up an Offer to Purchase which will become part of the bid package. The process for the sale is as follows:

- bids will be received until 11:00 a.m. March 4, 2004;
- Board will meet on March 4, 2004 to open bids and decide which bid the District will accept;
- Pattersons have 5 days to match the offer;
- assuming acceptance, the bidder has 2 weeks to obtain financing approval;
- if Pattersons are not the purchasers, they have until May 3, 2004 to remove their equipment;
- new equipment can be installed prior to May 3, 2004;
- transaction closes May 6, 2004.

9.07 3rd Street East House

Earl Wilson advised the meeting that there has been no interest by anyone to purchase the 3rd Street house and have it moved away. Furthermore, the District is still paying utilities and taxes on the property and direction from the Board is required as to what to do with this house.

- 18-01-2004 Moved by Pat Hensing that the Board approve demolishing the house owned by the District on 3rd Street East, in Brooks, Alberta. Seconded by Tom Livingston. CARRIED**

A plan to sell the “Modern Auto” property should be developed.

9.08 Industrial Park Development

Earl Wilson suggested that it may be time to develop the 40 acres of land across the road from the EID into 5 and 10 acre lots as the Town of Brooks has decreased its offsite levies to half of their prior rate. The area is zoned industrial and light industrial/commercial.

The choices are to develop the land into serviced 5 to 10 acre parcels, or to sell it as a 40 acre parcel. A suggestion was that the District should look at the cost to service the land and with the possibility of doing the servicing ourselves.

- 19-01-2004 Moved by Pat Hensing that the District investigate the costs of developing and servicing the 40 acre parcel and to include the costs in the 2004 budget with a view to proceeding with the development and servicing of the 40 acres of land. Seconded by Clint Henrickson. CARRIED**

9.09 Reclamation Certificates re Oil Leases

Short discussion with regard to reclamation certificates. The direction was to have Peter Watson from Alberta Environment meet with the Board to discuss this matter.

9.10 Rolling Hills Reservoir

9.10.1 Rolling Hills Reservoir Grand Opening

A discussion was held as to whether or not the District should have a grand opening for the Rolling Hills Reservoir. The consensus of the Board was that this was an excellent idea with the grand opening to be held on the hilltop over the campground later this spring or summer.

9.10.2 Rolling Hills Reservoir Campground – Operations

Discussion ensued as to how the campground should be operated this year. The Board agreed that Duane Lindsay should supervise the campground and accordingly receive a free campsite for the season. The campground would also require 3 summer students to look after it. There were suggestions as to how the campsites be leased, with the options being daily or seasonal. It was felt that it was preferable to have a large number of seasonal campers as it would be less hassle, better for security and provide more income. It was felt that self-registration would be the best way to register campers. With respect to security, it was noted that the District could continue to use the County bylaw officer and

Fish and Wildlife officers. It was agreed that the camping season should run from May 20, 2004 to September 6, 2004. Camping rates were discussed running from \$10 to \$12 per day without power and \$15 to \$17 per day with power. Seasonal rates ran from \$750 to \$1,200.

- 20-01-2004** Moved by Tom Livingston that the Board approve that 50% of the campsites be leased by the season and 50% of the campsites be leased on a short term basis. Seconded by Pat Hemsing. **CARRIED**
- 21-01-2004** Moved by Pat Hemsing that the seasonal camping rate be set at \$1,000 per season. Seconded by Tom Livingston. **CARRIED**
- 22-01-2004** Moved by Allen Nielsen that the daily camping rates be set at \$10 per day without power and \$15 per day with power. Seconded by Tom Livingston **CARRIED**

9.11 Prairie Conservation Forum

Tom Livingston gave a short report on the Prairie Conservation Forum he attended on January 16, 2004. The main thrust of the forum was to halt the breaking up of native grass. They also want no more dams on the rivers. Mr. Livingston felt that it was important that the District has someone present at the meetings, preferably a Director.

9.12 Letter from Lazy A Farms Ltd. (David and Cheryl Andrews)

A letter was received from Lazy A Farms Ltd. advising that they wish to lease or purchase land that could be irrigated from the Crawling Valley Reservoir in the area east of Crab Lake Spill. This matter will be addressed at a future meeting.

- 23-01-2004** Moved by Clint Henrickson that the Board approve that the Directors and Jim Meador attend the Academy Services (Valley Pivot) tour in Omaha, Nebraska on February 11 to 13, 2004. Seconded by Neil Johnson. **CARRIED**

10.0 2004 Farmer Information Meetings

Earl Wilson brought up the subject of farmer information meetings and whether or not the EID should arrange farm meetings again this year in the various districts, and if so what topics should be discussed. The Board felt that it was important to have farmer information meetings as it gives water users the opportunity to keep in touch with what the EID is doing and to discuss their issues or concerns. The consensus was that there should be two farm meetings, one in Duchess and one in Rolling Hills. Topics may include the land sale to Brooks Asphalt, development of industrial park land and irrigation projects.

Earl Wilson advised the Board that he wishes to attend a Workshop on Application of Water Measurement and Management organized by the U.S. Water Conservation Laboratory (practical on farm water measurement workshop). The workshop is to be held on February 25 and 26, 2004 in Scottsdale, Arizona.

- 24-01-2004** Moved by Allen Nielsen that the Board approve that Earl Wilson attend the Workshop on Application of Water Measurement and Management in Scottsdale, Arizona, on February 25 and 26, 2004. Seconded by Clint Henrickson. **CARRIED**

11.0 Brief Budget Discussion

Earl Wilson presented two draft 2004 Budgets. The second draft Budget includes expenses for higher level monitoring of dam safety, more flow measurement with out engineering staff, some trial screening on pipelines and industrial land development. The Budget meeting is to be held on Friday, January 30, at 9:30 a.m.

12.0 Upcoming Events

- 11.01 Budget Meeting, January 30, 2004 at 9:30 a.m.**
- 11.02 Academy Services Tour (Valley Pivot) in Omaha, Nebraska, February 11 – 13, 2004**
- 11.03 Water Management Seminar, Burdett Community Hall, February 12, 2004**
- 11.04 Regular EID Board Meeting, Monday, February 23, 2004**
- 11.05 2004 Southern Alberta Upland Habitat Symposium, March 25 – 26, 2004**
- 11.06 Regular EID Board Meeting, Monday, March 29, 2004**
- 11.07 Annual General Meeting, March 31, 2004**

Pat Hensing moved adjournment of the meeting at 2:50 p.m.

Chairman

General Manager

January 30, 2004 Directors Meeting

The Directors of the Eastern Irrigation District held a meeting on the 30th day of January, 2004. Those in attendance were:

- | | |
|----------------------|-----------------------------|
| Mr. Bob Chrumka | Chair [Division 06] |
| Mr. Clint Henrickson | Vice-Chair [Division 03] |
| Mr. Tom Livingston | Director [Division 02] |
| Mr. Neil Johnson | Director [Division 04] |
| Mr. Allen Nielsen | Director [Division 05] |
| Mr. Pat Hemsing | Director [Division 07] |
| Mr. Earl Wilson | General Manager |
| Mr. Kevin Bridges | Assistant General Manager |
| Renate Dykstra | Executive Assistant |
| George Romao | District Engineer |
| Jim Meador | Operations Manager |
| Duane Lindsay | Construction Superintendent |

The meeting was called to order at 9:30 a.m.

1.0 Letter from Newell Grazing Association

Allen Nielsen presented a letter from Newell Grazing Association requesting a loan for corral repairs in the amount of \$22,540.00.

25-01-2004 Moved by Pat Hemsing that the Board approve a loan to the Newell Grazing Lease Association for \$22,540.00 with an interest rate of 5% per annum. Seconded by Neil Johnson. CARRIED

[Floyd George (Division 01) enters at 9:45]

2.0 Preliminary Budget Review

Earl Wilson provided a detailed review of the draft budget for fiscal 2004. Board members were asked to think it over and be prepared to set water rates, cost of living, capital purchases and approve the budget at the next meeting.

3.0 Cattle Grazing

Discussion was held on cattle grazing, and that due to the BSE situation, should the District reduce the 2004 grazing fees which were set at \$14.50 per AUM (motion 218-12-2003, December 2003 meeting). The Board was divided, some felt that the District should lower the rate, others took a "let's wait and see" attitude with the option that it can be changed at a later time if need be. It was suggested that the grazing fee should be set at the break even point this year. It was decided the costs should be looked at and to address this issue at the next meeting in order to make a more accurate projection of the grazing revenue in the 2004 budget.

4.0 Sale of Irrigated Leases

Discussion was held on the revenue received from the sale of irrigated leases. It was the consensus that when the District sells lease lands, the revenue should be tracked, as the land asset is being converted to a cash asset. It has to be apparent to the water users that the value of the asset, whether it is in land or cash remains intact.

Meeting recessed at 11:40 a.m.

Meeting reconvened at 12:37 p.m. Pat Hemsing did not return to the meeting.

5.0 Farmer Meetings

The subject of farmer meetings was revisited. It was decided that rather than have two farmer meetings, one in the north area of the District and one in the south area (as discussed in the January 27, 2004 meeting), it would be more efficient to have one centrally located meeting in Brooks. Subjects to be discussed include the R North Bantry project, sale of irrigated leases, the Provincial Water Strategy, and the oil and gas water issue (farmers are selling access to water to the oil companies). The proposed date for the Farmer Meeting is March 1, 2004.

6.0 Pressure Pipelines

Short discussion on pipelines. There was some concern that perhaps the water users should be paying per psi rather than a flat rate.

7.0 EID Expansion Acres

Discussion was held regarding the development of District lands below Crawling Valley and Lake Newell with respect to expansion of irrigated acres. There have been a few inquiries as to leasing or purchasing of District lands in these areas and it was decided that the time has come for the District to put a plan together for the expansion. The cost of developing lands should be researched. Earl Wilson is to draw up a proposal for the expansion that would include method of ownership, size of parcels, which lands should be expanded, a time frame and criteria to avoid realty speculation.

Clint Henrickson adjourned the meeting at 1:40 p.m.

Chairman

General Manager

February 23, 2004 Directors Meeting

The Directors of the Eastern Irrigation District held a meeting on the 23rd day of February, 2004. Those in attendance were:

Mr. Bob Chrumka Chair [Division 06]
Mr. Clint Henrickson Vice-Chair [Division 03]
Mr. Tom Livingston Director [Division 02]
Mr. Neil Johnson Director [Division 04]
Mr. Allen Nielsen Director [Division 05]
(Mr. Pat Hemsing Director [Division 1] not present)

Mr. Earl Wilson General Manager
Mr. Kevin Bridges Assistant General Manager
Renate Dykstra Executive Assistant

The meeting was called to order at 10:00 a.m.

Peter Watson, Assistant Deputy Minister of Alberta Environment entered at 10:10 a.m.
Gary Redelback entered at 10:10 a.m.

1.0 Oil & Gas

1.01 Explanation of New Reclamation Guidelines

Peter Watson gave a presentation on the new oil and gas well reclamation guidelines that were implemented by Alberta Environment on October 1, 2003. There are 300,000 oil and gas wells in the Province of Alberta. Since the 1960's, 60,000 wells have been certified. There are presently 30,000 wells that have been abandoned but not reclaimed and a further 60,000 wells have had production suspended and will need certification, for a total of 90,000 wells requiring reclamation certificates. There are approximately 15,000 new wells drilled each year in the Province. Alberta Environment (AE) has 15 inspectors and they certify between 1,500 and 2,000 wells each year. AE is unable to hire the required amount of inspectors and is unable to keep up with the oil and gas activity under the old program, and have accordingly had to re-evaluate their old program and create a new program that would be effective and speed up the certification process with the goal being 6,000 to 7,000 per year. Under the old program it has been AE's experience that 85% of the wells passed inspection which indicated that the majority of oil and gas companies are complying with AE's requirements for reclamation.

AE's objectives for the new program are to streamline the regulatory process to provide faster certification, faster and better remediation and reclamation, provide the landowners with the environmental status of their land and confidence in continued environmental protection based on standards, guidelines and criteria established by AE through their consultations with stakeholders.

Some highlights of the new program are as follows:

- a) 15% of all certified wellsites will be audited, including random audits;
- b) inspectors will be redeployed to focus on the problem soil areas, high risk sites and wellsites operated by problem performers;

- c) AE has hired independent professional contractors to ensure that problem sites are properly remediated;
- d) enhanced complaint response process - each reclamation certificate inspection will undergo a much more thorough examination including drilling down below the top metre of soil so that the landowner will have a much better indication of the status of his land.

AE's new program allows for the oil and gas companies to apply for reclamation certificates without inspection. A package is sent to the landowner from AE providing information, the environmental status of their land including a vegetation assessment, a complaint form and an acknowledgement form. It was asked that would it not be prudent for the landowners to file a complaint on each wellsite to be reclaimed to ensure that inspection will occur prior to certification. It was also questioned that by signing the acknowledgement form, would the landowner not be signing off on the wellsite with respect to future liability in case of contamination that may not be visible presently, but may become evident in the future. Mr. Watson advised that the purpose of this program was to cut down on the actual inspections and it may become necessary to impose a fee on the landowners if excessive and unsubstantiated claims are filed. By signing the acknowledgement, the landowner is not accepting liability or signing off on the wellsite in the event that contamination is discovered at a later date. If the landowner is not satisfied or does not agree with the information contained in the package, he may file a complaint with AE and AE will inspect the site. AE will respond to all complaints received from landowners. Under the old program, once a reclamation certificate was issued, the industry was liable for a 5 year period after the issuance of the certificate and after that the Alberta Government was liable for any contamination that may have occurred. Under the new program, industry is liable for contamination for 25 years after certification, and the Alberta Government thereafter. The landowner will not be held liable.

A question was raised as to surface lease payments and would it not be wise for the landowner to drag out the certification process because the oil company would be required to continue paying surface lease rental payments until certification was received. Mr. Watson advised that surface lease payments will terminate when the reclamation certificate is granted, however if the company has to go back in to remediate the site, they will have to pay compensation to the landowner to go back onto the site as set by the Surface Rights Board. AE can force industry to go back on a wellsite for reclamation and remediation purposes by issuing an Environmental Protection Order to clean up the site or they can subject industry to an administrative penalty and lay charges under their legislation.

The Orphan Well Fund's expansion to include reclamation was discussed. Mr. Watson pointed out that if contamination is discovered after reclamation certificates are issued, AE can go back to the previous owners of the wellsite to whatever prior company has assets to pay for the remediation of the site, and if none are available, the wellsite will be remediated under the Orphan Well Fund.

In the past, only reclamation certificates were issued, however, under the new program AE is considering issuing remediation certificates as well. AE has not had the proper regulations in place to issue remediation certificates and it is one of their objectives to set up standards for remediation. In the past, AE has not really dealt with contamination of the subsoil, below 1.5 metres, but as there seems to be anxiety amongst landowners in this regard, AE feels that they need to take a protective approach to the groundwater and the subsoil and will be conducting Phase I and Phase II environmental site assessments on remediation sites and these assessments must meet AE remediation requirements.

Mr. Watson acknowledged that the best method for the EID to deal with the new reclamation program was to ask the oil companies not to apply for a reclamation certificate in winter and to negotiate the timing with them to allow for checking of the wellsites during the months of the year when the sites can be properly checked, and to only object if there are any problems. Reclamation Certificates may be received within 2 to 3 months from the application.

1.02 Water Strategy Discussion

A discussion was held with regard to the Water for Life Strategy. Nominations for the Provincial Water Advisory Council are coming to an end and Lorne Taylor will be selecting specific individuals in March. The first meeting of the new council will be held in April, 2004. A suggestion was made to Mr. Watson that the irrigation sector should be represented by at least 2 members in order that they carry the same weight in the decision making process as the other groups. Mr. Watson advised that the meetings will likely be chaired by the Alberta Government, and co-chaired by industry and environment. The breakdown of the Council will likely be as follows:

- 8 representatives from the industry
- 5 representatives from Government sectors
- 3 representatives from the municipal government sector, and
- 3 representatives from 1st Nations/Federal Government.

Earl Wilson advised the meeting that he was somewhat concerned with the 30% conservation objective. The District has already been working to conserve water through efficiencies and while the District has been successful, he felt that it would be impossible to achieve the 30% objective in the next 10 years. The anticipated maximum increase is approximately 1% per year under the District's expansion plan. Mr. Watson advised that while 30% is the objective that has been set out, each sector is not required to meet that target as their conditions vary, and but each sector will be required do the best they can to reach this goal.

A lunch break was held at 11:45 a.m.
The meeting reconvened at 12:32 p.m. Neil Johnson is not present.

2.0 Adoption of Agenda

26-04-2004 Moved by Allen Nielsen that the Board adopt the Agenda as presented. Seconded by Tom Livingston. CARRIED

3.0 Approval of Minutes

3.01 Minutes of January 27, 2004 Regular Board Meeting

27-02-2004 Moved by Tom Livingston that the Board approve the Minutes of the January 27, 2004 meeting, as presented with noted amendments. Seconded by Clint Henrickson. CARRIED

3.02 Minutes of January 30, 2004 Board Meeting

28-02-2004 Moved by Tom Livingston that the Board approve the Minutes of the January 30, 2004 meeting, as presented, with noted amendment. Seconded by Clint Henrickson. CARRIED

4.0 Meeting with Lorne Taylor

Earl Wilson presented a report on the meeting he, Clint Henrickson and Bob Chrumka had with Lorne Taylor, Minister of the Environment, on February 5, 2004. The discussion with Mr. Taylor was on the Water For Life Strategy regarding the makeup of the Provincial Water Advisory Council, the District's concerns with meeting the 30% conservation objective. Lorne Taylor also informed that his department will be trying to have new emissions regulations passed that will improve the environment and stabilize the coal fired electrical generation industry, likely resulting in some new power plants.

Another topic was the operation of TransAlta Utility power plants and reservoirs on the Bow River system regarding dam safety operation requirements, its economic summer and winter operations risks, opportunity to increase TransAlta's storage on the reservoirs and the impact deregulation of power has had on the operation of the Bow River.

Neil Johnson enters at 12:43 p.m.
Jim Meador and George Romao enter at 1:47 p.m.

5.0 Operations

Jim Meador presented the following proposed Farm Improvement projects:

5.01 Farm Improvement – SW 25-21-16 W4M – Ernest Wiens

This farm improvement calls for the conversion of 139 acres of flood irrigation in the SW 25-21-16 W4M to 127 acres of pivot irrigation, with the water user keeping the extra 12 irrigation acres. The delivery site remains the same in the south west corner off of 10B Springhill, water will be delivered to a dugout and pumped from the dugout to the pivot. The pivot must be low pressure complete with drop tubes and no cold weather shut-offs and be piped from the pump site to the pivot centre. Payment to the water user is as follows:

139 acres flood to pivot:	\$7,500.00
Less 12 acres kept (12 x \$200):	<u>\$2,400.00</u>
Payment to water user:	\$5,100.00

29-02-2004 Moved by Clint Henrickson that the Board approve the farm improvement project of Ernest Wiens on the SW 25-21-16 W4M, for the conversion of 139 acres of flood irrigation to 127 acres of pivot irrigation, with the water user keeping the 12 remaining irrigation acres, resulting in payment to the water user of \$5,100.00. Seconded by Neil Johnson. CARRIED

5.02 Farm Improvement – E ½ 14-21-16 W4M – Larry & Susan Wiens

This proposed Farm Improvement project is for the conversion of 170 acres of flood irrigation on the E ½ 14-21-16 W4M (there are a total of 294 irrigation acres in both quarters) to pivot irrigation (129 acres in the SE quarter and 41 acres in the NE quarter). The water user wishes to keep 15 irrigation acres in the south west and south east corners of SE 14-21-16 W4M. The pivot must be low pressure complete with drop tubes and no cold weather shut-offs and be piped to the pivot centre. The pump site remains the same and an irrigable unit is already in

place. The water user will require bridges for pivot crossing and culverts where the corner arm crosses the drain. Payment to the water user is as follows:

170 acres flood to pivot:	\$9,807.00
Less 15 acres kept (15 x \$200):	<u>\$3,000.00</u>
Payment to water user:	\$6,807.00, less the cost of the crossings.

30-02-2004 Moved by Clint Henrickson that the Board approve the farm improvement project of Larry and Susan Wiens on the E 1/2 14-21-16 W4M, for the conversion of 170 acres of flood irrigation to pivot irrigation, with the water user keeping the 15 irrigation acres in the south west and south east corners of SE 14-21-16 W4M, resulting in payment to the water user of \$6,807.00, less the cost of the crossings installed by the District. Seconded by Tom Livingston. CARRIED

5.03 Farm Improvement – SE 12-21-17 W4M – C. Morash

This proposed Farm Improvement project is for the conversion of 70 acres of flood irrigation on the SE 12-21-17 W4M to wheel move irrigation. The delivery site is off of the new 01-08 A Springhill pipeline system. Payment to the water user is \$1,750.00 (no infrastructure money is being granted on this parcel).

31-02-2004 Moved by Floyd George that the Board approve the farm improvement project of C. Morash on the SE 12-21-17 W4M, for the conversion of 70 acres of flood irrigation to wheel move irrigation with resulting payment to the water user of \$1,750.00. Seconded by C. Henrickson. CARRIED

5.04 Farm Improvement – SE 15-21-14 W4M – A. Eckert

The Farm Improvement project presented for A. Eckert on the SE 15-21-14 W4M is for the conversion of 107 acres of flood irrigation to pivot irrigation and the increase of 25 irrigation acres (through efficiencies [107 x 1.23 = 131.6]) for a total of 132 acres of pivot irrigation. The pivot must be low pressure complete with drop tubes and no cold weather shut-offs and be piped from the pump site to the pivot centre. Payment to the water user would be as follows:

107 acres flood to pivot:	\$6,172.00
Less 25 acres x \$200.00 (capital	
: assets charge):	<u>\$5,000.00</u>
Payment to water user:	\$1,172.00, less any work required at the pump site.

32-02-2004 Moved by Tom Livingston that the Board approve:

- (a) the farm improvement project of A. Eckert for the conversion of 107 acres of flood irrigation in the SE 15-21-14 W4M to pivot irrigation; and**
- (b) the increase of 25 irrigation acres due to the conversion from flood to pivot irrigation;**

resulting in payment to the water user of \$1,172.00, less the cost of any work that may be required at the pump site. Seconded by Floyd George. CARRIED

5.05 Farm Improvement – SW 28-14-13 W4M – Joel and Kathy Cordes

This farm improvement calls for the conversion of 148 acres of wheel move irrigation on the SW 28-14-13 W4M to 131 acres of pivot irrigation with the remaining 17 irrigation acres to be sold back to the EID. Pivot must be low pressure complete with drop tubes and no cold weather shut-offs and be piped from the pump site to the pivot centre. Payment to the water user would be as follows:

131 acres wheels to pivot:	\$2,500.00
17 acres sold back to EID (17 x \$200):	<u>\$3,400.00</u>
Payment to water user:	<u>\$5,900.00</u>

33-02-2004 Moved by Clint Henrickson that the Board approve the farm improvement project of Joel and Kathy Cordes in the SW 28-14-13 W4M for the conversion of 141 acres of wheel move irrigation to 131 acres of pivot irrigation, and the sale of the 17 remaining irrigation acres to the District, resulting in payment to the water user of \$5,900.00. Seconded by Neil Johnson. CARRIED

6.0 Engineering

6.01 Project Update

George Romao presented the following EID Project Construction Status for 2003 – 04:

Capital Projects

AH North Bantry

- 4.1 km, 1.6 km and 1.1 km pipelines
- 1.5 km pipeline installed

F & G West Bantry

- 3.5 km and 2.5 km pipelines
- F West Bantry pipeline installed
- G West Bantry pipeline underway

7 Bow Slope

- 8 km lined canal
- liner installation 65% complete
- structure installation 60% complete
- armour 50% complete

G10 North Bantry

- 1 km lined canal
- 2 pipelines – total of 2.3 km
- canal and structures complete
- pipeline complete

07B Springhill

- 3 km pipeline

- pipeline complete
- pond remains

01-08 A Springhill

5.5 km pipeline

- pipeline and structures installed
- pond remains

H Cowoki

2.4 km pipeline

8 km pipeline

- pipelines complete except for clean-up

pump system and structure

- concrete work 75% complete

A West Bantry

2.2 km pipeline

- complete except for clean-up

12-01 Rolling Hills

3.8 km pipeline

- pipeline complete except for clean-up

23 Rolling Hills

3.5 km pipeline

- pipeline complete except for clean-up

IRP Projects

15 Bow Slope

8 km pipeline

- pipe installation started February 16, 2004

15 East Branch:

3 km pipeline

- pipeline & turnouts complete
- settling pond remains

Tilley Canal

4 km lined canal

- liner 90% installed

300 m pipeline

- scheduled for March, 2004

cast-in-place outlet structure

- old structure removed
- concrete work underway

6.02 18 Rolling Hills

George Romao presented the synopsis for this IRP project, proposed for the fall/winter of 2004. There are 277 acres of sprinkler irrigation and 286 acres of gravity irrigation served by 18 Rolling Hills canal at a current design capacity of 15 cfs. Problems occurring with this canal are seepage, lack of capacity, poor bank width and height, and the control structures along this reach are also in need of replacement. The proposed rehabilitation is to supply a PVC pipeline from a settling pond located adjacent to the Rolling Hills Canal and running due north to the center of 18-14-13 W4M. The acres served by this project will remain the same, but with a required flow of 16.5 cfs. The estimated cost for this project, including engineering and contingencies is \$510,000.00 (\$906.00 per acre).

34-02-2004 Moved by Neil Johnson that the Board approve the rehabilitation of 18 Rolling Hills canal by the installation of a PVC pipeline from a settling pond located adjacent to the Rolling Hills canal, and running due north to the center of Section 18-14-13 W4M, at an estimated cost of \$510,000.00, subject to the execution of the required right of way agreements by the affected landowners. Seconded by Tom Livingston. CARRIED

6.03 04 East Branch

There are 177 acres of sprinkler irrigation and 109 acres of gravity irrigation currently served by 01-03A and 04 East Branch canals. Problems associated with these canals are seepage, poor bank width and height, and the control structures along this reach are also in need of replacement. The proposed rehabilitation is to supply a PVC pipeline from a settling pond located adjacent to the East Branch Canal, then north west to approximately 210 metres south of the center of the NW 26-18-16 W4M, then northwest to the center of the SE 34-18-16 and then west to the SW 34 quarter line. This project is proposed to serve 311 acres of pivot irrigation with a required flow of 7cfs. The estimated cost for this project including engineering and contingencies is \$334,000.00 (\$1,074.00 per acre).

In conjunction with the recommended canal rehabilitation, George Romao presented the following two proposed Infrastructure Savings Grant applications:

George Niznik wishes to install a pivot covering portions of the NW and SW 26-18-16 which are currently flooded from delivery points on 01-03A East Branch and 01-04 East Branch. The estimated savings of \$36,500.00 would be for the reduction of required pipeline capacity due to the conversion from flood to pivot and the infrastructure savings grant would be \$15,000.00.

Barry Humen would like to convert from wheel move sprinklers to a 2-pivot configuration on the S ½ 34-18-16 W4M and moving his delivery points to a lower elevation which will allow for downsizing of the pipe at an estimated savings of \$36,500.00. The proposed infrastructure savings grant would be \$15,000.00.

35-02-2004 Moved by Neil Johnson that the Board approve the following:

- (a) the rehabilitation of 04 East Branch canal by the installation of a PVC pipeline from a settling pond located adjacent to the East Branch canal, north west to approximately 210 metres south of the center of the NE 26-18-14 W4M, then north west to the center of the SE 34-18-16 W4M, and then west to the SW 34**

quarter line, at an estimated cost of \$334,000.00, subject to execution of the required right of way agreements by the affected landowners;

- (b) the infrastructure savings grant application of George Niznik re NW and SW 26-18-16 W4M, at a savings to the District of \$36,500.00, due to reduced pipeline capacity requirements, and an infrastructure savings grant of \$15,000.00 to Mr. Niznik;
- (c) the infrastructure savings grant application of Barry Humen on the S ½ 34-18-16 W4M, at a savings to the District of \$36,500.00, due to pipe downsizing, and an infrastructure savings grant of \$15,000.00 to Mr. Humen. Seconded by Clint Henrickson. CARRIED

6.04 06 North Branch

This project serves 330 acres of sprinkler irrigation and 2 pivots in Section 27-21-18 W4M. Problems with the existing canal are lack of tailout, poor bank width and height, seepage and severance. The proposed project will replace the existing canal with a closed pipeline, designed for a capacity of 6.5 cfs, the existing pump location will be relocated to the south quarter line of the section, resulting in less cost for the required design. The pipeline design will use the existing turnout from the North Branch Canal, and a small stilling pond will be built at the start of the pipeline with a new inlet structure in the stilling pond feeding the pipeline. The estimated cost for this project is \$110,000.00 (\$330.00 per acre).

As a result of the new turnout location there is a cost savings to the District of \$31,000.00 and accordingly, the landowner (Kelly Farms Ltd.) would be entitled to an infrastructure cost savings grant of \$15,000.00.

36-02-2004 Moved by Floyd George that the Board approve:

- (a) the project to replace the existing canal with a closed pipeline, using the existing turnout from the North Branch canal, building a small stilling pond at the start of the pipeline with a new inlet structure in the stilling pond to feed the pipeline at an estimated cost of \$110,000.00 (\$330.00 per acre);
- (b) the infrastructure savings grant application of Kelly Farms Ltd. on Section 27-21-18 W4M, at a savings to the District of \$31,000 due to a new turnout location, and an infrastructure savings grant of \$15,000 to the water user. Seconded by Neil Johnson. CARRIED

Jim Meador and George Romao exited the meeting at 1:30 p.m.

7.0 Oil and Gas Report

7.01 Summary of 2003 Activities

Gary Redelback presented an Oil and Gas Report for the period of January 1, 2003 to December 31, 2003. In 2003, there were 961 new surface acquisitions, 130 twinned wells, 507.11 miles (3,042.65 acres) of new pipelines and 9 permits (143.71 miles) for seismic activity. A total of \$339,929.98 was paid out to grazing associations and private lease holders for wellsites, pipelines and seismic activity. It was noted that a few grazing associations were

receiving substantial payments. A question arose as to how the funds are being utilized and if there was a more equitable way to disburse the funds. It was decided to table this matter to a future meeting when more information was available.

Gary Redelback also provided information on oil and gas activity for the period from January 1, 2004 to February 17, 2004. In that time period there were 359 new surface acquisitions, 31 twinned wells and 55 miles (33 acres) of new pipelines.

8.0 2004 Fiscal Budget

Earl Wilson presented the 2004 proposed budget with amendments that had been made since the January 30, 2004 Directors Meeting. He pointed out that the amendments he made lowered the total operations cost by \$118,000.00, by reducing the projected cost for screening devices, and noted the decrease in the wage projection due to two less staff in 2004.

There was discussion with respect to the projected salary increase. The proposed budget included a cost of living increase of 2% and a merit allowance of 2% for a total increase of 4%. It was the consensus of the Board that the proposed 2% cost of living and 2% merit allowance was acceptable, however the overall wage cost could only increase by 3%.

There was also discussion with respect to the proposed 2004 capital purchases. The Board felt that they required more information on the larger capital purchases before they were actually approved.

37-02-2004 Moved by Tom Livingston that the Board approve the proposed budget for the 2004 fiscal period as presented, subject to the aforesaid conditions, namely the 3% salary increase and more information on the larger capital purchases before they are approved. Seconded by Neil Johnson. CARRIED

Neil Johnson exited the meeting at 2:00 p.m.

9.0 Grazing Report

9.01 Proposed Revision to Grazing Capital Improvements Priority List

Earl Wilson advised the meeting that Newell Grazing Association has requested to have the Kinbrook field farmed and reseeded prior to the Scandia regrass field, which was rated as the #4 project in the Capital Improvements to Community Pastures. This project would be done in 2005.

38-02-2004 Moved by Tom Livingston that the Board approve the farming and reseeded of Kinbrook field in priority to the Scandia regrass field. Seconded by Floyd George. CARRIED

9.02 Grazing Costs

The subject of reduction of grazing fees was revisited from the January 30, 2004 Board meeting. The cost to run the community pastures is approximately \$650,000.00 including taxes, operational costs and depreciation of water lines and re-seeding projects. The cost is \$10.85 to \$11.85 per AUM. Under our capital improvement plan, depreciation will rise by approximately

\$1.00 per AUM over the next three years, therefore costs will be between \$11.00 to \$13.00 per AUM.

It was decided that this matter will be addressed at a future meeting in conjunction with the review of the funds that are paid to the grazing association from the oil and gas revenue.

10.0 AIPA - Information Workshop with Alberta Energy & Utilities Board

Information was received from the AIPA with respect to an information workshop with Alberta Energy and Utilities Board on Thursday, February 26, 2004. The EUB will be presenting information outlining the road map that has taken place within the electricity and natural gas markets since de-regulation, and will discuss the process for interventions, and generally deal with any questions about their role in approving regulated rates, etc. It was decided that Kevin Bridges, Tom Livingston, Allen Nielsen and Pat Hensing will attend the workshop.

11.0 Southern Alberta Upland Habitat Symposium Sponsorship and Registration

Information was received from Pheasants Forever with respect to the 2004 Southern Alberta Upland Habitat Symposium to be held on March 25 and 26, 2004. Pheasants Forever was also looking for sponsors for various events at the conference. The Board felt that they did not wish to sponsor any events, however 3 Directors would attend the symposium.

12.0 General Manager's Report

12.01 County of Newell Supper Meeting

A letter was received from the County of Newell No. 4 advising that they will be hosting the joint EID/County Meeting this spring. It was decided that March 22, 2004 would be a suitable date for the District and 10 Directors and staff would attend this meeting.

12.02 Letter from Lake Newell Resort Marina Association

A letter was received from the Lake Newell Resort Marina Association outlining their concerns with regard to erosion that was taking place on the east arm of the lake bank area adjacent to the marina, and seeking support from the EID to rectify this problem. The Board felt that they should take a look at the situation before they make any decisions and the cost should also be determined.

13.0 Upcoming Events

13.01 AIPA – Information Workshop with Alberta Energy & Utilities Board – February 26, 2004

13.02 Farmer Information Meeting – Monday, March 1, 2004 at 7:30 p.m. at Heritage Inn

13.03 Board Meeting with Auditor – March 4, 2004

13.04 AIPA Meeting, EID office – March 12, 2004 at 10:00 a.m. in EID Board Room

13.05 Joint EID/County Supper Meeting, March 22, 2004

13.06 Southern Alberta Upland Habitat Symposium – March 25 and 26, 2004, at Heritage Inn

13.07 Regular EID Board Meeting, Monday, March 29, 2004

13.08 Annual Meeting, Tuesday, March 30, 2004, 1:30 p.m. at Heritage Inn

Clint Henrickson moved adjournment of the meeting at 3:15 p.m.

Chairman

General Manager

March 4, 2004 Directors Meeting

The Directors of the Eastern Irrigation District held a meeting on the 4th day of March, 2004. Those in attendance were:

- | | |
|----------------------|---------------------------|
| Mr. Bob Chrumka | Chair [Division 06] |
| Mr. Clint Henrickson | Vice-Chair [Division 03] |
| Mr. Floyd George | Director [Division 01] |
| Mr. Neil Johnson | Director [Division 04] |
| Mr. Allen Nielsen | Director [Division 05] |
| Mr. Pat Hemsing | Director [Division 07] |
| Mr. Earl Wilson | General Manager |
| Mr. Kevin Bridges | Assistant General Manager |
| Mark Ens | Chartered Accountant |

The meeting was called to order at 9:35 a.m.

Clint Henrickson arrived at 9:40 a.m.

1.0 Auditor's Report

Mark Ens, chartered accountant, on behalf of the firm of Bevan, Halbert, Ginet & Gerrard, the firm conducting the District's annual audit, provided a detailed review of the Auditor's Report and the 2003 audited Financial Statements of the District. Mr. Ens referenced several audit-related letters from Bevan, Halbert, Ginet & Gerrard addressed to the EID and requested that the letters be executed and returned to him. Mr. Ens explained the amounts shown in the various categories in the Financial Statements and in general terms, the changes from the previous year. A few minor items were identified during the audit process, totaling approximately \$23,000.00, which in his opinion did not affect the accuracy of the Financial Statements.

Mr. Ens suggested that the District consider the following:

- (a) increasing the depreciation rate on heavy equipment for the 2004 fiscal year;
- (b) establishing a depreciation rate for pasture reseeding projects beginning in the 2004 fiscal year;
- (c) writing off the balance of the Carp assets; and
- (d) adjusting the yard inventory to account for the reduced value of some precast concrete items.

39-03-2004 Moved by Pat Hemsing that the Board of Directors authorize that \$17,500,949.00 be transferred from the current year operations to internally restricted funds to be used for future irrigation works additions. Seconded by Allen Nielsen.

CARRIED

40-03-2004 Moved by Neil Johnson that the Directors approve the District's audited Financial Statements for the period ending December 31, 2003, as presented. Seconded by Clint Henrickson.

CARRIED

A recess was declared at 10:50 a.m.

Mark Ens exited the meeting at 10:50 a.m.
The meeting reconvened at 11:00 a.m.
Brad Niznik, Bruce Niznik and Curtis Huber joined the meeting.

2.0 Offers to Purchase 20 Acres of Water Rights

The District received a number of Offers to Purchase 20 acres of water rights in the SW 32-15-15 W4M. The following tenders were opened:

- Brad and Bruce Niznik \$485.00 per acre
- Brad Schroeder \$125.00 per acre
- Takeda Feeding Co. Ltd. \$350.00 per acre
- Cam Morris \$226.00 per acre
- Allen Nielsen \$4,400.00 total (\$220.00 per acre)
- Brad Calvert \$200.00 per acre
- Albert Hendricksen \$151.00 per acre
- Breezewood Ranch Ltd. \$200.00 per acre
- Lazy A Farms Ltd. \$210.00 per acre
- John Brummelhuis \$327.00 per acre
- Blaine Johnson \$212.00 per acre
- South Slope Feeders Ltd. \$201.00 per acre
- George and Jim Neely \$5,020.00 total (\$251.00 per acre)
- George Ketchmark \$2,550.00 total (\$127.50 per acre)
- Les Douglass \$5,600.00 total (\$280.00 per acre)

It was noted that the District must approve the land to which these water rights will be transferred, therefore the high bidder (Brad and Bruce Niznik) is required to provide the land description for same, and irrigation method information, and the Board will make a recommendation at the next Board meeting.

Brad and Bruce Niznik exited the meeting.

3.0 Offers to Purchase Irrigated Lease (Patterson)

The following Offers to Purchase for Pt. Section 22-14-14 W4M and Pt. Section 15-14-14 W4M (Patterson irrigated lease lands) were opened at the meeting:

- Bruce Takeda \$1,194,000.00
- Vern Parker \$ 816,500.00

41-03-2004 Moved by Clint Henrickson that the Board accept the offer to purchase submitted by Bruce Takeda in the amount \$1,194,000.00 for Pt. Section 22-14-14 W4M and Pt. Section 15-14-14 W4M (Patterson irrigated lease lands) as the offer required to be matched by Allan and Greg Patterson. Seconded by Neil Johnson.

CARRIED

Curtis Huber exited the meeting.

4.0 Farmer Information Meeting

Comments were made by the Board members that they were pleased with the attendance at the March 1st, 2004, information meeting and that they considered the meeting worthwhile and successful.

5.0 High Speed Wireless Internet Service

There was a brief discussion regarding the District providing high speed wireless internet service with the suggestion that this may be a topic for discussion at the 2004 Annual Meeting.

Clint Henrickson moved adjournment of the meeting at 11:40 a.m.

Chairman

General Manager

March 23 2004 Directors Meeting

The Directors of the Eastern Irrigation District held a meeting on the 23rd day of March, 2004. Those in attendance were:

- Mr. Bob Chrumka Chair [Division 06]
- Mr. Clint Henrickson Vice-Chair [Division 03]
- Mr. Floyd George Director [Division 01]
- Mr. Tom Livingston Director [Division 02]
- Mr. Neil Johnson Director [Division 04]
- Mr. Allen Nielsen Director [Division 05]
- Mr. Pat Hemsing Director [Division 07]

- Mr. Earl Wilson General Manager
- Mr. Kevin Bridges Assistant General Manager
- Mrs. Renate Dykstra Executive Assistant

The meeting was called to order at 1:07 p.m.

1.0 Patterson Financing

Earl Wilson advised the meeting that a financing proposal has been received from Allan and Greg Patterson with respect to the purchase of the lands, wherein Pattersons would pay \$480,000 up front and a further \$180,000 in each of the next four years to the full amount of \$1,194,000. Farm Credit Corporation has provided confirmation that they have approved financing in the total amount of \$1,200,000 for the purchase of the lands. Ken Lutes was contacted for his legal opinion and he did not believe that it is a match to the Bruce Takeda offer. It was the consensus of the Board that with the financing proposal, the Patterson offer is not an equal offer to that of Bruce Takeda and therefore it cannot be accepted. Kevin Bridges telephoned Allan Patterson and explained that the Board would not accept his financing proposal and that their offer had to be equal to that of Bruce Takeda or would not be accepted. Pattersons have until 4:00 p.m. on March 24, 2004 to match the offer submitted by Bruce Takeda.

There was discussion with respect to the mainline on the Patterson lease lands. The Pattersons proposed that the District should purchase the mainline. The lands had been put up for sale without the mainline, and the Board decided that in this case, the District should not be involved.

There was also discussion that when any other leases go up for sale, the District should perhaps purchase the mainline from the leaseholder and sell the mainline with the land, and that the Board will have to establish a new policy regarding the mainline on the lease lands.

2.0 Transfer of Grazing Lease #7092

A request was received from Douglas Schnieder for the transfer of Grazing Lease #7092 to Dick Dick, along with an Assignment of Lease. Earl Wilson pointed out that it was a 15 year transferable lease and Dick Dick meets the criteria required to lease the lands.

Moved by Pat Hensing that the Board consent to the transfer of Grazing Lease #7902 from Douglas Schnieder to Dick Dick. Seconded by Neil Johnson. CARRIED

3.0 Purchase of GPS Survey Equipment

A proposal was presented to purchase new GPS survey equipment. With GPS, surveying can be done faster and can be done with a one-man crew (although in some cases a helper would be useful). Quotes and demonstrations on the different brands were done, namely Leica model #1230 and Trimble model #5700, with the Leica quote at \$54,000 and the Trimble quote at \$59,000. The recommendation was to purchase the Leica model which is reputed to be the more robust, less expensive and the most up-to-date.

43-03-2004 Moved by Tom Livingston that the Board approve the purchase of the Leica model #1230 GPS survey system at a cost of \$54,000. Seconded by Clint Henrickson. CARRIED

4.0 Purchase of Flow Meters

Earl Wilson presented a proposal for the purchase of 6 flow meters from Australia. He is of the view that these would be the most suitable for farm turnouts. He wishes to install 3 of one kind on pipelines and 3 of another kind on head ditches, as a trial. The cost of the flow meters is from \$2,200 to \$2,500 U.S. each.

44-03-2004 Moved by Tom Livingston that the Board approve the purchase of 6 flow meters from Australia at a cost of \$2,200 to \$2,500 U.S. each. Seconded by Clint Henrickson. CARRIED

5.0 Wireless High Speed Internet Proposal

A proposal was presented for the District to provide wireless high speed internet service. The initial estimated cost based on 300 users is \$600,000, or amortized at \$131,000 per year. The projected up front cost for users is \$400 and a monthly charge of approximately \$50. If an additional 200 users were added, the estimated monthly charge would be \$45.00. The Board was enthusiastic about providing this service, and felt the upfront charge for water users should be \$400, with a monthly rate of \$15 to \$20, and for non-water users a charge of \$40 - \$45. The general opinion was that it would be nice to eliminate the dial up service, however, the dial up service would likely dwindle on its own over a period of time. The Board requested that additional cost proposals for different scenarios be presented at the next meeting before a decision is made.

6.0 Flexible Grazing Turn-in Dates

A discussion was held on turn-in dates for cattle on grazing leases. There have been requests to give grazing associations more flexibility regarding dates for putting cattle on the grazing leases. In the past cattle have been allowed to turn-in at the beginning of May, however, the requests have been to allow a higher number of cattle on the leases at the beginning of August instead. It was calculated that 40 cow/calf pairs put on the lease on May 1st would consume the same as 70 cow/calf pairs put on the lease on August 1st. The calculation is based on a 1250 pound cow grazing for 5 months with the calf grazing at 15% of the cow (40 x 1.15 x 5 mo. = 230 AUM). With an August 1st turn-in date, it is estimated that a calf would graze 30% of the

cow for a 2.5 month period (70 x 1.3 x 2.5 mo. = 227.5 AUM). It is the view of the Board that this flexibility in dates will make better use of the irrigated pasture of the members and native grass on the lease. If there are some association members who wish to turn-in their cattle in August, but their associations are not willing to allow this, Bob Hale will work to accommodate as many members as possible on the Swingfields.

- 45-03-2004 Moved by Pat Hemsing that the Board consent to granting the grazing associations more flexibility by having either a turn-in date at the beginning of May with 40 cow/calf pairs per member, or at the beginning of August with 70 cow/calf pairs per member, provided that the come home dates for all cattle is the same. Seconded by Tom Livingston. CARRIED**

7.0 MLA Tour

A suggestion was made that the EID should arrange for an MLA tour this year, or work through the AIPA to arrange for a tour. It was pointed out that the AIPA had a MLA tour last year, and there isn't one this year. It was felt that a smaller group of MLA's would be more effective than a large group and a golf tournament or pheasant hunt would be a good way to do it. It was suggested that Lyle Oberg and Lorne Taylor be contacted and asked to each bring 3 other MLA's to a golf tournament. Earl Wilson and Kevin Bridges would be responsible for making the contacts.

8.0 Ralph Klein Dinner

A short discussion was held as to whether or not Board members should attend the Dinner with Premier Klein at the Heritage Inn on April 1, 2004. The general opinion was that it would be a good idea to have an EID presence at the dinner. It was also suggested that should the Liberal Party host a dinner in Brooks, there should be an EID presence there as well.

- 46-03-2004 Moved by Tom Livingston that the Board approve the purchase of 8 tickets for the Dinner with Premier Klein at the Heritage Inn on April 1, 2004. Seconded by Pat Hemsing. CARRIED**

9.0 Henrickson Lease

A request has been made by Henricksons with respect to Private Grazing Lease #7051. In September 1993, 400 acres were taken out of this lease and put up for bid twice as an irrigation lease. There were no bids, and Henricksons have been leasing these lands on an annual basis since 1994. Henricksons have requested that Pt. E ½ Section 1 and SE 12-19-13 W4M (Lease #7247) be amalgamated with Private Grazing Lease #7051.

- 47-03-2004 Moved by Tom Livingston that the Board consent to the amalgamation of Pt. E ½ Section 1 and SE 12-19-13 W4M (Private Grazing Lease #7247) with Private Grazing Lease #7051.**

A Board member commented that he was unfamiliar with this situation and would like more facts and to table the decision to be considered at the next Board meeting.

10.0 Private Grazing Leases

The topic of reviewing private grazing leases was broached. These leases are reviewed

every 5 years and a review is due this year. The current convenience factor is \$2.00 per acre for the first 160 acres and \$0.50 per acre for the remaining acres in the lease. These rates have been in effect for 10 years, and may be changed this year at the discretion of the Board of Directors. It was decided to table this matter to the next meeting.

11.0 Brad and Bruce Niznik – Transfer of 20 Acres of Water Rights

At the March 4, 2004 Board meeting, the Niznik bid to purchase 20 irrigation acres in the SW 32-15-15 W4M was approved, subject to approval by the Board as to where these acres are to be transferred. Nizniks have requested that they be transferred to the NE 32-18-16 W4M, in which they have 48 flood irrigated irrigation acres and have leveled the land. The balance of the quarter is poorly leveled. They purchased the irrigation acres with the idea to bank them until they have enough irrigation acres for a pivot on this quarter, and in the meantime, they wish to annually lease these 20 irrigation acres to Jamie Buteau.

48-03-2004 Moved by Pat Hemsing that the Board approve the transfer of 20 irrigation acres from the SW 32-15-15 W4M to NW 32-18-16 W4M, subject to the condition that these 20 irrigation acres will not have a conversion factor attached to them. Seconded by Floyd George. CARRIED

12.0 Purchase of Trucks

Earl Wilson presented price quotes for the purchase of 7 half ton trucks, 3 three-quarter ton trucks and 2 two ton trucks. After careful review of the quotes from Chinook Chrysler and Peplinski, it was noted that some of the half ton trucks were a little less expensive at Chinook Chrysler, however, the overall cost of trucks was the least expensive at Peplinski. The Board was of the view that it would be the most practical to purchase all of the trucks from the same supplier.

49-03-2004 Moved by Pat Hemsing that the Board approve the purchase of the 12 trucks from Peplinski. Seconded by Tom Livingston. CARRIED

13.0 Capital Assets Charges

The Irrigation Secretariat had sent a list showing the amount of capital assets charges for all irrigation districts. The Eastern Irrigation District's capital assets charge of \$200 is not the lowest or the highest, with the highest being \$800 per acre by St. Mary River District.

14.0 Victor Valli – Appeal

The District received a letter from the Irrigation Secretariat with respect to the letter of appeal they received from Victor Valli as a result of the Board decision to refuse his application to add 40 irrigation acres in the NE 21-19-14 W4M. The notice of this appeal was received after the 30 day deadline and therefore unacceptable by the Irrigation Secretariat. The Irrigation Secretariat did however investigate the appeal out of courtesy and advised Mr. Valli in their letter to him that his application did not meet the criteria required by the District.

15.0 Neely Proposal

Earl Wilson presented a proposal to the Board for the conversion of 459 acres of terminable irrigation to irrigation acres at the request of James and George Neely. The Board decided to table this proposal to the next meeting when all information can be presented.

16.0 Oil and Gas Negotiations

The Board had decided that some Board members would sit in as part of the negotiating committee with respect to oil and gas negotiations. It was suggested that it would be preferable that the Board develop a strategy of what they would like to achieve in the negotiations. Kevin Bridges and Gary Redelback would be the negotiators and present the Board's objectives to the oil and gas companies and report back to the Board as to what they had achieved or where the negotiations stand. The Board felt that this was a good approach.

17.0 Approval of Projects

The Board had decided they would only give tentative approval on projects until all agreements with landowners had been signed and thereafter give final approval. It was felt that there could be difficulties with that concept and it was suggested that it may be a better alternative if George Romao were to include in his monthly reports to the Board, a report on agreements that had been signed and those that were not signed, in order to keep the Board informed of the landowner status on each project.

18.0 Farmer Refinancing

Earl Wilson advised the Board that in the last while, the District has been requested to consent to a higher number of mortgages in very large amounts for water users that are refinancing. He pointed out that District's water rate charge is a second charge after the first mortgage, and wanted direction from the Board as to whether or not the District should consent to all mortgages regardless of the amount being borrowed. The Board's direction was that since no problems have been incurred in the past, there was no reason to make any changes at this time.

Allen Nielsen moved adjournment of the meeting at 4:40 p.m.

Chairman

General Manager

March 29 2004 Directors Meeting

The Directors of the Eastern Irrigation District held a meeting on the 29th day of March, 2004. Those in attendance were:

Mr. Bob Chrumka Chair [Division 06]
Mr. Clint Henrickson Vice-Chair [Division 03]
Mr. Floyd George Director [Division 01]
Mr. Tom Livingston Director [Division 02]
Mr. Neil Johnson Director [Division 04]
Mr. Allen Nielsen Director [Division 05]
Mr. Pat Hemsing Director [Division 07]

Mr. Earl Wilson General Manager
Mr. Kevin Bridges Assistant General Manager
Mrs. Renate Dykstra Executive Assistant

The meeting was called to order at 9:01 a.m.

1.0 Adoption of Agenda

The following item was noted for addition to the Agenda:

- UMA Engineering Ltd. presentation

50-03-2004 Moved by Allen Nielsen that the Board adopt the Agenda with noted addition. Seconded by Clint Henrickson. CARRIED

2.0 Approval of Minutes**2.01 Minutes of February 23, 2004 Directors Meeting**

51-03-2004 Moved by Allen Nielsen that the Board approve the Minutes of the February 24, 2004 Directors meeting, with noted amendments. Seconded by Clint Henrickson. CARRIED

2.02 Minutes of March 4, 2004 Directors Meeting

52-03-2004 Moved by Clint Henrickson that the Board approve the Minutes of the March 4, 2004 Directors meeting, with noted amendment. Seconded by Neil Johnson. CARRIED

3.0 Business Arising from Minutes**3.01 Lake Newell Marina (from February 23, 2004 Meeting)**

A question was raised as to the status of this matter. Due to ice conditions, this situation had not yet been assessed and will be dealt with after the ice has melted.

3.02 Grazing Rate Review (from January 30 and February 23, 2004 Meetings)

Discussion on this topic ensued. It was noted some grazing associations were receiving

substantial payments from the District, due to the oil and gas revenue and concern was raised as to how these funds were being utilized and if there was a more equitable way to disburse the funds. There was a suggestion that perhaps the District should get an accounting of these funds from the grazing associations and how they propose to utilize the funds. Other suggestions were that a portion of these funds could be used to develop irrigated pasture, and for the installation of water lines which would benefit the grazing associations. The Board requested that a GAC meeting be held to discuss these matters.

4.0 Financial Report

4.01 February 2004 Financial Statement

Kevin Bridges presented the February 2004 Financial Statements. He noted that this statement covers both January and February 2004, as a financial statement for January 2004 was not produced. Mr. Bridges advised oil and gas revenues are exceeding the year to date budget. Expenses are under the projected budget, gross revenues are up from the prior year to date by \$2.6 million.

53-03-2004 Moved by Allen Nielsen that the Board approve the Financial Statements to February 29, 2004, as presented. Seconded by Pat Hemsing. CARRIED

4.02 Rate By-laws

Kevin Bridges presented By-law 843 setting the rates for 2004. It was noted that the by-law differs from the 2003 by-law in that:

(a) clause 5 – The minimum payment in lieu of an irrigation charge for annual agreements, irrigation acres and terminable water agreements is established at \$170.50 [an increase in \$0.50].

(b) clause 6 – A surcharge for all acres irrigated under a terminable water agreement, where the acres so assessed could be converted to irrigation acres, but have not been converted at the request of the agreement holder, is established at \$15.00 per acre [an increase of \$5.00], which amount is in addition to the rate or minimum payment established for acres irrigated under a terminable water agreement.

The provisions of By-law 843 are as follows:

Eastern Irrigation District

BY-LAW 843 (2004)

A By-Law Setting Rates for Annual Agreements, Irrigation Rates, Terminable Water Agreement Rates, Minimum Payment in Lieu of Irrigation Charge, Surcharges, Discounts and Penalties on Unpaid Amounts [Irrigation Districts Act, Sections 118, 121, 122, 131 and 132]

WHEREAS:

The Irrigation Districts Act [c. I-11, RSA 2000] establishes the method for districts to set rates and charges for annual agreements, irrigation rates, terminable water agreement rates, a minimum payment in lieu of irrigation charges, surcharges, discounts and penalties on unpaid rates,

AND WHEREAS:

The District has, via motion **037-02-2004**, approved an operating budget for fiscal 2004 as stipulated in section 117 of the Irrigation Districts Act,

AND WHEREAS:

This by-law complies with the provisions of the Irrigation Districts Act,

NOW THEREFORE BE IT ENACTED THAT:

1. The rate for all acres of land irrigated under an annual agreement in 2004, excepting those to which a minimum payment or surcharge applies, is established at **\$7.50** per acre.
2. The rate for all acres of land assessed as irrigation acres in 2004, excepting those to which a minimum payment or surcharge applies, is established at **\$7.50** per acre.
3. The rate for all acres of land irrigated under a terminable water agreement in 2004, excepting those to which a minimum payment or surcharge applies, is established at **\$7.50** per acre.
4. The minimum payment in lieu of an irrigation charge for annual agreements, irrigation acres and terminable water agreements in 2004 is established at **\$170.50**.
5. A surcharge for all acres irrigated under a terminable water agreement, where the acres so assessed could be converted to irrigation acres, but have not been converted at the request of the agreement holder, is established at **\$15.00** per acre, which amount is in addition to the rate or minimum payment established for acres irrigated under a terminable water agreement.
6. A surcharge equal to the amount of the actual annual energy costs for pumping of water by the district into pressurized water conveyance systems, is assessed on a volume basis, against all acres so irrigated, as stipulated in the agreements pertaining to those acres.
7. A discount in the amount of **20%** is allowed against the payment of current annual agreement fees, current irrigation charges and current terminable water agreement charges and surcharges against those agreements, excepting any surcharges for the recovery of actual pumping costs, only when those payments are received by the District or postmarked not later than the third Friday of November.
8. A penalty in the amount of **8%** will be applied to all amounts shown on the collector's roll as not having been paid at the close of business of a calendar year on the next succeeding January 1 and every 6 months afterwards for so long as any part of the amount remains unpaid.

Kevin Bridges also presented By-law 844. It was noted that the by-law differs from the 2003 by-law in that:

- (a) clause 2 (b) - for any single parcel of land or single-lot country residential subdivision that is subject to a household purposes agreement and receives water through a non-pressurized water conveyance system, is established at \$170.50 [an increase of \$0.50].
- (b) clause 3 – under Category and Description, the addition of Country Residential Use (served off pressurized system).
- (c) clause 4 - the fee for conveyance of water for rural water use purposes was increased to \$24.37 per acre foot.
- (d) clause 4 – under Category, the addition of Country Residential – served off pressurized system; Fee Per Acre Foot - \$200 plus \$50/acre ft.; Minimum Charge per Agreement - \$300.00
- (e) Appendix A

The provisions of the by-law are as follows:

Eastern Irrigation District

BY-LAW 844 (2004)

A By-Law Setting Fees for Household Purposes, Rural Water Use Purposes, Water Conveyance Agreements and Interest Penalties on Unpaid Amounts [Irrigation Districts Act, Section 115]

WHEREAS:

The Irrigation Districts Act [c. I-11, RSA 2000] establishes the method for districts to set fees for household purposes, rural water use agreements, water conveyance agreements and penalties on unpaid amounts,

AND WHEREAS:

This by-law complies with the provisions as are set out in the Irrigation Districts Act,

NOW THEREFORE BE IT ENACTED THAT:

1. The District has adopted a process to determine, on a fair and equitable basis, the fees to charge for the conveyance of water for household purposes, rural water use agreements and water conveyance agreements [the details of which are appended to the by-law as Appendix A].
2. The fee for conveyance of water for household purposes for 2004:
 - (a) for parcels assessed with irrigation acres or subject to a terminable water agreement a fee of **\$0.00** in addition to the rates and charges assessed those parcels is established, or
 - (b) for any single parcel of land or single-lot country residential subdivision that is subject to a household purposes agreement and receives water through a non-pressurized water conveyance system, is established at **\$170.50**, or
 - (c) for any single parcel of land or single-lot country residential subdivision that is subject to a household purposes agreement and receives water through a pressurized water conveyance system, is established at **\$300.00**, or
 - (d) for a multiple-lot country residential subdivision containing 3 or more lots that are subject to household purposes agreements and receive water through a common storage reservoir, is established at **\$100.00** per lot.
3. The District has adopted a process to determine the fees to charge for the conveyance of water for rural water use purposes based on the following categories and description of use:

<u>Category</u>	<u>Description</u>
Farm Yard Water Use	refers to rural water use by an irrigator on a parcel of land with irrigation acres, where the annual water requirement, in addition to water supplied for household purposes, is limited to and does not exceed 5 acre feet
Livestock Watering Use	refers to rural water use on a parcel of land for the purpose of watering livestock, where the annual volume of water required does not exceed 20 acre feet
Agri-Business Use	refers to rural water use on a parcel of land for any agriculturally related and/or connected commercial activity, where the annual volume of water required does not exceed 20 acre feet
Country Residential Use (non-pressurized)	refers to rural water use on any parcel of land that is not classified by the district as having irrigation acres and that is generally determined to be a country residential property, where the annual volume of water required does not exceed 20 acre feet

<u>Category</u>	<u>Description</u>
Country Residential Use (served off pressurized system)	refers to rural water use from a pressurized system on any parcel of land that is not classified by the district as having irrigation acres and that is generally determined to be country residential property, where the annual volume of water required does not exceed 20 acre feet
Industrial Use	refers to rural water use for any non-agricultural commercial or industrial purpose not directly or indirectly related to the oil and gas industry or the maintenance and/or rehabilitation of infrastructure [such as highways], where the annual volume of water required does not exceed 20 acre feet
Oil & Gas, Infrastructure Use, etc.	refers to rural water use for any commercial or industrial purpose either directly or indirectly related to the oil and gas industry or the maintenance and/or rehabilitation of infrastructure [such as highways], where the annual volume of water required does not exceed 20 acre feet

4. The fee for the conveyance of water for rural water use purposes for 2004 is referenced to a base per acre foot conveyance charge [\$24.37] rounded to the closest \$0.50 and takes into consideration the relationship with the categories of rural water use referenced in paragraph 3 as follows:

<u>Category</u>	<u>Fee Per Acre Foot</u>	<u>Minimum Charge per Agreement</u>
Farm Yard Water Use	\$0	\$0
Livestock Watering	\$15	\$150
Agri-Business	\$25	\$150
Country Residential – non pressurized	\$25	\$200
Country Residential – served off pressurized system	\$200 plus \$50/acre ft.	\$300
Industrial	\$30	\$250
Oil & Gas, Infrastructure, etc.	Negotiated on an Agreement by Agreement Basis	

5. All fees charged for household purposes or for rural water use purposes shall be paid in full by the 1st day of May, 2004 or prior to any water being conveyed to the agreement holder if the agreement was entered into after the 1st day of May, 2004.

6. Where a household purposes agreement or rural water use agreement is not paid for by the 1st day of May, 2004 or prior to any water being conveyed to the agreement holder and the District cancels or suspends the agreement, then a penalty of **\$250.00** plus the fees for the current [and any prior years if applicable] must be paid prior to the agreement being reinstated.

7. The fees for conveyance of water under water conveyance agreements, excepting those subject to an existing agreement, for 2004 are established at:

- (a) the fee assessed for water conveyed for industrial purposes is set at 95% of the cost per acre foot of water consumed [$\$24.37 \times 0.95 = \23.15], rounded to the nearest \$0.50 or \$23.00/acre foot, or
- (b) the fee assessed for water conveyed for municipal purposes is set at 85% of the cost per acre foot of water consumed [$\$24.37 \times 0.85 = \20.71], rounded to the nearest \$0.50 or \$20.50 per acre foot , or

(c) the fee assessed for water conveyed for agricultural purposes is set at 75% of the cost per acre foot of water consumed [$\$24.37 \times 0.75 = \18.28], rounded to the nearest \$0.50 or \$18.50 per acre foot.

8. The fees for conveyance or supply of water under water conveyance agreements for licensees, permit or approval holders, whose primary water use is in support of, or connected with, oil and gas exploration activities, are set in mutually acceptable agreements or contracts with such parties and are based, only in part, on the costs of water conveyance.

9. An penalty in the amount of **1.5%** will be applied and compounded monthly [19.56% APR] on all amounts owing the District for all fees assessed under this By-Law that are in arrears for one month or longer, unless existing agreements contain specific penalty provisions to the contrary.

10. All billing notices for fees charged under the by-law shall contain a statement of the agreement holder's right to appeal to the Council under Section 167(1)(e) of the Irrigation Districts Act.

Appendix A - Determination of Rates for Household Purposes Agreements, Use of Irrigation Works Agreements and Water Conveyance Agreement

1.0 Calculation of Cost of Administration, Operation, Maintenance and Rehabilitation [on a cost per acre foot basis]:

Description:	Amount
Consumptive Use [Average Volume of Water in Acre Feet Delivered to the Farm Gate, past 5 Year Average]	450,000
<hr/>	
Description	Average
Amortization/Required for Replacement of Irrigation Works \$700 million [1.5%]	\$10,500,000
plus Budgeted Operating Costs [net of Land]	\$4,918,000
minus Funds Received under Alberta IREP	(\$4,450,000)
Net Annual Costs of Operations, etc.	\$10,968,000
<hr/>	
Average Net Annual Costs of Operations	\$10,968,000
Divided by Average Consumptive Use	450,000
Average Cost per Acre Foot of Water Delivery	\$24.37

2.0 Calculation of Costs for Water Conveyance by Classification

2.1 Water Conveyed for Agricultural Purposes

The fee assessed for water conveyed for agricultural purposes is set at 75% of the cost per acre foot of water consumed [$\$24.37 \times 0.75 = \18.28], being \$18.50 per acre foot [rounded to the nearest \$0.50].

2.2 Water Conveyed for Municipal Purposes

The fee assessed for water conveyed for municipal purposes is set at 85% of the cost per acre foot of water consumed [$\$24.37 \times 0.85 = \20.71], being \$20.50 per acre foot [rounded to the nearest \$0.50].

2.3 Water Conveyed for Industrial Purposes

The fee assessed for water conveyed for industrial purposes is set at 95% of the cost per acre foot of water consumed [$\$24.37 \times 0.95 = \23.15], being \$23.00 per acre foot [rounded to the nearest \$0.50].

3.0 Calculation of Costs for Water Conveyance for Household Purposes

3.1 The minimum fee for any agreement under household purposes has been determined to be \$150 plus the cost of water for 1 acre foot at 85% of the actual per acre foot cost [or \$20.50] for a total of \$170.50.

The within By-law 843 (2004) and By-law 844 (2004) are duly passed by the Board of Directors of the Eastern Irrigation District in accordance with Section 177 (5) of the *Irrigation Districts Act*, as evidenced by the following readings of the said By-laws:

By-law 843 (2004) was read and approved the 1st time this 29th day of March, 2004.
By-law 843 (2004) was read and approved the 2nd time this 29th day of March, 2004.

By-law 844 (2004) was read and approved the 1st time this 29th day of March, 2004.
By-law 844 (2004) was read and approved the 2nd time this 29th day of March, 2004.

54-03-2004 Moved by Pat Hemsing that the Directors provide unanimous approval to the 3rd readings of By-law 843 (2004) and By-law 844(2004). Seconded by Tom Livingston. CARRIED

By-law 843 (2004) was read and approved the 3rd time this 29th day of March, 2004.

By-law 844 (2004) was read and approved the 3rd time this 29th day of March, 2004.

4.03 Vauxhall Co-op and Chinook Credit Union Equity Accounts

Kevin Bridges advised the meeting that the balance in the Chinook Credit Union Ltd. common shares account was \$36,440.48 as at February 29, 2004, and in the Vauxhall Co-op Patronage account was \$49,518.40, and asked for direction from the Board with respect to moving these funds. The Board's direction was to leave the funds where they were.

4.04 Rate Enforcement Proceedings

Mr. Bridges advised that each year, under the *Irrigation Districts Act*, the District must commence rate enforcement proceedings against any landowner whose water rates and/ or reclassification charges are one year in arrears. There are 11 landowners on the enforcement return listing, a number of them the same as in previous years. The landowners and parties with a registered interest in the title will be notified of the District's intention to proceed in court and to ultimately acquire title to the property. The court date has been set for May 25, 2004.

A short recess was held from 10:10 a.m. to 10:15 a.m.
Jim Meador enters.

5.0 Operations Report

Jim Meador presented the following farm improvements:

5.01 Farm Improvement – SW 32-14-13 W4M – Rolf Hirsch

This farm improvement is for the conversion of 138 acres of wheel move irrigation in the SW 32-14-13 W4M to 132 acres pivot irrigation (corner arm). Pivot must be low pressure complete with drop tubes and no cold weather shut-offs and pivot must be piped to pivot centre. The pump site will remain the same off of Secondary A Rolling Hills. The water user wishes to keep the remaining 6 acres. Payment to the water user is calculated as follows:

Wheels to pivot	\$2,500.00
Less: acres kept (6 x \$200)	<u>1,200.00</u>
Payment to water user	\$1,300.00

- 55-03-2004 Moved by Pat Hemsing that the Board approve the farm improvement project of Rolf Hirsch, for the conversion of 138 acres of wheel move irrigation in the SW 32-14-13 W4M to pivot irrigation, with the water using keeping the 6 remaining irrigation acres, resulting in payment to the water user of \$1,300.00. Seconded by Tom Livingston. CARRIED**

5.02 Farm Improvement – SW 14-21-16 W4M – Lepp Hay Farms Inc.

This farm improvement calls for the conversion of 145 acres of flood irrigation in the SW 14-21-16 W4M to 130 acres of pivot irrigation. The pivot must be low pressure complete with drop tubes and no cold weather shut-offs and pivot must be piped to pivot centre. The delivery site will remain the same off of 01-10 B Springhill. The water user wishes to keep the remaining 15 acres in this quarter. The flood well in this location will need to be changed to a riser. Payment to the water user is calculated as follows:

Flood to pivot	\$7,500.00
Less: acres kept (15 x \$200)	3,000.00
Less: cost to change flood well to riser	<u>1,000.00</u>
Payment to water user	\$3,500.00

- 56-03-2004 Moved by Tom Livingston that the Board approve the farm improvement project of Lepp Hay Farms Inc., for the conversion of 145 acres of flood irrigation in the SW14-21-16 W4M to 130 acres of pivot irrigation, with the water user keeping the remaining 15 irrigation acres, resulting in payment to the water user of \$3,500.00. Seconded by Clint Henrickson. CARRIED**

5.03 Farm Improvement – NW 27-17-13 W4M – Martin Timko

This farm improvement calls for three things, (a) the conversion of flood irrigation to pivot irrigation on the NW 27-17-13 W4M; (b) the transfer of 7 acres from W ½ 20-17-13 W4M to the NW 27-17-13 W4M; and (c) the addition of 33 irrigation acres, 22 of these can be irrigated with water gained by converting the existing flood to pivot irrigation and 11 acres will require additional water; for a total of 122 acres under pivot. Mr. Timko presently has 82 acres of flood irrigation in this quarter and with the transfer of 7 acres will have a total of 89 acres. Having a conversion factor of 1.25, will allow for 111 acres if the soils pass and if the additional 11 irrigation acres are granted, result in a total of 122 acres. If the soils do not pass, Mr. Timko will have a total of 104 through conversion. Pivot must be low pressure complete with drop tubes and no cold weather

shut-offs and the pivot must be piped from the dugout to the pivot centre. Payment to the water user will be \$5,134.00 less the capital assets charge of \$200.00 per acre for any acre above the 89 acres that are added.

- 57-03-2004** Moved by Neil Johnson that the Board approve the farm improvement project of Martin Timko for the conversion of 82 acres of flood irrigation in the NW 27-17-13 W4M to pivot irrigation. Seconded by Allen Nielsen. **CARRIED**
- 58-03-2004** Moved by Pat Hemsing that the Board approve the transfer of 7 irrigation acres from the W ½ 20-17-13 W4M to NW 27-17-13 W4M. Seconded by Tom Livingston. **CARRIED**
- 59-03-2004** Moved by Allen Nielsen that the Board approve the increase of 33 irrigation acres in the NW 27-17-13 W4M (for a total of 122 irrigation acres), subject to completion of a satisfactory soil classification test on the 18 acres (7 transferred and 11 new). Seconded by Floyd George. **CARRIED**

5.04 Snow Pack

Earl Wilson reported that at last week, the snow packs are virtually the same as they were at this time last year, but about 20% below the long term average. March and April are usually months that receive a fair amount of precipitation, however, this year there was very little in March.

5.05 Start-up of Canals and Proposed Delivery to Farmers

Earl Wilson advised that the District was planning on filling the main canals this week and topping up the reservoirs. He noted that there will be little "flushing of canals this year as there are few weeds in the canals this spring due to the winter snow. He recommended that the date for water delivery to farmers to be May 10, 2004.

- 60-03-2004** Moved by Pat Hemsing that the Board set the date for water delivery for irrigation at May 10, 2004. Seconded by Clint Henrickson. **CARRIED**

George Romao entered at 11:05

6.0 Engineering Report

6.01 Project Update

George Romao presented the EID Project Status Report as at March 25, 2004 as follows:

Capital Projects

07 Bow Slope

- 8 km lined canal
- armour placement 80% complete
- structure installation complete
- clean up has started

H Cowoki

one 2.4 km pipeline and
one 8 km pipeline

- pumps & structure mechanical work complete
- electrical remains

04 East Branch

2.4 km pipeline

- pipeline and structures installed
- turnouts remain

2003/04 Structures

two precast structures

one Langemann gate installation

- one precast structure installed
- precast structure at John Ware Spillway is schedule for week of March 29/04
- Langemann gate is scheduled for mid April

AH North Bantry**F & G West Bantry****G 10 North Bantry****07 B Springhill****01-08 A Springhill****A West Bantry****12-01 Rolling Hills****23 Rolling Hills****03 H West Bantry****06 North Branch**

- all pipeline and turnouts installed
- construction of stilling ponds underway

IRP Projects**15 Bow Slope**

8 km pipeline

- 7 km pipeline installed
- turnouts 50% complete

15 East Branch

3 km pipeline

- pipeline and turnouts complete
- settling pond remains

Tilley Canal

4 km lined canal

- complete except for clean up and drainage

300 m pipeline

- complete

- cast-in-place outlet structure
- structure complete and gates installed
- earthwork on upstream and downstream sides remains

6.02 G Springhill Design Issues

Earl Wilson presented a proposal and requested direction from the Board with respect to the installation of a pipeline to serve lands owned by McKnights, Gordon Kay and George and James Neely, the sizing of the pipeline and the size of the turnouts at a cost of either \$127,000 for 6 cfs turnout or \$238,000 for a 12 cfs turnout, and whether or not the District should include an extension of the pipeline at a cost of either \$143,000 or \$265,000 depending on the size.

The Board did not respond favourably with respect to the extension or the larger turnouts, however, they requested a tour of the area before they make any decisions.

Jim Meador and George Romao exited the meeting at 11:27

7.0 Lands

7.01 Irrigation Application – E ½ 6-20-13 W4M – Charles and Wynona Hansen

The District received a letter from Charles Hansen requesting 18 irrigation acres on the NW 17-19-13 W4M in order to install a corner arm on the existing pivot. It was noted that he had 12 irrigation acres in the E ½ 6-20-13 W4M that were pivot corners, only 5 of which were being irrigated. He was agreeable to transferring the 12 acres from the E ½ 6-20-13 W4M and would therefore require only 6 additional irrigation acres, which were granted subject to receiving clearance to transfer the acres from this financial institution and subject to the corner arm being installed on the pivot.

7.02 Irrigation Application – W ½ 7-19-15 W4M – Brian Murray

The District received a request from Brian Murray to put up an 80 acre windshield pivot on W ½ 7-19-15 W4th, south of the canal. He has the proper number of flood irrigation acres, some in the SW 7-19-15 that will need to be moved under the pivot, and the recommendation is for approval, subject to the registration of an irrigable unit.

No Motion.

7.03 Irrigable Units

7.03.1 SW 11-15-13 W4M, NW 2-15-13 W4M and NE 3-15-13 W4M – Gordon and Christine Cook

At the December 18, 2004 Board meeting, the infrastructure savings grant application of Gordon and Christine Cook was approved. Mr. Cook has agreed to construct a large pump site in the north west corner of the SW 11-15-13 W4M to supply pivots in the NW 2, NE 3 and SW 11-15-13 W4M, and therefore an irrigable unit is required on these lands.

- 61-03-2004** Moved by Pat Hemsing that the Board approve the registration of an irrigable unit on the SW 11-15-13 W4M, NW 2-15-13 W4M and NE 3-15-13 W4M, being lands owned by Gordon and Christine Cook. Seconded by Neil Johnson. **CARRIED**

7.03.2 Ed J. Lunquist Farms Ltd.

An irrigable unit is required on the NE 10-15-13 W4M and NW 10-15-13 W4M, as the pivot extends beyond the quarter line into the north west quarter.

An irrigable unit is required on the NW 11-15-13 W4M and Pt. SW 14-15-13 W4M, as the pivot crosses into the SW 14-15-13 W4M.

- 62-03-2004** Moved by Pat Hemsing that the Board approve the registration of an irrigable unit on NE 10-15-13 W4M and NW 10-15-13 W4M, and another irrigable unit on the NW 11-15-13 W4M and Pt. SW 14-15-13 W4M, being lands owned by Ed J. Lunquist Farms Ltd. Seconded by Clint Henrickson. **CARRIED**

7.03.3 NW 26-18-16 W4M, SW 26-18-16 W4M and NE 26-18-16 W4M – George Niznik

At the February 23, 2004 Board Meeting, an infrastructure savings grant application of George Niznik was approved. Mr. Niznik has undertaken to install a pivot covering portions of the NW, SW and NE 26-18-16 W4M. The delivery point for this pivot is in NW 26-18-16 W4M, and accordingly, an irrigable unit is required covering all three parcels of land.

- 63-03-2004** Moved by Pat Hemsing that the Board approve the registration of an irrigable unit on the NW 26-18-16 W4M, SW 26-18-16 W4M and NE 26-18-16 W4M, being lands owned by George Niznik. Seconded by Clint Henrickson. **CARRIED**

7.03.4 Arnold and Lorna Retzlaff - Discharge of Irrigable Units and Registration of Irrigable Units

There are two irrigable units, one on NE 17-20-15 W4M, Ptn. SE 17-20-15 W4M and Parcel A, Plan 6968FF (Pt. NW 16-20-15 W4M). The other irrigable unit is on Ptn. NW 16-20-15 W4M and Ptn NE 16-20-15 W4M. Parcel A, Plan 6986FF is in the NW 16-20-15 W4M and should be part of the irrigable unit for NW 16-20-15 W4M and Ptn. NE 16-20-15 W4M. As a result of changes in the methods of irrigation, these irrigable units should be discharged and two new ones registered as follows:

- (a) NE 17-20-15 W4M and Pt. SE 17-20-15 W4M;
- (b) Pt. NW 16-20-15 W4M, Parcel A, Plan 6968FF, and Ptn. NE 16-20-15 W4M

- 64-03-2004** Moved by Clint Henrickson that the Board approve the discharge of two irrigable units and the registration of two new irrigable units, one on the NE and Pt. SE 17-20-15 W4M, and the other on the NW 16, Ptn. NE 16-20-15 W4M and Plan 6986FF, Parcel A, being lands owned by Arnold and Lorna Retzlaff. Seconded by Allen Nielsen. **CARRIED**

7.04 Conversion from 2nd to 1st Water Rights – Neely (459 acres)

Earl Wilson advised that James and George Neely had made a request for the conversion of 459 terminable acres of pivot and wheel move irrigation systems in the W ½ 30-21-12 W4M and Section 19-21-12 W4M to irrigation acres having pivot and wheel move irrigation systems. Discussion followed as to where the best delivery point would be to serve these acres. Neely's requested a \$100 per acre capital assets charge if the conversion was approved.

- 65-03-2004 Moved by Tom Livingston that the Board approve the conversion of 459 terminable acres in W ½ 30-21-12 W4M and Section 19-21-12 W4M to irrigation acres with pivot and wheel move irrigation systems, subject to the registration of an irrigable unit, and a capital assets charge of \$200 per acre. Seconded by Clint Henrickson. CARRIED**

Dale Miller, Dennis Miller and Rod McLean enter at 11:45 a.m.

Dale Miller, Dennis Miller and Rod McLean of UMA Engineering attended the meeting to present a copy of the Award of Excellence in Engineering granted to UMA Engineering Ltd. and Thurber Engineering Ltd., from the Consulting Engineers of Alberta, for the Rolling Hills Reservoir project. They informed the Board that they will be entering this project on a national level.

Meeting was recessed for lunch at 11:55

Meeting reconvened at 1:00 p.m.

7.05 Irrigation Lease Review

Earl Wilson presented two irrigation leases that are due for a review, one for Joe Drotos and one for Les Douglass. He presented a list of all of the District's current irrigated leases and the rates that are currently in effect.

7.05.1 SE 5-18-12 W4M – Joe Drotos

Discussion was held with respect to this lease. The lease rate has been \$30.00 per acre plus water and taxes. Earl Wilson pointed out that this lease will be terminated at the end of the remaining 4 year term and be seeded back to grass and not farmed after 2008.

- 66-03-2004 Moved by Pat Hemsing that the Board approve to renew the lease to Joe Drotos on the SE 5-18-12 W4M at the rate of \$30.00 per acre plus payment of water and taxes by the lessee. Seconded by Clint Henrickson. CARRIED**

7.05.2 S ½ 12-24-16 W4M – Les Douglass

Discussion was held with respect to this lease. The lease rate has been \$30.00 for wetted acres and \$5.00 for dry acres, plus water and taxes.

- 67-03-2004 Moved by Pat Hemsing that the Board approve to offer renewal of the lease**

to Les Douglass on S ½ 12-24-16 W4M at an increased rate of \$35.00 per wetted acre and \$5.00 per dry acre plus payment of water and taxes by the lessee. Seconded by Clint Henrickson. **CARRIED**

7.06 Miscellaneous Leases

A number of leases have come up for renewal. The following leases have been approved for renewal:

- 68-03-2004** Moved by Allen Nielsen that the Board approve to renew the lease to Bill Prentice on Ptn. SW 32-18-14 W4M at the rate of \$100.00 for a 1 year period, subject to Bill Prentice entering into a written lease agreement with the District, containing a liability clause, with the District. Seconded by Pat Hemsing. **CARRIED**
- 69-03-2004** Moved by Clint Henrickson that the Board approve to renew the lease to Jonathan Latrace on the S ½ of NE 11-20-15 W4M for 1 year at the rate of \$500.00. Seconded by Neil Johnson. **CARRIED**
- 70-03-2004** Moved by Clint Henrickson that the Board approve to renew the lease to Frank and Margarete Kern on Ptn. NW 15-15-13 W4M (10 acres) at the rate of \$35.00 per acre per year, subject to Mr. and Mrs. Kern entering into a written lease agreement having no set term and with a cancellation clause and rate review clause. Seconded by Pat Hemsing. **CARRIED**
- 71-03-2004** Moved by Allen Nielsen that the Board approve to renew the two leases with the County of Newell No. 4 on the SW 6-18-12 W4M and SW 26-17-16 W4M, each for a 5 year period, at the rate of \$150.00 per year for each lease site. Seconded by Tom Livingston. **CARRIED**
- 72-03-2004** Moved by Allen Nielsen that the Board approve to renew the lease with Brooks Pistol & Small Bore Rifle Club on the NE 18-19-14 W4M for a further 5 year term at the rate of \$250.00 per year. Seconded by Tom Livingston. **CARRIED**
- 73-03-2004** Moved by Pat Hemsing that the Board approve to renew the lease with Brooks Motorcycle Club for a further 2 year term at the rate of \$500.00 per year or 20% gate admission, whichever is greater, on the condition that the parking area is not used. Seconded by Clint Henrickson. **CARRIED**

8.0 Grazing Lease Report

8.01 Private Grazing Lease Review

This matter is revisited from the March 23, 2004 Board meeting. A review of the rates is done every 5 years and a review is due this year. The current convenience factor is \$2.00 per acre for the first 160 acres and \$0.50 per acre for the remaining acres in the lease. These rates have been in effect for 10 years and may be changed this year at the discretion of the Board.

- 74-03-2004** Moved by Allen Nielsen that the Board approve that the private grazing lease convenience factor rate remains the same at \$2.00 per acre on the first 160 acres and \$0.50 per acre for each acre in the lease above 160 acres, for the next 5 years. Seconded by Tom Livingston. CARRIED (Pat Hemsing and Clint Henrickson abstained from voting.)

8.02 Henrickson Lease #7247

This matter was brought forward from the March 23, 2004 Board meeting. The request was to return 400 acres (SE 12, NE 1 and Pt. SE 1 19-13 W4M) taken out of the lease in 1993, to the original lease. A history of the lease was given, noting that the 400 acre lease was put up for bid twice and there were no bids either time.

- 75-03-2004** Moved by Tom Livingston that the Board approve that the 400 acres in Lease #7247 be amalgamated with Lease #7051. Seconded by Allen Nielsen. DEFEATED

Discussion ensued and a suggestion was made to put the 400 acre lease up for bid again. The Board decided to continue to renew Lease #7247 on an annual basis, and if further information becomes available to consider other options, they will review it at that time.

8.03 Land South of Silver Sage

Bob Hale suggested the Board lease these lands for 2004 by tender.

- 76-03-2004** Moved by Allen Nielsen that the Board approve that the District lease the land south of Silver Sage, by tender to the highest bidder, on the condition that the bidder is a water user and a resident of the EID. Seconded by Pat Hemsing. CARRIED

8.04 Gem Grazing Waterline

Bob Hale presented a proposal to install a 9 mile water line in the southern portion of the Gem Grazing Lease. The area is served on the west side by Crawling Valley Lake and a small portion of the southeast corner by North Branch Canal. The rest of the area has no water except for spring runoff. The proposed pipeline will receive its water from the North Branch Canal. The estimated cost for this project is \$165,000.

- 77-03-2004** Moved by Tom Livingston that the Board approve the installation of a 9 mile water line in the southern portion of the Gem Grazing Lease, at an estimated cost of \$165,000. Seconded by Floyd George. CARRIED

8.05 Re-seeding Regrass in Patricia Grazing Lease

Bob Hale presented a proposal for the reseedling of 2000 acres in the north half of Burns Field in Patricia Grazing Lease. A question arose as to the possibility of spreading manure rather than using commercial fertilizer. Due to the distant location of this area, it may not be possible to have Lakeside spread manure, however, it was suggested that this possibility be investigated. The estimated cost for this project is \$200,000 plus the cost of manure spreading if feasible.

- 78-03-2004** Moved by Tom Livingston that the Board approve the re-seeding of 2,000 acres in the north half of Burns Field in Patricia Grazing Lease at an estimated cost of \$200,000, plus the cost of manure spreading. Seconded by Pat Hemsing. **CARRIED**

The Board also gave direction to rent the equipment for the re-seeding of this project.

9.0 Equipment Report

9.01 Sale of Hitachi Hoe 330

Earl Wilson presented offers for the sale of the Hitachi Hoe 330, with Michener Allen Auctioneering Ltd. offering the highest price to purchase the hoe for \$125,000, as an out-right purchase.

- 79-03-2004** Moved by Pat Hemsing that the Board approve the sale of the 2000 Hitachi Excavator 330LC to Michener Allen Auctioneering Ltd. for the price of \$125,000. Seconded by Clint Henrickson. **CARRIED**

9.02 Quote on Truck to Replace Kenworth

Earl Wilson presented quotes for the purchase of a replacement truck for the Kenworth truck. The lowest price was \$128,000 from Great West Kenworth. This price did not include the deck, winch, headache rack, etc. A quote was received for these items from DPI of \$42,900. He recommended that the District purchase the Kenworth from Great West Kenworth and obtain additional quotes on the deck, etc. from other suppliers.

- 80-03-2004** Moved by Tom Livingston that the Board approve the purchase of a Kenworth truck from Great West Kenworth for \$128,000, and to obtain additional quotes on the deck, winch, headache rack, etc. Seconded by Clint Henrickson. **CARRIED**

9.03 Purchase of Trucks

Earl Wilson advised that he contacted Peplinski to purchase the 12 trucks (Motion 49-03-2004). He was informed that the prices they had given were fleet prices and not off the lot prices. Arrangements have since been made to purchase 10 trucks (7 half-ton and 3 three quarter ton trucks) from Chinook Chrysler.

10.0 Wireless Internet Review

This matter was revisited from the March 23, 2004 Board Meeting. Earl Wilson presented 4 cost proposals for different scenarios in this regard. He advised that the County is considering contributing \$100,000 towards the cost of the towers, and the EID will make a presentation to the County on April 19, 2004. It was the general consensus that the District should only consider their contribution if there are no strings attached, other than the County using the towers for their radio systems free of charge. It was decided that no decision will be made to proceed with this project until the next meeting. In the meantime it would be necessary to develop a marketing plan, decide on a rate structure for water users, non water users and non-residential users, decide on

the tower locations, obtain final results of the water user poll, and contact IPplus and have them prepared to begin.

11.0 Canadian Badlands Update

Kevin Bridges presented a report on the meeting he and Pat Hemsing had with Louise McGillivray of the Tourism and Services Branch of Alberta Economic Development (AED). His recommendation was that the District does not become involved as the AED has no long term interest in the organization, and will likely reduce or remove support, leaving the financial and administrative burden on the municipalities, and that in his experience it is likely that municipal interest and commitment will wane over time. He did not feel that it was necessary to attend any more meetings with the AED.

He did recommend that the District do its own promotion of irrigation by developing irrigation handouts and placing them at campgrounds and other tourist information places, putting up signage at key facilities and in strategic locations along the major canals, offering tours, sponsoring drama or environmental groups to develop interpretive programs, and having a good website.

12.0 Manager's Report

12.01 MLA Golf Tournament

At the March 23, 2004 meeting, the Board gave direction to organize a golf tournament, barbeque and short tour this summer for a small number of MLA's. Earl Wilson advised that he has contacted Lyle Oberg who was enthusiastic with this proposal and would arrange to bring a few city MLA's from Calgary and Edmonton.

12.02 Luscar Coal

Earl Wilson advised that he was meeting with representatives from Luscar Coal on April 1, 2004. He is also meeting with David Andrews of the Bow City Landowners Association.

13.0 Upcoming Events

13.01 Premier's Dinner – April 1, 2004, Heritage Inn

13.02 Closing Date for Nominations for Directors, Divisions 2, 4 and 7, April 2, 2004 (Election date if required is April 23, 2004)

13.03 Regular EID Board Meeting – Tuesday, April 27, 2004.

Clint Henrickson moved adjournment of the meeting at 3:02 p.m.

Chairman

General Manager

March 30, 2004 Annual General Meeting – Approved

The Eastern Irrigation District held its Annual General Meeting on Tuesday, March 30, 2004, at the Heritage Inn, in Brooks, Alberta. The meeting was called to order by the Chair of the District, Mr. Bob Chrumka at 1:30 p.m. Approximately 67 people were in attendance consisting of irrigators, staff, irrigation officials, government officials and the general public.

1.0 Welcome and Opening Remarks

Mr. Chrumka welcomed those in attendance at the annual meeting and introduced the Board of Directors of the Eastern Irrigation District.

2.0 Introduction of Guests

Mr. Earl Wilson made introductions of representatives of the Irrigation Council, the Irrigation Secretariat, the MLA's office, Alberta Food and Rural Development, Alberta Environmental Protection and consulting engineers that were present at the annual meeting.

3.0 Election of a Chairman for the Annual General Meeting

Mr. Chrumka called for nominations of a chairman for the Annual General Meeting.

Dan Wester was nominated and acclaimed as the chairman for the Annual General Meeting. Chairmanship of the meeting was turned over to him.

4.0 Adoption of Agenda

Chairman Wester introduced the agenda and requested amendments. No additions or deletions were proposed.

Moved by Dennis Petersen that the agenda be accepted as presented. Seconded by Sandra Hajash. CARRIED

5.0 Approval of April 17, 2003 Annual General Meeting Minutes

Chairman Wester introduced the Minutes of the April 17, 2003 Annual General Meeting and requested additions, deletions or corrections. No amendments were proposed.

Moved by Fred Barg that the Minutes of the April 17, 2003 Annual General Meeting be approved as circulated. Seconded by Dan Loewen. CARRIED

6.0 Business Arising from April 17, 2003 Annual General Meeting Minutes

Chairman Wester called for any outstanding business from the Minutes of the April 17, 2003 Annual General Meeting. No matters were raised.

7.0 Presentation of Reports

7.01 Report of the Chairman on behalf of the Board of Directors

Mr. Chrumka presented the report of the Chairman on behalf of the Board of Directors for the year ended December 31, 2003, as published in the District's 2003 Annual Report. Mr. Chrumka noted that, due to the District's favourable budget returns and the tailspin in the agriculture industry, the Board waived the 2003 water rates leaving \$2.1 million with the rate payers. Mr. Chrumka also referenced the provincial "Water For Life, Alberta's Strategy for Sustainability" policy, the District's involvement in the public consultations and the goal of developing long range plans to ensure reliable, efficient, good water quality for the future. At the conclusion of his presentation, Mr. Chrumka expressed appreciation for the co-operation and efforts of the staff, the government agencies, the Board members and the irrigators for helping the District achieve another very successful year.

Chairman Wester called for questions regarding the Board Chairman's report. Mr. Dennis Peterson extended appreciation and compliments to the Board of Directors for making the decision to waive the water rates in 2003. Those in attendance signified agreement with their applause.

Moved by Bob Chrumka that the Chairman's report on behalf of the Board of Directors for the year ended December 31, 2003, be accepted as presented.

Seconded by Dennis Petersen.

CARRIED

7.02 General Manager's Report

Mr. Earl Wilson, P. Eng., presented the General Manager's Report for the year ended December 31, 2003, as published in the District's 2003 Annual Report. In presentation of his report he noted in 2003 that:

- the District completed \$23.8 million worth of construction, its biggest year ever;
- the District delivered an average of 0.98 acre feet of water throughout the district;
- the Rolling Hills Reservoir project received the Award of Excellence in Water Resources from the Consulting Engineers of Alberta, the highest provincial recognition awarded, Mr. Wilson noted that this project has now been entered into a national competition;
- it was an extremely busy year in the oil and gas sector with approximately 1,100 wells being drilled on EID land;
- 810 kilometers of new pipeline were installed;
- the irrigators approved the expansion of the District's irrigation limit from 286,000 acres to 311,000 acres and that policies and processes were adopted by the Board to implement that expansion;
- the District became a self retailer of electricity as a trial to determine whether being a self-retailer offers the opportunity to reduce electricity costs.

Chairman Wester called for questions regarding the General Manager's Report.

Mr. Pokorney expressed concern about a drainage problem on his land that resulted from a canal construction project and was advised that the matter would be assessed in the spring.

In response to a question concerning the number of wells on EID lands, Mr. Wilson advised that there are about 7,000 oil and gas wells on District lands.

An inquiry was made with respect to the amount of money saved by being a self-retailer of electricity. Mr. Wilson responded that the District completed the self-retailer registration process in September 2003, which was after most of the electricity was used for irrigation purposes. It appears that the District achieved slight savings, approximately 0.5 cents per kWh. June is traditionally a lower priced month for electricity and a higher usage period for irrigation purposes, therefore the District expects to save the most money during the month of June.

A question was asked regarding the quantity of gas produced from wells on the District's lands. The District does not have access to that information.

Mr. Peltzer asked for an explanation of the process to become a self-retailer. Mr. Wilson advised that the steps were essentially to become registered with the power pool, put the necessary bonding in place and make arrangements with a broker/administrator to assist the District with reconciling and analyzing the invoices. To date, the District has chosen to purchase electricity on the basis of the flow-through rate, which means the District pays whatever price is set on an hourly basis. The District could negotiate to purchase a block of electricity at a pre-determined rate, however such long term contracts appear to cost more than the hourly price. The District is not ready to retail power to other consumers, however, it has been encouraging other retailers to offer a specially priced irrigator's contract, but nothing has materialized so far.

In response to a question about the proposal to install a hydro-electric generating station at the Bassano Dam, Mr. Wilson advised that the Siksika Nation filed a land claim against the river bed which is creating uncertainty regarding the ownership of that land. The EID will await settlement of that claim before the Bassano Dam generating station will be considered any further. Mr. Wilson noted that earlier analysis indicated that the Bassano Dam generating station makes good business sense when power prices are above \$0.05 per kWh which is where power prices are presently and have been for most of the year.

**Moved by Harold Brauer that the General Manager's Report for the year ended December 31, 2003, be accepted as presented. Seconded by Dick Vossepoel.
CARRIED**

7.03 Report of the Auditor of the District

Mr. Mark Ens, C.A., auditor, presented the Report of the Auditor for the year ended December 31, 2003, as published in the District's 2003 Annual Report. In his presentation he explained:

- that his report contains an unqualified audit opinion which means that he agrees that the financial statements present fairly, in all material respects, the financial position of the District as at December 31, 2003;
- the changes from 2002 to 2003 in the balance sheet accounts including investment types, asset additions, depreciation, deferred revenues and deferred grants;
- the revenue and expense accounts by category along with changes from the prior year including the highlights of current to prior year comparisons contained in Schedule 1;

- specific reference to Notes numbered 4, 5, 9 & 11;
- that total 2003 operating and administration expenses were down approximately 4% from 2002;
- the annual surplus is transferred to the Irrigation Works Fund for future year projects.

Chairman Wester called for questions regarding the financial statements. No questions were raised.

Moved by Dan Loewen that the Report of the Auditor for the year ended December 31, 2003, be accepted as presented. Seconded by George Rommens.

CARRIED

7.04 Annual Maintenance of Irrigation Works Report

Mr. Earl Wilson. P. Eng., presented the Annual Maintenance of Irrigation Works Report for the year ended December 31, 2003, as published in the District's 2003 Annual Report.

Chairman Wester called for questions regarding the report.

A question was raised regarding the new System Water Delivery Summary table and the differences between the amounts of water used in the various irrigation blocks. Mr. Wilson advised the meeting that the differences are generally due to the predominance of wild flood irrigation in some blocks. Some blocks have sandier soils, and pastures tend to require more water due to shallower root zones and needing to be watered more frequently. He also noted that the data in the table excludes canal losses.

An inquiry was raised pertaining to fox tail and gopher control on canal banks. The concern was that both fox tail and gophers tend to migrate into the neighbouring fields if they are not adequately controlled on the canal banks. Mr. Wilson advised that although the EID sprayed 2,100 kilometers of canal banks in 2003, the District is attempting to reduce herbicide spraying primarily due to the view that the District is spraying too much. The District's goal with respect to the spraying program is to minimize weed growth on new canal banks until the grass is well established, usually requiring spraying for the first 2 to 3 years following construction. With respect to the gopher concern, Mr. Wilson indicated that this is the first time this concern has been raised.

Moved by Harold Brauer that the Annual Maintenance of Irrigation Works Report for the year ended December 31, 2003, be accepted as presented. Seconded by Don Plett.

CARRIED

7.05 Irrigation Infrastructure Report

Mr. George Romao, District Engineer, presented an overview of the rehabilitation projects undertaken by the District in 2003. In particular, Mr. Romao noted that:

- \$23.8 million was spent on the combined rehabilitation program in 2003, making reference to the tables included in the Annual Report;
- GPS was used on-board the construction equipment for the Tilley Canal project with very satisfactory results;

- the District is planning a Grand Opening of the Rolling Hills Reservoir, possibly in June 2004.

Chairman Wester called for questions pertaining to the Irrigation Infrastructure Report. No questions were raised.

Moved by George Murray that the Irrigation Infrastructure Report for the year ended December 31, 2003, be accepted as presented. Seconded by Michael Dovichak. CARRIED

8.0 New Business

8.01 High Speed Wireless Internet Proposal

Mr. Earl Wilson, P. Eng., presented an overview of the District's proposal to develop a wireless network that will provide high speed internet service throughout the district. Mr. Wilson indicated that:

- a tower will be required in most communities in order to provide adequate signal strength throughout the district;
- for 200 users, the District's investment will be approximately \$650,000 for set up costs;
- the proposal is that users will be charged \$400 as an installation fee, plus \$40 to \$45 per month as a user fee;
- this system will operate at a loss initially, however at 500 users, the District will begin to earn a return on its investment;
- the suggested fee for a regular account is \$40 to \$45 per month, although the District is proposing a lower fee, perhaps in the range of \$25 per month for water users. The Board is in favour of a \$25 monthly fee for water users;
- the cost of radio equipment in each house will be approximately \$1,000, and accordingly the District will be subsidizing that cost by about \$600 in order to charge an installation fee of only \$400;
- the County of Newell was asked to participate financially in order to reduce the EID's cost and the cost to the water users;
- it is the District's intention to deploy service throughout the district on an equivalent, timely basis;
- the service will be offered to non-water users at the regular rates

In response to a question about the SuperNet, Mr. Wilson advised that the EID's system will be separate from the SuperNet, primarily because operating a separate system will be less expensive. The speed of the EID's system will be similar to both DSL and cable internet services.

Moved by Arno Doerksen that the Board of Directors of the Eastern Irrigation District be encouraged to provide wireless, high speed internet service if the Board deems it to be viable. Seconded by Harry Philipson. CARRIED

8.02 General Matters Raised from the Floor

8.02.1 Sale of Irrigation Leases

A question was raised regarding the first sale of an irrigated lease. Mr. Chrumka advised that the Board learned from the first sale. In the future, the Board will possibly try to purchase the mainline from the lessee and then include that equipment in the offer to sell the lease land. The price of the mainline will be added to the price of the land. This will avoid the necessity of the lessee having to negotiate with the purchaser. Overall, Mr. Chrumka advised that the Board is satisfied with the process and believes that the bid process is a fair way to determine the sale price.

In response to another question, Mr. Chrumka advised that the sale price was \$1,194,000 for approximately 688 acres of irrigated land plus 300 dry acres.

8.02.2 Dryland Private and Community Pastures

In reply to a question, Mr. Chrumka advised that these pastures, whether private or community, will not be offered for sale. This policy is consistent with the direction previously provided to the Board by the water users. It was also noted that the Board intends to respect the leases that are in place and won't be dealing with them until they expire.

A question arose as to whether CIS tags are required in cattle being put into the community pastures. Mr. Wilson and Mr. Hale advised that it is not the EID's policy to require these tags and display of the tags will not be enforced by the EID's lease riders. It was noted that these tags are required in PFRA pastures.

8.02.3 Master Oil and Gas Agreement

An inquiry was made as to the status of this agreement. Mr. Wilson advised that the current agreement expires in December 2005 and the District will begin negotiating a renewal in 2005. The task for 2004 is to gather background information and to develop and approve a negotiating strategy. A suggestion was made that the District hire a professional negotiator for the next round of negotiations, however it was pointed out that the District staff have performed this function in the past. Mr. Chrumka invited the water users to continue to provide input to the Board in this matter to ensure that the Board is aware of the elements of the leases that are being negotiated privately. The revenue that the District derives from oil and gas leases is significant, and the Board will be giving the negotiations significant attention and effort to ensure that the District's interests are well represented in the new agreement.

8.02.4 New Community Pasture Grazing Policy

Mr. Wilson advised that the Board recently adopted a new grazing policy whereby two turn-in dates will be allowed for community pastures. At the spring turn-in date, 40 cow/calf pairs will be allowed into the pasture for the duration of the grazing season. If a rancher prefers to keep his cattle out of the community pasture for the first part of the season, that rancher will be allowed to put 70 cow/calf pairs into the pasture, beginning August 1st, for the balance of the grazing season. The come home date will be the same for all cattle regardless of the turn-in date. The new policy will be subject to administration by the individual grazing associations and will also be subject to grass conditions and will likely not be used on tame grass pastures.

8.03 Report on Scheduled Elections

Mr. Wilson advised that nominations are currently being received for the position of Director in each of Divisions 2, 4 and 7. The nomination period will close on April 2, 2004, at 4:00 p.m. He noted that nomination forms are available at this meeting if anyone requires a form.

9.0 Adjournment

There being no further business to come before this meeting, Chairman Wester declared the meeting adjourned at 2:54 p.m.

Mr. Chrumka expressed appreciation to Mr. Wester for chairing the Annual Meeting. Those in attendance applauded Mr. Wester for his efforts. Mr. Chrumka thanked everyone for attending and indicated that the Directors and staff would remain in attendance for a while after the meeting if anyone wished to speak to a Director or staff member.

April 26, 2004 Directors Meeting

The Directors of the Eastern Irrigation District held a meeting on the 26th day of April, 2004. Those in attendance were:

- Mr. Bob Chrumka Chair [Division 06]
- Mr. Clint Henrickson Vice-Chair [Division 03]
- Mr. Floyd George Director [Division 01]
- Mr. Tom Livingston Director [Division 02]
- Mr. Neil Johnson Director [Division 04]
- Mr. Allen Nielsen Director [Division 05]
- Mr. Pat Hemsing Director [Division 07]

- Mr. Earl Wilson General Manager
- Mr. Kevin Bridges Assistant General Manager
- Mrs. Renate Dykstra Executive Assistant

The meeting was called to order at 9:00 a.m.

1.0 Organizational Meeting

1.01 Election of Chairman

Earl Wilson took the chair and called for nominations for Chairman. Pat Hemsing nominated Bob Chrumka for Chairman. Seconded by Tom Livingston. Bob Chrumka accepted the nomination. Mr. Wilson called 2nd and 3rd times for nominations. As no further nomination was placed, Bob Chrumka was elected chairman by acclamation.

1.02 Election of Vice-Chairman

Bob Chrumka called for nominations for vice-chairman. Tom Livingston nominated Clint Henrickson as vice chairman of the Board of Directors. Clint Henrickson accepted the nomination. Floyd George nominated Allen Nielsen as vice-chairman of the Board of Directors. Allen Nielsen accepted the nomination. Bob Chrumka called 2nd and 3rd times for nominations. As no other nominations were forthcoming, a secret ballot vote of the Board of Directors was held. Bob Chrumka declared Allen Nielsen elected as vice-chairman of the Board of Directors.

Moved by Clint Henrickson that the ballots for the election of vice-chairman be destroyed. Seconded by Pat Hemsing. CARRIED

1.03 Chamber of Commerce Representative

Pat Hemsing and Neil Johnson will share being the EID representative at the Chamber of Commerce meetings.

1.04 AIPA Representatives

Earl Wilson, Bob Chrumka, Floyd George and Clint Henrickson were appointed as EID representatives at the AIPA meetings.

1.05 Prairie Conservation Action Committee

Tom Livingston will represent the EID at the meetings of the Prairie Conservation Action Committee.

1.06 Red Deer Water Shed Council

Earl Wilson and Neil Johnson will share representation with respect to the Red Deer Water Shed Council.

1.07 Per Diem Rates

81-04-2004 Moved by Allen Nielsen that the per diem rate for the Board of Directors remains at \$300.00 per day. Seconded by Tom Livingston. DEFEATED

82-04-2004 Moved by Neil Johnson that the per diem rate for the Board of Directors be increased to \$325.00 per day. Seconded by Pat Hemsing. CARRIED

2.0 Adoption of Agenda

The following items were added to the agenda:

- Lake Newell Marina to item 4.0 – Business Arising
- Annual Water Transfer, Miller to Calvert to item 10.0 – Lands
- Letter from Boards and Blades Association to item 11.0 – General Manager’s Report
- Letter from Irrigation Secretariat re Eligible Costs under IRP to item 11.0 – General Manager’s Report

83-04-2004 Moved by Pat Hemsing that the Board adopt the agenda as presented with additions. Seconded by Clint Henrickson. CARRIED

3.0 Approval of Minutes

3.01 Minutes of March 23, 2004 Board Meeting

84-04-2004 Moved by Clint Henrickson that the Minutes of the March 23, 2004 regular Board Meeting be approved as circulated. Seconded by Neil Johnson. CARRIED

3.02 Minutes of March 29, 2004 Board Meeting

85-04-2004 Moved by Pat Hemsing that the Minutes of the March 29, 2004 regular Board Meeting be approved as circulated. Seconded by Tom Livingston. CARRIED

4.0 Business Arising from Minutes

4.01 Change Motion on Purchase of Trucks (49-03-2004)

86-04-2004 Moved by Pat Hemsing that the District purchase two 550 trucks from Harwood Ford, seven half ton trucks and three three-quarter ton trucks from Chinook Chrysler. Seconded by Clint Henrickson. CARRIED

4.02 Lake Newell Marina

This subject was brought back from the February 23, 2004 Board Meeting. An inspection of the situation was conducted. It was noted that ¾ mile of shoreline is eroding and needs to be repaired. Some of the erosion is close to encroaching on private property. The cost to repair the shoreline is in the neighbourhood of \$100,000.00 and the District can’t justify repairing the entire shoreline, but would consider partnering with others to do the repairs in the section close to the private property.

4.03 Patterson Irrigated Lease

There was discussion on the sale of the Patterson lease. The consensus was that it went very well. The District received positive feedback from water users as to the method that was used. The only concern is what to do with the mainline in the sale of future leases and whether or not the District should consider purchasing it prior to the lease land going up for sale and then selling it with the land, however that could become problematic if the lease holder is the purchaser.

A suggestion was made to change the irrigated leases to 10 year leases with no right of first refusal to the lease holder. Others felt it was preferable to leave the leases as they are.

These matters were set aside without a decision to be considered prior to the next sale of leased land.

George Romao enters at 9:45 a.m.

5.0 Engineering Report

5.01 Project Update

George Romao presented a project status report noting that all pipelines, canals, settling ponds and structures are installed, with the clean-up ongoing. Commissioning of H Cowoki pump site is scheduled for April 27, 2004, and charging of the other new pipelines is to start in this week.

Mr. Romao also presented a project land assembly status on the 18 Rolling Hills project, noting all landowners have been contacted and the final right of way location is pending discussion with Gutfriends on the location of the settling pond.

5.02 Right of Way Rate Structure Review

A discussion was held on compensation rates for rights of way and whether or not to increase the rates. Requests have been received from landowners in this regard. The overall view was that it should be increased.

87-04-2004 Moved by Floyd George to increase the dryland grass rights of way rate to \$600 per acre, dryland cultivation rights of way rate to \$1,200 per acre and irrigated grass rights of way rate to \$2,000 per acre. No Seconder.

It was decided to leave this matter for further discussion until after the meeting with the Secondary "B" North Branch landowners.

5.03 Secondary "B" North Branch Landowner Concerns

George Romao presented the proposed preliminary rehabilitation of Secondary "B" and part of Secondary "A" North Branch to the Board. The proposed alignment for this pipeline will begin with an inlet installed in Crawling Valley Reservoir, from there the pipeline will travel south for approximately 1.5 miles and branch off supplying Secondary "B" North Branch and the bottom half of Secondary "A" North Branch. There are also some acres that are presently fed from drains that can be supplied from this pipeline, Approximately 3,270 acres will be supplied by this proposed pipeline, 2,238 acres are pump irrigation, 436 acres are gravity irrigation and 596 acres are terminable acres.

Landowners that are affected by the proposed rehabilitation of the pipeline have been contacted and a list was presented outlining the circumstances of each landowner.

A break was held from 10:25 to 10:30 a.m.

Peter Burrows, Ralph Chizik, Steve Hagberg, Phyllis Andrus and Rae Latimer entered at 10:30.

Introductions were made, and the landowners expressed their concerns as follows:

- they felt that they should not have to pay the capital assets charge of \$200 per acre on the conversion of 2nd water to 1st water, since they had done their own development in the past when 1st water was not available to them.
- they would have liked to have been told that the capital assets charge of \$100 per acre was going to increase to \$200 per acre, so that they could have had the opportunity to pay the \$100 per acre before the change.
- the financial expense of hooking onto the pipeline, and paying the capital assets charge outweighs any benefit the landowners will gain.
- not enough pressure to avoid on-farm pumping costs.
- right of way payments are not high enough.

Rae Latimer presented a letter to the Board outlining his concerns and asked for a reply.

Peter Burrows, Ralph Chizik, Steve Hagberg, Phyllis Andrus and Rae Latimer exited the meeting at 11:20 a.m.

Discussion ensued with respect to changing the capital assets charge on the conversion of 2nd water. Earl Wilson advised that there are approximately 18,000 acres of 2nd water in the District, 10,000 acres will be converted over time, and the other 8,000 acres are on small parcels that can't be converted, can't be supplied, or the canal systems are weak in those areas. He pointed out that when the *Irrigation Districts Act* changed, all the 2nd water that could be converted to 1st water was done. He also noted that it was to the District's advantage to convert from 2nd water to 1st water as it produces more efficient irrigation and less spillage, but will thereby be drying up drains. Therefore it is an advantage to the landowners to have 1st water as the water supply is guaranteed, and furthermore will increase the value of their land. It was also mentioned that the landowners that now have 2nd water could not have it converted at the time the capital assets charge changed, due to the time table of the District and through no fault of their own.

88-04-2004 Moved by Pat Hemsing that the Board reduce the capital assets charge from \$200 per acre to \$100 per acre for terminable acres converted to irrigation acres on the District's time table, however, if the opportunity to convert is not taken by the landowners at the time it is given, then the capital assets charge thereafter will be \$200 per acre or the District's prevailing rate, plus the annual penalty that is already in place. The terminable acres must have been on the District's water roll in November, 2003. Seconded by Allen Nielsen.

CARRIED

89-04-2004 Moved by Pat Hemsing that the capital assets charge on new irrigation acres be increased to \$400 per acre. Seconded by Neil Johnson.

90-04-2004 Moved by Floyd George to table the motion. Seconded by Allen Nielsen. DEFEATED

Further discussion.

MOTION 89-04-2004 DEFEATED

5.02 Right of Way Rate Structure Review (continued)

The discussion of the right of way rate structure review was continued. A comment was made that the rates are fair as the landowners are getting the benefit of the pipeline. Another opinion was that the right of way payments should be above market value. There have been a number of requests by landowners to increase the right of way payments.

91-04-2004 Moved by Allen Nielsen that the Board increase the rate structure for rights of way to \$800 per acre for dryland grass, \$1,200 per acre for dryland cultivation, \$2,000 per acre for irrigated land, \$2,400 per acre for acreages (less than 40 acres), with the construction easements or rights of way being 25% of the aforesaid rates, and pipeline easements being 66.6% of the aforesaid rates, effective for the 2004 to 2005 construction year. Seconded by Tom Livingston. CARRIED

6.0 Equipment

Earl Wilson provided a list of 14 trucks to be sold and advised that Calgary Public Auction would give the District a cash buy out of \$37,000, Johnny Charlton Auctions would include them in a sale on May 8, 2004 at a commission of 7.5% up to \$50,000, 5% from \$50,000 to \$150,000 and 3.5% over \$150,000, and Annett Auction Services would have a sale on June 12, 2004, with a commission of 8% as is, or 5% if the trucks were cleaned by the District.

92-04-2004 Moved by Floyd George that the Board approve the sale of trucks by Johnny Charlton Auctions. Seconded by Tom Livingston. DEFEATED

93-04-2004 Moved by Neil Johnson that the Board approve the sale of trucks by Annett Auction Services at 5% commission. Seconded by Pat Hemsing. CARRIED

The Board adjourned for lunch at 11:55 a.m. and reconvened at 1:00 p.m. Jim Meador joined the meeting.

7.0 Financial Report

7.01 March 2004 Financial Statement

Kevin Bridges presented the Financial Statement to March 31, 2004, noting the following:

- revenues are exceeding the year to date budget and expenses are less than the year to date budget resulting in a year to date surplus of \$6.6 million.
- gross revenues are up from the prior year to date by \$2.3 million.

- Encana will receive an oil and gas refund of \$560,000 in May for 90 wells that were cancelled.
- insurance premiums have gone up 10% but are still within the approved budget.
- with respect to rate enforcement, only 3 out of 11 accounts remain outstanding.
- with respect to accounts receivable on Household Purposes Agreements and Rural Water Use Purposes Agreements, the District is being more firm on overdue accounts and will turn off water after notice is given.

The quarterly accounts receivable report was presented and discussed.

94-04-2004 Moved by Tom Livingston that the Board approve the Financial Statements to March 31, 2004, as presented. Seconded by Clint Henrickson.

CARRIED

7.02 Investment Report

An investment summary to March 31, 2004 was presented. Total investments are \$42,259,637 compared to \$40,539,206 as at March 31, 2003.

8.0 Operations Report

8.01 Water Turn On Date

Jim Meador advised that he had received requests from Rolling Hills and Scandia for an earlier water turn on date than May 10, 2004. Reservoirs are expected to be full by May 10, 2004.

Earl Wilson advised that snow packs are running between 10% and 25% below average this year and would prefer a turn on date not before May 6, 2004.

95-04-2004 Moved by Pat Hemsing that the Board approve a turn on date of May 6, 2004, to the areas that have requested water. Seconded by Tom Livingston.

CARRIED

8.02 Farm Improvement – Ken Hanscam – NW 35-14-13 W4M

Jim Meador presented a farm improvement project for Ken Hanscam for the conversion of 99 acres of flood irrigation in the NW 35-14-13 W4M to pivot irrigation and the increase of 15 new irrigation acres for a total of 114 acres under pivot. Pivot must be low pressure complete with drop tubes and no cold weather shut-offs. Pivot must be piped from pump site to pivot centre. The pivot will be crossing 07 Secondary A with 7 or 8 towers and if this canal is rehabilitated, a relocation does not seem feasible. Shut-offs may have to be installed on the pivot at this point if necessary. Payment to the water user is as follows:

99 acres flood to pivot:	\$5,711.00
Less 15 extra acres @ \$200/acre	<u>3,000.00</u>
Payment to water user:	\$2,711.00, less the cost of crossings and pump-well

96-04-2004 Moved by Pat Hemsing that the Board approve the farm improvement project of Ken Hanscam for:

- (a) the conversion of 99 acres of flood irrigation in the NW 35-14-13 W4M to pivot irrigation; and**
- (b) the increase of 15 irrigation acres in the NW 35-14-13 W4M due to conversion from flood to pivot irrigation for a total of 114 acres under**

**pivot;
with payment to the water user of \$2,711.00, less the cost of crossings and a
pump well. Seconded by Tom Livingston. CARRIED**

8.03 Farm Improvement – Graham Conversions

In November, 2003, the Board approved two farm improvement projects for John and James Graham and the increase in irrigation acres for several Grahams and their companies. To date these farm improvements have not happened and there has been an additional request by South Slope Feeders Ltd. for the conversion of 131 acres of wheel move irrigation in the NW 2-17-16 W4M to 113 acres of pivot irrigation, with the remaining 37 acres to be moved to Section 11-17-16 W4M, of which 19 acres are conversion acres. The Grahams were advised that the pivots had to be up by November 1, 2004, or the increases in irrigation acres would be revoked. Jim Meador is looking for direction from the Board as to how to handle this situation. Earl Wilson advised that he had telephoned the Grahams numerous times to attend at the EID office to discuss the situation and complete the documentation, however, that has not been done. As the Grahams were given a time line in which to complete their developments, the Board advised that they will not look at the new farm improvement project until they have attended at the office and presented an overall plan which must be approved by Earl Wilson.

Jim Meador exits at 2:03 p.m.

9.0 Wireless Internet Proposal

Kevin Bridges presented the EIDNet Business Plan including a proposed budget for the next 4 years, marketing initiatives and rate structure plan. In reviewing the proposal, the Board felt that it was a good plan overall. The Board requested the following amendments:

- the \$100 down payment that will be required by customers at the time of their application is to be non-refundable unless the EID cannot provide the service.
- the \$100 down payment is to be part of the radio equipment charge of \$400.
- EID staff will pay the same rate for service as water users, being \$400 for the equipment and \$25 per month.
- non-profit organizations will pay the same as water users.

It was noted that the County of Newell will provide funding of \$155,000 towards the cost of the towers.

97-04-2004 Moved by Tom Livingston that the Board approve the implementation of high speed wireless internet service as proposed in the EIDNet Business Plan with the aforementioned amendments. Seconded by Pat Hemsing.

CARRIED

A recess was held from 2:40 to 2:52 p.m. Bob Hale enters.

10.0 Lands

10.01 Grazing Report on GAC Meeting

Bob Hale presented a copy of the Minutes of the Grazing Advisory Committee held on April 5, 2004. He noted Motion GA04-04, which read as follows:

“E. Christianson moved that a suggestion be made to the EID Board of Directors that when an oil or gas well is drilled that 1/3 of the money be banked by the EID Board for future irrigation development on grassland, 1/3 be used by the association for capital improvements and 1/3 be used by the associations as compensation to be used in the way they see fit.”

It was noted that the amount paid to the associations for each wellsite is \$450.00.

98-04-2004 Moved by Allen Nielsen that the Board accept Motion GA04-04 of the Grazing Advisory Committee, noting that the money referred to in the motion is money paid to the grazing associations by the District at the rate of \$450.00 per wellsite. Seconded by Pat Hemsing. CARRIED

Bob Hale also mentioned that a number of farmers have requested the turn-out date in the grazing leases of August 1, 2004.

10.02 Report on Lease Land Tender

Bob Hale presented a list of the 5 bids that were received on Grazing Lease #7169, which is located south of the Silver Sage building. The bids were as follows:

Neil Baer	\$5,130 or \$28.50 per month
Dallas Maldaner	\$4,200 or \$23.33 per month
Bradley Torkelson	\$5,940 or \$33.00 per month
Ellis Kropf	\$5,700 or \$31.66 per month
Marvin and Mahlon Baer	\$5,940 or \$33.00 per month

The bids of Bradley Torkelson and Marvin and Mahlon Baer were the same and a draw was held to determine which bid would be accepted. The bid of Marvin and Mahlon Baer’s bid was accepted.

10.03 PHD – 2004 Projects

A report was presented to the Board by PHD outlining how they select sites for planting trees and shelterbelts and the methods used. A list of 2004 planting projects was included giving the names of landowners, tree numbers and meters of fencing required. The total number of trees to be planted in 2004 is 54,035. There have been some concerns raised with respect to planting trees in farmyards, and Earl Wilson advised that he had given PHD direction to plant more than 200 meters from the yard sites, so as to avoid the perception that PHD is planting farmyard shelterbelts.

10.04 Luscar Coal

Earl Wilson gave a report on his meeting with Luscar Coal. Luscar Coal wishes to access EID lands to continue their environmental studies. They were advised that the District would charge \$1,000 for access for each quarter section. They were unhappy with this arrangement as they did not have funds for this in their budget, and the District offered free access for their spring program to the end of May 2004, and thereafter they would be required to pay \$1,000 for each quarter accessed. They were also asked to enter into an agreement with the District with respect to confidentiality, however Luscar advised that they couldn’t live up to the confidentiality agreement due to EUB criteria. Accordingly, Luscar was advised that they would not be given access. Earl Wilson advised that he is seeking legal advice in this matter and until that has happened Luscar will not receive access.

10.05 Request for Annual Transfer of Acres – Ken Sharpe and Dean Martin to Jamie Buteau

The District had received requests for the transfer of 40 irrigation acres from Ken Sharpe in the NE 20-18-16 to Jamie Buteau in the NW 20-18-16 W4M, and 60 irrigation acres from Dean Martin in the SE 24-18-15 W4M to Jamie Buteau in the NW 20-18-16 W4M, for the 2004 irrigation season.

99-04-2004 Moved by Pat Hensing that the Board approve the transfer of 40 irrigation acres from Ken Sharpe in the NE 20-18-16 W4M to Jamie Buteau in the NW 20-18-16 W4M, and the transfer of 60 irrigation acres from Dean Martin in the SE 24-18-16 W4M to Jamie Buteau in the NW 20-18-16 W4M, for the 2004 irrigation season, subject to Dean Martin obtaining approval from his financial lending institutions for the transfers. Seconded by Neil Johnson.

CARRIED

10.06 Request for Annual Transfer of Acres – John Miller to Bradley Calvert

The District received a request to approve the transfer of 80 irrigation acres from John Miller in the S ½ 23-17-17 W4M to Bradley Calvert in the SW 30-17-14 W4M, for the 2004 irrigation season.

100-04-2004 Moved by Clint Henrickson that the Board approve the transfer of 80 irrigation acres from John Miller in the S ½ 23-17-17 W4M to Bradley Calvert in the SW 30-17-14 W4M for the 2004 irrigation season. Seconded by Tom Livingston.

CARRIED

10.07 Brooks Motorcycle Club – Inclusion of Parking Area

On March 29, 2004, the Board approved the renewal of the Brooks Motorcycle Club Permit for the next two years at the same rate as previous, excluding the parking and pit area, as the Club had not returned the acknowledgement of fencing and Texas gate conditions. It turned out that the acknowledgement was signed and mailed, but not received by the District and the Club had no way of knowing that the matter was unresolved. It was noted that it is important to the Club to have the use of the parking and pit area.

101-04-2004 Moved by Tom Livingston that the Board approve that the parking and pit area be included in the Recreational Use Agreement with the Brooks Motorcycle Club with no fee increase. Seconded by Allen Nielsen.

CARRIED

10.08 Rolling Hills Reservoir Campground

Earl Wilson gave an update on the Rolling Hills Reservoir campground. He reported that the grass is doing well and the season opening is planned for the May long weekend. The District is required by law to supply potable water for the showers and this year water will have to be hauled. A water treatment system will be installed at the approximate cost of \$50,000 when required.

With respect to the seasonal rental of the campsites, it was suggested that an advertisement be run in the local newspapers for a draw to be held on May 14, 2004, on all applications submitted with the first 40 names drawn to be granted the seasonal sites. Payment for the seasonal sites to be made by May 20, 2004.

Earl Wilson advised that the Chamber of Commerce is selling the log cabin at the Duke of Sutherland Park by bid to close on June 4, 2004, and he felt that it would be an ideal building for an office and concession stand at the Rolling Hills Reservoir Campground.

- 102-04-2004 Moved by Pat Hensing that the District bid on the Brooks and District Chamber of Commerce Tourist Information log cabin at the Duke of Sutherland Park for the Rolling Hills Reservoir Campground. Seconded by Allen Nielsen. CARRIED**

More information will be presented at the next meeting in this regard.

11.0 General Manager’s Report

11.01 Report on AIPA Executive Meeting

Earl Wilson gave a brief report on the AIPA Executive Meeting. The most noteworthy matter was the development of a CD rom teaching aid which would target grade 8 students. It is anticipated that a draft will be ready in 2 months.

11.02 EID Historical Park

The District received a letter from the EID Historical Park requesting monetary assistance to run the park. The Board did not wish to donate any funds at this time.

11.03 Brooks Boards and Blades Association

A letter was received from Brooks Boards and Blades Association requesting a donation for the construction of a skateboard park. No contribution will be given.

11.04 Information Items

John Knapp

Earl Wilson received a memo regarding the formal announcement of the new Assistant Deputy Minister of Sustainable Agriculture. John Knapp has replaced Les Lyster who retired.

Rocky Mountain Glaciers

A memo was received from Mark Bennett at BRBC with respect to the shrinking of the Rocky Mountain Glaciers within the next 30 to 50 years. Lorne Taylor is calling for long term plans that will likely include water conservation and storage reservoirs and the metering of water in households.

11.05 Eligible Costs Under IRP

A letter was received from the Irrigation Secretariat with respect to eligible costs under the IRP program. The approved factor to be applied to irrigation district staff labour rates has increased from 1.5 to 1.6, and specified pieces of district owned equipment such as jumping jacks, lazer controls and pipe joining systems can also be charged to IRP projects.

12.0 Upcoming Events

12.01 EID Board Tour – Thursday, May 20, 2004

12.02 Regular EID Board Meeting – Thursday, May 27, 2004, at 9:00 a.m.

12.03 Confronting Water Scarcity Conference, University of Lethbridge – July

13-16, 2004 (register after May meeting).

Allen Nielsen moved adjournment of the meeting at 3:58 p.m.

Board Chairman

General Manager

May 27, 2004 Directors Meeting

The Directors of the Eastern Irrigation District held a meeting on the 27th day of May, 2004. Those in attendance were:

- Mr. Bob Chrumka Chair [Division 06]
- Mr. Clint Henrickson Director [Division 03]
- Mr. Floyd George Director [Division 01]
- Mr. Tom Livingston Director [Division 02]
- Mr. Neil Johnson Director [Division 04]
- Mr. Allen Nielsen Vice-Chair [Division 05]
- Mr. Pat Hemsing Director [Division 07]

- Mr. Earl Wilson General Manager
- Mr. Kevin Bridges Assistant General Manager
- Mrs. Renate Dykstra Executive Assistant

The meeting was called to order at 9:05 a.m.

1.0 Adoption of Agenda

The following items were added to the agenda:

- Update on Westbridge Developments Subdivision Applications to item 8.0 – Lands Report

103-05-2004 Moved by Pat Hemsing that the Board adopt the agenda as presented with additions. Seconded by Clint Henrickson. CARRIED

Tom Livingston entered at 9:10 a.m.

2.0 Approval of Minutes

2.01 Minutes of April 26, 2004 Director’s Meeting

104-05-2004 Moved by Clint Henrickson that the Minutes of the April 26, 2004 regular Board Meeting be approved with noted amendments. Seconded by Tom Livingston. CARRIED

3.0 Financial Statements

3.01 Financial Statements to April 30, 2004

Kevin Bridges presented the Financial Statements to April 30, 2004, noting the following:

- revenues are exceeding the year to date budget and expenses are less than the year to date budget;
- gross revenues are up from prior year to date by \$2.4 million, mainly due to oil and gas and water revenues;
- 2004 IRP grant is in the amount of \$4,305,298 compared to \$4,447,312 in 2003;
- Rural Water Use Purposes Agreement and Household Purposes Agreement billings for 2004 are approximately \$9,200 higher than in 2003.

3.02 Rate Enforcement

Kevin Bridges advised that all of the landowners on the 2004 Enforcement Return have paid

their outstanding accounts for the year 2002.

3.03 Pressure Pipeline System Surcharge (Springhill and 03 East Branch)

Mr. Bridges requested clarification from the Board on the invoicing of the 2003 pressure pipeline system surcharge. It had been assumed that the surcharge had been waived along with the 2003 water rates. The Board advised that when it waived the 2003 water rates, it was not the intention that the surcharge be waived as well, and accordingly, the 2003 surcharge is to be included on the 2004 invoices.

A question was raised as to whether or not the 5% early payment discount should be applied to the pressure pipeline system surcharge. After much discussion, it was decided that the 5% discount would remain on the surcharge.

Floyd George entered at 9:26 a.m.

A lengthy discussion was held on the pressure pipeline system surcharge rate of \$2.00 per acre. Some Board members felt that it should be raised as it doesn't pay 100% of the maintenance costs. The Board requested that the accounting department track the cost of what it costs to run the pressure pipeline systems in comparison to others that don't have a pressurized system and to revisit this matter at a meeting in the near future when more information is available.

3.04 Flow Measure Devices

The District has purchased a number of flow measurement devices from a company in Australia and thus far the results of their use have been favourable. There were suggestions from the Board that perhaps the District should become a distributorship for these flow measurement devices if they can be purchased directly from Australia with a significant discount when ordered in quantities. The District would sell these devices to other irrigation districts. The Board requested that an inquiry be made to the manufacturer with respect to the District becoming a distributor for these devices.

105-05-2004 Moved by Clint Henrickson that the Board approve the Financial Statements to April 30, 2004, as presented. Seconded by Neil Johnson. CARRIED

A recess was held from 10:30 a.m. to 10:38 a.m.

4.0 High Speed Wireless Internet Update

Kevin Bridges presented an update of the high speed wireless internet project. He noted the following:

- 8 development permits have been submitted to the County of Newell and 1 development permit has been submitted to the Village of Duchess for tower sites, with decisions expected by the middle of June 2004;
- if existing facilities can be used rather than constructing a new tower, it will allow for a capital savings of approximately \$20,000 per tower, but will partially be offset by annual rental charged by the facility owner;
- if existing facilities are unavailable, towers will be located on the District's properties;
- the District has been contacted by 201 potential high speed wireless internet customers, 70% are currently EIDNET dial-up customers with the highest response level from Brooks, Duchess and Tilley areas;

- the negotiations and an agreement with IP Plus covering the first 5 years of operation are expected to be finalized by June 15, 2004;
- delivery of high speed internet service in Brooks and Bassano will be possible almost immediately after execution of the agreement with IP Plus;
- Tilley, Rosemary and Patricia areas will likely be served later than the others, due to the time it takes to have power installed to those tower sites;
- service throughout the District is still expected by September 1, 2004.

George Romao entered at 10:50 a.m.

5.0 Engineering Report

5.01 18 Rolling Hills Project Land Assembly Status

George Romao presented the 18 Rolling Hills Project Land Assembly Status noting that all landowners affected by this project have signed agreements.

5.02 R Tilley Synopsis

R Tilley Canal serves 400 acres of gravity irrigation with a flow of 20 cfs. Current problems associated with this canal are seepage, lack of capacity, poor bank width and height, and the control structures along this reach are in need of replacement. The recommended rehabilitation is to run a PVC pipeline from a structure located adjacent to the Tilley Canal due west to the center of the east side of Section 11-17-13 W4M. The same number of acres will be served with a required flow of 18 CFS. The estimated cost for this project is \$350,000.

106-05-2004 Moved by Clint Henrickson that the Board approve the project to rehabilitate R Tilley Canal by running a PVC pipeline from the structure located adjacent to the Tilley Canal, due west to the center of the east side of Section 11-17-13 W4M, at an estimated cost of \$350,000. Seconded by Pat Hemsing. CARRIED

5.03 26 Rolling Hills Synopsis

This section of 26 Rolling Hills Canal serves 406 acres of sprinkler irrigation and 138 acres of gravity irrigation with a flow of 15 cfs. Current problems associated with this canal are seepage, lack of capacity, poor bank width and height, and the controls structures are in need of replacement. The recommended rehabilitation is to replace this section with two independent PVC pipelines. The first pipeline would be supplied from an inlet structure equipped with an automated side-sweep screen cleaner, located adjacent to 26 Rolling Hills Canal, near the southern center of Section 23-14-13, with the pipeline running due north to the delivery in the south east corner of the SW 26-14-13, with a lateral branching off near the halfway mark to deliver to the SE 26-14-13 W4M.

The second pipeline would start from a settling pond located near the center of the southern border of the SE 25-14-13 W4M and run north northwest to supply 2 pivots from a pumping station located near the center of Section 25-14-13 W4M. This pipeline would also have the capacity to supply livestock water to the EID leases located to the north of this project.

This project would serve the same number of acres with a required flow of 8.5 cfs for the first pipeline and 6 cfs for the second pipeline. It was noted that the NE 23-14-13 W4M, which is owned by the District, has been classified as having 100 acres of Priority 1 irrigable acres, and a turnout for a pivot on this quarter section could be added from the first pipeline with no

additional cost or changes to the existing design. The estimated cost for this project is \$720,000.

- 107-05-2004 Moved by Tom Livingston that the Board approve the rehabilitation of 26 Rolling Hills Canal by replacing a portion of the canal with two independent PVC pipelines, as presented, and to develop the NE 23-14-13 W4M. Seconded by Pat Hemsing. CARRIED**

5.04 Lateral 10 Rolling Hills Rehabilitation

This proposed project is located in the SE 13-15-14 W4M and is another stage of the Lateral 10 Rolling Hills Canal rehabilitation. The existing canal delivers water to a pump site in the SE 13-15-14 near the center of the quarter section along the east boundary and then carries water to the north east corner of the quarter to a structure that delivers to the drain across the road to the east to augment the supply for irrigation from the drain to the north. The proposed rehabilitation for this canal is to bury a polyethylene liner to a point 400 meters north of the south east corner to the existing pump site, and immediately downstream install a structure and road crossing to supply the drain east across the road. The estimated cost for this recommended project is \$103,000.

- 108-05-2004 Moved by Pat Hemsing that the Board approve the proposed rehabilitation of a section of Lateral 10 Rolling Hills Canal by installing a polyethylene liner to a point 400 meters north of the south east corner of the SE 13-15-14 W4M to the existing pump site, and immediately downstream install a structure and road crossing to supply the drain east across the road, at an estimated cost of \$103,000. Seconded by Tom Livingston. CARRIED**

5.05 Arno Doerksen Domestic Water

Earl Wilson presented a request from Mr. Doerksen, to the Board. Mr. Doerksen has a delivery in the north west corner of NW 4-23-16 W4M, and his farmyard is located in the south west part of the quarter section. He is pumping out of the drain, however his domestic supply of water has not been reliable since the EID installed a pipeline. He has requested to have the pipeline extended 2,500 feet with a 4 inch line. The cost to extend the pipeline would cost between \$4,000 and \$5,000. The Board denied the request as many landowners have had to install systems for watering their yards at their own expense and because the domestic service never was off the canal, but rather always off the drain.

5.06 Board Comments on Observations of Tour

An EID Board tour of the District was conducted on May 20, 2004. Comments from the Board were that it was a good tour, that the District is in good shape and the Board is satisfied with the rehabilitation that has taken place. It was noted that the mindset in the Patricia area is changing and efficiencies are being gained in that area. The Board noted that areas to be addressed are the seepage of the Tilley Canal in the Village of Tilley and the Neely – McKnight 2nd water situation in the Patricia area.

5.07 G Springhill – Options for Neely and McKnight 2nd Water

This matter was revisited from the March 29, 2004 Board meeting. The Directors toured the area on May 20, 2004. Earl Wilson presented 9 options for dealing with the Neely – McKnight terminable acres. He outlined each option, the cost for each option and the potential water savings for each option. A lengthy discussion ensued. Some of the options were not acceptable to the Board due to the expense and the small amount of water savings, and other options would cause hardship for the landowners. The consensus of the Board was that the

present situation uses too much water and can not be allowed to continue. The Board requested that Earl Wilson streamline the options for further consideration by the Board. It was also decided that a separate Board meeting should be held with the landowners within the next two weeks to present and discuss their proposals.

The Board adjourned for lunch at 11:45 a.m. and reconvened at 12:40 p.m.

6.0 Operations Report

6.01 Snow Pack Update

Earl Wilson gave an update on the snow packs that impact the District. Due to the moisture on the weekend, no snow has been lost and in some areas the snow pillows have increased. The snow pack is similar to last year at this time, but is still below the long term average. The snow packs for the southern irrigation districts are non-existent.

6.02 Water Use Report

Mr. Wilson reported that due to the cool, wet weather in the month of May, very little water has been diverted to farmers to date. The reservoirs are all very close to capacity, and 300,000 acre feet are available in storage (approximately 100,000 acre feet more than in April 2001). It is anticipated that the District will be in a very positive position until at least July, 2004.

7.0 Equipment Report

7.01 Fuel Bids

Fuel bids were received from Vauxhall Co-op Petroleum Ltd. and AgCom Petroleum Sales Ltd. Vauxhall Co-op was lower on gasoline by 5.1 cents per litre (\$0.586 compared to \$0.637) and AgCom was lower on diesel by 1.6 cents per litre (\$0.419 compared to \$0.403). It was noted that the District uses more gasoline than diesel and the District also receives a 5% to 10% dividend from Vauxhall Co-op.

109-05-2004 Moved by Allen Nielsen that the Board approve to continue purchasing fuel from Vauxhall Co-op Petroleum Ltd. Seconded by Pat Hemsing. CARRIED

8.0 Lands Report

8.01 Irrigable Units

Earl Wilson presented the following request for the discharge of an irrigable unit and the registration of a new irrigable unit.

In 1997 Clearview Hutterian Brethren applied for 2000 acres of irrigation and were granted 340 acres. With the 160 irrigation acres they received as part of the Crawling Valley land acquisition agreements, they were able to irrigate a total of 500 acres, all served from a common delivery point located on one of the dams on the reservoir. An irrigable unit was registered on all of Section 23-23-18 W4M, NE and NW 24-23-18 W4M and SE 25-23-18 W4M. A flyover was conducted in 2000, noting that the irrigation systems installed actually covered 635 acres. In 2003, Clearview Hutterian Brethren were granted an additional 135 irrigation acres to make full use of the irrigation systems in place. The irrigation systems cover Section 23-23-18 W4M, NE and NW 24-23-18 W4M and SE 25-23-18 W4M (the original irrigable unit), plus Pt. SW 24-23-18 W4M, NW and SW 25-23-18 W4M and NE 25-23-18 W4M, and accordingly, the original irrigable unit should be discharged and a new irrigable unit registered on the original 7 parcels and the 4 new parcels.

110-05-2004 Moved by Clint Henrickson that the Board approve the discharge of the irrigable unit on Section 23-23-18 W4M, the NE and NW 24-23-18 W4M and the SE 25-23-18 W4M. Seconded by Pat Hemsing. **CARRIED**

111-05-2004 Moved by Pat Hemsing that the Board approve the registration of a new irrigable unit on Section 23-23-18 W4M, the NE, NW and Pt. SW 24-23-18 W4M and Section 25-23-18 W4M, being lands owned by Clearview Hutterian Brethren. Seconded by Clint Henrickson. **CARRIED**

8.02 Request to Transfer 80 Acres of Water Rights from Newell Hutterian Brethren to Clearview Hutterian Brethren

In 2003, Clearview Hutterian Brethren and Newell Hutterian Brethren entered into an alternate parcel agreement with the District to use 60 irrigation acres of the 370 irrigation acres Newell Hutterian Brethren have in Section 15-23-18 W4M, none of which Newell Colony has used to date and does not intend to use in 2004. The District received a request to approve the transfer of 80 irrigation acres from Newell Hutterian Brethren in Section 15-23-18 W4M to Clearview Hutterian Brethren in S ½ 23-23-18 W4M for the 2004 irrigation season.

112-05-2004 Moved by Tom Livingston that the Board approve the transfer of 80 irrigation acres from Newell Hutterian Brethren in Section 15-23-18 W4M to Clearview Hutterian Brethren in the S ½ 23-23-18 W4M, for the 2004 irrigation season. Seconded by Allen Nielsen. **CARRIED**

8.03 Request to Transfer Acres – Del Giles

A request has been received from Del Giles for the transfer of 6 irrigation acres from the NW 8-19-15 W4M to NE 6-19-15 W4M. Of the 147 irrigation acres in the NW 8 only 120 are being used, with the remainder appearing dry. The irrigation in the NE 6 was by flood to the end of the 2003 irrigation season. Due to the rehabilitation of 5 East Branch Canal and the shuffling of irrigation acres by the landowner, a pivot covering part of the E ½ 6 was able to be set up. The District pipelined to the pivot point and the delivery from the north off of 04C East Branch was deactivated. The 6 acres to be irrigated by gravity is located north of the pivot and would require the reactivating this delivery, which may have implications such as increasing the cost of rehabilitation and/or it may limit options available for consideration in the event of the rehabilitation of 04C East Branch (which is under consideration for the upcoming 5 Year Plan).

The Board denied the request of Del Giles to transfer 6 irrigation acres from the NW 8-19-15 W4M to the NE 6-19-15 W4M.

8.04 Rolling Hills Reservoir Campground Report

Kevin Bridges presented a report on the Rolling Hills Reservoir Campground, noting the following:

- opening of the campground was as planned on May 21, 2004;
- 25 campsites have seasonal agreements;
- 4 campsites with power and 6 campsites without power are available for seasonal use;
- these 10 campsites will be used as daily campsites until they are leased for the season;
- 3 seasonal staff are looking after the campground;
- camper attendance was low on the May long weekend due to inclement weather.

Road to Rolling Hills Campground

A complaint was made by a Board member on the poor condition of the road to the Rolling Hills Reservoir Campground on the weekend, the road being almost impassable. Earl Wilson advised that the road is scheduled to be graveled by the County next month.

Tourist Information Booth

This subject was revisited from the April 26, 2004 Board meeting, regarding the possibility of the District bidding on the log cabin which is the former Tourist Information Booth, with the idea of moving it to the Rolling Hills Campground for an office building. The cost of moving the log cabin would be \$11,000 to \$15,000, and the estimated minimum cost for the project would be approximately \$25,000, plus the purchase price of the log cabin. The Board felt that they could not justify the cost and therefore decided not to submit a bid at this time.

8.05 Luscar Ltd. Update

Kevin Bridges presented a report updating the Board on the status of negotiations with Luscar Ltd. The report indicated the following:

- an agreement has not been reached with Luscar Ltd., the main unresolved issue being confidentiality of information pertaining to EID lands;
- the District has obtained legal counsel to assist in negotiations and drafting of agreements;
- Luscar is anxious to proceed with environmental studies and an agreement will be entered into permitting Luscar access until August 31, 2004, on the condition that all information and opinions derived by Luscar be kept confidential except for information Luscar is required to submit as part of its application;
- a separate umbrella agreement will be entered into with Luscar covering issues beyond the environmental studies;
- Luscar has received budget approval to complete the environmental studies and to submit applications to AEUB and Alberta Environment. These applications are expected to be submitted in approximately 2 years.

8.06 Update on Westbridge Developments

The District has been advised that Westbridge Developments has submitted 2 applications for subdivisions at Lake Newell to the County of Newell. One subdivision (Block 3) will contain 16 - .25 acre lots and the other (Block 5) will contain 24 - .30 acre lots, both for single detached dwellings. The lots are expected to sell between \$100,000 to \$120,000 per lot. As Block 3 will be adjoining the District's right of way, Westbridge Developments agreed to rip rap that portion of the shoreline.

9.0 General Manager's Report**9.01 Provincial Water Advisory Council Update**

A memo was received from Dave Hill advising that he has been appointed to the Provincial Water Advisory Council by Lorne Taylor, as the irrigation representative. It was also mentioned in the memo that the Provincial Water Advisory Council may be renamed as Alberta Water Council. It is expected that the Council's first meeting to conduct business will likely take place in late summer. The number of representatives on the Council may be increased to a total of 20 individuals.

9.02 Updated List of Irrigation District Board Members

The AIPA forwarded a new list of Irrigation District Board Members for the irrigation districts in Alberta. A few changes were noted since last year.

10.0 Upcoming Events

10.01 Tentative Meeting with Patricia Landowners – June 7, 2004 at 9:30 a.m.

10.02 Regular EID Board Meeting – Tuesday, June 29, 2004 at 9:00 a.m.

10.03 Confronting Water Scarcity Conference – University of Lethbridge – July 13 to 16, 2004

10.04 Regular EID Board Meeting – Thursday, July 22, 2004 at 9:00 a.m.

11.0 Additional Items

11.01 Water Scarcity Conference

The cost for the entire conference is \$350 per person and the cost for 1 day of the conference is \$100 per person. Earl Wilson and Kevin Bridges will be attending. Others that wish to attend are to advise when they will be going.

11.02 Gem 4H Club Tickets

The Honourable Shirley McClellan, Minister of Agriculture will be present at a fundraiser barbeque in Gem, Alberta on June 1, 2004, hosted by the Gem 4H Club, for club members to go to Ottawa. Tickets are \$15.00 each.

113-05-2004 Moved by Neil Johnson that the Board approve the purchase of 7 tickets at \$15.00 each to attend the Gem 4H Club fundraiser on June 1, 2004, at the Gem Hall. Seconded by Clint Henrickson. CARRIED

11.03 Request from Robin Simpson for Turnout

A request has been received from Robin Simpson for a new turnout to be located at the end of a pipeline under the cost share program. The cost will be approximately \$2,100. The Board's decision was to stay with the District's policy, whereby Robin Simpson will be required to pay the full amount for the turnout if he wishes to have a new turnout installed.

11.04 Letter from Rick Volek

A letter was received from Rick Volek containing calculations and recommendations regarding the new fall grazing program. His conclusion was that 76 to 80 cow/calf pairs going out August 1 would graze the same amount as 40 cow/calf pairs going out in the spring. This letter will be given to Bob Hale for his review and will be discussed at the next Board meeting.

11.05 Oil and Gas Industry Damage

A concern was raised as to the damage and mess being caused by the employees of oil companies working on the leases. The problems seem to be due to the inexperience of the employees who have not been properly trained. These situations are to be addressed with the oil companies and constraints may need to be enforced.

11.06 Tilley Canal Seepage

Several Board members voiced their concern with respect to the seepage from the Tilley Canal in the Village of Tilley. It was felt that it may be a liability issue and is the source of several

complaints and should be dealt with as soon as possible by lining the canal. It was suggested that lining of the canal may be put at the top of the list in the 5 Year Plan.

11.07 Letter to Rae Latimer

Rae Latimer gave a letter to the Board when he attended the April 26, 2004 Board meeting, requesting a reply to his concerns. A draft letter to Rae Latimer was presented to the meeting for approval by the Board.

Pat Hemsing moved adjournment of the meeting at 1:56 p.m.

Board Chairman

General Manager

June 29, 2004 Directors Meeting

The Directors of the Eastern Irrigation District held a meeting on the 29th day of June, 2004. Those in attendance were:

- Mr. Bob Chrumka Chair [Division 06]
- Mr. Clint Henrickson Director [Division 03]
- Mr. Floyd George Director [Division 01]
- Mr. Tom Livingston Director [Division 02]
- Mr. Neil Johnson Director [Division 04]
- Mr. Allen Nielsen Vice-Chair [Division 05]
- Mr. Pat Hemsing Director [Division 07]

- Mr. Earl Wilson General Manager
- Mr. Kevin Bridges Assistant General Manager
- Mrs. Renate Dykstra Executive Assistant

The meeting was called to order at 9:00 a.m.

1.0 Adoption of Agenda

The following items were added to the agenda:

- Haying of Tilley A1 Field to item 7.0 – Lands
- Gerald MacKenzie – Lands Required for Stock Car Race Track to item 10.0 – General Manager’s Report

114-06-2004 Moved by Pat Hemsing that the Board adopt the agenda as presented with additions. Seconded by Clint Henrickson. CARRIED

2.0 Approval of Minutes

2.01 Minutes of May 27, 2004 Board of Directors Meeting

115-06-2004 Moved by Clint Henrickson that the Minutes of the May 27, 2004 regular Board meeting be approved with noted amendments. Seconded by Tom Livingston. CARRIED

3.0 Business Arising from Minutes

3.01 Motion to Approve Purchase of Harvest Gala Tickets

116-06-2004 Moved by Pat Hemsing that 20 tickets (2 tables) be purchased at a cost of \$2,500 for Board Members, staff and guests to attend the Harvest Gala on October 15, 2004, at the Calgary Stampede Round-Up Centre. Seconded by Clint Henrickson. CARRIED

3.02 By-Law 845 (2004) – Per Diem Rates

Earl Wilson presented By-Law 845 (2004) establishing the rate of remuneration and expenses to be paid to the members of the Board. The provisions of By-Law #845 (2004) are as follows:

Eastern Irrigation District

BY-LAW 845 (2004)

By-Law Establishing the Rate of Remuneration and Expenses for Directors

The Eastern Irrigation District [district] is incorporated under the Irrigation Districts Act [IDA] [c. I-11, RSA 2000]. Section 177 of the IDA specifies in part:

- 177 (1) A district must make by-laws
- (e) establishing the rate of remuneration and expenses to be paid to members of the board.

The rate of remuneration and expenses payable to members of the board under this by-law are as follows:

- Per Diem** 1. For attendance at meetings of the board or other meetings of the district for which attendance has been authorized, an amount of Three Hundred Twenty-five (\$325.00) Dollars per day.
- Mileage** 2. For use of a personal vehicle to attend meetings of the board or other meetings of the district for which attendance has been authorized, an amount of Forty (\$0.40) Cents per kilometer.
- Expenses** 3. Full reimbursement for meals, accommodation, travel or other expenses incurred when attending meetings of the board or of the district for which attendance has been authorized in the amount shown on submitted receipts.

The within By-Law 845 (2004) is passed by the Board of Directors of the Eastern Irrigation District in accordance with the provisions of the Irrigation Districts Act as evidenced by the following readings of the By-law:

By-Law 845 (2004) was read and approved the 1st time this 29th day of June, 2004.
 By-Law 845 (2004) was read and approved the 2nd time this 29th day of June, 2004.

117-06-2004 Moved by Clint Henrickson that the Directors provide unanimous approval to the 3rd reading of By-Law 845 (2004). Seconded by Pat Helsing. CARRIED

By-Law 845 (2004) was read and approved the 3rd time this 29th day of June, 2004.

4.0 Financial Report

4.01 No May 2004 Statements

Kevin Bridges advised that the computer that contains all the financial records and land records crashed on June 14, 2004, and accordingly the financial statements to May 30, 2004 were unable to be produced. It is his belief that the financial results to the end of May continue to track very close to the budget predictions. The new server has been ordered and is expected to be operational by July 12, 2004, however, it may take until mid August to input the backlogged data and be caught up.

4.02 Rural Water Use Charge for NW 20-18-16 W4M

Jamie Buteau has no water rights on the NW 20-18-16 W4M, but was granted an annual transfer of water rights from Dean Martin and Ken Sharpe to that quarter. Mr. Buteau has a residence on that quarter and the question is as to what type of Rural Water Use Agreement is required in this circumstance, one based on farmyard use whereby he will receive 5 acre feet of water free of charge, or one based on country residential use whereby he would be charged \$200 per year. The Board took the position that the access to water for residential purposes follows the water rights.

118-06-2004 Moved by Pat Hemsing that the Board approve that the District and Jamie Buteau enter into a Rural Water Use Agreement based on farmyard use for his residence, for 2004, due to the transfer of acres from Ken Sharpe and Dean Martin. Seconded by Clint Henrickson. CARRIED

5.0 High Speed Internet Update

Kevin Bridges presented a report on the Agreement that was entered into with IP Plus on June 21, 2004. Some key elements of the Agreement are as follows:

- 10 year term with 5 year renewal option;
- prices cannot be increased for the first 5 years;
- IP Plus will be the sole provider of equipment and service to EID provided the prices charged by IP Plus are no higher than elsewhere;
- reciprocal arrangement between IP Plus and EID to use each other's towers and deployment radios;
- EID will provide all customer service;
- IP Plus will assist with network monitoring, identifying and resolving operational problems, network management, assessing equipment needs, marketing and employee training;
- EID has the exclusive right to deliver internet service within EID boundaries including 20 km radius around Jenner tower. IP Plus can deliver internet service in this area only with the EID's permission.

He also gave a progress report noting the following:

- delivery of equipment expected during the week of July 12, 2004;
- application for a new tower site in Tilley has been made, could take until the end of July for approval and to mid August for the permit to be issued;
- electrical services to be installed in the Rosemary and Patricia sites, could be some delays;
- Brooks and Bassano customer installations will begin during the first week of July and be completed during the week of July 19, 2004;
- prospective customer count is 250 as at June 21, 2004, it would be economically preferable to serve at least 25 customers from each tower;
- the marketing campaign has resumed.

6.0 Equipment Report

6.01 Result of Sale of ½ Ton Trucks

Fourteen ½ ton trucks were sold by Annett Auction Service on June 12, 2004, netting a total of \$53,247.50. The Board was very pleased with the results as Calgary Public Auction had offered the District a cash buy out of \$37,000 for all fourteen trucks.

6.02 Request to Purchase Shop Hoist

The vehicle hoist in the shop can no longer be certified and it is leaking and it is recommended that it be replaced with a stand alone hoist rather than with another below ground hoist. Quotes were obtained from Auto Quip and Snap-On with prices being very similar. It was also recommended that the hoist be purchased with only one bridge at this time, as the second bridge can be purchased in the future if necessary. It was noted that some local references for

the Auto Quip unit expressed concerns about service and therefore staff recommended purchasing the Snap-On hoist.

- 119-06-2004 Moved by Allen Nielsen that the Board approve the purchase of a shop hoist with 1 rolling bridge from Snap-On at a cost of \$16,993.25. Seconded by Clint Henrickson. CARRIED**

7.0 Lands

7.01 Fish and Wildlife Agreement

The District has entered into an Agreement with Alberta Sustainable Resource Development (Fish and Wildlife Division) allowing access to EID lands for the collection of data pertaining to Species at Risk. The Agreement is for 5 years and contains a confidentiality provision which requires the consent of the District prior to the release of any detailed site specific information. Fish and Wildlife have begun accessing District lands for burrowing owl and leopard frog research.

7.02 Canadian Wildlife Service Request to Access Duchess Grazing Lands

A request was received from Environment Canada Canadian Wildlife Service for permission to access EID lands to conduct an investigation of the Slender Mouse-ear-cress that was found during a pipeline survey in 1997, but not during a following survey in 2002. The concern of the District is that this information was accessed without knowledge of the District, and therefore oil companies will now be required to enter into a confidentiality agreement prior to accessing District lands, requiring the consent of the District before any species information can be released. Some Directors were opposed to allowing access to the Canadian Wildlife Service, but it was generally felt that access and information could be gained regardless of whether or not permission was granted and by granting access the District would have knowledge and control of the findings.

- 120-06-2004 Moved by Floyd George that the Board approve the granting of access to field staff of the Canadian Wildlife Service onto the Duchess Community Pasture to conduct an investigation of the Slender Mouse-ear-cress, subject to EID staff being present during the investigation, with a duration of 2 days, and confidentiality of the information gathered. Seconded by Clint Henrickson. CARRIED**

Bob Hale enters at 9:45 a.m.

7.03 Grazing Report

Bob Hale gave a report noting the following:

- due to the good rainfall this spring, the native pasture and seeded crops are in excellent condition;
- the Gem waterline is currently being installed;
- the grass (meadowbrome) at Rock Lake is getting ahead of the cattle and Bob Hale has arranged to have it silaged.

7.04 Letter from Rick Volek

In May, 2004 a letter was received from Rick Volek containing calculations and recommendations regarding the new fall grazing program. His conclusion was the 76 to 80 cow/calf pairs going out August 1 would graze the same amount as 40 cow/calf pairs going out in the spring. At the May Board meeting the Directors requested that this matter be addressed by Bob Hale. Bob Hale advised that he was aware of the numbers presented by Mr. Volek, however he preferred to be

conservative, and accordingly his figures were intended to be slightly conservative. Bob Hale used an average of two studies on this topic, one in the U.S. and one in Canada. It was also noted that a cow doesn't milk the same in the fall as in the spring and therefore the calf is eating more, and further the grass has slowed its growth in August. The Board was satisfied with the explanation.

7.05 Haying of Triticale Field in Tilley A1

A Director advised that he had received a request from John Hodgson on behalf of another individual to purchase the hay from the triticale field in Tilley A1 re-grass field. The Board denied the request.

Gary Redelback entered at 10:00 a.m.

7.06 Oil and Gas Activity Report

Gary Redelback in his presentation to the Board advised that to date there were:

- 468 new wellsites;
- 52 new twinned wells, for a total of 520 new locations;
- 1,241.26 acres of 206.87 miles of new pipelines;
- 3 permits or 238.93 miles of seismic activity.

He also advised that:

- Encana is holding off drilling 35 wells at Encana Ranch until the 1st week of July to allow EID grazing of those fields to be completed;
- CNRL is drilling approximately 50 wells in the Tide Lake area (18-11 W4M and 19-11 W4M), commencing the last week of June. Drilling fluids will be stored in remote sumps with land spreading to occur behind cattle rotation at a later date;
- Esso is drilling approximately 35 wells in East Tilley (17-12 W4M and 18-12 W4M) commencing August 1st. Land spreading is to occur behind cattle rotation.

Gary Redelback also provided information on pipelining that is occurring, noting that there are two methods of installation being used, both having minimal disturbance. One is stripping of top soil on the ditch line, the disturbed area being 24 inches to 30 inches in width, with the reclaimed area being re-seeded and straw crimped; the other involves no stripping of the top soil on the ditch line and installing the pipeline using chain trenchers with an 11 inch to 12 inch excavation, with the disturbed area being re-seeded but not straw crimped. He also noted that all hoe work done on the pipeline rights of way, line crossings, bell holes, etc. will be stripped areas.

Bob Hale and Gary Redelback exit at 10:18, A short recess was held, meeting reconvened at 10:30.

8.0 Operations Report

8.01 Water Use

Earl Wilson advised that to date the District has diverted 157,250 acre feet of water or .556 acre feet per acre. There are approximately 298,000 acre feet of water in storage. The District is in a favourable position to deliver adequate water to water users.

8.02 Snow Pack

Earl Wilson gave an update on the snow pack situation, noting that the snow pillow at Sunshine is depleted and at Three Isles is almost gone, however, the District is in good shape for the 2004 irrigation season.

7.0 Lands Report continued

7.07 Village of Tilley Request to Purchase 9.86 Acres

A letter was received from the Village of Tilley with regard to entering into an option to purchase agreement with the District for the 9.86 acres adjacent to the Village for its future development, and for leasing this land for the stock piling of snow this winter. A Board member felt that if the District were to consider selling this property, there would be other parties interested in purchasing this land, and accordingly, it would only be fair to put it up for bid. The Board decided that they did not wish to sell the property at this time. With respect to leasing this land for the stock piling of snow, Earl Wilson advised that as drainage is poor on this property the stock piling of snow is not recommended. The Board requested that a letter be sent to the Village of Tilley advising of its decision not to sell or lease the property.

7.08 Luscar Coal Update

Earl Wilson gave an update on the Luscar Coal negotiations that have taken place with regard to access on District lands for their environmental studies, and gave an overview of the upcoming presentation by representatives of Luscar.

7.09 Luscar Agreement

An Agreement was entered into by the District with Luscar on June 10, 2004, a copy of the Agreement was presented to the Board for reference. Under the terms of the Agreement, Luscar was granted access to certain EID lands for the purpose of conducting an Environmental Impact Assessment (EIA). A summary of the Agreement is as follows:

- the term of the Agreement is to August 31, 2004;
- access fee is \$1,000 per quarter section (approximately \$98,000);
- a larger agreement will be entered into setting out issues including the EIA, confidentiality and release of information, water conveyancing, water storage, use of the District's works, compensation and land related issues such as ownership and reclamation;
- Luscar must keep confidential and not release any information pertaining to EID lands without the prior approval of the EID;
- Luscar will provide copies of its information, opinions and conclusions to the EID;
- the EIA will examine issues related to air quality, noise, surface hydrology, water quality, groundwater, fisheries, vegetation, wildlife, terrain and soils, and historical resources.

Luscar's consultants began accessing the EID's lands and works on June 11, 2004 and thus far work has been progressing smoothly with due respect being shown for the land and the leaseholders.

Pat Garvin and Brian Bietz enter at 11:00 a.m.

7.10 Luscar's Presentation

Luscar representatives, Pat Garvin, Project Manager and Brian Bietz, Consultant, gave a presentation to the Board of Luscar's history and the goals they are trying to achieve. The following is a summary of their presentation:

- a history was given of the acquisition of certain assets from Fording Coal, including the engineering, planning and some environmental studies that Fording Coal had done;
- from the information they had, Luscar decided it was worthwhile for them to pursue the coal mine project in the Bow City area;

- the environmental studies were incomplete and it was decided that Luscar would conduct their own;
- they expect the environmental assessment to be done by April or May 2005;
- engineering studies and cooling studies will also have to be done;
- Luscar has asked Earl Wilson to be part of their working committee to determine the best cooling system and process;
- Luscar will be reapplying for their mine and power plant approvals and expects to submit their application to the EUB by spring of 2006;
- it will take approximately 1 year to 18 months to receive approval on their applications;
- the earliest physical construction could be in 2007;
- it could be an 8 to 9 year window from now before coal is actually mined;
- Luscar wants to work with the EID, they are unfamiliar with irrigation districts and acknowledge that they have a lot of unknowns and would like to work closely with Earl Wilson and Kevin Bridges;
- made it very clear that Luscar has a different attitude and does things very differently from Fording Coal;
- Luscar wishes to build good relationships with all parties that will be affected.

The Board adjourned for lunch at 11:50 a.m. and reconvened at 12:30 p.m.

9.0 Engineering Report

9.01 Request for Compensation from Linda McAulay

A letter was received from Linda McAulay as to costs incurred by them in the amount of \$17,250, due to the EID pipeline right of way that crosses N ½ and SE 12-16-16 W4M. The right of way was unable to be re-seeded this spring resulting in loss of grazing, loss of crop and they had to purchase extra hay. Discussion ensued as to appropriate compensation in this circumstance.

121-06-2004 Moved by Allen Nielsen that the District approve to pay to Linda McAulay the the working space rate on the entire right of way for an additional year, due to the District’s inability to clean up the pipeline right of way in time for seeding this year. Seconded by Tom Livingston. DEFEATED

George Romao enters at 1:02 p.m.

More discussion ensued. Some board members felt that as this was not an isolated case, perhaps it would be preferable to change the policy to deal with these situations. Others felt that these situations should be dealt with on an individual basis. The Board discussed what formula should be used for compensation if they were to make a policy change.

122-06-2004 Moved by Floyd George that the Board approve to change the District’s policy as follows:

That if the right of way and working space are not able to be seeded by May 20, the District will pay to the landowner an additional 50% of the working space rate on the entire right of way and working space for an additional year. Seconded by Allen Nielsen.

123-06-2004 Moved by Pat Hemsing to table the motion. Seconded by Tom Livingston. CARRIED

A letter is to be sent to Linda McAulay advising that the District is examining its policy and the matter is tabled to next month's meeting.

9.02 2004 List of Projects

George Romao presented a list of 2004/2005 Capital Projects in the amount of \$11,580,000 and 2004/2005 IRP Projects in the amount of \$7,850,000 for a total of \$19,430,000.

9.03 Land Assembly Status Report

George Romao presented a Land Assembly Status Report for the upcoming projects, noting that all landowners affected by 18 Rolling Hills have signed agreements, agreements with landowners affected by 26-05 Rolling Hills are expected to be signed this week, and documents for R Tilley and 10 Rolling Hills are being prepared and owners are to be contacted this week. No problems are anticipated at this time.

9.04 Secondary G Springhill Rehabilitation (above John Ware)

The proposed rehabilitation of Secondary G Springhill was presented. This portion of the canal is located 2 km northeast of Duchess and is approximately 6 km long. The main problems are seepage of the canal, and poor condition of the control structures. There are 1121 acres served directly off this reach and another 4284 acres served downstream. The proposed rehabilitation includes 6 km of lined canal, 3 PVC pipeline laterals and the replacement of three control structures and another two control structures requiring upgrades. The estimated cost of the rehabilitation is \$3,100,000.

In conjunction with the rehabilitation, there is a proposed canal relocation approximately 500 m long, to straighten the alignment and allow the pivot in NW 12-21-14 W4M to cover a larger part of its circle. All three landowners affected by the relocation are in favour of it. The cost of the relocation, additional earthworks and additional right of way is \$40,000.

- 124-06-2004 Moved by Tom Livingston that the Board approve the rehabilitation of Secondary G Springhill which includes 6 km of lined canal, 3 PVC pipeline laterals, replacement of 3 control structures and the upgrading of 2 of the remaining control structures, at an approximate cost of \$3,100,000, and the proposed canal relocation in the W ½ 12-21-14 W4M, at an approximate cost of \$40,000. Seconded by Clint Henrickson. CARRIED**

9.05 Lower North Branch Synopsis

George Romao presented the synopsis for the proposed rehabilitation of 7 km of the Lower North Branch Canal from G Spill to the NW 25-24-16 W4M. Problems associated with this canal are seepage, severance in the upper part of the canal and several check structures are in need of replacement. Some minor spots on the banks will require additional freeboard. There are 1035 acres of pump irrigation, 1299 acres of gravity irrigation and 5 acres of terminable irrigation are served by this canal. The proposed rehabilitation is to install a buried liner with gravel armor slope protection. There are also two proposed canal relocations, one in the SE 14-24-16 W4M along the boundary of the SW 13-24-16 W4M and the second would be to shift the canal in 25-24-16 W4M to the west in the EID land. The estimated cost of this project is approximately \$1,850,000.

- 125-06-2004 Moved by Tom Livingston that the Board approve the rehabilitation of the Lower North Branch Canal from G Spill to the NW 25-24-16 W4M, by the installation of a buried liner with gravel armour slope protection, and relocating**

a portion of the canal in the SE-14-24-16 W4M along the boundary of the SW 13-24-16 W4M, and relocating the canal in 25-24-16 W4M to the west in the EID lands, at an estimated cost of \$1,850,000. Seconded by Pat Hemsing. CARRIED

9.06 Canal Rating System

Earl Wilson presented for approval from the Board, the canal rating system for the 5 Year Plan with some amendments, namely, Dropping Control Structures from a value of 0 - 15 to 0 - 14, Bank Width and Height from 0 – 16 to 0 – 14, and Size of Lateral from 0 – 10 to 0 - 5, and adding a new category classified as Potential Water Savings with a rating of 0 – 8.

126-06-2004 Moved by Pat Hemsing that the Board approve the canal rating system as presented. Seconded by Tom Livingston. CARRIED

9.07 5 Year Plan

Earl Wilson advised that all canals have been rated for the 5 Year Plan, pending approval of the new canal rating system and the 5 Year Plan will be finalized next month for submission to the Board.

9.08 Secondary G Springhill (below John Ware)

This matter was revisited from prior Board meetings including a meeting with the landowners in this area. Two different options were discussed. The Board gave direction to Earl Wilson to pursue an option where McKnights would be granted first water rights if they were to replace their terminable flood irrigation with pivot irrigation. Neelys have agreed to install a pivot although there will be an increase in cost to them for double pumping. The Board is willing to have a pipeline installed from 17 G Springhill, under the infrastructure cost savings program to offset a portion of Neely's capital cost and thereby reduce Neely's share of the capital costs.

This matter will be re-addressed at the next Board meeting.

10.0 General Manager's Report

10.01 2004 Water Rates

At a previous Board meeting, the Board indicated that they wanted to maintain water rates for 2004 at \$7.50 per acre. In light of the BSE situation and the border still being closed to Canadian cattle, the Board discussed the waiving of water rates for 2004.

127-06-2004 Moved by Floyd George that:

WHEREAS section 128 (4) of the *Irrigation Districts Act* makes provision for cancellation of all or part of the amounts shown as owing on the collector's roll by any person where payment of such amount is likely to result in hardship or injustice to the person who owes the amounts;

AND WHEREAS the Board of Directors believes that the current low market prices for cattle, feed and related crops are creating financial hardship for the District's water users and collection of certain 2004 water charges will compound that financial hardship;

AND WHEREAS the Board believes that this financial situation warrants the cancellation of certain 2004 water charges;

NOW THEREFORE be it resolved that the 2004 water charges on all acres to be irrigated and on all acres subject to terminable water agreements be cancelled.

Seconded by Tom Livingston.

CARRIED

The following press release will be sent out on July 2, 2004, announcing the waiving of water rates for 2004:

“The Board of Directors of the Eastern Irrigation District decided to waive the 2004 charges for irrigation water (acres to be irrigated and acres subject to terminable water agreements).

The Board believes that the current low market prices for cattle, feed and related crops is creating financial hardship for the District’s water users and collection of certain 2004 water charges will compound the financial hardship.

The Board hopes that land owners who have their land rented will see fit to pass this savings on to the renter.

Water users are assured that all operations, maintenance and rehabilitation work will continue as planned. The District is still planning to invest \$21 million in capital improvements to the canal system, community pastures and wireless internet in 2004.”

10.02 School Tour Report

Bassano Dam tours were held in the month of June for a total of 356 students and 33 adults from Bassano School, Holy Family Academy, Duchess School, Tilley School, Eastbrook Elementary School, Rosemary School, Griffin Park School and Hays School. The tours were well received and enjoyed by both students and adults, with the highlight of the tour for the students was going under the dam. Tours were conducted by EID staff.

10.03 Information Items

- **Lethbridge North Irrigation District**
Earl Wilson advised that the new General Manager for Lethbridge North Irrigation District is Pat Spanos.
- **Alberta Agriculture Status Report**
The EID received several copies of the Alberta Agriculture Status Report, which is available to any Board member who is interested in the information contained therein.
- **RiverWatch Program**
The Calgary Herald ran an article on the RiverWatch Program which is still in effect. The goal of the program is to make Calgary students more aware of the vital role the Bow River plays in their lives. The program allows students to go on a day long raft trip down the Bow River that is both educational and enjoyable.
- **Power Lines – EUB**
An article was published in the Lethbridge Herald with the view that Alberta needs more high-capacity power lines in southern Alberta due to the growing electricity demands as the

present transmission system is quickly reaching design capacity. Proposed projects and upgrades are being considered for the production of electricity, which would be in competition with Luscar’s proposed coal mine.

- **Wonder of Water**

The Wonder of Water is an informative pamphlet produced by United Nations International Year of Fresh Water and the Wonder of Water Initiative Canada in partnership with the AIPA. The purpose of the pamphlet is to educate the general public by emphasizing the importance of water.

10.04 New PFRA Program

Earl Wilson advised the meeting that he received information that the Federal Government is going to include a new grant in their PFRA program, whereby grants will be given for water conservation on a 30% government/70% farmer basis. It is likely that it will include farm efficiency conversions from flood irrigation to pivot irrigation.

10.05 Gerald MacKenzie – Lands for Proposed Stock Car Race Track

Gerald MacKenzie has had drawings prepared for a proposed stock car race track and wishes to either purchase or lease lands from the District south of the Silver Sage complex. The Board will require more information with regard to this matter before considering the proposal.

10.06 Random Camp Sites

The District has random campsites on Lake Newell that are being used by campers free of charge. Direction from the Board was requested as to whether or not these campsites should be allowed as there are some unused sites at the Rolling Hills Reservoir Campground. The discussion was that these random campsites can be used for overflow camping when the campgrounds are full at a rate of \$5.00 per day. The Board asked that staff monitor the random campsites after the July long weekend and report to the Board.

11.0 Upcoming Events

11.01 Confronting Water Scarcity Conference – University of Lethbridge, July 13 – 16, 2004.

11.02 Regular EID Board Meeting, Thursday, July 22, 2004.

Clint Henrickson moved adjournment of the meeting at 2:45 p.m.

Board Chairman

General Manager

July 27, 2004 Directors Meeting

The Directors of the Eastern Irrigation District held a meeting on the 27th day of July, 2004. Those in attendance were:

- Mr. Bob Chrumka Chair [Division 06]
- Mr. Clint Henrickson Director [Division 03]
- Mr. Floyd George Director [Division 01]
- Mr. Tom Livingston Director [Division 02]
- Mr. Neil Johnson Director [Division 04]
- Mr. Allen Nielsen Vice-Chair [Division 05]
- Mr. Pat Hemsing Director [Division 07]

- Mr. Earl Wilson General Manager
- Mrs. Renate Dykstra Executive Assistant

The meeting was called to order at 9:02 a.m.

1.0 Adoption of Agenda

The following items were added to the agenda:

- Small MLA Tour added to 8.0 – General Manager’s Report
- Request for Houseboat on Lake Newell and Mooring on EID Lands added to 8.0 - General Manager’s Report

128-07-2004 Moved by Pat Hemsing that the Board adopt the agenda as presented with noted additions. Seconded by Clint Henrickson. CARRIED

2.0 Approval of Minutes

2.01 Minutes of June 29, 2004 Board Meeting

129-07-2004 Moved by Allen Nielsen that the Minutes of the June 29, 2004 regular Board meeting be approved with noted amendments. Seconded by Clint Henrickson. CARRIED

3.0 Financial Report

3.01 Financial Statements to June 30, 2004

The computer accounting system was restored on July 8, 2004, and the last two weeks have been spent inputting the backlogged data, and a Financial Statement was able to be produced in time for this Board meeting. It was noted that revenues are exceeding the year to date budget predictions and expenses are less than the year to date budget resulting in a year to date surplus of \$10.6 million. Gross revenues are up from the prior year to date by \$1.5 million. Oil and gas and private grazing leases are the primary sources of the better than expected revenues.

130-07-2004 Moved by Clint Henrickson that the Board approve the Financial Statements to June 30, 2004, as presented. Seconded by Neil Johnson. CARRIED

3.02 Investment Report

An Investment Report to June 30, 2004 was presented at the meeting. Term deposits total

\$8,365,212, Investment Certificates total \$11,217,323 and Bond investments total \$27,585,644, for a grand total of \$47,168,179, compared to \$39,144,885 as at June 30, 2003.

3.03 High Speed Internet Update

Kevin Bridges provided a high speed internet update report in his absence, noting the following:

- the new delivery date for towers is the first week of August;
- erection of towers is to begin on August 9, 2004 with all 9 new towers expected to be installed by August 23, 2004;
- high speed internet service is expected to be delivered throughout the District by September 1st, 2004;
- 30 high speed installations have been completed off the Brooks tower and 6 off the Bassano tower;
- 25 more customers are expected to be connected this week;
- the application for the installation of the Tilley tower has been approved.

A short break was held from 9:50 a.m. to 9:56 a.m. Jim Meador enters.

4.0 Engineering Report

4.01 Construction Easement Policy

This matter was re-addressed from the June 29, 2004 Board meeting. A review was done on the existing construction easement policy, noting the following:

The District presently pays \$500 per acre for construction easements (was \$350). Where there is an existing canal, the District does not pay for utility rights of way or construction easements on the land where the existing canal is, it pays only on additional land. In most cases that are pipelined down the existing canals, the District only pays the construction easement (working space) rate outside the existing canal; for canals, the disturbed area is usually wider and therefore the District pays some right of way and construction easement rates. In a relocation, the District pays both.

In a rehabilitation on the existing canal alignment, the landowner is less impacted than if relocated because his system for irrigation is set up to work around the canal.

Some landowners feel they are not being adequately compensated when the District is not able to complete the cleanup and reseed permanent crop in a timely manner.

The recommendation is that when a pipeline is relocated across a field with a perennial crop (ie alfalfa, pasture, etc.) it would be prudent in most cases to not reseed for a year and therefore the impact is more than with most crops. Accordingly, in a relocation situation where the District cannot have the area cleaned up and ready for reseeding back to the pre-construction crop by June 1st, the District would pay an additional amount for the entire construction and permanent easement area. When relocation affects the irrigation outside of the construction and permanent easement area, it is recommended that compensation be made on an individual case by case, based on crop loss.

Lengthy discussion ensued with regard to payment of adequate compensation to the landowners.

**131-07-2004 Moved by Floyd George to lift motion 122-06-2004 from the table. Seconded by Clint
Henrickson. CARRIED**

Motion 122-06-2004 read as follows:

“Moved by Floyd George that the Board approve to change the District’s policy as

follows:

That if the right of way and working space are not able to be seeded by May 20, the District will pay to the landowner an additional 50% of the working space rate on the entire right of way and working space for an additional year.”

Floyd George suggested that motion 122-07-2004 be amended.

132-07-2004 Moved by Tom Livingston that motion 122-06-2004 be amended by substituting the motion made therein with the following:

That the Board approve to change the District’s Construction Easement Policy, that when the District relocates a pipeline across a field with a perennial crop (ie alfalfa, pasture, etc.), and the construction area and permanent easement area cannot be cleaned up and ready for reseeding back to the preconstruction crop by June 1st, the District will pay to the landowner an additional 50% of the working space rate per acre for the entire construction and permanent easement area for an additional year. When the relocation affects the irrigation outside of the construction area and permanent easement area the District will compensate the landowner on a individual case by case, based on crop loss. Seconded by Pat Hemsing. CARRIED

4.02 McKnight – Neely Canal

This matter was revisited from previous Board Meetings. Three new options were presented. Lengthy discussion ensued regarding the pros and cons of each option, taking into consideration the cost to the landowners, the cost to the District, and the necessity of saving water.

133-07-2004 Moved by Floyd George that the Board approve the following:

- A) The conversion of Neely’s flood irrigation to pivot irrigation, the conversion of Neely’s terminable acres (2nd water) to irrigation acres (1st water) with delivery from 17G Springhill, and the installation of a 12 to 15 inch pipeline from their pump station on their reservoir up to the ditch that feeds the south two pivots approximately 3,500 feet;**

- B) To leave McKnight’s 156 acres of flood irrigation as terminable acres, install an adequately sized service, and a meter at the end of the pipeline to monitor water use up to 18 inches of water per acre per irrigation season and when the 18 inches of water has been reached the water will be shut off. The District will also monitor water use for 5 years and then decide whether to convert the land to 1st water, force conversion to a more efficient method of irrigating and convert to 1st water, leave as 2nd water, or cancel. If 1st water is granted, McKnights will be required to pay the capital assets charge on the conversion from terminable acres (2nd water) to irrigation acres (1st water) at the capital assets rate in effect at the time of conversion. Seconded by Tom Livingston. CARRIED**

4.03 Secondary “A” and “B” North Branch Synopsis

The systems proposed for rehabilitation is all of Secondary “B” North Branch, the bottom portion of Secondary “A” North Branch, 05 “A” Springhill and 06 “A” Springhill.

Problems associated with Secondary “A” and “B” North Branch are lack of capacity, seepage and farm severance which is limiting landowners’ options as to irrigating practices. The proposal is to combine the bottom end of Secondary “A” and “B” North Branch into one pipeline system. The

proposed alignment for Secondary "B" North Branch will begin with an inlet installed in Crawling Valley from which point it will travel south for approximately 1.5 miles and then branch off supplying Secondary "B" North Branch and the bottom half of Secondary "A" North Branch. The proposed pipeline will serve 1,916 acres of pump irrigation, 398 acres of gravity irrigation and 1,026 terminable acres. The terminable acres will be converted to 1st water irrigation. The estimated cost for this project is \$5,340,000 to be funded under the capital works program.

Problems associated with 05 "A" and 06 "A" Springhill are overgrowth of large trees and willows limiting capacity and access. The proposal is for 05 "A" Springhill to start as its existing turnout off Secondary "A" Springhill and head north approximately 650 meters and then east to a pump site. The system will supply 249 acres of pump irrigation. 06 "A" Springhill will start at its existing turnout off Secondary "A" Springhill and head north approximately 850 meters where it will tie onto an existing 400 meter pipeline, from where it will follow the existing canal for 400 meters and turn south east to a pump site. This system will supply 167 acres of pump irrigation and 115 acres of gravity irrigation. The estimated cost of 05 "A" and 06 "A" Springhill is \$485,000, to be funded under the capital works program.

- 134-07-2004 Moved by Allen Nielsen that the Board approve the rehabilitation of Secondary "A" North Branch and Secondary "B" North Branch, 05 "A" Springhill and 06 "A" Springhill, as presented, at an estimated cost of \$5,825,000 to be funded under the capital works program. Seconded by Pat Hemsing. CARRIED**

4.04 01 Antelope Creek Synopsis

The proposed rehabilitation project for 01 Antelope Creek is to replace the old canal with a lined level bank canal to the start of the existing pipeline and replace the existing earth lateral with a closed pipeline following close to the existing alignment. Problems associated with this canal are capacity and farm severance. The project will serve 617 acres. The approximate cost of the project and the moving of the delivery is \$615,000.

- 135-07-2004 Moved by Allen Nielsen that the Board approve the rehabilitation of 01 Antelope Creek by replacing the old canal with a lined level bank canal and replacing the earthen lateral with a closed pipeline, as presented. Seconded by Clint Henrickson. CARRIED**

4.05 Land Assembly Status

A Land Assembly Status Report was presented for the upcoming projects, noting that no problems are anticipated at this time with the signing of agreements by the landowners. With respect to Secondary "G" Springhill it was noted that one of the landowners does not wish to have a settling pond and does not wish to grant a right of way for pipeline laterals, however that does not present a problem as both can be put in different locations.

5.0 South Slope Feeders Ltd. Irrigation Development Update

Earl Wilson advised that South Slope Feeders Ltd. and the Grahams have, with the exception of one quarter section, completed the development required under their irrigation applications which were approved last fall, and completed the transfer of irrigation acres to new land. The conversions created by the development will be added if all of the development is completed by November, 2004. South Slope Feeders may apply for an extension and must submit a written request for the extension to the Board, or lose the conversion acres if the development is not completed in the allotted time.

6.0 Operations

6.01 Farm Improvement – South Slope Feeders Ltd. – NW 2-17-16 W4M

Jim Meador presented a farm improvement project for South Slope Feeders Ltd. for the conversion of 131 acres of wheel move irrigation in the NW 2-17-16 W4M to 113 acres of pivot irrigation. The pivot must be low pressure with drop tubes and no cold weather shut-offs and must be piped to the pivot centre. Conversion acres and transfers will be handled separately from the farm improvement. Payment to the water user is \$2,500 (131 acres wheels to pivot).

136-07-2004 Moved by Allen Nielsen that the Board approve the farm improvement project of South Slope Feeders Ltd. for the conversion of 131 acres of wheel move irrigation in the NW 2-17-16 W4M to 113 acres of pivot irrigation, with payment to the water user in the amount of \$2,500. Seconded by Clint Henrickson. CARRIED

6.02 Farm Improvement – John Graham – NE 26-16-16 W4M

A farm improvement project for John Graham was presented for the conversion of 146 acres of flood irrigation in the NE 26-16-16 W4M to 118 acres of pivot irrigation. The pivot must be low pressure complete with drop tubes and no cold weather shut offs and be piped from pump site to pivot center. Conversion acres and transfers will be handled separately from the farm improvement. Payment to the water user is \$6,807 (118 acres flood to pivot).

137-07-2004 Moved by Allen Nielsen that the Board approve the farm improvement project of John Graham for the conversion of 146 acres of flood irrigation in the NE 26-16-16 W4M to 118 acres of pivot irrigation, with payment to the water user in the amount of \$6,807. Seconded by Clint Henrickson. CARRIED

6.03 Farm Improvement – James Graham Jr. – NE 29-16-16 W4M

A farm improvement project for James Graham Jr. was presented for the conversion of 139 acres of wheel move irrigation in the NE 29-16-16 W4M to 131 acres of pivot irrigation. Pivot must be low pressure with drop tubes and no cold weather shut-off and must be piped from pump site to pivot center. Conversion acres and transfers will be handled separately from the farm improvement. Payment to the water user is \$2,500 (131 acres wheels to pivot).

138-07-2004 Moved by Allen Nielsen that the Board approve the farm improvement project of James Graham Jr. for the conversion of 139 acres of wheel move irrigation in the NE 29-16-16 W4M to 131 acres of pivot irrigation, with payment to the water user of \$2,500. Seconded by Clint Henrickson. CARRIED

6.04 Farm Improvement – Dave Neufeld

Jim Meador presented the following proposed farm improvement for Dave Neufeld:

- a) The conversion of 140 acres of wheel move irrigation in the NE 28-20-15 W4M to 133 acres of pivot irrigation. Pivot must be low pressure complete with drop tubes and no cold weather shut-offs and must be piped from pump-site to pivot center. The water user wishes to keep the 4 acres in the north west corner of the quarter and transfer the 3 remaining acres to the SW 16-21-15 W4M. Payment to the water user is \$1,700, calculated as follows:

133 acres wheels to pivot:	\$2,500
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less 4 acres kept @ \$200 per acre:	<u>800</u>
Payment to water user:	\$1,700

- b) The transfer of 17 irrigation acres (corners) from the SW 21-21-15 W4M to the SW 16-21-15 W4M and the increase of 4 irrigation acres due to conversion of 20 acres of flood irrigation (17 from SW 21-21-15 W4M and 3 from the SE 28-20-15 W4M) to wheel move irrigation (for a total of 24 acres of wheel move irrigation to be located on SW 16-21-15 W4M), with the water user being charged \$800 (4 acres @ \$200).
- c) The conversion of 20 acres of existing terminable flood acres in the SW 16-21-15 W4M to 1st water. If the aforesaid conversions are approved, 24 irrigation acres will be added to this quarter for a total of 44 irrigation acres. The water user would like to have 5 acres of sprinkler irrigation in the south west corner of the quarter and 39 acres of wheel move irrigation in the north east of the quarter. The soils have not been tested in this quarter and the above 3 proposals are all contingent on the soils passing in the SW 16-21-15 W4M. The water user would be charged \$4,000 (20 acres @\$200 capital assets charge).

139-07-2004 Moved by Clint Henrickson that the Board approve, subject to satisfactory soils testing results:

- a) **the farm improvement project of Dave Neufeld for the conversion of 140 acres of wheel move irrigation in the SE 28-20-15 W4M to 133 acres of pivot irrigation, with the water user keeping 4 of the remaining acres, and the transfer of 3 remaining acres to the SW 16-21-15 W4M, with payment to the water user in the amount of \$1,700;**
- b) **the transfer of 17 irrigation acres from the SW 21-21-15 W4M to the SW 16-21-15 W4M;**
- c) **the increase of 4 irrigation acres due to conversion of 20 acres of flood irrigation to wheel move irrigation, with the water user being charged \$800; and**
- d) **the conversion of 20 terminable acres in the SW 16-21-15 W4M to irrigation acres (1st water) for a total of 44 acres of wheel move irrigation in the north east corner of the SW 16-21-15 W4M, with payment by the water user in the amount of \$4,000.**

Seconded by Tom Livingston.

CARRIED

6.05 Farm Improvement – Peter and Lavern Buhler – SW 36-18-15 W4M

The proposed farm improvement of Peter and Lavern Buhler is for the conversion of 41 acres of wheel move irrigation in the SW 36-18-15 W4M to pivot irrigation and the increase of 2 irrigation acres due to conversion for a total of 43 acres of pivot irrigation. Pivot must be low pressure complete with drop tubes and no cold weather shut-off and must be piped from pump site to pivot center. Payment to the water user is \$388, calculated as follows:

41 acres wheels to pivot:	\$788
Less 2 extra required acres @ \$200:	<u>\$400</u>
Payment to water user:	\$388

140-07-2004 Moved by Clint Henrickson that the Board approve the farm improvement project of Peter and Lavern Buhler for the conversion of 41 acres of wheel move irrigation in

the SW 36-18-15 W4M to pivot irrigation and the increase of 2 irrigation acres due to conversion for a total of 43 acres of pivot irrigation, with payment to the water user in the amount of \$388. Seconded by Tom Livingston. CARRIED

6.06 Report on Thefts and Vandalism

Several thefts and vandalism incidents occurred in the month of July, 2004, as follows:

- Cassils check – truck hooked onto chain link gate and tore gate off;
- Springhill check – rifle holes through fan motor;
- Truck stolen from the driveway of Tilley water supervisor’s yard, damage to steering column (truck was found the following day);
- Three trucks were stolen from the EID yard, the yard was locked and trucks were driven through the gate (trucks were found damaged the following morning);
- Delivery off Bantry Canal to One Tree Creek – lock was cut off and the gate was opened all the way pushing approximately 100 cfs of water down the ditch. This happened on 4 different occasions in the last two weeks.

Total damage is approximately \$8,000. Remedies are being considered.

6.07 Water Use and Reservoir Status to Date

To date, 263,000 acre feet of water have been diverted. On average, less than 1 foot of water per acre has been delivered to water users. The reservoirs are close to capacity. Approximately 2 weeks of heavy irrigation are left in the 2004 season, the Bow River has dropped, however, there is an abundant supply of water in the reservoirs.

A lunch break was held at 11:40 a.m. The meeting reconvened at 12:40 p.m. Bob Hale entered.

7.0 Lands Report

7.01 Grazing Report – Breaking of a Portion of Burns Field

Bob Hale requested direction from the Board with respect to the breaking and reseeding of a portion of Burns Field. The Board directed that Bob Hale rent machinery and hire the labour for this work.

Bob Hale also advised that there were two incidents of calves that died in open ditches, one at Encana Ranch and the other at the Patricia lease. At the Patricia lease, the ditch was not allowed to be filled in due to the discovery of a Burrowing Owl nest, and subsequently a calf fell into the ditch and died.

7.02 2004 Grazing Rates

At the suggestion of a Director, the 2004 grazing rates were re-addressed in light of the BSE crisis causing hardship to the farmers. The grazing rate for 2004 had been set at \$14.50 per AUM. New rates were discussed and it was determined that the grazing rates for 2004 should be set at cost.

141-07-2004 Moved by Floyd George that the 2004 grazing rate be changed from \$14.50 AUM to \$11.00 per AUM, due to the BSE crisis. Seconded by Neil Johnson. CARRIED

Bob Hale exited the meeting at 1:03 p.m.

7.03 Random Camping Report

A report was prepared by Rick Martin and presented at the meeting. In his report he advised that he had checked three random camping locations at the south end of Lake Newell and one at Crawling Valley and found that the general condition of the sites were clean with no noticeable litter. It was suggested that the random camping locations at the south end of Lake Newell be closed to random camping for the 2005 camping season and be used only for overflow camping if the Rolling Hills Reservoir campground is full. A notice is to be posted at these locations this year advising that no random camping will be allowed in 2005.

7.04 Industrial Park Development

A Feasibility Analysis of Industrial Land Development was prepared by Kevin Bridges and presented to the meeting with regard to the proposed development of approximately 64 acres of District owned industrial land located south of the EID office complex. The analysis set out the estimated costs of development and several marketing and sale scenarios, including the sale of raw land. The general feeling was that it may be worthwhile developing this land, but the District will not make a large profit on this undertaking. It was felt that the offsite levies to the Town of Brooks are still too high and the Town should be approached for a reduction. No decision will be made to proceed with the development until more marketing research has been done and more information is available with regard to selling undeveloped land.

7.05 Greenwald Lands

7.05.1 Request to Extend Mortgages

A letter was received from K300 Financial Corp. requesting a 2 year extension on the two mortgages held by the District totaling \$931,272. K300 Financial Corp. has been making interest payments only and is in good standing with regard to payment of same.

142-07-2004 Moved by Neil Johnson that the Board approve a two year extension on the Mortgages to K300 Financial Corp., at an interest rate of 7.5% per annum. Seconded by Clint Henrickson. CARRIED

7.05.2 Request to Subdivide Part of Greenwald Lands in 2005

K300 Financial Corporation wishes to develop approximately 30.60 acres on the west side of Greenwald Inlet in the SW 7-18-14 W4M and is willing to pay \$400,000 of the principal owing under the mortgages in return for clear title on the 30.60 acres of land, if it is able to find new or additional investors. If it is unable to do so its other option is to request the District to postpone its mortgage to a new development mortgage and repay the District's mortgage from the sale proceeds of the lots. It was the view of the Board that the 30.60 acres in question is the most desirable land and it may not be prudent to give up the District's security interest in the land with the highest value, and further that it could be a very long time before this land is subdivided and the lots sold. The Board decided that no decisions will be made until they see the plans for subdivision and evaluate the situation.

7.06 Irrigable Units – G.W. Murray Ranches Ltd.

In conjunction with the rehabilitation of H Cowoki, G.W. Murray Ranches Ltd. was granted the transfer of several acres and additional acres to set up two large pivots. The two pivots cover six parcels, none of which can be irrigated independently, and accordingly irrigable unit resolutions are required to be registered on the following parcels:

- (a) E ½ 33-18-13 W4M and all of Section 34-18-13 W4M;

- (b) All of Section 26-18-13 W4M;
- (c) NE, SW and SE of Section 27-18-13 W4M.

143-07-2004 Moved by Clint Henrickson that the Board approve the registration of irrigable units on the following lands:
a. E ½ 33-18-13 W4M and all of Section 34-18-13 W4M;
b. All of Section 26-18-13 W4M;
c. NE, SW and SE of Section 27-18-13 W4M;
Seconded by Pat Hemsing. CARRIED

7.07 Rosemary Property

The District has obtained approval from the County of Newell and Alberta Transportation to subdivide a residential parcel from the parent parcel in the NE 1-21-16 W4M. The residential parcel will be approximately 5.86 acres and has a 1,226 square foot house situate thereon. An appraisal was received indicating a market value of \$125,000, and a request was made from the Board to set a minimum sale price for the residential property.

144-07-2004 Moved by Allen Nielsen that the Board approve the sale of the subdivided residential parcel of the Rosemary property at a price of \$130,000. Seconded by Pat Hemsing. CARRIED

7.08 Proposed Speedway – Gerald MacKenzie

This matter was revisited from the June 29th, 2004 Board Meeting. A report was presented with regard to Mr. MacKenzie’s proposal and plans for a speedway on lands (south west corner of NW 20-18-14 W4M) he wishes to lease from the District. The Board felt that since no organization is in place to carry out this project and raise funds, it would be premature to address this matter.

7.09 Houseboat on Lake Newell

A request was made to put a houseboat purchased from the Shushwap Lakes on Lake Newell and to moor it on the shoreline of lands owned by the District. The houseboat will be rented for several days at a time and will need to be moored at night. The Board gave direction to Earl Wilson to select 5 or 6 mooring places for the houseboat on District lands, subject to liability requirements and on the condition that there be no fires on District lands.

8.0 General Manager’s Report

8.01 Prairie Association for Water Management (P.A.W.N.)

A letter was received from P.A.W.N. requesting membership renewal.

145-07-2004 Moved by Floyd George that the Board approve to renew an individual membership with Prairie Association for Water Management for \$20.00. Seconded by Clint Henrickson. CARRIED

8.02 Water Scarcity Conference

Earl Wilson advised that he and Kevin Bridges attended the Water Scarcity Conference and George Romao, Pat Hemsing and Clint Henrickson attended one day of the conference. There were approximately 260 to 270 full time registrations as well as numerous daily registrations. The

conference had a number of academic speakers and their views were very equally balanced. In his opinion, it was a good conference and very worthwhile.

8.03 Small MLA Tour

Earl Wilson advised that he has arranged for a small tour of the District for approximately 6 to 8 MLA's including a golf tournament in the week of August 22, 2004. More exact details will be provided in due course.

9.0 Information Items

9.01 Water in the Prairie Provinces Booklet

The CWRA published an informative and interesting booklet titled Supply, Quality and Use of Water in the Prairie Provinces. The purpose of the booklet was to identify and address common water issues and concepts applicable throughout the prairie provinces, and it also addresses province specific issues.

9.02 Letter from Brent and Susan Gutfriend

A letter was received from Brent and Susan Gutfriend thanking the Board for the waiving of the 2004 water rates to alleviate the hardship to farmers caused by BSE.

10.0 Upcoming Events

10.01 International Joint Commission Meeting, Thursday, July 29, 2004, at 7:00 p.m. at the Lethbridge Lodge;

10.02 Regular EID Board Meeting, Tuesday, August 24, 2004;

10.03 Board Retreat – suggestion to have a Board Retreat in December, 2004;

10.04 Regular EID Board Meeting, Tuesday, September 28, 2004;

10.05 Harvest Gala, Friday, October 15, 2004, 5:30 p.m. at the Calgary Stampede Round-up Centre;

10.06 Regular EID Board Meeting, Tuesday, October 26, 2004.

Clint Henrickson moved adjournment of the meeting at 2:00 p.m.

Board Chairman

General Manager

August 24, 2004 Directors Meeting

The Directors of the Eastern Irrigation District held a meeting on the 24th day of August, 2004. Those in attendance were:

- Mr. Bob Chrumka Chair [Division 06]
- Mr. Clint Henrickson Director [Division 03]
- Mr. Floyd George Director [Division 01]
- Mr. Tom Livingston Director [Division 02]
- Mr. Neil Johnson Director [Division 04]
- Mr. Allen Nielsen Vice-Chair [Division 05]
- Mr. Pat Hemsing Director [Division 07]

- Mr. Earl Wilson General Manager
- Kevin Bridges Assistant General Manager
- Mrs. Renate Dykstra Executive Assistant

The meeting was called to order at 9:03 a.m.

1.0 Adoption of Agenda

The following items were added to the agenda:

- Update on Village of Tilley Purchase added to item 9.0 – Lands Report;
- Request from Brooks Fire Department added to item 10.0 - Additional Items;
- Village of Duchess – Acreage Development added to item 10.0 – Additional Items;
- Country Residential Subdivisions added to item 10.0 – Additional Items;
- Highway 873 – Rolling Hills Road added to item 10.0 – Additional Items;
- Access by Oil Companies on Lease Lands added to item 10.0 – Additional Items;
- Board Retreat added to item 10.0 – Additional Items.
-

146-08-2004 Moved by Pat Hemsing that the Board adopt the agenda with noted additions. Secoded by Neil Johnson. CARRIED

2.0 Approval of Minutes

2.01 Minutes of July 27, 2004 Regular Board Meeting

147-08-2004 Moved by Clint Henrickson that the Minutes of the July 27, 2004 regular Board Meeting be approved with noted amendments. Secoded by Pat Hemsing. CARRIED

3.0 Financial Report

3.01 Financial Statements to July 31, 2004

Kevin Bridges presented the Financial Statements to July 31, 2004. He noted that revenues are exceeding the year-to-date budget predictions and expenses are close to the year-to-date budget. Gross revenues are up from prior year-to-date by \$0.94 million and expenses are up from prior year-to-date by \$0.61 million. Oil and gas revenues continue to exceed the year-to-date budget although the rate of earnings slowed in July. Water revenues are exceeding the year-to-date budget but have dropped below the income level in July, 2003. Oil and gas and land leases are the primary sources of the better than expected revenues.

Mr. Bridges also pointed out that \$28,000 has been refunded to the private grazing lease holders due to the reduction of the 2004 grazing rates from \$14.50 to \$11.00 per AUM.

He also noted that a federal fuel tax rebate application has been made in the amount of \$68,608 which will reduce the 2004 fuel expenses.

3.02 Quarterly Accounts Receivable Report

Kevin Bridges advised that the majority of accounts receivable are current, however, there are a few outstanding accounts estimated at \$37,400.

Sale of Rosemary House/Acreage

Kevin Bridges advised that the Rosemary water supervisor house/acreage was offered for sale at \$130,000, and a conditional offer for \$131,000 has been accepted, subject to financing approval for the purchaser, and completion of the subdivision and staking property lines for fencing by the District. There are no foreseeable problems in the District meeting its obligations.

148-07-2004 Moved by Clint Henrickson that the Board approve the Financial Statements to July 27, 2004, as presented, with noted amendment. Seconded by Tom Livingston. CARRIED

4.0 High Speed Internet Update

Kevin Bridges provided a report updating the status of the high speed internet, noting the following:

- installation of the communication towers is scheduled for completion this week;
- completion of the radio links and installation of sector radios on towers is expected to be completed by August 30, 2004;
- the District has been experiencing significant problems with slow data transmission speed and accordingly IP Plus has been instructed to discontinue customer installations until the service problem is rectified;
- installations are expected to restart next week;
- high speed internet customers will not be charged until we are delivering quality service;
- there are 331 customers on the waiting list, 74 installations have been done;
- IP Plus will be dispatching additional crews to speed up installations once the data transmission speed has been rectified;
- the installations for the 331 customers is expected to be completed by September 30, 2004.

A recess was held at 9:56 a.m. and the meeting reconvened at 10:08 a.m.

5.0 Operations

5.01 Water Use Report

Earl Wilson advised the meeting that to date the District has diverted 354,000 acre feet to water users. Due to the cool wet weather, water use has been low this year, with an average of .9 to 1 acre foot per acre of water delivered to water users. There is approximately 279,000 acre feet of water in storage, which is 13,000 more acre feet than at the beginning of the irrigation season.

5.02 Water Shut Off Date

It was recommended that the water shut off date be October 8th or 15th, 2004, as there is no reason for an early shut off.

149-08-2004 Moved by Neil Johnson that the Board set the shut off date for irrigation water at October 15, 2004. Seconded by Pat Hemsing. CARRIED

5.03 Water Shut Off Date – Lower North Branch Canal

Earl Wilson advised that he would like to start construction on the Lower North Branch Canal at the end of September and requested a shut off date for water on this canal at September 27, 2004. He advised that water users affected by an earlier shut off date had been contacted and there were no objections.

150-08-2004 Moved by Pat Hemsing that the Board approve a shut off date for irrigation water on the Lower North Branch Canal at September 27, 2004. Seconded by Clint Henrickson. CARRIED

George Romao enters at 10:22 a.m.

6.0 Engineering Report

6.01 Project Status Report

George Romao presented the project status report for the upcoming projects, noting the following:

- 18 Rolling Hills and 26–05 Rolling Hills – all agreements have been signed;
- R Tilley – all agreements with the exception of one has been signed as he is too busy;
- 10 Rolling Hills – landowner is considering moving the pump site which will change the required rehabilitation;
- Secondary “G” Springhill – 1 landowner has signed, documents are being prepared for the rest; 2 landowner issues, 1 requires purchase of land from a neighbour and the other doesn’t want any work done on his land, both issues can be worked around by the District;
- Lower North Branch – documents are ready for signing;
- Secondary “A” and “B” North Branch – land and construction agreements have been prepared and signing will begin next week;
- “A” Springhill Laterals – land and construction agreements are not ready;
- 01 Antelope Creek – documents are being prepared and signing will begin immediately when ready.

6.02 Long Pump Canal

George Romao presented the synopsis for the proposed rehabilitation of the Long Pump Canal. Problems associated with this canal are aquatics, seepage, lack of capacity, poor bank width and height, and the control structures along this reach are also in need of replacement.

The recommendation is to replace all portions of the Long Pump Canal with a pipeline. One of the two existing pump houses would be retained and upgraded. The pumps will be supplied by a stilling pond fed from 04-C Springhill, and a second stilling pond will be installed 350 meters upstream of the pump houses to supply deliveries for Lakeside Farm Industries and Fred Barg. To supply the deliveries to the rest of the system, one lateral pipeline will branch off and run east from the pump houses until crossing Highway 873 and then turn south, the second lateral will run south from the main pump house and will tie into the proposed rehabilitation. The pipeline will continue to head south and have a lateral branching off in the SE 29-19-14 to the east to supply two deliveries on the east side of Highway 873.

The acres served by this project are 2781 acres of sprinkler irrigation and 88 acres of gravity irrigation with a required flow of 44cfs. The estimated cost for this project is \$960,000.

- 151-08-2004 Moved by Pat Hemsing that the Board approve the rehabilitation of Long Pump Canal as presented at an estimated cost of \$960,000. Seconded by Neil Johnson. CARRIED**

6.03 Secondary "G" and 05 Secondary Springhill Canal

The proposed project is for the rehabilitation of Secondary "G" Springhill Canal downstream of the 05G Control Structure including sub-laterals 05G, 06G, 07G, 08G and 09G. The project is located at the bottom end of the Springhill Canal system north and east of the Village of Duchess. The acres served by this reach total 4,531. The recommended proposal involves reconstructing a portion of the existing canal combined with a series of gravity pressure pipelines for sub-laterals 05G, 06G, 07G, 08G and 09G. The proposed pipelines would originate in a newly constructed settling pond located upstream of the 05G check/drop structure.

The proposed project also includes trimming and armouring Secondary "G" Canal from the 05G check/drop to the John Ware Spillway, as well as replacing the existing drop into the spillway with a gabion chute structure. This reach of canal is to end at the spillway and will handle spill flows and supplement irrigation demand for 17G Springhill via the John Ware Spillway. The two existing culverts in the John Ware Spillway beneath Secondary "G" Canal will be replaced with one large culvert. The estimated cost of this project is \$2,200,000.

Before granting approval of this project, the Board decided to address the letter received from Robert McKnight as the proposed project will affect him.

Letter from Robert McKnight re Conversion from 2nd Water to 1st Water

A letter was received from Robert McKnight requesting conversion of 156 acres in Sections 9 and 10 - 21-13 W4M from terminable irrigation (2nd water) to irrigation acres (1st water). Discussion ensued re-addressing the issues discussed and the decision made at the July Board meeting. The decision that was made at the July Board meeting in Motion 134-07-2004 is as follows:

"To leave McKnight's 156 acres of flood irrigation as terminable acres, install an adequately sized service, and a meter at the end of the pipeline to monitor water use up to 18 inches of water per acre per irrigation season and when the 18 inches of water has been reached the water will be shut off. The District will also monitor water use for 5 years and then decide whether to convert the land to 1st water, force conversion to a more efficient method of irrigating and convert to 1st water, leave as 2nd water, or cancel. If 1st water is granted, McKnights will be required to pay the capital assets charge on the conversion from terminable acres (2nd water) to irrigation acres (1st water) at the capital assets rate in effect at the time of conversion".

Bob Chrumka exited the meeting at 10:55 a.m. and Allen Nielsen was the acting chairman in his absence.

- 152-08-2004 Moved by Tom Livingston that the District respond to Robert McKnight's letter, confirming that the original decision of the Board at the July Board meeting stands and that 1st water will be granted now, only if he converts to pivot and the capital assets charge at this time will be \$100 per acre. Seconded by Clint Henrickson. CARRIED**

Bob Chrumka re-entered at 10:59 a.m. and resumed his role as chairman.

Secondary “G” and 05 Secondary Springhill Canal project was re-addressed.

153-08-2004 Moved by Pat Hemsing that the Board approve the rehabilitation of Secondary “G” and 05 Secondary Springhill Canal project, as presented, at an estimated cost of \$2,200,000. Seconded by Tom Livingston. CARRIED

6.04 Secondary “B” Springhill Structures Tender Results

Tender results were received for Secondary “B” Springhill structures in 21-16 W4M as follows:

Robin Hansen Construction Ltd.	\$ 90,787
Charmar Enterprises (1991) Ltd.	\$ 99,400
MJB Enterprises Ltd.	\$109,400

Robin Hansen Construction Ltd. had the low bid of \$90,787, and the tender has been awarded to it.

7.0 EID Canal Rehabilitation – 5 Year Plan – 2005 to 2010

Earl Wilson presented a short draft version of the proposed 5 Year Plan and gave a brief overview of each project therein. He noted that the District completed \$18 million in projects in 2004, the proposed projects for 2005 – 2006 total \$16 million, \$19 million in the following year and \$16 million in the third year. He advised that there may be a few projects that perhaps could be moved up to a previous year. Mr. Wilson also pointed out the included in the 5 Year Plan were drainage systems that require rehabilitation.

The direction of the Board was that:

- the draft plan was acceptable to them with a few minor changes;
- the first 3 years of the plan is to be followed, with the last 2 years being more optional;
- they agreed that some flexibility would be allowed for moving projects up to a previous year;
- yearly expenditure levels are to remain close to the 2004 expenditure;
- additional small projects may be added where necessary; and
- they agreed to the rehabilitation of some drainage systems set out in the plan.

It was also noted that the first priority project for the 2004 – 2005 year is the Tilley Canal rehabilitation as had been requested by the Board at the May 27, 2004 Board Meeting.

A lunch break was held at 12:05 p.m. The meeting reconvened at 1:32 p.m.

8.0 Equipment Report

Quotes for the purchase of a new 70,000 pound excavator (hoe) and a new 55,000 pound excavator (hoe) were presented to the Board. Coneco Equipment Inc. had the lowest quotes of \$264,800 for the Komatsu PC300LC-7 and \$217,700 for the Komatsu PC220LC-7. Staff evaluated the equipment, and recommended the purchase.

154-08-2004 Moved by Pat Hemsing that the District rent the Komatsu PC300LC-7 hoe for \$12,000 per month, and the Komatsu PC220LC-7 for \$10,000 per month, and if they prove to

**be good machines, to purchase these hoes in January, 2005, from Coneco Equipment Inc. noting that the rental payments are to be applied towards the purchase price
Seconded by Neil Johnson. CARRIED**

9.0 Lands Report

9.01 Body & Soul Fitness Centre – Transfer of Lease

Peggy Trahan has sold the Body & Soul Fitness Centre to Greg and Tasha Beck and has requested that her lease with the District be assigned to the new owners as required under the terms of the lease, and that she be released from any obligations with respect to the lease.

155-08-2004 Moved by Clint Henrickson that the Board approve the assignment of the lease from Peggy Trahan to Greg and Tasha Beck, effective September 1, 2004, and to release Peggy Trahan from her obligations with respect to the lease. Seconded by Allen Nielsen. CARRIED

9.02 Industrial Land Development

Kevin Bridges presented a Feasibility Analysis of Industrial Land Development Proposal to the Board. It was noted that developed industrial land has sold between \$50,000 and \$53,500 per acre in the last 4 years. The Town of Brooks has advised that it is increasing its price to \$75,600 per acre, and the demand for this type of property is fairly strong. An opinion was also received from a local realtor indicating that 5 acre serviced industrial lots should sell for \$55,000 per acre and the market value of raw industrial land is \$25,000 per acre. Mr. Bridges analysis showed that based on a selling price of \$55,000 per acre, less input costs, the profit to the District for developed land would be \$10,684 per acre. Mr. Bridges also advised that he asked the Town of Brooks if they would accept a reduction in offsite levies if the District proceeds with development, however the indication from the Town was not optimistic that they would accept the proposal. As the Town of Brooks is presently servicing its last parcel of raw industrial lands, the Town was asked if it would be interested in purchasing the raw land from the District. A response will be received from the Town once these matters have been discussed by Town Council.

Lengthy discussion ensued. Some Directors felt that the District should stay out of development. The general feeling of the Board was that it is more profitable for the District to sell raw land than to do the development and sell serviced lots. The Board felt that it would be interested in selling the raw land to the Town of Brooks, if the Town was interested in purchasing it. In the meantime the direction of the Board was to investigate subdivision of approximately 50 acres to the quarter line or whatever the Town would allow, and what criteria the Town would require of the District with regard to subdivision. This matter is to go back to the Board when more information is available.

9.03 Lakeside Expansion

Earl Wilson advised that he had been approached by Lakeside Farm Industries Ltd. with respect to their proposed expansion. Lakeside will require 20% more land, approximately 400 to 500 irrigation acres for their additional effluent. Mr. Wilson advised Lakeside that there is a moratorium on new acres in the Springhill system and therefore the District is unable to grant any irrigation acres, however, Lakeside could purchase irrigation acres from landowners and transfer them or they could purchase land with irrigation acres. Other options were discussed at length. It was felt that the District should work with Lakeside if they require help in finding irrigation acres from the private sector.

9.04 Rural Water Use Rate to County of Newell re Industrial Lots – Fire Protection

Earl Wilson advised that the District supplies water to rural industrial parcels for fire protection. It was his view that the Rural Water Use Purposes Agreements for these parcels should be with the County of Newell rather than the individual property owners as the District can not rate enforce if payments under these agreements are not made and can be hard to collect, whereas the County has better legislation in place for the collection of unpaid accounts. Mr. Wilson asked that if the Board is agreeable to this concept, would the Board prefer to set a new rate for fire protection or stay with the industrial rate already in place.

The Board was agreeable with entering into Rural Water Use Purposes Agreements with the County of Newell for the supply of water for fire protection on industrial lots rather than the individual property owners, at the industrial rate.

9.05 Luscar Coal Update

A letter was received from Brian Bietz, a consultant hired by Luscar Coal, giving an update on Luscar's recent activities and future plans. His letter advised that:

- Luscar has recently formally withdrawn the application submitted earlier by Fording Coal and has advised the EUB and Alberta Environment that it intends to re-submit a new application, likely in the spring of 2006;
- A new Terms of Reference for the Environmental Impact Assessment will be developed and circulated for public comment, likely in September;
- Luscar has attempted to honour the request from area landowners that the profile of their project be kept as low as possible, however, the publication of the Terms of Reference, plus the need to begin to work more closely with the various communities surrounding the mine site, will increase public awareness of the project;
- Luscar's environmental programs such as wildlife, vegetation, fisheries, water quality and quantity, have continued through the summer and a number of other programs such as air quality, soils, socio economics, etc. will begin very soon;
- Luscar will continue to require its consultants to work closely with District staff in coordinating programs and particularly in accessing District lands;
- Work has begun on project engineering and on a new mine plan, including potential cooling systems, combustion technologies and mine development options;
- Luscar is working on creating an 'omnibus Agreement' with the District, including confidentiality of some environmental data in order to ensure that neither species nor District operations are needlessly disturbed;
- Luscar has worked with Bow City Landowners Protection Committee and hopes to have an agreement on land acquisition principles in place very soon, and would like to review these principles with the District as they may apply in future discussions with the District;
- Luscar intends to continue to move forward in developing its application for the Bow City Power Project.

Kevin Bridges advised that in addition to the above update:

- Luscar has been accessing District lands under the present agreement;
- Luscar has requested a one month extension on the present agreement, and the extension will be granted;
- the "omnibus Agreement" is still not in place and a meeting has been arranged with the District's solicitor in this regard;
- Luscar's problem is the maintaining of the confidentiality of environmental data and meeting the requirements of the regulatory bodies.

9.06 Petty Trespass Act

A report had been prepared by Rick Martin and presented to the meeting with respect to amendments to the *Petty Trespass Act*. Amendments were made in June, 2004, and make it a much stronger deterrent that it was in the past. The summary of changes are as follows:

“Every person who without permission of the owner or occupier of land enters land when entry is prohibited under section 2.1 is guilty of an offence.

- 2.1) Entry on land may be prohibited by notice given orally, in writing or by posters or signboards;

Entry on land is prohibited without any notice required on land that is under cultivation or surrounded by a fence.

Every person who does not leave immediately after he or she is directed to do so by the owner or occupier of the land or a person authorized by the owner or occupier is guilty of an offence.

A person who is guilty of an offence is liable for a first offence, to a fine not exceeding \$2,000, and for a 2nd or subsequent offence in relation to the same land, to a fine not exceeding \$5,000.”

The amendments also give enforcement officers such as fish and wildlife and the County Special Constable authority to give out written tickets with voluntary payment fines for trespassing in a number of situations.

9.07 Land Between Canal and Road – W ½ 11-15-15 W4M

At the request of a Director, Earl Wilson advised the Board that there are 3 triangular parcels of land in the W ½ 11-15-15 W4M, two of which are owned by the District. The suggestion was to sell the parcels of land. The direction of the Board was to obtain more details as to how easily it could be subdivided and bring the matter back to the Board for a decision.

9.08 Update of Village of Tilley Offer to Purchase

Earl Wilson advised that he had spoken with Carol Charlton, the mayor of the Village of Tilley and she was disappointed with the decision of the Board to not sell the 10 acre parcel to the Village. Her concern is that the Village of Tilley will not have any more lots available within a year and there is no room for expansion outside of the 10 acre parcel owned by the District. She advised that the Village would still like to purchase the property. It was noted that in the original request for purchase, the Village had offered a \$1,000 deposit to hold the property, but no formal offer to purchase had been made. The Board determined that if the Village of Tilley wished to purchase the property, they would have to submit a written offer to purchase to the Board.

10.0 Additional Items

10.01 Request from Brooks Fire Department

A letter and package were received from the Brooks Fire Department requesting financial support for the construction of a fire training facility in co-operation with the volunteer fire departments of Bassano, Bow City, Duchess, Gem. Patricia, Rolling Hills, Rosemary, Scandia and Tilley. Earl Wilson pointed out that the District has not made cash donations in the past as it had been the

Board's view that the District pays its share for such services through property taxes. The Board decided that the District should investigate providing some land or equipment services, rather than make a cash donation.

10.02 Village of Duchess – Acreage Development

The Village of Duchess has advised that it wishes to develop small acreages (country residential subdivision) south of the golf course and requested that the District supply irrigation water for these acreages. The Village of Duchess suggested that it would install the water line for the conveyance of water to the acreages. It was the view of the Board that these acreages are in the Village of Duchess and the if Village of Duchess owns the water line, all easements and agreements required should be with the Village of Duchess rather than the individual property owners, and the Village of Duchess should be billed the annual fee for the irrigation water supplied to the acreages, rather than the individual owners of the acreages.

10.03 Country Residential Subdivisions – County of Newell

As with the Village of Duchess, in the future, when country residential subdivisions are created by the County of Newell and the District supplies the irrigation water for the country residential lots, the District would prefer to enter into easements and water use agreements with the County and bill the County for the irrigation water supplied to the country residential lots, rather than the individual property owners. In cases where the District owns the water line, the cost of installation and maintenance will be charged to the County, plus the annual water fee for the country residential lots.

10.04 Highway 873 – Rolling Hills Road

A Director advised that Highway 873 which is the road that runs to the Rolling Hills Reservoir Campground is in very poor condition and should be of concern to the District. He determined that this road is not on the County's list of priorities for paving. He has been advised by the transportation department that this road can be re-graded and graveled, but not paved.

10.05 Access by Oil Companies on Lease Lands

It was brought to the attention of the Board that in the Gem Grazing Lease, 8 of the cattle guards are in poor condition and are not being properly maintained by the oil companies, and on a further note, the oil companies are making their own trails from well to well rather than following the designated roads. It was suggested that the cattle guards be removed and swinging gates with locks be installed. It was also suggested that this issue be dealt with in the re-negotiations with the oil companies. The Board decided that this issue be brought to the attention of the GAC, be discussed with Bob Hale and then re-addressed at a future meeting.

10.06 Board Retreat

A Board Retreat is being planned for early December, with a likely location of Banff, Kananaskis or Canmore. Suggested topics for discussion are:

- sale of District lands;
- streamline the community pastures and make them into fewer grazing associations;
- zero water rates;
- future policy for oil and gas surface lease review;
- financial reserves.

The Board felt that it was not necessary or helpful to have a moderator present.

11.0 Upcoming Events

- 11.01 MLA Tour and Golf Tournament – Wednesday, September 15, 2004, 2:00 p.m.;**
- 11.02 AIPA Directors Meeting – Monday, September 27, 2004 (tentative date), Heritage Inn, Taber, Alberta;**
- 11.03 Regular EID Board Meeting – Tuesday September 28, 2004;**
- 11.04 Harvest Gala – Friday, October 15, 2004, 5:30 p.m. at the Calgary Stampede Round-Up Center;**
- 11.05 Regular EID Board Meeting – Tuesday, October 26, 2004;**
- 11.06 Northwest Operators’ Tour – January 18 – 20, 2005, Yuma, Arizona;**
- 11.07 AIPA Conference – February 27 – March 1, 2005.**

Pat Hensing moved adjournment of the meeting at 4:08 p.m.

Board Chairman

General Manager

The Directors of the Eastern Irrigation District held a meeting on the 28th day of September, 2004. Those in attendance were:

- Mr. Bob Chrumka Chair [Division 06]
- Mr. Clint Henrickson Director [Division 03]
- Mr. Floyd George Director [Division 01]
- Mr. Tom Livingston Director [Division 02]
- Mr. Neil Johnson Director [Division 04]
- Mr. Allen Nielsen Vice-Chair [Division 05]
- Mr. Pat Hemsing Director [Division 07]

- Mr. Earl Wilson General Manager
- Kevin Bridges Assistant General Manager
- Mrs. Renate Dykstra Executive Assistant

The meeting was called to order at 8:57 a.m.

1.0 Adoption of Agenda

The following items were added to the agenda:

- Land Sale Request to item 8.0 – General Manager’s Report
- Land Lease Request to item 8.0 – General Manager’s Report
- Flow Measurement to item 8.0 – General Manager’s Report
- Bid on re-grass feed on A1 Swingfield to item 9.0 – Grazing Report

156-09-2004 Moved by Pat Hemsing that the Board adopt the agenda with noted additions. Seconded by Clint Henrickson. CARRIED

2.0 Approval of Minutes

2.01 Minutes of August 24, 2004 Regular Board Meeting

157-09-2004 Moved by Clint Henrickson that the Minutes of the August 24, 2004 regular Board Meeting be approved with noted amendments. Seconded by Neil Johnson. CARRIED

3.0 Business Arising from Minutes

3.01 Triangular Parcels of Land – W ½ 11-15-16 W4M

This matter was re-addressed from the August 24, 2004 Board meeting. The matter has been investigated and Earl Wilson advised that the two triangular parcels in the W ½ 11-15-16 W4M were part of the quarter section and would have to be subdivided out if they were to be sold. The cost of subdivision would be approximately \$5,000, which would be more than the price of the land. The direction of the Board was to advertise and lease these parcels as pasture.

158-09-2004 Moved by Tom Livingston that the District advertise and lease the two triangular parcels of land in the W ½ 11-15-16 W4M. Seconded by Clint Henrickson. CARRIED

4.0 Financial Report

4.01 Financial Statements to August 31, 2004

Kevin Bridges presented the Financial Statements to August 31, 2004. He noted that revenues are exceeding the year-to-date budget and expenses are close to the year-to-date budget. Gross revenues are up from prior year-to-date by \$12,000 and expenses are up from prior year-to-date by \$400,000. Oil and gas revenues continue to exceed the year-to-date budget and the August, 2003 income level. Water revenues are on track with the year-to-date budget, but are below the 2003 year-to-date income level due mainly to decline in oil and gas water revenues, however water revenues from other sources exceed the 2003 year-to-date totals. Oil and gas and land leases are the primary sources of better than expected revenues. It was also noted that the fuel rebate of \$68,808 was received in September and will reduce the 2004 fuel expenses.

159-09-2004 Moved by Clint Henrickson that the Board approve the Financial Statements to August 31, 2004, as presented. Seconded by Tom Livingston. CARRIED

4.02 Group Benefits

Kevin Bridges advised that that District's employee benefits have been part of the AIPA group that purchases group insurance through WSG and Cox Financial Group. Similar coverage has been offered to the District by Brooks Group Benefits Inc. through Encon Group Inc. and Maritime Life at a 15% lower premium. The coverage offered by Brooks Group Benefits Inc. is identical with the exception of critical disease coverage, which is being investigated. Mr. Bridges pointed out that the critical disease coverage in place is limited. It was suggested that since the District is part of the AIPA group but has approximately 40% of the employees, that the AIPA should be made aware that if the District changes insurers that the AIPA's premiums will likely rise. The Board's direction was to investigate other insurance companies for coverage and premiums. The Board was adamant that any new coverage being considered has to be at least equivalent to the coverage the District has now and that the District employees continue to be well covered in the long term.

5.0 High Speed Wireless Internet Update

Kevin Bridges presented a report updating the status of the high speed wireless internet, noting the following:

- installation of communication towers and related equipment is complete;
- virtually all of the service level (speed) problems have been resolved;
- invoices will be sent out as of October 1, 2004;
- the District is serving 1016 dial-up customers and 136 wireless customers;
- 328 additional customers have applied for connection to the wireless network;
- there are 174 more dial-up customers and 259 more wireless customers than projected in the business plan;
- customers are being served in Bassano, Brooks, Cassils, Duchess, Gem, Rolling Hills and Rosemary areas;
- IP Plus is scheduling 70 new customer installations per week;
- there is a problem area south west of Tilley that does not have signal strength for normal installation;
- a higher capacity cable and in some cases a larger antenna are being tried at the customer premises;
- IP Plus is supplying 50 feet of cable at no charge for these customers and the District is paying for the larger antenna that may be required as the location of the tower chosen by the District seems to be the cause of the problem;
- If higher capacity cable and larger antennas prove unsatisfactory, an additional tower may be required;

A short recess was held at 9:55 and the meeting reconvened at 10:02. George Romao entered.

6.0 Engineering Report

6.01 Tender Results

6.01.1 G Springhill Earthworks

Six tenders were received for G Springhill Earthworks as follows:

Contractor	Tender Price
Caliber Systems	\$1,508,904
Richardson Bros.	\$1,703,890
DeGraaf Excavating	\$1,717,809
Chief Construction	\$2,068,300
BYZ Construction	\$2,107,490
MJB Enterprises	\$2,396,655

Caliber Systems had the lowest bid of \$1,508,904, and the tender was awarded to it.

6.01.2 G Springhill Structures

Five tenders were received for G Springhill Structures as follows:

Contractor	Tender Price
Charmar Enterprises	\$509,500
MJB Enterprises	\$591,888
Trevcon Enterprises	\$648,160
Caliber Systems	\$661,200
Porter Tanner	\$706,665

Charmar Enterprises had the lowest bid of \$509,500, and the tender was awarded to it.

6.02 04H West Bantry Pipeline

George Romao presented the synopsis for the proposed rehabilitation of 04H West Bantry.

Problems associated with the existing canal are lack of proper banks for maintenance, deteriorated structures and seepage. The proposed project will replace the existing canal with a closed pipeline, designed with a capacity of 13 cfs to serve 531 acres of existing sprinkler irrigation. The lower 600 meters of the canal was previously lined and gravel armoured. The pipeline will utilize the existing inlet structure off of Lateral H West Bantry and a self cleaning screen will be installed on the inlet structure. The estimated cost to replace the entire canal with a closed gravity PVC pipeline is \$547,000, or alternately, the estimated cost to replace the canal with a closed gravity PVC pipeline up to the portion that is lined and armoured is \$526,000.

- 160-09-2004 Moved by Pat Hemsing that the Board approve the rehabilitation of 04H West Bantry by replacing the entire existing canal with a closed pipeline at an estimated cost of \$547,000. Seconded by Clint Henrickson. CARRIED**

6.03 Long Pump Canal – Service to Acreages

The tail-out from the Long Pump canal system on the east side of the Duchess Highway has had the disadvantage of constant flooding of an unwanted slough area in NW 21-19-14 W4M, which has contributed to a slowly expanding alkali problem in this quarter section. When the rehabilitation of the Long Pump canal system is completed, the tail-out will still be required for spillwater from 88 flood acres and a small amount of spring runoff, and the problem of constant flooding would be resolved, however, the District would still have the obligation to continue supplying the southern residences with domestic water. To continue to supply the acreages, water would have to be run down the tail-out system as before and during this process the slough in the NW 21 will essentially fill up to some extent before any domestic water will continue through, wasting a lot of water in a spot where it is not wanted or required. The proposal is to run a pipeline to the southern residences to supply the domestic requirements at an estimated cost of \$12,000, with the District cost sharing this development 50% with the interested landowners. This solution will save water as well as resolving landowner issues.

- 161-09-2004 Moved by Pat Hemsing that the Board approve the installation of a pipeline to supply domestic water to the acreages on the south end of the Long Pump Canal in order to save water and resolve some long standing landowner issues, at an estimated cost of \$12,000, subject to the interested landowners paying 50% of the cost of the pipeline. Seconded by Tom Livingston. CARRIED**

6.04 Request for Pipeline Extension – Norm Young – NE 32-19-14 W4M

Norm Young has requested that the District add an extension to Fred Barg's pressure pipeline in the NE 32-19-14 W4M to supply water to Mr. Young's acreage. Mr. Young has agreed to pay for the pipeline extension. The District would consider taking over ownership the pipeline.

- 162-09-2004 Moved by Clint Henrickson that the Board approve the request of Norm Young to add an extension to the pressure pipeline in the NE 32-19-14 W4M, to supply water to his acreage. The cost of the extension will be borne by Norm Young and the District will take over ownership of the pipeline. Seconded by Pat Hemsing. CARRIED**

6.05 G Springhill

6.05.1 Infrastructure Savings – Robert McKnight – NE 13-21-14 W4M

George Romao advised that Robert McKnight currently floods 52 acres from the south west corner of the NE 13-21-14 W4M. The delivery point is on high ground and in order to meet this delivery in the rehabilitation would require a very large diameter pipe or leaving the 05G lateral as an open

canal. Mr. McKnight has agreed to move his delivery east and down-slope which allows 05G pipeline to be sized economically at a substantial savings to the District. From there he would use a lift pump and gated pipe to continue to flood. The recommendation is for Mr. McKnight to receive \$7,500 under the Infrastructure Savings Grant Policy.

- 163-09-2004 Moved by Pat Hemsing that the Board approve that Robert McKnight receive \$7,500 under the Infrastructure Savings Grant Policy for moving his delivery east and down-slope of the present delivery and thereby allowing the District to install an economically sized pipeline at a substantial savings to the District. Seconded by Clint Henrickson. CARRIED**

6.05.2 Infrastructure Savings – Allan Conners – SE 13-21-14 W4M

George Romao advised that Allan Conners floods 103 acres from the north west corner of SE 13-21-14 W4M. The existing delivery is on high ground and in order to meet this delivery with the rehabilitation would require a very large diameter pipe or leaving 05G later as an open canal. Mr. Conners plans to install a pivot, with the delivery point at the centre. The centre is a lower elevation which allows the 05G pipeline to be sized economically resulting in substantial savings to the District. The recommendation is for Mr. Conners to receive \$15,000 under the Infrastructure Savings Grant Policy.

- 164-09-2004 Moved by Tom Livingston, that the Board approve that Allan Conners receive \$15,000 under the Infrastructure Savings Grant Policy for installing a pivot with a delivery point at centre which has a lower elevation than the original delivery and thereby allowing the District to install an economically sized pipeline at a substantial savings to the District. Seconded by Neil Johnson. CARRIED**

6.05.3 Conversion from 2nd Water to 1st Water (McKnight Pivot)

This matter requires further information and will be re-addressed at a future meeting.

6.05.4 Irrigable Unit – Leonard Dirk and Dan Endersby

George Romao advised that it has come to the attention of the District that an “irrigable unit” is required on W ½ of 13-21-14 W4M. Leonard Dirk and Dan Endersby have a pivot crossing the quarter line of the NW 13 and the SW 13 with the delivery in the south west corner of the SW 13-21-14 W4M.

- 165-09-2004 Moved by Pat Hemsing that the Board approve the registration of an “irrigable unit” on the NW 13-21-14 W4M and SW 13-21-14 W4M, being lands owned by Leonard Dirk and Daniel Endersby. Seconded by Clint Henrickson. CARRIED**

6.05.5 Irrigable Unit – McKnight

George Romao requested an irrigable unit designation for NW 7-21-13 W4M and NE 7-21-13 W4M.

- 166-09-2004 Moved by Tom Livingston that the Board approve the registration of an “irrigable unit” on the NW 7-21-13 W4M and the NE 7-21-13 W4M, being lands owned by Robert McKnight. Seconded by Neil Johnson.**

CARRIED

6.06 Project Status Update

George Romao presented the project status report noting the following:

26 & 27 Rolling Hills

- 4 km and 1 km pipelines
- 4.5 km pipeline installed
- remainder to be installed after water is shut off

Lower North Branch

- 7.3 km lined canal
- earthworks commenced mid-September

10B Springhill

- 10 km pipeline
- plastic lined surge pond
- 3.5 km overflow channel
- 2 cast –in-place structures
- overflow channel was constructed last year, armour placement remains and is underway
- concrete poured for cast-in-place structures
- pipeline scheduled to start in December

6.07 Irrigable Unit – Hirsch – E ½ 7-14-13 W4M

The Hirsch's have requested that their turnout located in the south west corner of the NE 7-14-13 W4M be relocated approximately 70 meters to the south when the 18 Rolling Hills canal is rehabilitated to pipeline, placing the turnout in SE 7-14-13 W4M. The Hirsch's take delivery in the corner of the NE 7 and then run the water south along a head ditch into the SE 7 before flooding back to the north direction. They wish to eliminate this backtracking by moving the delivery south and therefore the NE 7 and a small portion of the SE 7 would be supplied from the turnout located in SE 7, requiring an irrigable unit to be registered.

167-09-2004 Moved by Tom Livingston that the Board approve the registration of an "irrigable unit" on the NE 7-14-13 W4M and the SE 7-14-13 W4M, being lands owned by Reinhold Hirsch, Sheila Hirsch and Rolf Hirsch. Seconded by Clint Henrikson. CARRIED

Jim Meador entered at 10:30 a.m.

6.08 Project Land Assembly Status

George Romao presented the project land assembly status report for the upcoming projects, noting the following:

18 Rolling Hills, R Tilley are complete;

10 Rolling Hills

- waiting for landowner decision on pump relocation;

Secondary G Springhill Canal

- all landowners with the exception of 2 that are out of the country have signed agreements, one set of documents has been sent, the other landowner will sign next month when he returns;

Secondary G Springhill Pipeline and 05 Secondary G Springhill Pipeline
- 4 landowners have signed agreements, 6 have not signed yet;

Secondary "A" and "B" North Branch
- 4 landowners have signed agreements, 12 have not signed yet, some landowner concerns.

Discussion ensued with respect to payment of the capital assets charge for large numbers of acres being converted from terminable acres to irrigation acres. It was felt it was a financial burden for water users to pay a large amount of money for the capital assets charge on land converted from terminable acres to irrigation acres in a five year period and it was suggested that the time period be extended. It was also felt that the time extension should be available to all water users converting from terminable irrigation to irrigation acres, not just those that were converting a large number of acres.

168-09-2004 Moved by Clint Henrickson that the Board approve the extension of the financing term in conversion agreements from 5 years to 10 years. Seconded by Pat Hemsing. CARRIED

Presentation of Project Assembly Status continued.

01 Antelope Creek
- all right-of-way agreements have been signed, one construction agreement has not been signed as the landowner is busy with harvest;

Long Pump Canal
- 1 landowner has signed the agreement,
- the location of the right of way has not been completed.

7.0 Operations Report

7.01 Farm Improvement – Rick Volek – SW 28-16-13 W4M

This farm improvement is for the conversion of flood irrigation to pivot irrigation in the SW 28-16-13 W4M. Mr. Volek has 143 irrigation acres in this quarter section and wishes to convert 129 of the irrigation acres to pivot. Pivot must be low pressure complete with drop tubes and no cold weather shut-offs and the pivot must be piped from the pump site to the pivot center. The water user would like the delivery site changed to the south east corner of the quarter section off of H West Bantry. The water user also wishes to transfer 6 of the remaining acres to the NW 21-16-13 W4M and sell the balance of 8 acres back to the District. Payment to the water user is as follows:

129 acres flood to pivot	\$7,443
8 acres sold back to EID	
@ \$200 per acre	<u>\$1,600</u>
Payment to water user	\$9,043, less the cost of material for new delivery site.

169-09-2004 Moved by Pat Hemsing that the Board approve the farm improvement project of Rick Volek for the conversion of 129 acres of flood irrigation in the SW 28-16-13 W4M to 129 acres of pivot irrigation, and the transfer of 6

irrigation acres from the SW 28-16-13 W4M to the NW 21-16-13 W4M, with the water user selling the remaining 8 irrigation acres back to the District, resulting in payment to the water user of \$9,043, less the cost of material for the new delivery site. Seconded by Tom Livingston. **CARRIED**

7.02 Flood, Claims Update

7.02.1 Glen Scheibner – SE 5-22-16 W4M

Jim Meador advised the meeting that flooding of about 45 acres of corn and hay occurred in the SE 5-22-16 W4M (lands that are owned by George Hornberger and leased by Glen Scheibner) on September 4, 2004. The riser at the tail end of 04-06 C North Branch pipeline had pushed off the pipe causing the leakage. Damages if any, are unknown at this time as the crop or a portion of the crop may be salvageable. If there are damages they will be submitted as an insurance claim.

7.02.2 Dan Plumer – Bull Claim

A yearling bull was discovered in the pump structure by a District water supervisor on June 27, 2004. The owner of the bull, Dan Plumer was notified and he has submitted a claim for \$2,400 for the bull. The Board's direction was to submit the claim to the insurance company.

Linda McAulay entered at 11:00 A.M.

7.03 Linda McAulay – Request for Compensation

Linda McAulay addressed the Board with respect to crop loss incurred as a result of the District being unable to clean up and re-seed the pipeline right of way that crosses the N ½ SE 12-16-16 W4M. Mrs. McAulay had sent a letter on May 25, 2004, requesting compensation in the amount of \$17,250. Earl Wilson and Jim Meador met with her and she submitted another letter to the Board on September 5, 2004, reducing her claim for compensation as a result of the meeting. The Board advised Mrs. McAulay that they had made a new policy to deal with situations of this nature and under the new policy, she was entitled to additional compensation of \$3,000 for crop loss in 2004, which was over and above the original payment of \$6,116 she received under the right of way agreement. It was pointed out to her that in her second submission that expenses for the rye crop were not all incurred, which would reduce her claim, and therefore the payment of \$3,000 she is entitled to receive under the new policy was more than her reduced claim and was fair and reasonable.

Linda McAulay and George Romao exited the meeting at 11:26 a.m.

8.0 General Manager's Report

8.01 Request from Rec Centre Fundraising Committee

A verbal request was received from the Rec Centre Fundraising Committee to make a presentation to the Board for sponsorship for their water park. It was mentioned that the District has contributed to the community in many ways such as the granting 2 years of zero water rates, the lease with the Silver Sage Corral, the building of the Rolling Hills Reservoir Campground, reduction in grazing fees and the high speed wireless internet service, to name a few. The Board agreed that the Rec Centre Fundraising Committee could make their presentation.

8.02 Request from Habitat for Humanity

Habitat for Humanity is having a fundraiser on October 1, 2004, "Udderly Beautiful Beef" banquet and silent auction, with Shirley McLellan being the guest speaker. The District was invited to purchase tickets to the fundraiser, however the Board decided to decline the invitation.

Jim Meador exited the meeting at 11:36 a.m.

8.03 Break in on EID Compound

Kevin Bridges presented a report on the break in and vandalism that occurred in the EID compound during the night of August 29, 2004. One truck was stolen and five other trucks were damaged. The stolen truck was written off by the insurance company and the five trucks will be repaired. The damage is estimated to be approximately \$23,000. The following steps have been taken or will be taken to deter future incidences:

- representatives from security companies and the insurance company have inspected the yard and provided advice to improve security and minimize further incidences;
- yard lights will be installed;
- gaps between fence posts have been dealt with;
- a security guard patrols the yard to act as a deterrent and to gain information on nightly activity in the vicinity;
- All Knight Security will be proposing alternatives for an intrusion alarm to be installed in the yard area;
- EID trucks parked outside the fenced compound are required to be parked within the fenced compound during weekends.

8.04 Report on AIPA Directors Meeting

Earl Wilson, Allen Nielsen, Floyd George and Clint Henrickson attended the AIPA meeting on September 27, 2004. The following items were noted:

- the AIPA to discontinue being an intervener in the utility process – this matter was tabled to the December meeting;
- the public relations and education committee was disbanded;
- there will be 4 Directors' meetings per year;
- the AIPA's annual meeting will be held in Lethbridge on Thursday, December 2, 2004, at 10:00 a.m.;
- the AIPA's draft budget for fiscal year 2004/2005 was presented;
- the draft budget is to be reviewed by the District Board, then discussed and adopted at the annual meeting.

8.05 Luscar Coal Update

Earl Wilson gave an update on Luscar Coal activities, noting the following:

- Luscar will be having an Open House meeting on October 20, 2004;
- Earl Wilson and Kevin Bridges met with Luscar and found that they were not ready to discuss issues for the "omnibus" agreement;
- the District will extend the access agreement in place for the time being;
- Luscar is still planning to apply in March 2006 to build the plant and coal mine;
- Luscar has agreed to the terms of the agreements with the landowners for the purchase of property;
- the process has been slow, but is expected to intensify between November and the new year.

8.06 Irrigation District Rates and Fees

The District has received charts from the Irrigation Secretariat disclosing the 2004 rates and fees charged by each irrigation district. These are presented to the Board for information only.

8.07 Request from Silver Sage to Purchase the Land they Lease

A request was received from the Silver Sage Agricultural Society to purchase the land they are leasing from the District. It was noted that they have a 30 year lease on the property and the Board felt that it was a good arrangement for them and it would also be in the best interests of the District to continue leasing the land rather than selling it.

8.08 Request from G. Sigurdson to Purchase Land in SW 34-14-14 W4M

A request was received from G. Sigurdson to purchase 6.9 acres in the south east portion of the SW 34-14-14 W4M between the new Rolling Hills canal and the old canal. The Board's direction was that if Mr. Sigurdson wished to purchase the property, he would have to pay the subdivision costs over and above the sale price of the land.

8.09 Request from Ed Lundquist to Lease Ptn. SE 15-15-13

Ed Lundquist has 129 irrigation acres in the SE 15-15-13 W4M and wishes to put a pivot on this land. The north east portion of the quarter section is in the 12 Mile Coulee right-of-way owned by the District. In order to make his pivot go around, Mr. Lunquist wishes to lease the north east portion from the District. The Board will consider leasing this land and this matter will be re-addressed at a future meeting.

8.10 Alberta Agriculture Flow Measurement Testing

Earl Wilson advised the meeting that he attended the flow measurement testing site at the Alberta Agriculture research station. A pond, pump station, pipeline and canal had been built to test flow measurement devices. He felt that it was a good place to test these instruments and the testing sites have the potential to be quite useful. As the project is still in the early stages, no reports are available yet. He noted that there were a number of flow measurement devices that were being tested ranging from being very expensive to economical. The expensive devices could be used as a good comparison for other devices that required testing. It was asked how the Australian devices the District had purchased compared. It was his opinion that some of the District's devices were better than the ones being tested and some were not as good, but overall he was satisfied with them.

9.0 Grazing Report

9.01 Update on Re-seeding

The re-seeding of tame pasture on the Patricia lease will begin next week.

9.02 Cattle Round-up Dates

The 2004 cattle round-up dates are October 15th, October 16th and October 17th. The grazing associations will be notified of these dates.

9.03 Bid on Re-grass Feed – AI Swingfield

It was brought to the attention of the Board that there are between 2000 and 4000 tons of feed on Al Swingfield. It was questioned if there were any plans for the grass or if it would be available to be bid on for winter pasture. It was felt that the matter should be investigated and brought back to a future board meeting.

10.0 Upcoming Events

- 10.01 Harvest Gala – Friday, October 15, 2004, 5:30 p.m. at the Calgary Stampede Round-up Center**
- 10.02 Irrigation Council Tour – October 20, 2004**
- 10.03 Luscar Coal Open House – Wednesday, October 20, 2004, 12:30 p.m. General Community Meeting at 7:00 p.m.**
- 10.04 Regular EID Board Meeting – Tuesday, October 26, 2004**
- 10.05 Regular EID Board Meeting – Thursday, November 25, 2004**
- 10.06 AIPA Annual Meeting – Thursday, December 2, 2004, Lethbridge**
- 10.07 Board Retreat - December 6, 7 and 8, 2004, at Banff Park Lodge**
- 10.08 Christmas Party – December 10, 2004**
- 10.09 Regular EID Board Meeting – Monday, December 20, 2004**
- 10.10 Northwest Operators Tour – January 18 – 20, 2005, Yuma, Arizona**
- 10.11 AIPA Conference – February 27 to March 1, 2005**

Renate Dykstra exited the meeting at 12:25 p.m.

11.0 In Camera Meeting

Clint Henrickson moved adjournment of the meeting at 12:37 p.m.

Board Chairman

General Manager

The Directors of the Eastern Irrigation District held a meeting on the 26th day of October, 2004. Those in attendance were:

- Mr. Bob Chrumka Chair [Division 06]
- Mr. Clint Henrickson Director [Division 03]
- Mr. Floyd George Director [Division 01]
- Mr. Tom Livingston Director [Division 02]
- Mr. Allen Nielsen Vice-Chair [Division 05]
- Mr. Pat Hemsing Director [Division 07]

- Mr. Earl Wilson General Manager
- Mr. Kevin Bridges Assistant General Manager
- Mrs. Renate Dykstra Executive Assistant

The meeting was called to order at 9.04 a.m.

1.0 Adoption of Agenda

The following item was changed:

Tour of Rec Center at 1:30 p.m. was changed to Rec Center Fundraising Committee Presentation at 2:15 p.m.

The following items were added to the Agenda:

- Industrial Lands to item 12.0 – Lands Report;
- AIPA Executive to 16.0 – General Manager’s Report
-

170-10-2004 Moved by Pat Hemsing that the Board adopt the agenda with noted amendment and noted additions. Seconded by Tom Livingston. CARRIED

2.0 Approval of Minutes

2.01 Minutes of September 28, 2004 Regular Board Meeting

171-10-2004 Moved by Clint Henrickson that the Minutes of the September 28, 2004 regular Board Meeting be approved with noted amendments. Seconded by Pat Hemsing. CARRIED

3.0 Financial Report

3.01 Financial Statements to September 30, 2004

Kevin Bridges presented the Financial Statements to September 30, 2004, noting the following:

- revenues are exceeding year-to-date budget predictions and expenses are close to the year-to-date budget resulting in a year-to-date surplus of \$12.8 million (at 95% of the budgeted year end surplus);
- gross revenues are down from prior year-to-date by \$87,000 and expenses are up from prior year-to-date by \$101,000;
- oil and gas revenues continue to exceed year-to-date budget and the September 2003 income level;
- water revenues are below the year-to-date budget, and are \$360,000 below the 2003 year-to-date income level. The difference between the 2003 and the 2004 year-to-date surpluses is due to decline in oil and gas water revenues;

- other year-to-date sources of water revenues exceed the 2003 year to date totals by \$19,000;
- oil and gas and land leases are the primary sources of better than expected revenues;
- a fuel rebate of \$68,608 was received and applied to reduce 2004 fuel expenses;
- more money was spent on grazing this year due to more fencing, maintenance and installation of texas gates, maintenance on water lines and power costs;
- internet banking has been set up with the Royal Bank and Alberta Treasury Branch for payment of EID accounts. Other institutions are expected to follow in the coming months.

The subject of the north yard remediation was brought up, questioning whether it was time to have the soil tested on this property, and if it is clean, a proposal for marketing the property should be developed.

Problems with Fortis were discussed. Fortis has converted to digital meters and the power has to be turned on at the pump sites for meters to be read, and accordingly an EID employee has to attend at the locations with the Fortis meter reader in order for the meters to be read. There were other complaints with regard to electrical billing practices in general and it was suggested that a letter be written to the rural utilities advocate noting the District's complaints and further that the District's MLA should be made aware of the complaints.

172-10-2004 Moved by Pat Hemsing that the Board approve the Financial Statements to September 30, 2004. Seconded by Clint Henrickson. CARRIED

A short recess was held from 10:00 a.m. to 10:07 a.m.

3.02 Investment Report

Kevin Bridges presented the quarterly investment report. Investments totaled \$45,032,125 as at September 30, 2004. It was also noted that the Carl Anderson Trust Fund term deposit will mature in December, 2004, and an investment account with a higher interest rate should be looked into for these funds.

3.03 Accounts Receivable Report

Kevin Bridges advised that all but a few of the District's accounts receivable are current. He advised that the District is actively collecting all accounts and continues to achieve a reasonable success rate.

An account for a pumpsite turnout that has been in dispute for a long period of time and is considered uncollectible was noted.

173-10-2004 Moved by Tom Livingston that account #CUS00030 in the amount of \$12,006.17 for a pumpsite turnout is considered uncollectible and is to be written off of the books of the District. Seconded by Pat Hemsing. CARRIED

Neil Johnson, Director [Division 04] joined the meeting at 10:30 a.m.

3.04 Board Resolution for Authorized Signatures for Investment Trading

Kevin Bridges advised that a new authorization is required from the Board in order for investments to be made on behalf of the District.

174-10-2004 Moved by Tom Livingston that an account in the name of the Eastern Irrigation District be opened and maintained with:

- (a) Scotia Capital Inc. (“ScotiaMcLeod”),
- (b) RBC Dominion Securities Inc., and
- (c) Chinook Credit Union Ltd.

And That any 2 of the following:

- a) Robert Chrumka, Chairman, Board of Directors,
- b) Allen Nielsen, Vice Chairman, Board of Directors,
- c) Earl Wilson, General Manager, or
- d) Kevin Bridges, Assistant General Manager

be and are hereby authorized on behalf of the Eastern Irrigation District to enter orders, give instructions, sign documents, buy, sell, withdraw assets and trade in bonds, stripped coupons, debentures, guaranteed investments and any other investments and/or securities and/or contracts relating thereto having a minimum investment grade rating of R-1 High or A High or better, by exchange or otherwise, for the account and risk of the Eastern Irrigation District and the Eastern Irrigation District hereby ratifies and confirms all and whatsoever that may be done by virtue of this authorization;

And That any withdrawals from the said accounts shall be made payable only to the Eastern Irrigation District;

And That all of the above-listed actions carried out on behalf of the Eastern Irrigation District shall be valid and binding on the Eastern Irrigation District;

And That this authorization shall remain in full force and effect until written notice of revocation thereof shall have been filed by the Eastern Irrigation District with the appropriate branch of ScotiaMcLeod, RBC Dominion Securities Inc., or the Chinook Credit Union Ltd., as the case may require.

Seconded by Pat Helsing.

CARRIED

3.05 Group Benefits Update

Kevin Bridges presented an update on the employee group benefits matter that was discussed at the September Board meeting. He advised that he met with the AIPA Group Benefits Committee and the Committee is requesting its present agent, Cox Financial Group to obtain competitive quotes for group benefits from any insurer willing to quote, and as part of this process will also ask Brooks Group Benefits to submit a quote. The Board opted to stay with the AIPA Group and await the outcome of the quotation process rather than to accept Brooks Group Benefits Inc.'s offer and leave the AIPA Group.

4.0 High Speed Wireless Internet Update

Kevin Bridges presented a report updating the status of the high speed wireless internet, noting the following:

- all towers and radio systems with the exception of the Brooks tower appear to be operating as planned;
- Brooks customers have had some problems that are being rectified;
- the District is receiving favourable customer feedback;
- customers are being served off of all towers with the exception of Jenner;

- customer installations are continuing in all areas;
- a few pockets in the District have poor or weak signals and it is being determined how service can be improved in these areas;
- there are approximately 200 wireless customers being served;
- IP Plus is having staffing problems and the weekly rate of installations has dropped to the 40 customer range;
- some concerns have been received from customers as to the length of waiting time for installations by IP Plus;
- the District has requested a weekly installation schedule from IP Plus;
- Bethany Lutheran Church has requested a reduced subscription rate as they are a non-profit organization;
- the Board felt that too many organizations fell into the “non-profit” category and it would be difficult to make distinctions for a reduced subscription rate.

175-10-2004 Moved by Tom Livingston that the subscription rates for high speed wireless internet service be \$25.00 per month for water users and EID employees and \$40.00 per month for all other residential customers. Seconded by Pat Hemsing. CARRIED

5.0 3 Year Financial Plan

Earl Wilson provided the Board with a 3 Year Financial Plan outlining a worst case scenario and a probable case scenario demonstrating that the District can afford the proposed 3 Year Plan for canal rehabilitation and still have the ability to add other projects if revenues come in as expected.

Gary Redelback enters at 11:20 a.m.

6.0 Oil and Gas Report

6.01 Refund Request by Canadian Natural Resources Limited

Gary Redelback advised the meeting that Canadian Natural Resources Ltd. (CNRL) has requested a refund on 57 planned shallow gas wells for which they had paid the initial compensation to the District in October of 2003 to February of 2004, and have now decided not to complete the program. He explained that the District has a 6 month refund policy, which he believed CNRL was aware of, and under the policy the District is not required to make a refund to CNRL. It was pointed out that on two prior occasions CNRL requested a refund on two cancelled wells, with one refund being requested 1 day after the six month period lapsed and the other refund being requested 1 week after the six month period lapsed. Both refunds were paid.

Lance Shelske, Gordon Kirwin and Steve Lepp, representatives of CNRL joined the meeting at 11:40 a.m. Introductions were made.

A presentation was made by Lance Shelske, Gordon Kirwin and Steve Lepp on behalf of CNRL. They requested a refund totalling \$458,688.76 for 57 planned shallow gas wells as CNRL has cancelled the program due to not being able to complete these wells in an economical manner. They advised that they were aware that there was a refund policy, but weren't clear on the six month period, and nothing was written in the agreement with respect to a six month refund period. They noted that CNRL paid \$73,000 for water it never used, \$268,000 for wellsite consideration, \$105,000 for pipeline access fees not used and \$13,000 for EID administration fees. It was their position since they didn't complete their drilling program, they should be entitled to a refund.

It was the position of the Board that under the terms of the agreement executed by CNRL, that no other wells could be drilled by any other company within a certain proximity to CNRL locations in the

time period between the signing of the agreements and the cancellation of wells, and further that the onus was on CNRL to be informed of the District's refund policy. It was also the Board's view that the District has to treat every company that doesn't complete their drilling program on EID lands in the same manner with respect to refunds.

Lance Shelske, Gordon Kirwin and Steve Lepp exited the meeting at 12:00 p.m.

176-10-2004 Moved by Pat Hemsing that the Board approve to credit (not refund) CNRL for the water they paid for in advance on 57 wells they have now cancelled. Seconded by Neil Johnson. CARRIED

It was suggested that the District develop a written refund policy to be given to each company that enters into Surface Occupation Agreements and Pipeline Easements with the District.

A lunch break was held at 12:15 and the meeting reconvened at 1:00 p.m. George Romao joined the meeting.

7.0 Engineering Report

7.01 Project Status Update

26 & 27 Rolling Hills

- 4 km and 1 km pipelines EID Crews
 - 4.5 km pipeline installed
 - remainder to be installed after water shut-off

Lower North Branch

- 7.3 km lined canal EID Crews
 - approximately 2 km of liner and armour installed

10B Springhill

- 10 km pipeline EID Crews
- plastic lined surge pond EID Crews
- 3.5 km overflow channel EID Crews
- two cast-in place structures Robin Hansen Constr.
 - overflow canal was constructed last year, armour replacement 80% complete;
 - concrete poured for cast-in-place structures;
 - pipeline scheduled to start in December.

Long Pump

- 1.5 KM Weholite pipeline EID Crews
- 4 km PVC pipeline EID Crews
 - Weholite installation to start Thursday October 28, 2004

There was a discussion on weholite pipe. George Romao advised that this is the first time the District has used this type of pipe. The weholite pipe is 60% of the cost of PVC pipe. It comes in 60 foot sections and is made of double-walled polyethylene. The joints have to be welded inside with polyethylene. He explained that installation will be slower due to the long lengths and the method of fitting the pipe sections together, as well as the inexperience of the crew as this is the first time they have used this type of pipe.

7.02 Land Assembly Status

- **18 Rolling Hills, R Tilley, 4H West Bantry, 10 Rolling Hills and Secondary G. Springhill Canal** are complete;
- **Secondary G Springhill Pipeline and 05 Secondary G Springhill Pipeline**
 - all landowners with the exception of 1 have signed;
- **Secondary “A” and “B” North Branch**
 - Main Pipeline – all landowners have signed;
 - A Springhill Laterals – 3 of 7 landowners have signed;
- **01 Antelope Creek**
 - all landowners have signed with exception of one spouse;
- **Long Pump Canal**
 - 2 of 7 landowners have signed agreements.

8.0 Irrigation Assessment

8.01 Conversions from 2nd Water to 1st Water

As a result of the rehabilitation of Secondary “G” Springhill pipeline, the following conversions from terminable acres (2nd water) to irrigation acres (1st water) were presented to the Board for approval:

8.01.1 Gary and Trudy Koleyak – SE 18-21-13 W4M

Gary and Trudy Koleyak have 14 irrigation acres and 29 terminable acres in the SE 18-21-13 W4M and wish to convert the 29 terminable acres to irrigation acres.

177-10-2004 Moved by Floyd George that the Board approve the conversion of 29 acres of terminable irrigation in the SE 18-21-13 W4M to irrigation acres. Seconded by Allen Nielsen **DEFEATED**

8.01.2 Robert McKnight – Section 8-21-13 W4M

Robert McKnight has 174 acres of terminable irrigation in Section 8-21-13 W4M and wishes to convert them to irrigation acres. He also requires a 14 inch and 12 inch diameter pipeline to be constructed to serve the irrigation acres in Section 8-21-13 W4M.

178-10-2004 Moved by Tom Livingston that the Board approve:

- (a) **the conversion of 174 acres of terminable irrigation in Section 8-21-13 W4M to 174 irrigation acres, with a capital assets charge payable by Robert McKnight of \$100 per acre; and**
- (b) **that the District contribute \$36,950 for the construction of a 14 inch and 12 inch diameter pipeline to Section 8-21-13 W4M, being 50% of the estimated cost of the pipeline (\$73,900) under the Infrastructure Savings Grant Policy.**

Seconded by Pat Hemsing. **CARRIED**

George Romao advised that the pivot crosses all four quarters in Section 8-21-13 W4M and accordingly, an irrigable unit designation will be required.

179-10-2004 Moved by Pat Hemsing that the Board approve the registration of an “irrigable unit” on Section 8-21-13 W4M, being lands owned by Robert McKnight. Seconded by Clint Henrickson. **CARRIED**

As a result of the rehabilitation of Secondary "A" and "B" North Branch pipeline, the following conversions from terminable acres (2nd water) to irrigation acres (1st water) were presented to the Board for approval:

8.01.3 Peter Burrows – Section 26-21-17 W4M

Peter Burrows has 498 acres of terminable irrigation in Section 26-21-17 W4M and wishes to convert 480 of these acres to irrigation acres.

- 180-10-2004** Moved by Neil Johnson that the Board approve the conversion of 480 acres of terminable irrigation in Section 26-21-17 W4M to 480 irrigation acres (18 terminable (acres cancelled), with a capital assets charge payable by Peter Burrows of \$100 per acre. Seconded by Pat Hemsing. **CARRIED**

George Romao advised that an irrigable unit designation will be required on Section 26-21-17 W4M.

- 181-10-2004** Moved by Neil Johnson that the Board approve the registration of an "irrigable unit" on Section 26-21-17 W4M, being lands owned by Peter Burrows. Seconded by Pat Hemsing. **CARRIED**

8.01.4 Chizik Holdings Ltd.

Chizik Holdings Ltd. has 64 acres of terminable irrigation in the NE 29-21-17 W4M and 46 acres of terminable irrigation in SE 32-21-17 W4M for a total of 110 terminable acres that it wishes to convert to irrigation acres. Chizik Holdings Ltd. also requires an increase of 30 irrigation acres in the SE 32-21-17 W4M and NE 29-21-17 W4M to cover all the acres that will be irrigated under the pivot.

- 182-10-2004** Moved by Clint Henrickson that the Board approve:
- (a) the conversion of 64 acres of terminable irrigation in the NE 29-21-17 W4M and 46 acres of terminable irrigation in the SE 32-21-17 W4M to irrigation acres for a total of 110 irrigation acres, at a capital assets charge of \$100 per acre; and
 - (b) the increase of 30 irrigation acres in the NE 29-21-17 W4M and SE 32-21-17 W4M at a capital assets charge of \$200 per acre;
- resulting in a total of 142 irrigation acres under pivot. Seconded by Pat Hemsing. **CARRIED**

Chizik Holdings also has 57 acres of terminable irrigation in the SW 30-21-17 W4M and 39 acres terminable irrigation in the SE 30-21-17 W4M for a total of 96 acres of terminable irrigation it wishes to convert to irrigation acres. It also requires an increase of 25 irrigation acres in the S ½ 30-21-17 W4M to cover all the acres that will be irrigated under the pivot. It was also noted that Chizik Holdings Ltd. has 45 irrigation acres in the NE 30-21-17 W4M and requires an increase of 8 irrigation acres in the NE 30-21-17 W4M to cover all the acres to be irrigated under the pivot.

- 183-10-2004** Moved by Clint Henrickson that the Board approve:
- (a) the conversion of 57 acres of terminable irrigation in the SW 30-21-17 W4M and 39 acres of terminable irrigation in the SE 30-21-17 W4M to irrigation acres for a total of 96 irrigation acres, at a capital assets charge of \$100 per acre;
 - (b) an increase of 25 irrigation acres in the S ½ 30-21-17 W4M, at a capital assets charge of \$200 per acre;
- resulting in a total of 121 irrigation acres under pivot in the S ½ 30-21-17 W4M; and
- (c) an increase of 8 irrigation acres in the NE 30-21-17 W4M, at a capital assets

charge of \$200 per acre, resulting in a total of 53 acres under pivot in the NE 30-21-17 W4M.

Seconded by Pat Hemsing.

CARRIED

George Romao advised that irrigable unit designations are required for:

- (a) SE 32-21-17 W4M and NE 29-21-17 W4M; and
- (b) SW 30-21-17 W4M and SE 30-21-17 W4M.

184-10-2004 Moved by Allen Nielsen that the Board approve the registration of an “irrigable unit” on the SE 32-21-17 W4M and the NE 29-21-17 W4M, being lands owned by Chizik Holdings Ltd. Seconded by Clint Henrickson. CARRIED

185-10-2004 Moved by Tom Livingston that the Board approve the registration of an “irrigable unit” on the SW 30-21-17 W4M and the SE 30-21-17 W4M, being lands owned by Chizik Holdings Ltd. Seconded by Clint Henrickson. CARRIED

8.01.5 Maxine Chizik – SW 29-21-17 W4M

Maxine Chizik has 20 irrigation acres and 87 acres of terminable irrigation in the SW 29-21-17 W4M, and wishes to convert the 87 acres of terminable irrigation to irrigation acres.

186-10-2004 Moved by Pat Hemsing that the Board approve the conversion of 87 acres of terminable irrigation in the SW 29-21-17 W4M to irrigation acres, at a capital assets charge of \$100 per acre, for a total of 107 irrigation acres in that quarter. Seconded by Tom Livingston. CARRIED

8.01.6 Phyllis Andrus – NE 16-21-17 W4M and SE 16-21-17 W4M

Phyllis Andrus has 18 acres of terminable irrigation in the NE 16-21-17 W4M and 42 acres of terminable irrigation in the SE 16-21-17 W4M that she wishes to convert to irrigation acres.

187-10-2004 Moved by Floyd George that the Board approve the conversion of 18 acres of terminable irrigation in the NE 16-21-17 W4M and 42 acres of terminable irrigation in the SE 16-21-17 W4M to irrigation acres (total of 60 irrigation acres), at a capital assets charge of \$100 per acre. Seconded by Neil Johnson. CARRIED

George Romao advised that an irrigable unit designation is required on the NE 16-21-17 W4M and the SE 16-21-17 W4M.

188-10-2004 Moved by Clint Henrickson that the Board approve the registration of an “irrigable unit” on the NE 16-21-17 4M and the SE 16-21-17 W4M, being lands owned by Phyllis Andrus. Seconded by Tom Livingston. CARRIED

George Romao exited the meeting at 1:40 p.m.

9.0 Operations Report

Earl Wilson presented the following farm improvement projects:

9.01 Farm Improvement – Les Douglas – SE 25-24-16 W4M

This farm improvement project calls for the conversion of 122 acres of flood irrigation in the SE 35-24-16 W4M to pivot irrigation and the increase of 9 irrigation acres for a total pivot area of 131 acres. Pivot must be low pressure with drop tubes and no cold weather shut-offs, and piped from pump site to pivot center, with the delivery site remaining the same off of 26 North Branch pipeline. Payment to the water user would be as follows:

122 acres flood to pivot:	\$7,038.00
less 9 acres needed @ \$200 per acre:	<u>\$1,800.00</u>
Payment to water user:	\$5,238.00

- 189-10-2004 Moved by Tom Livingston that the Board approve:**
- (a) the farm improvement project of Les Douglass for the conversion of 122 acres of flood irrigation in the SE 25-24-16W4M to pivot irrigation with payment to the water user under the District’s farm improvement policy in the amount of \$7,038.00; and**
 - (b) the increase of 9 irrigation acres due to conversion from flood to pivot irrigation in the SE 25-24-16 W4M (for a total pivot area of 131 acres), with the water user paying \$1,800 to the District (9 acres @ \$200) for the additional acres.**
- Seconded by Neil Johnson. CARRIED**

9.02 Farm Improvement – Peter and M.J. Burrows – N ½ 23 and Parts of S 1/2 23-21-17 W4M

This farm improvement project calls for the conversion of 145 acres of flood irrigation in the N ½ and portions of the S ½ 23-21-17W4M to pivot irrigation, and the increase of 15 irrigation acres for two pivot areas of 80 acres each or a total of 160 acres. Pivots must be low pressure complete with drop tubes and no cold weather shut-offs and must be piped from pump site to pivot center, with both delivery sites off of 02 A North Branch pipeline. Two irrigable units will be required. Payment to the water user would be as follows:

145 acres flood to pivot:	\$8,365.00
less 15 acres needed @ \$200 per acre:	<u>\$3,000.00</u>
Payment to water user:	\$5,365.00

- 190-10-2004 Moved by Neil Johnson that the Board approve:**
- (a) the farm improvement project of Peter and M.J. Burrows for the conversion of 145 acres of flood irrigation in the N ½ 23 and portions of S ½ 23-21-17 W4M to pivot irrigation, with payment to the water user under the District’s farm improvement policy in the amount of \$8,365.00; and**
 - (b) the increase of 15 irrigation acres due to conversion from flood to pivot irrigation in the N ½ 23 and portions of the S ½ 23-21-17 W4M (for 160 acres moved under two 80 acres pivots), with the water user paying \$3,000 to the District (15 acres @ \$200) for the additional acres.**
- Seconded by Clint Henrickson. CARRIED**

- 191-10-2004 Moved by Neil Johnson that the Board approve the registration of two “irrigable units” one on NW and SW 23-21-17 W4M and the other on NE and SE 23-21-17 W4M.**
- Seconded by Clint Henrickson. CARRIED**

9.03 Farm Improvement – Peter and M.J. Burrows – NE 14-21-17 W4M

This farm improvement project is for the conversion of 72 acres of flood irrigation in the NE 14-21-17 W4M to pivot irrigation, and the increase of 8 irrigation acres for a total pivot area of 80 acres. Pivot must be loss pressure complete with drop tubes and no cold weather shut-offs and the delivery site will be off of 06 A Springhill pipeline. Payment to the water user would be as follows:

72 acres flood to pivot:	\$4,153.00
less 8 acres needed @ \$200 per acre:	<u>\$1,600.00</u>
Payment to water user:	\$2,553.00

192-10-2004 Moved by Clint Henrickson that the Board approve:

- (a) the farm improvement project of Peter and M.J. Burrows for the conversion of 72 acres of flood irrigation in the NE 14-21-17 W4M to pivot irrigation, with payment to the water user under the District’s farm improvement policy in the amount of \$4,153.00; and
- (b) the increase of 8 irrigation acres in the NE 14-21-17 W4M due to conversion from flood to pivot irrigation, for a total of 80 acres under pivot irrigation, with the water user paying to the District the sum of \$1,600 (8 acres @ \$200) for the additional acres.

Seconded by Tom Livingston.

CARRIED

9.04 Farm Improvement – Rae Latimer – Pt. NE and SE 22-21-17 W4M

This farm improvement project is for the conversion of 67 acres of flood irrigation in the SE 22-21-17 W4M to pivot irrigation, and the increase of 15 irrigation acres in the NE 22 and SE 22-21-17 W4M for a total pivot area of 82 acres. Pivot must be low pressure complete with drop tubes and no cold weather shut-offs and must be piped from pump site to pivot center. An irrigable unit will be required. Payment to the water user will be as follows:

67 acres flood to pivot:	\$3,865.00
less 15 acres needed @ \$200 per acre:	<u>\$3,000.00</u>
Payment to water user:	\$ 865.00

193-10-2004 Moved by Tom Livingston that the Board approve:

- (a) the farm improvement project of Rae Latimer for the conversion of 67 acres of flood irrigation in the SE 22-21-17 W4M to pivot irrigation, with payment to the water user under the District’s farm improvement policy in the amount of \$3,865.00; and
- (b) the increase of 15 irrigation acres in the NE and SE 22-21-17 W4M due to conversion from flood to pivot irrigation, for a total of 82 acres under pivot irrigation, with the water user paying to the District the sum of \$3,000 (15 acres @ \$200) for the additional acres;

and subject to the pivot being a windshield type pivot and the construction of a barricade to ensure that the number of acres being irrigated do not exceed the number of irrigation acres. Seconded by Clint Henrickson.

CARRIED

194-10-2004 Moved by Pat Hensing that the Board approve the registration of an “irrigable unit” in the NE 22-21-17 W4M and the SE 22-21-17 W4M, being lands owned by Rae Latimer. Seconded by Allen Nielsen.

CARRIED

9.05 Farm Improvement – 7P Farms Ltd. (Pete Sprunger) – NE 1-21-16 W4M

This farm improvement is for the relocation (straightening out) of the drainage ditch to better accommodate the wheel move irrigation system on the NW 1-21-16 W4M. The estimated cost of this project is \$9,000, which does not include moving dirt to fill in old drainage ditch, which the water user wishes to do. The cost of this project will be shared 50% by the District and 50% by the water user. The water user will be required to pay for the moving of the dirt to fill the old drainage ditch.

195-10-2004 Moved by Pat Hemsing that the Board approve the farm improvement project of 7P Farms Ltd. to relocate the drainage ditch to better accommodate the wheel move irrigation system on the NW 1-21-16 W4M, with the water user and District each paying 50% of the cost, estimated to be \$9,000 (or \$4,500 each). The water user will be required to pay for moving dirt to fill in the old drainage ditch. Seconded by Tom Livingston. CARRIED

Bob Hale entered at 1:45 p.m.

10.0 Grazing Report**10.01 AI Swingfield Re-grass Project**

At the September 28, 2004 Board meeting there had been a request to tender the grass feed on AI Swingfield for winter pasture. Bob Hale advised the meeting that he does not believe it would be wise to use it for fall pasture, as there are not enough good fences. The field has good cover, and will be a good spring starter field.

10.02 Burns Swingfield Re-grass Project

Bob Hale advised that the re-seeding of 2000 acres in Burns Field is being completed this week. The seed consists of 35% Kirk Crested Wheatgrass, 20% Western Wheatgrass, 20% Meadow Brome (Fleet), 10% Green Needle Grass, 10% Pubescent Wheatgrass and 5% Sheeps Fescue. He mentioned that the grass seed is substantially cheaper this year than last.

In general, Bob Hale advised that it was a good grazing year, there was good grass, good carry-over, and the grazing leases are in good shape for next year.

It was noted that there was a lot of maintenance on the water lines in the grazing leases this year. It was suggested that EID staff do regular maintenance on the water lines to avoid high maintenance costs.

The Board requested that Bob Hale consider the pros and cons of having one grazing association. The concept of one grazing association should be discussed at the next GAC meeting, and feedback from the GAC meeting should be brought back to the Board with respect to the views of the GAC.

Bob Hale exited at 2:05 p.m.

11.0 Lands

11.01 David Andrews Private Grazing Lease

David Andrews leases 3 quarter sections of land from the District under two private grazing leases. Luscar Coal paid the District for access to its lands including the private lease lands, and David Andrews feels he should be entitled to a portion of the access fee, since he is being inconvenienced by Luscar having access to the land he leases from the District.

196-10-2004 Moved by Floyd George that the District pay to David Andrews, a one time fee of 10% of funds received from Luscar Coal for access to the lands he leases from the District. Seconded by Neil Johnson. CARRIED

11.02 Art Eckert – Dryland Farm Lease – SE 9-21-14 W4M

Art Eckert’s lease with the District on the SE 9-21-14 W4M will terminate on December 31, 2004, and he wishes to renew the lease for an additional 5 year term or preferably purchase this parcel from the District. Mr. Eckert has leased these lands since 1981. The last time this lease came up for renewal, it was awarded by tender to Mr. Eckert.

197-10-2004 Moved by Tom Livingston that the District put the lease up for tender for a 5 year term. Seconded by Pat Hensing. CARRIED

11.03 Bassano Shop and Yard

Earl Wilson advised that he had a request from a reclamation business to rent for the winter or purchase the EID shop and yard in Bassano. The EID doesn’t use the shop except for minor storage. It was noted that other shops are being built in the area and it was suggested that perhaps the District subdivide the property into several parcels and sell them. The Board did not wish to rent the shop, but felt that subdivision and appraisal value of the property for sale purposes should be investigated.

11.04 Duchess Shop

Earl Wilson advised that more room is required in the Duchess shop for storing steel and spray painting and suggested that a lean-to or closed in shed of approximately 30 feet by 10 feet be added to the shop. The Board agreed that the cost of building a lean-to or closed in shed should be investigated as well as the requirements from the Village of Duchess for construction of the lean-to or closed in shed on this property.

11.05 Industrial Lands

Kevin Bridges advised the Board that he had approached the Town of Brooks with regard to the Town purchasing the industrial lands south of the EID complex. The asking price for the lands is \$25,000 per acre. He advised that Town administration is in favour of purchasing the lands, and the matter will be brought to Town council for a decision.

Don Bruce and Maggie Romuld entered at 2:25 p.m.

Presentation by Rec Centre Fund Raising Committee

A presentation to the Board was made by Don Bruce and Maggie Romuld of the Rec Centre Fundraising Committee with a view to obtaining a donation or sponsorship funds from the EID for the Lakeside Leisure Center. They require approximately \$2.5 to \$3 million in additional funds to complete the project. The Board pointed out that the District had contributed to the community in numerous other ways such as waiving water rates to farmers for the last two years (\$4,000,000), keeping water rates for farmers, acreage owners, towns and villages well below cost, lowering the grazing rate by 33% this year (\$350,000), constructing a campground and boat launch on the Rolling Hills Reservoir for public use (\$600,000), investing \$200,000 of District funds and working with other agencies to raise an additional \$1,200,000 to establish and protect habitat for wildlife over the last five years, providing high speed wireless internet service to the area at a significant cost to the District and providing relatively cheap leases to Silver Sage and the Moto-cross club, to name a few. The Board also felt that while the leisure center was a worthwhile project, they did not have the support of the water users to contribute.

Don Bruce and Maggie Romuld exited the meeting at 2:55 p.m.

12.0 3 Year Rehabilitation Plan

Earl Wilson presented the 3 Year Plan for Canal Rehabilitation to the meeting. It was noted that the canal rehabilitation budget was increased to \$17.8 million the first year, \$17 million the second year and \$17.3 million the third year. The 3 Year Plan included the rehabilitation of some drainage systems.

198-10-2004 Moved by Tom Livingston that the Board approve the 3 Year Plan for Canal Rehabilitation as presented. Seconded by Pat Hemsing. CARRIED

13.0 Equipment

13.01 Sale of 1995 Kenworth

The following quotes were received for the sale of the 1995 Kenworth:

Canadian Public Auction:	\$23,500
Circle "D" Transport:	\$25,000
Johnson Farms Ltd.:	\$20,100
Smith Trucking:	\$23,500

199-10-2004 Moved by Clint Henrickson that the Board approve the sale of the 1995 Kenworth to Circle "D" Transport for \$25,000. Seconded by Pat Hemsing. CARRIED

13.02 Purchase of D6 Caterpillar

Earl Wilson advised that he received a quote for the purchase of a D6N Caterpillar Tractor from Finning at a price of \$273,462. This price includes a guaranteed buy back by Finning.

200-10-2004 Moved by Tom Livingston that the Board approve the purchase of a D6N Caterpillar Tractor from Finning for the purchase price of \$273,462. Seconded by Clint Henrickson. CARRIED

14.0 Luscar Coal Update

Earl Wilson gave an update on Luscar Coal activities, noting the following:

- Luscar had a public meeting on October 20, 2004;
- Luscar has requested input from landowners on how to develop the mine plan;
- Luscar requested input from landowners on where the plant should be located;
- Luscar will present 3 potential mine plan options in February, 2005;
- the mine is expected to be operating by 2010;
- they are continuing their environmental field work, studying waterfowl and mammals;
- they are also presently doing geo-physical studies, and studies on air quality, noise, public health and traffic impacts;
- representatives from Luscar are meeting with Earl Wilson and Kevin Bridges with regard to how the mine may impact the canal system and to discuss cooling systems on Friday.

15.0 General Manager's Report

15.01 Letter from County of Newell

A letter was received from the County of Newell with regard to weed control. The Board felt that the District was managing good weed control and that no response was necessary.

15.02 Request from Rolling Hills Art Foundation

A request was received from the Rolling Hills Art Foundation to store a collection of pictures depicting the history of Rolling Hills, which are owned by Halvar Rosdal. The Board did not wish to comply with their request.

15.03 Board Retreat

A Board Retreat will be held December 6, 7 and 8, 2004. A list of topics suggested for the Board Retreat was presented to the meeting. The following topics were suggested:

- Oil and Gas Policy and Strategy for Upcoming Compensation Negotiations;
- Luscar Coal and Power Plant;
- Alberta's Water for Life Strategy 30% Conservation Target;
- Policy Reviews
- Long Range Planning/Direction
- Community Pasture Operations.

The Board was in agreement with these topics for discussion at the Board Retreat.

15.04 Growing Alberta Video

At the request of the Board, Kevin Bridges drafted a letter to Growing Alberta, noting that in their video at the Harvest Gala, very little information or reference was made to irrigated agriculture. In the letter, a request was made that consideration be given to enhancing their video by including irrigation education and irrigation scenes, as irrigation plays a significant role in agriculture, recreation, economic development and wildlife habitat. It was also noted that the Harvest Gala was a very enjoyable evening.

15.05 AIPA Executive

Earl Wilson advised that the AIPA Annual Meeting will be held in Lethbridge on December 2, 2004.

The draft budget should be reviewed by the District Board prior to the Annual Meeting.

16.0 Upcoming Events

- 16.01 Regular EID Board Meeting – Thursday, November 25, 2004;**
- 16.02 AIPA Annual Meeting – Thursday, December 2, 2004, Lethbridge**
- 16.03 Board Retreat – December 6, 7 & 8, 2004, at Banff Park Lodge**
- 16.04 Christmas Party – December 10, 2004**
- 16.05 Regular EID Board Meeting – Monday, December 20, 2004;**
- 16.06 Northwest Irrigation Operators Tour – January 18 – 20, 2005, Yuma, Arizona**
- 16.07 AIPA Conference – February 27 – March 1, 2005.**

Allen Nielsen moved adjournment of the meeting at 3:45 p.m.

Board Chairman

General Manager

November 25, 2004, Directors Meeting

The Directors of the Eastern Irrigation District held a meeting on the 25th day of November, 2004. Those in attendance were:

- Mr. Bob Chrumka Chair [Division 06]
- Mr. Clint Henrickson Director [Division 03]
- Mr. Tom Livingston Director [Division 02]
- Mr. Neil Johnson Director [Division 04]
- Mr. Allen Nielsen Vice-Chair [Division 05]
- Mr. Floyd George Director [Division 01]

- Mr. Earl Wilson General Manager
- Mr. Kevin Bridges Assistant General Manager
- Mrs. Renate Dykstra Executive Assistant

The meeting was called to order at 9.03 a.m.

1.0 Adoption of Agenda

The following items were added to 10.0 – General Manager’s Report:

- Sale of D6 Dozer
- Press Release on Cabinet
- Proposed Gas Wells on Lake Newell Right of Way

201-11-2004 Moved by Tom Livingston that the Agenda be adopted with noted additions. Seconded by Clint Henrickson. CARRIED

2.0 Approval of Minutes

2.01 Minutes of October 26, 2004 Regular Board Meeting

202-11-2004 Moved by Allen Nielsen that the Minutes of the October 26, 2004 regular Board Meeting be approved with noted amendments. Seconded by Clint Henrickson. CARRIED

Floyd George joined the meeting at 9:21 a.m.

3.0 Financial Report

3.01 Financial Statements to October 31, 2004

Kevin Bridges presented the Financial Statements to October 31, 2004, noting the following:

- revenues are exceeding year-to-date budget predictions and expenses are slightly above the year-to-date budget resulting in a year-to-date surplus of \$13.8 million;
- gross revenues are down from prior year-to-date by \$800,000 and expenses are up from prior year-to-date by \$182,000;
- water revenues are below the year-to-date budget, and are \$454,000 below the 2003 year-to-date income level;
- the difference between the 2003 and 2004 year-to-date surpluses is due to declines in water and lease revenues, although EIDNet revenues and other revenues are higher;

- oil and gas revenues continue to exceed the year-to-date budget;
- oil and gas, land leases and EIDnet are the primary sources of better than expected revenues (EIDNet high speed wireless internet was implemented after the 2004 budget was approved and revenue projections were not included in the budget predictions);
- \$647,453.32 was received in November under the Canada-Alberta Provincial Farm Assistance Program for claims submitted during the 2001 and 2002 droughts.

Yard Security System

Kevin Bridges also advised that the yard security system is complete and movement in the yard is now monitored electronically. In the event of intrusion, an alarm will sound and staff and police will be dispatched.

203-11-2004 Moved by Clint Henrickson to approve the Financial Statements to October 31, 2004. Seconded by Allen Nielsen. CARRIED

4.0 High Speed Internet Update

Kevin Bridges presented a report updating the status of the high speed wireless internet, noting the following:

- a special directional or sectoral antenna was installed on a trial basis on the Brooks tower and successfully minimized the interference that adversely affected the all-direction antenna and thereby significantly improved the signal quality and service level;
- three sectoral antennas have been ordered, two to be installed on the Brooks tower and one to be installed on a trial basis on the Tilley tower to determine if the poor signal qualities in some areas can be overcome;
- an additional sector radio has been ordered for each of the Bassano, Rosemary and Tilley areas, due to the growing number of customers;
- customer installations are continuing in all areas and we are receiving favourable customer feedback;
- a productive meeting with IP Plus was held where several communication and administrative issues were rectified and accordingly, the level of customer service should improve and time delays between application for service and installation should be minimized;
- at November 15, 2004, EIDNet serves approximately 936 dial-up customers, 320 wireless customers and 125 others have applied for connection.

Tanis MacLean joined the meeting at 9:40 a.m.

5.0 Partners in Habitat Development Report

Tanis MacLean gave a report on PHD activities in 2004, noting the following:

- the total trees planted in 2004 was 54,391, 6,912 more than in 2003;
- PHD staff planted 41,452 trees, 8,243 more than in 2003;
- survival rate of trees and shrubs was 80%, compared to 86% in the previous year, likely due to stock not being quite as good;
- PHD replaced 4,200 trees, 2,255 more than in 2003;
- new and easier ways to irrigate plantings are being investigated;
- PHD fenced 10.3 km in 2004 compared to 15.1 km in 2003;
- One wetland project was done by PHD;
- PHD provides a service to landowners by ordering trees and shrubs for them from PFRD;

- approximately \$238,000 (52%) of PHD funding of \$458,872 was spent in the EID;
- Pheasants Forever has produced a video in the EID depicting habitat during all 4 seasons, which was sponsored by Encana;
- Encana also provided funds for a storybook and workbook for grade 4 students;
- PHD would like to get copies of the storybook and workbook for local school groups, but may have to wait for an additional printing.

Board members asked whether the PHD program would be able to continue indefinitely. Ms. MacLean reported that the large fund raising done by Pheasants Forever was successful but not as successful as hoped and if they aren't able to raise quite a lot more private funds, the PHD program will likely have to be scaled back a couple of years. Other irrigation districts are getting more and more involved which puts more pressure of Pheasants Forever to raise even more funds.

Tanis MacLean exited the meeting at 10:04 a.m. A recess was held and the meeting reconvened at 10:12 a.m. Jim Meador joined the meeting.

6.0 Operations Report

6.01 Farm Improvement – Gerry Conners – NE 35-21-13 W4M

Jim Meador presented the farm improvement application of Gerry Conners for the conversion of 70 acres of flood irrigation to pivot irrigation in the NE 35-21-13 W4M. The pivot must be low pressure complete with drop tubes and no cold weather shut-offs and must be piped from the delivery site to pivot point. Shut-offs will be required if overhang hangs over EID canal. Payment to the water user would be as follows:

70 acres flood to pivot:	\$4,038.00
less cost of pump well:	<u>\$2,840.00</u>
Payment to water user:	\$1,198.00

204-11-2004 Moved by Tom Livingston that the farm improvement project of Gerry Conners for the conversion of 70 acres of flood irrigation to pivot irrigation in the NE 35-21-13 W4M be approved. The farm improvement grant is \$4,038 (\$57.69 x 70 acres), and the cost of the pump well (estimated to be \$2,480) is to be paid by the water user. Seconded by Clint Henrickson. CARRIED

General Manager’s Report (Item 10.0)

10.01 AIPA Annual Meeting – December 2, 2004

10.01.1 Budget Approval

The draft budget of the AIPA was reviewed as it is set for discussion and approval at the December 2, 2004, AIPA Annual Meeting. There was discussion on the overall budget and some concerns expressed regarding the effectiveness of AIPA material reaching its targeted audience. The merits of having the AIPA were also discussed.

10.01.2 Election of Executive

The Nominating Committee of the AIPA invited and accepted the present Executive Committee to run again. Earl Wilson advised that he expected that all present members will maintain their positions, in which case he did not wish to run again in order to allow someone else to have a position on the Executive Committee.

10.02 AIPA Conference – February 27 to March 1, 2005

Earl Wilson recommended that as many Directors as possible attend the AIPA Conference. Some key speakers will be addressing the audience and it is expected to be an interesting and worthwhile conference. Discussion was held as to sponsoring part of the conference.

205-11-2004 Moved by Allen Nielsen that the District sponsor a luncheon at the AIPA Conference at a cost of \$4,800. Seconded by Tom Livingston. CARRIED

Del Giles joined the meeting at 10:38 a.m.

7.0 Presentation by Del Giles – Request to Transfer Acres to NW 6-19-15 W4M

Del Giles made a presentation to the Board requesting the transfer of 5 acres from the NW 8-19-15 W4M to the NE 6-19-15 W4M. He had applied for the same transfer in the spring and the Board had denied his application at the May 27, 2004 Board meeting. Discussion was held and other suggestions were made.

Del Giles exited the meeting at 10:58 a.m. Earl Wilson exited the meeting at 11:00 a.m. to attend a tender opening.

The Board maintained their earlier decision to decline the application as they had denied every other application in the last three years for the transfer of irrigation acres to flood pivot corners. They also could not justify the expenditure and water use and did not wish to commit to serving 5 acres in this location indefinitely.

Earl Wilson re-joined the meeting at 11:10 a.m. Robert Matoba joined the meeting.

8.0 Lands Report**8.01 Water Applications**

Earl Wilson provided an overview of the applications for increases in irrigation acres that were received and provided an evaluation of the applications based on the District's present policies. Based on the criteria and information presented, the following decisions were made:

206-11-2004 Moved by Tom Livingston that the Dan Eckert application to increase the assessment on the NE 15-21-14 W4M from 89 to 122 acres be approved on the condition that 6 acres of flood irrigation be transferred to this quarter and a low pressure pivot be installed by November 1, 2005. Seconded by Neil Johnson. CARRIED

207-11-2004 Moved by Floyd George that the L. Aimoto application to transfer 26 acres of flood irrigation corners in the SW 17-21-17 W4M to the NE 17-21-17 W4M and increase the assessment to 30 acres irrigated by wheels be approved on the condition that the existing deliveries are used. Seconded by Clint Henrickson. CARRIED

208-11-2004 Moved by Neil Johnson that the Jim Miller application to increase the assessment on the NE 24-17-14 W4M from 72 acres to 97 acres be approved on the conditions that a low pressure pivot be installed by November 1, 2005, and that the soil classification passes for irrigation. Seconded by Clint Henrickson. CARRIED

- 209-11-2004** Moved by Tom Livingston that the G.W. Murray Ranches Ltd. application to increase the assessment on the SW 29-14-12 W4M from 62 to 84 acres be approved on the conditions that soil classification passes for irrigation and that a low pressure pivot is installed by November 1, 2005; Seconded by Clint Henrickson. **CARRIED**
- 210-11-2004** Moved by Tom Livingston that Spring View Hutterian Brethren be granted up to 160 acres. The applicant can choose one of four parcels of land applied for. The approval is subject to the soil classification being a minimum of L4 and a low pressure pivot must be installed by November 1, 2005. Seconded by Clint Henrickson. **CARRIED**
- 211-11-2004** Moved by Clint Henrickson that Ed Sage be granted up to 160 acres in the W ½ 3-25-16 W4M or Section 4-25-16 W4M. The delivery would be in Section 36-24-16 W4M, the applicant must obtain an easement from our canal to his property, the soil classification must be at least L4, and a low pressure pivot must be installed by November 1, 2005. Seconded by Tom Livingston. **CARRIED**
- 212-11-2004** Moved by Allen Nielsen that the John Butkiewicz application to increase the assessment on the SE 15-16-13 W4M from 90 to 130 acres be approved, subject to satisfactory soil classification. Seconded by Tom Livingston. **CARRIED**

There was also review and discussion of the other applications that had been received. It was agreed that the following applications for increases in irrigation acres be refused:

Bar 4 T Ranch Ltd., SW 16-19-12 W4M – 120 acres;
 Robert McKnight, N ½ 28 and S ½ 33-20-13 W4M – 160 or 382 acres;
 J. Baer, NW 25-17-14 W4M – 87 acres;
 Armstrong Ranches Ltd., NE 32-20-18 W4M – 133 acres;
 Isaak Wall, NE 15-16-16 W4M – 100 acres.

The refused applicants must be advised by letter of the refusal and that the letters include a statement indicating a right of appeal of the decision to the Irrigation Council.

A lunch break was held at 12:05 p.m. and the meeting reconvened at 12:45 p.m.
 George Romao and Robert Matoba joined the meeting.

8.02 Discharge of Irrigable Units

Robert Matoba provided information regarding the removal of two irrigable units which are no longer applicable.

- 213-11-2004** Moved by Tom Livingston that the following two “irrigable units” be discharged:
 (a) Peter and M.J. Burrows – Section 26-21-17 W4M (registration #891 197 129);
 (b) Peter and M.J. Burrows – Plan 8911398, Block 1 (Pt. Section 23-21-17 W4M)
 and SW 26-21-17 W4M (registration #911 040 078).
 Seconded by Clint Henrickson. **CARRIED**

8.03 Request to Convert from 2nd Water to 1st Water – Gordon Kay

Gordon Kay had submitted a request for the conversion of terminable irrigation in SW 6-21-13 W4M to irrigation acres. Irrigation was granted on a terminable basis by the Board in 2000 because the delivery point is off of a drain. The irrigation upstream and downstream is terminable as well. To

date nothing has changed from the time terminable irrigation was granted.

The Board denied the request of Gordon Kay.

8.04 Request from Altalink for Sub-station Site

Earl Wilson advised that a request has been received from Altalink for a site of approximately 4 acres in size for a sub-station in the SW 13-21-17 W4M. Discussion ensued as to whether or not the Board would consider a sale or perhaps leasing a site to Altalink. The direction of the Board was to obtain more information and bring the matter back to a future Board meeting.

9.0 Engineering Report

9.01 3 Year Rehabilitation Plan

Earl Wilson advised that an error had been made in the estimated cost of the rehabilitation of R North Bantry project in the 3 Year Rehabilitation Plan that was submitted to the Board and approved at the October 26, 2004 Board meeting. The estimated cost of the rehabilitation should be \$2 million to \$2.5 million higher, as 10 km of pipeline was not accounted for. The Board agreed that since the additional funds are available, the project should proceed as set forth in the 3 Year Rehabilitation Plan.

214-11-2004 Moved by Tom Livingston that the R North Bantry project be completed as set out in the 3 Year Rehabilitation Plan with additional funds to be allocated to this project as required to allow completion. Seconded by Clint Henrickson. CARRIED

9.02 Tender Results

Tender results were received for R Tilley Pipeline and 4 West Bantry as follows:

Candoo Excavating Services Ltd.	\$234,218
Brian's Excavating	\$238,412
Caliber Systems Inc.	\$267,991
BYZ Construction Ltd.	\$270,740
Brooks Asphalt & Aggregate Ltd.	\$274,698
MJB Enterprises Ltd.	\$343,128
Meskin Contracting Ltd.	\$420,228

9.03 IRP 3 Year Plan

George Romao provided an overview of the proposed 3 Year IRP Plan. It was noted that the plan includes details for projects to be completed in Year 01 and an overview of projects proposed for Year 02 and Year 03. This report deals with projects that will be subject to the cost-shared funding under the IRP.

215-11-2004 Moved by Clint Henrickson that the IRP 3 Year Plan for the years 2005/06 to 2007/08 be approved as presented, and to submit the IRP 3 Year Plan to the Irrigation Council for approval. Seconded by Allen Nielsen. CARRIED

9.04 Project Status Update

26 & 27 Rolling Hills – 4 km and 1 km pipelines

- 4.5 km pipeline installed
- pipeline installed
- structures and turnouts remain

Lower North Branch – 7.3 km lined canal

- earthworks and armour complete
- structures remain

10B Springhill - 10 km pipeline, plastic lined surge pond, 3.5 km overflow channel and two cast-in place structures

- backfilling cast-in-place structures
- pipeline installations to start week of Nov. 22nd
- surge pond excavation 60% complete

Long Pump – 1.5 KM Weholite pipeline, 4 km PVC pipeline

- Weholite installation complete
- PVC pipeline in spring

Antelope Creek – 1 km lined canal and 2.5 km pipeline

- canal earthwork complete except for cleanup
- pipeline and structures in New Year

Sec. G Springhill – 6 km lined canal, cast-in-place structures

- earthworks started early November with approximately 400 m liner installed
- cast-in-place structures 10% complete

05G and Sec. G Springhill Pipelines – 2 pipeline systems totaling 11 km, 1 – 5 km spillway rehabilitation

- spillway channel trimmed and armour placement underway

Sec. A and B North Branch – 25 km, 3 km and 1 km pipelines, cast-in-place pipeline inlet structure

- pipeline installation to start week of Nov. 22nd
- installed coffer dam on Crawling Valley Reservoir for inlet structure construction

18 Rolling Hills – 2.4 km pipeline

- 1.9 km pipe installed

9.05 Project Land Assembly Status

All right-of-ways have been acquired with the following exceptions:

- 06A Springhill – Jason Hale deciding on possible turnout location
- Long Pump – G. Plumer, Catherine Botting Professional Corp. – signing planned for this week.

There are a few acreage owners with whom details are still being finalized.

9.06 Infrastructure Cost-Share Application – Lakeside Farm Industries Ltd.

George Romao presented the infrastructure water delivery cost-share application of Lakeside Farm Industries Ltd. to the Board.

In conjunction with the planned rehabilitation of the Long Pump Canal, Lakeside Farm Industries is planning to move their current delivery location for the E ½ 20-19-14 W4M from the center of that section to the center of the eastern border of that section, which would allow Lakeside to pump directly from the risers, eliminating the need for a ditch to supply their pump site and thereby eliminating any spill/tail-out. The cost to move this delivery is approximately \$27,496 and the recommended EID contribution under the infrastructure water delivery cost-share policy is 50% of the cost, or \$13,748.

- 216-11-2004** Moved by Neil Johnson that the infrastructure water delivery cost-share application submitted by Lakeside Farm Industries to relocate Lakeside's point of delivery in the E ½ 20-19-14 W4M, at an estimated cost of \$27,496, be approved, and because the relocation will eliminate the delivery ditch and spill/tail-out water, the District will share the cost of this work on a 50% - 50% basis with the landowner. Seconded by Allen Nielsen. **CARRIED**

9.07 Infrastructure Savings Grant – Jason Hale

The infrastructure savings grant application of Jason Hale was presented. Jason Hale wishes to relocate his pump site from the existing delivery in the south east corner of SE 14-21-17 W4M to the north west corner of this quarter, which would save the District approximately \$25,800 for 677 meters less pipe, less the cost of moving the gas meter (estimated to be \$500), and it was recommended that the landowner receive one-half of the cost savings.

- 217-11-2004** Moved by Floyd George that the infrastructure savings grant application submitted by Jason Hale be approved for the relocation of his pump site from the existing delivery in the south east corner of the SE 14-21-17 W4M to the north west corner of the quarter section, resulting in a cost savings to the District of \$25,800 for 677 meters less pipe, less the additional cost to move the gas meter. The District will share 50% of the cost savings with the water user. Seconded by Tom Livingston. **CARRIED**

Jim Meador and Robert Matoba exited the meeting at 1:34 p.m.

10.0 General Manager's Report

10.03 Northwest Irrigation Operator's Tour

Earl Wilson advised that the meeting that the 2005 Northwest Irrigation Operators Tour will be held in Yuma, Arizona from January 17 to 20, 2005. Discussion was held as to what the tour will consist of, travel arrangements and which of the Directors wished to attend. Arrangements are to be made accordingly.

10.04 Bow River Basin Council

A letter was received from the Bow River Basin Council outlining their accomplishments for 2004 and their goals for 2005 and requesting a contribution to help them achieve their goals. Their main objective is water conservation and protection through education. Earl Wilson advised that the Bow River Basin Council is one of the key advisory groups to the Provincial Water Advisory Council. He also noted that they are funded with matching grants from the Province.

- 218-11-2004** Moved by Allen Nielsen that the District donate the sum of \$2,500 to the Bow River Basin Council. Seconded by Tom Livingston. **CARRIED**

10.05 Cabinet Postings

A short discussion was held regarding the new cabinet postings as a result of the Provincial Election. It was noted that Guy Boutilier is the new Minister of the Environment and Doug Horner is the new Minister of Agriculture.

10.06 Bassano Playgroup Society Funding Request

A letter was received from Bassano Playgroup Society, requesting a donation for their organization. The Board denied the request.

10.07 WID – Chestermere Lake Update

Earl Wilson gave an update on the Chestermere Lake situation, noting that the WID is negotiating with landowners for the sale of the portions of the WID right of way the landowners are encroaching upon. The sale price is \$18 per square foot and an office has been set up in Chestermere to negotiate with the landowners.

10.08 County of Newell Water Agreement

The County of Newell has agreed to enter into easements and Rural Water Use Agreements with the District for future and current multi-lot sub-divisions. The District will design and oversee the installation of water lines to the sub-divisions, but will charge the County for the conveyance of water rather than the individual property owners. If maintenance by the District is required on the water lines, the County will be billed for the maintenance. The County will own the water lines and be responsible for billing the individual property owners.

10.09 SMRID License Amendment

A news article from the Lethbridge Herald with regard to the water license of the SMRID was noted. Earl Wilson advised that the Southern Alberta Environmental Group lost their appeal on a decision made by Alberta Environment Department which allows the SMRID to use the water it controls for things other than irrigation, including commercial and industrial uses, as the Southern Alberta Environmental Group wasn't able to show sufficiently their proximity to the area or proof that they are directly affected by the decision. It was suggested that this may be a subject to be discussed in relation to the EID's water license at the upcoming Board Retreat.

10.10 Board Retreat – December 6 to 8, 2004 – Agenda

The Agenda for the Board Retreat was presented to the meeting. Topics to be discussed are as follows:

- Oil and Gas Policy Review;
- Luscar Coal;
- Develop EID Water Conservation Plan;
- Review Existing Policies;
- Review Board/Management Roles and Responsibilities;
- District's Desired Direction in Next 2 Years;
- Develop Policy re Board Remuneration;
- Review Grazing Policy.

10.11 Election By-law

By-Law 846 (2004) was presented to the meeting for the 2005 election of Directors for Division 1 (Floyd George), and Division 5 (Allen Nielsen), establishing the date for nominations of Directors as at Thursday, March 31, 2005, and the date for the election of Directors to be held on Thursday, April 21, 2005.

By-Law 846 (2004) is as follows:

“Eastern Irrigation District
BY-LAW 846 (2004)
Fixing the Date and Times for the 2005 Election of Directors
[Irrigation Districts Act, Part 3, Elections and General Petitions, c.1-11.7, RSA]
[Local Authorities Elections Act, c. L-27.5, RSA]

WHEREAS, Section 53 of the Irrigation Districts Act [c. I-II.7, RSA] states,

- “53 (1) On a date prescribed by a by-law of the district, an election must be held in each district to elect the number of members to the board of the district as required by section 29.
- (2) A by-law of the district under subsection (1) must
 - (a) set the date of the election to be held prior to June 1 of that year, and
 - (b) be passed at least 3 months before the election.
- (3) The district may have a system of elections to elect
 - (a) a full slate of directors every 3 years, or
 - (b) a partial slate of directors annually.”, and

WHEREAS, the Board has approved By-Law 786 (1994), wherein the District has been divided in electoral divisions, with each division having been given a number, and further that By-law 786 (1994) provides that the election of directors shall be by electoral division by vote of the irrigators who are qualified to vote in the respective electoral division, and

WHEREAS, an election may be necessary due to the expiration of the statutory terms of the directors in each of Division 01, and Division 05, each for a term of three years.

NOW THEREFORE BE IT ENACTED:

- 1. If an election is required, as a result of more than one properly executed nomination being received for each or either of Division No. 01, or Division No. 05, then such election shall be held on the 21st day of April, 2005.
- 2. For the purposes of this election and the within by-law, those irrigators who are eligible to be nominated in the respective Divisions shall have the majority of their lands that are classified on the assessment roll as "irrigation acres" within one the following areas:

Division 01:

Includes all of the following land locations:

Township 20 Range 16 W4M	Sections 4,5, 6, 7, 8, 9,16, 17, 18, 19, 20, 21, 28, 29, 30, 31, 32 and 33
Township 20 Range 17 W4M	All Sections
Township 20 Range 18 W4M	All Sections
Township 21 Range 16 W4M	Sections 4, 5, 6, 7, 8, 9, W1/2 15, 16, 17, 18, 19, 20, 21, 22, W1/2 23, 26, 27, 28, 29, 30, 31, 32, 33, 34 and 35
Township 21 Range 17 W4M	All Sections

Township 21 Range 18 W4M	All Sections
Township 22 Range 16 W4M	All Sections
Township 22 Range 17 W4M	All Sections
Township 22 Range 18 W4M	All Sections
Township 23 Range 15 W4M	Sections 5, 6, 7, 8, 17,18, 19, 20, 29, 30, 31 and 32
Township 23 Range 16 W4M	All Sections
Township 23 Range 17 W4M	All Sections
Township 23 Range 18 W4M	All Sections
Township 24 Range 15 W4M	Sections 5, 6, 7, 8, 17, 18, 19, 20, 29, 30, 31 and 32
Township 24 Range 16 W4M	All Sections
Township 24 Range 17 W4M	All Sections
Township 25 Range 15 W4M	Sections 5, 6, 7, 8 and 18 Lying to the South and West of the Red Deer River
Township 25 Range 16 W4M	All Sections Lying to the South and West of the Red Deer River
Township 25 Range 17 W4M	Sections 1, 2, 3, 4, 5, and 6
Township 26 Range 16 W4M	Sections 4, 5, 6, 7 and 8 Lying to the South and West of the Red Deer River

Division 05:

Includes all of the following land locations:

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

3. Nominations shall be received by the Returning Officer up to and including 4:00 p.m. in the afternoon of the 31st day of March, 2005 (21 days prior to the date set for election) and shall be in the prescribed form.
4. Candidates for the election must meet all of the qualifications and requirements contained in Sections 35 and 36 of the Irrigation Districts Act.
5. If an election is required, then the notice of polling and location of polling places shall be published in the in each of the two weeks preceding the day of the election in each of the Bassano Times, the Chronicle and in the Brooks Bulletin.”

219-11-2004 Moved by Tom Livingston that this By-Law was read and approved the 1st time this 25th day of November, 2004. Seconded by Neil Johnson. CARRIED

220-11-2004 Moved by Allen Nielsen that this By-Law was read and approved the 2nd time this 25th day of November, 2004. Seconded by Clint Henrickson. CARRIED

10.12 Sale of D6 Dozer

Earl Wilson advised that the auctions are not willing to give a good price for the D6 dozer at this time of the year and they don't expect the prices to improve until spring. He has also been in contact with a Caterpillar dealership for the sale of the dozer and believes that he can negotiate a price over \$110,000. The Board gave permission to negotiate a price for the sale of the D6 dozer over \$110,000.

10.13 Proposed Gas Wells on Lake Newell Right of Way

Encana has requested to drill 5 shallow gas wells on the EID right of way on the east side of Lake Newell. The plan is to take the gas out over the next 20 years, however if the property was to be developed they would be prepared to move the wells on 1 year's notice. The Board felt that the problems that could be encountered would outweigh any financial compensation received from the wells, however the matter should be investigated further and brought back for future discussion.

11.0 Upcoming Events

11.01 AIPA Annual Meeting – December 2, 2004, Lethbridge;

11.02 Board Retreat – December 6, 7 and 8, 2004, at Banff Park Lodge;

11.03 Christmas Party – December 10, 2004, at Duchess Hall;

11.04 Regular EID Board Meeting – Tuesday, December 21, 2004;

11.05 EID Office Closed December 24, 2004 to January 4, 2005;

11.06 Northwest Irrigation Operators Tour – January 18 – 20, 2005, Yuma Arizona;

11.07 Regular EID Board Meeting – Thursday, January 27, 2005, or Tuesday, February 1, 2005;

11.08 Regular EID Board Meeting – Tuesday, February 22, 2005;

11.09 AIPA Conference – February 27 – March 1, 2005;

Clint Henrickson moved adjournment of the meeting at 2:30 p.m.

Board Chairman

General Manager

December 21, 2004, Directors Meeting

The Directors of the Eastern Irrigation District held a meeting on the 21st day of December, 2004. Those in attendance were:

- Mr. Bob Chrumka Chair [Division 06]
- Mr. Clint Henrickson Director [Division 03]
- Mr. Tom Livingston Director [Division 02]
- Mr. Neil Johnson Director [Division 04]
- Mr. Allen Nielsen Vice-Chair [Division 05]
- Mr. Floyd George Director [Division 01]
- Mr. Pat Hemsing Director [Division 07]

The meeting was called to order at 9.00 a.m.

1.0 In Camera Session

- Manager Contract Review

The following joined the meeting at 9:34 a.m.

- Mr. Earl Wilson General Manager
- Mr. Kevin Bridges Assistant General Manager
- Ms. Renate Dykstra Executive Assistant

2.0 Adoption of Agenda

The following items were added to the Agenda:

- South Slope Feeders Ltd. added to item 13.0 – Lands Report
- Business Arising from Minutes added to Agenda as item 4.0
- Sale of D6 Dozer added to item 4.0 – Business Arising
- Discussion with David Wiens added to item 13.0 – Lands Report

221-12-2004 Moved by Pat Hemsing that the Agenda be adopted with noted additions. Seconded by Clint Henrickson. CARRIED

3.0 Approval of Minutes

3.01 Minutes of November 25, 2004 Board Meeting

222-12-2004 Moved by Allen Nielsen that the Minutes of the November 25, 2004 Board Meeting be approved with noted amendments. Seconded by Clint Henrickson. CARRIED

4.0 Business Arising from Minutes

4.01 Sale of D6 Dozer

At the November 25, 2004 Board meeting, the Board of Directors authorized Earl Wilson to negotiate a sale price for the D6 dozer, at a price over \$110,000. The Board requested the status of this matter and were advised that there was no offer yet, and that the Board will be further advised at the January, 2005 Board meeting.

5.0 3rd Reading of Election By-Law

At the November 25, 2004 Board meeting, the 1st and 2nd readings of By-Law 846 (2004) were conducted establishing the date for nominations of Directors for Divisions 1 and 5 as at Thursday, March 31, 2005, and the date for the election of Directors for Divisions 1 and 5, as at Thursday, April 21, 2005.

**223-12-2004 Moved by Pat Hemsing that the District approve the 3rd reading of By-Law 846 (2004).
Seconded by Clint Henrickson. CARRIED**

By-Law 846 (2004) was read and approved the 3rd time this 21st day of December, 2004.

6.0 Motion to Travel Outside Canada (Northwest Irrigation Operator's Tour)

Two Directors will be attending the Northwest Irrigation Operator's Tour in Yuma, Arizona, January 18 to January 20, 2005.

224-12-2004 Moved by Allen Nielsen that expenses for two Directors attending the Northwest Irrigation Operators Tour in Yuma, Arizona, U.S.A. be approved. Seconded by Clint Henrickson. CARRIED

7.0 Motion to Authorize Christmas Bonus

**225-12-2004 Moved by Pat Hemsing that a Christmas bonus of \$500 be paid to each EID employee.
Seconded by Clint Henrickson. CARRIED**

8.0 Financial Report

8.01 Appointment of Auditor

226-12-2004 Moved by Tom Livingston that the firm of Bevan, Halbert & Gerrard, Chartered Accountants be appointed auditor for the District for fiscal year 2004. Seconded by Neil Johnson. CARRIED

8.02 Financial Statements to November 30, 2004

Kevin Bridges presented the Financial Statements to November 30, 2004, noting the following:

- revenues are exceeding year-to-date budget predictions and expenses are less than the year-to-date budget resulting in a year-to-date surplus of \$16.6 million (123% of the budgeted year end surplus);
- gross revenues are down from prior year-to-date by \$628,000 and expenses are up from prior year-to-date by \$867;
- water revenues are below the year-to-date budget, and are \$386,000 below the 2003 year-to-date income level;
- year-to-date oil and gas water revenues are \$413,000 less than November 2003;
- oil and gas revenues continue to exceed year-to-date budget, but have fallen \$888,000 below the November 2003 income level;
- oil and gas, land leases and EIDNet are the primary sources of better than expected revenues;

227-12-2004 Moved by Clint Henrickson to approve the Financial Statements to November 30, 2004. Seconded by Tom Livingston. CARRIED

A recess was held at 10:10 a.m. The meeting reconvened at 10:17 a.m. Rick Martin joined the meeting.

9.0 Presentation by Brooks Kinsmen re Winter Pheasant Hunt

Ed Hauck and Wes Harder joined the meeting at 10:30 a.m. Pat Hemsing exited the meeting. Introductions were made.

Ed Hauck made a presentation to the Board on behalf of the Brooks Kinsmen Club requesting to use EID lands for Brooks Kinsmen's annual pheasant hunt (Ringneck Classic Pheasant Hunt), which is to be held in March 2005. He noted the following:

- all proceeds from the pheasant hunt go back into the community;
- the pheasant hunt helps put Brooks back on the map for pheasant hunting;
- it is a major contract for the pheasant hatchery;
- it would be good promotion for the EID;
- the EID has a quality land base and there is not enough private land with adequate cover;
- preferable areas would be where cover is sufficient but where there are not many wild pheasants or other bird population;
- 2000 roosters are released and about 65% are harvested at the hunt;
- 500 hens are released but are not pursued, to allow survivors to add to the pheasant population;
- they would follow all EID rules for access and have marshals for each group to monitor that rules are complied with.

Ed Hauck and Wes Harder exited the meeting at 10:47 a.m.

Discussion ensued. Clubs have not been allowed to hunt on District lands in the past. Rick Martin advised that wild birds are wintering over and a pheasant hunt would be very stressful to them, other wildlife and the habitat. He pointed out that any time after December is the most stressful to birds and to be pushed out of their habitat could be harmful. The Board decided to deal with this matter later in the meeting when Pat Hemsing returned.

10.0 Public Access Report

Rick Martin presented the Public Access Report. The report noted the following:

- patrols by District staff and County of Newell Special Constable were conducted on random camping sites and other District lands for camping violations;
- a couple of incidents occurred, one group was asked to move and was co-operative, while another group was uncooperative and on a third occurrence was charged with trespassing;
- two other groups left litter, were contacted and the sites were cleaned up;
- hunter checks were done during the Antelope and bird game season, with good compliance noted.
- during deer season, hunter checks were done Thursdays, Fridays and Saturdays on the designated route areas and Rosemary Community Pasture;
- 283 vehicles were observed, and the compliance rate was 96.5%
- fish and wildlife officers assisted with monitoring hunters in designated route areas;

The Board requested that Rick Martin follow up on the outcome of the trespassing charges.

10.01 Lake Newell Designated Camping Areas

There are a number of random camping sites around Lake Newell that are being used. Rick Martin advised that the campsites were left more littered this year than in the past, but were cleaned up when requested. In an earlier Board meeting, discussion had taken place with respect to closing down the random campsites around Lake Newell as the Rolling Hills Reservoir Campground was open for camping and Rick Martin requested direction from the Board as to what should take place next year. The Board's direction was to close down the random campsites around Lake Newell until the Rolling Hills Reservoir campground is full and then use a random camping site for overflow camping.

10.02 Designated Route System at Scandia Ranch

Rick Martin advised the Board that the current designated route systems for hunting are working very well in the District and that another good place for a designated route system would be at Scandia Ranch. It would restrict some travel on the trails and access would be controlled. It would cost approximately \$4,000 for signage. The Board gave direction for developing a designated route system at Scandia Ranch.

10.03 Native Hunting Rights

Rick Martin advised that there has been a change in native hunting rights. Natives and subsistence hunters are allowed to hunt on unoccupied or crown land at any time. He requested clarification from the Board with regard to the District's hunting policy. The Board advised that they wished to maintain their policy and allow only licensed hunters to have access to EID lands during hunting season.

Rick Martin exited the meeting at 11:15 a.m.

11.0 High Speed Internet Report

Kevin Bridges presented a report updating the status of the high speed wireless internet, noting the following:

- directional antennas have been installed on the Brooks and Tilley towers;
- customer antennas are being reoriented to improve signal quality;
- significant improvement in signal quality is expected from the Brooks tower;
- some improvement will be achieved from Tilley tower, however there may still be issues;
- signal quality will be monitored to determine whether the desired level of improvement has been achieved;
- additional sector radios have been installed on the Bassano, Rosemary and Tilley towers due to growing numbers of customers;
- the District is receiving favourable customer feedback from all areas;
- the bulk of customer installations are expected to be completed by mid to late January, 2005;
- marketing will increase to attract new customers including perhaps setting up information booths and demonstrations at the 2005 Farmer Meetings and Annual Meeting.
- a status meeting was held with IP Plus to evaluate decisions and examine the status and early results of upgrades on the Brooks and Tilley towers;
- the contract was reviewed with IP Plus and an agreement was reached in principle regarding service calls;
- presentation to be made at January meeting regarding providing service to areas that we presently cannot serve;

- in January, the District will review opportunities that the tower and wireless network may present for improving cell phone coverage, particularly in the northern part of the district.
- total of 1,176 dial up and wireless customers;
- total of 350 wireless customers to date;
- Gem Rural Fire Association has requested permission to co-locate its pager and communication equipment on the Gem tower to improve coverage for the fire department's pagers and 2 way radios.

Pat Hemsing rejoined the meeting at 11:28 a.m.

A lunch break was held at 11:35 a.m., the meeting reconvened at 1:25 p.m. Rick Martin joined the meeting.

9.0 Brooks Kinsmen re Winter Pheasant Hunt continued

Discussion was held as to whether or not to allow access to EID lands for the Brooks Kinsmen winter pheasant hunt. Some Board members were opposed due to concerns regarding disturbing habitat and native birds and some were in favour of trying it as it would be a benefit to the community.

228-12-2004 Moved by Floyd George that access may be granted to Brooks Kinsmen Club for their pheasant hunt in March 2005, subject to further discussions with Brooks Kinsmen, the approval of restricted sites by the Board and that the hunt will be closely monitored by EID staff. Seconded by Pat Hemsing. CARRIED

This matter is to be brought back to the Board at a future meeting.

Rick Martin exited the meeting at 1:36 p.m. and Bob Hale joined the meeting.

12.0 Grazing Report

12.01 2005 Grazing Applications

Bob Hale advised the meeting that grazing applications had been received for 14,390 head, 400 more than last year.

12.02 Set Number of Cattle per Member

229-12-2004 Moved by Clint Henrickson that the number of cattle allowed on the leases per grazing association member be set at 40 cow/calf pairs. Seconded by Allen Nielsen. CARRIED

12.03 Set 2005 Grazing Rate

230-12-2004 Moved by Tom Livingston that due to BSE the grazing rate for 2005 be set at cost, which amount is to be determined. Seconded by Neil Johnson. CARRIED

12.04 Set Number of Cattle Allowed Under Late Entry

Bob Hale advised that 15 applications were received for late entry for 2005, compared to 7 for 2004. Discussion ensued with regard to raising the number of cow/calf pairs to be allowed on the leases for late entry.

231-12-2004 Moved by Floyd George that 70 cow/calf pairs be allowed for late entry (August 1, 2005) on the grazing leases. Seconded by Tom Livingston. CARRIED

12.05 Letter from Duchess Grazing Association

Bob Hale presented a letter received from Kevin Rath, noting that a number of calves had been lost and others were brought home early and he wanted to know if he had to pay for the full grazing season for those cattle. The Board felt that this was a matter to be dealt with by the Duchess Grazing Association, not the Board.

12.06 Penalty for Newell Grazing Association

Discussion was held with regard to Newell Grazing Association staying out 2 weeks longer than the permitted 5 month period, and several days after the deadline date and whether or not a penalty should be charged. Bob Hale noted that this was a year of unusual circumstances for Newell Grazing Association, there was adequate grass and Newell Grazing Association was willing to pay for the additional 2 weeks of grazing. The Board felt that since policy was not complied with, a penalty should be charged to Newell Grazing Association with suggestions of \$25.00 to \$30.00 per cow/calf pair, and an additional penalty be imposed for staying out for several days after the come home deadline. B. Hale is to table this as an agenda item for the GAC with their recommendations to be brought back to the Board for consideration.

Bob Hale existed the meeting at 2:15 p.m. Robert Matoba joined the meeting.

13.0 Lands Report

13.01 5 Year Rental Review for 6 Irrigated Leases

Robert Matoba advised that a 5 year rental review was due on the 6 following irrigated farm leases:

Lease #8254	Fred Nannt	SE 22-14-13 W4M
Lease #8216	Fred Nannt	NE 26-14-13 W4M
Lease #8217	Ralph Nannt	NW 26-14-13 W4M
Lease #8256	Ralph & Fred Nannt	SE 15-14-13 W4M
Lease #8255	Ralph Nannt	SE 21-14-13 W4M
Lease #8215	Leonard Lundquist	NE 16-15-13 W4M

They are all presently paying \$35.00 per acre for wetted acre, \$5.00 per acre for dry acres, plus water and taxes.

232-12-2004 Moved by Clint Henrickson that renewal of lease rentals be offered to the aforesaid lessees at the rate of \$40.00 per acre for wetted acres and \$5.00 per acre for dry acres, plus payment of water rates and taxes, for an additional 5 year term. Seconded by Tom Livingston.

CARRIED

13.02 Land Use Agreements

Robert Matoba advised that the following 3 Land Use Agreements are due for renewal:

13.02.1 Brooks & District Fish and Game Association – S ½ 17-18-14 W4M

Renewal of this recreational use agreement has been for 2 year terms in the past with compensation at \$100 per year. They wish to renew the agreement for at least another 2 year term.

- 233-12-2004 Moved by Tom Livingston that renewal of the recreational use agreement with the Brooks & District Fish and Game Association be approved for an additional 2 year term at the rental rate of \$100 per year. Seconded by Neil Johnson. CARRIED**

13.02.2 Town of Brooks Sign

The Town of Brooks erected a sign in the One Tree Creek right-of-way adjacent to the north boundary of the TransCanada Highway and has entered in to agreements for 5 year terms with a consideration of \$1.00 for the term. The Town wishes to renew the agreement.

- 234-12-2004 Moved by Neil Johnson that renewal of the agreement with the Town of Brooks for its sign on the One Tree Creek right-of-way be approved for an additional 5 year term at a rental rate of \$1.00 for the term. Seconded by Clint Henrickson. CARRIED**

13.02.3 Fabian Seed Farms Sign

Patrick Fabian had a 5 year land use agreement with the District for the erection of a sign in the NW 12-17-12 W4M which pointed out the direction to his seed farm at a rental of \$100 for the term. The agreement has expired and he wishes to renew the agreement.

- 235-12-2004 Moved by Allen Nielsen that renewal of the agreement with Fabian Seed Farms regarding a sign in the NW 12-17-12 W4M be approved for an additional 5 year term at a rental rate of \$100 for the term. Seconded by Clint Henrickson. CARRIED**

13.03 Request to Transfer Irrigation Acres – Huber

A request has been made by Curtis and Morris Huber for the transfer of 8 irrigation acres from the NE 35-14-14 to SE 8-15-13 W4M. Approximately 3 of the 8 acres will be used to infill under the pivot circle where the farm yard was once located and the other 5 acres will be placed in the corners and remain unused in the SE 8-15-13 W4M.

- 236-12-2004 Moved by Tom Livingston that the application of Curtis and Morris Huber be approved for the transfer of the required number of irrigation acres (approximately 3) from the NE 35-14-14 W4M to the SE 8-15-13 W4M to fill in the area under the pivot only. Seconded by Neil Johnson. CARRIED**

13.04 South Slope Feeders Ltd.

South Slope Feeders Ltd. has completed the conversion from flood to pivot on the existing parcels with irrigation but has not completed the development in Section 11-17-16 W4M which was approved last fall. South Slope has requested a 4 year extension to complete the development.

- 237-12-2004 Moved by Pat Hensing that an extension of 2 years be granted (to October 31, 2006) to South Slope Feeders Ltd., to put a pivot on Section 11-17-16 W4M, and that upon completion of the installation of the pivot, the irrigation acres will be added to the water roll of the District. Seconded by Tom Livingston. CARRIED**

13.05 Proposed Land Trade – EID and G.W. Murray Ranches Ltd.

G. W. Murray Ranches Ltd. wishes to acquire the lands in the NW 27-18-13 W4M owned by the District as it is a single quarter surrounded by G.W. Murray lands. G.W. Murray wishes to trade lands owned by him in the same township with the District. The G.W. Murray lands under consideration for trade are in quarter sections where the District owns portions thereof, and it would be reasonable to have title to full quarter sections rather than portions thereof. The Board directed that further discussions be held with G.W. Murray in this regard, and that this matter be brought back to the Board at a future meeting.

13.06 Altalink Proposal – Pt. SW 13-21-17 W4M

At the November 25, 2004 Board meeting, the Board was advised that Altalink was interested in constructing a substation on a 4 acre site in the SW 13-21-17 W4M. More information was to be obtained and the matter re-addressed. It was suggested that it would be preferable for the District to lease lands to Altalink at oil company rates rather than sell the land, however as the land was being leased, approval would have to be received from the lessee. This proposal was made to Altalink and it has chosen a site further west in the same quarter and has offered compensation of \$7,900 for the initial fee and \$2,000 per year for annual lease rental. It was noted that our new proposed oil company rates are \$8,700 for the initial fee and \$2,500 for annual lease rental.

238-12-2004 Moved by Neil Johnson to negotiate a price with Altalink to lease a site in the SW 13-21-17 W4M, at \$8,700 for the initial fee and \$2,500 per year for annual lease rental, subject to obtaining approval of the lessee for the leasing of the site. Seconded by Pat Hemsing. CARRIED

13.07 David Wiens – Annexation to Village of Duchess

David Wiens has 80 acres on the west side of the Village of Duchess that he wishes to have annexed to the Village and eventually will be developed. He wishes to keep his water rights after the land has been annexed. The Board directed that he may keep the water rights after the land has been annexed but the water rights will be removed once development starts.

Robert Matoba exited the meeting at 3:00 p.m. A short break is held until 3:07 p.m. Jim Meador joined the meeting.

14.0 Operations Report

14.01 Farm Improvements

Jim Meador presented the following farm improvement projects:

14.01.1 L. & P. De Jager – NE 24-14-14 W4M

The farm improvement application of L. & P. De Jager is for the conversion of 150 acres of flood irrigation to 123 acres of pivot irrigation in the NE 24-14-14 W4M. The pivot must be low pressure complete with drop tubes and no cold weather shut-offs and must be piped from the pump site to pivot centre. The water user wishes to keep the remaining 27 acres and they are also responsible for the cost of changing the flood well to a pump riser.

The Board felt that the water user will eventually fill in the wedge under the pivot and didn't wish to penalize them for the entire 27 acres that are being kept.

- 239-12-2004** Moved by Pat Hemsing that the farm improvement project of L. & P. De Jager for the conversion of 133 acres of flood irrigation to pivot irrigation in the NE 24-14-14 W4M be approved. The farm improvement grant is \$7,500. The water user will keep the remaining 17 acres at a cost of \$3,400 (17 acres @ \$200) and will be responsible for the cost of changing the flood well to a pump riser estimated to be \$1,236. Seconded by Tom Livingston. **CARRIED**

14.01.2 Leigh and Nicole Cordes – SW 13-14-14 W4M

At the January 30, 2001 Board Meeting, the Board agreed to sell to Mr. Cordes 39.4 acres in SW 3-14-12 W4M due to the relocation of the Rolling Hills canal. It was also agreed upon at that time to grant additional acres for a pivot, and be eligible for a pro-rated farm improvement on the 84 acres of flood that exists on this parcel. The pivot is now being installed. The farm improvement application calls for the conversion of 84 acres of flood irrigation to pivot irrigation in the SW 13-14-14 W4M. The pivot must be low pressure complete with drop tubes and no cold weather shut-offs and the pivot must be piped from the pump site to the pivot center. The delivery site will remain the same and the new assessment will be 134 acres under the pivot. The farm improvement grant is \$4,846 (84 acres X \$57.69).

- 240-12-2004** Moved by Clint Henrickson that the farm improvement project of Leigh and Nicole Cordes for the conversion of 84 acres of flood irrigation to pivot irrigation in the SW 13-14-14 W4M be approved. The farm improvement grant payable to the water user is \$4,846. Seconded by Pat Hemsing. **CARRIED**

14.01.3 T. Hironaka – NE 23-21-16 W4M

The farm improvement project of T. Hironaka on the NE 23-21-16 W4M is for the extension of a pipe from the existing delivery to a dug-out where the water user will hook up directly to a riser instead of pumping from the drain. The estimated cost of the project is \$8,800 and the cost share would be on a 50% - 50% basis with the water user.

- 241-12-2004** Moved by Neil Johnson that the farm improvement project of T. Hironaka in the NE 23-21-16 W4M be approved for the extension of a pipe from the existing delivery to the dugout for direct hook up to a riser, rather than pumping from the drain. The cost of the project estimated to be in the amount of \$8,800 will be cost shared by the District and water user on a 50% - 50% basis. Seconded by Tom Livingston.

CARRIED

14.01.4 Bertha Farms Ltd. – W ½ 10-20-14 W4M

This farm improvement is for the relocation of a drain to accommodate the existing pivot on the W ½ 10-20-14 W4M. The end tower now crosses the drain in 2 areas and the water user would like the drain moved back approximately 210 meters. The estimated cost of this project is \$7,730, and the cost of this project would be shared on a 50% - 50% basis with the water user.

- 242-12-2004** Moved by Floyd George that the farm improvement project of Bertha Farms Ltd. for the relocation of the drain to accommodate the existing pivot in the W ½ 10-20-14 W4M be approved. The cost of this project estimated to be in the amount of \$7,730 will be cost shared by the District and the water user on a 50% - 50% basis. Seconded by Clint Henrickson. **CARRIED**

15.0 Engineering Report

15.01 Project Status Update

18 Rolling Hills – 2.4 km. pipeline

- complete except for clean up and screen cleaner

26 & 27 Rolling Hills – 4 km and 1 km pipelines

- pipeline and turnouts installed
- structures remain

Lower North Branch – 7.3 km lined canal

- earthworks and armour complete
- structures remain

10 Rolling Hills – pivot line relocation and precast check structure

- check structure remains

10B Springhill - 10 km pipeline, plastic lined surge pond, 3.5 km overflow channel and two cast-in place structures

- cast-in-place structures complete except for gate and steel work
- pipeline installation 80% complete
- surge pond complete except for cleanup
- turnouts remain

Long Pump – 1.5 KM Weholite pipeline, 4 km PVC pipeline

- Weholite installation complete
- PVC pipeline in spring

Antelope Creek – 1 km lined canal and 2.5 km pipeline

- canal earthwork complete except for cleanup
- pipeline and structures in New Year

Sec. G Springhill – 6 km lined canal, cast-in-place structures

- approximately 2.5 km liner installed
- armour placement started
- cast-in-place structures 30% complete

05G and Sec. G Springhill Pipelines – 2 pipeline systems totaling 11 km, 1 – 5 km spillway rehabilitation

- spillway channel trimmed and armoured
- gabion chute and culvert on John Ware remains
- pipeline installation to start mid-January

Sec. A and B North Branch – 25 km, 3 km and 1 km pipelines, cast-in-place pipeline inlet structure

- 7 km pipeline installed

R Tilley and 4H West Bantry – 1.5 km and 3 km pipelines

- construction scheduled to start in January, 2005

15.02 Structures Approval

George Romao presented the following structures for approval by the Board:

- (a) 10B Springhill Inlet Structure – NW 3-21-16 W4M

The existing structure is too small to allow for screening. The new structure will control the water flow into the stilling pond at the head end of the 10B Springhill pipeline that is being installed. This new structure is a pre-cast inlet structure that will allow for a self cleaning screen to be installed on it.

- (b) Secondary A Springhill Check Modification Structure - NE 2-21-17 W4M

This structure is a cast in place concrete check drop that will be modified with a drop leaf gate that will be controlled by a solar powered controller. This control system will allow for the water level fluctuations that will take place on Secondary A Springhill with the installation of the 01-08A Springhill pipeline.

- (c) Secondary B Springhill Emergency Spillway Structure – SE 33-20-16 W4M

This structure will allow the diversion of water from the Secondary B Springhill canal during peak flow periods and emergency situations. The only open canal that acts as a tail out for Secondary B Springhill is 11B Springhill which runs past the Village of Rosemary. 11B Springhill cannot handle all of the flow from Secondary B Springhill, making this structure necessary.

- (d) 26 Rolling Hills – NE 14-14-13 W4M

This structure is a pre-cast structure which replaces the old pre-cast structure. The old structure is in poor condition and requires replacing. The new structure will be fitted with a drop leaf gate with a solar powered controller to maintain the water level at this site.

The estimated cost of these structures is \$150,000.

243-12-2004 Moved by Allen Nielsen that the following structures be approved at an estimated cost of \$150,000:

- (a) 10B Springhill – pre-cast inlet structure in NW 3-21-16 W4M;
- (b) Secondary A Springhill – cast-in-place modified check drop structure in NE 2-21-17W4M;
- (c) Secondary B Springhill – emergency spillway structure in SE 33-20-16 W4M;
- (d) 26 Rolling Hills – replacement pre-cast structure in NE 14-14-13 W4M.

Seconded by Floyd George.

CARRIED

Jim Meador and George Romao exited the meeting at 3:45 p.m.

16.0 Policy Review

16.01 Per Diem Policy

At the Board Retreat it was decided that a new policy for Remuneration for Directors was to be drafted to replace the old policy. A new policy was drafted setting out Definitions, Per Diem System, Remuneration and Expense Claims, and Claim Payment, and presented to the Board.

244-12-2004 Moved by Tom Livingston that the draft Policy for Remuneration for Directors be approved, as presented. Seconded by Pat Hemsing. CARRIED

16.02 Board/Manager Policy Update

A review of the Board/Manager Policy was conducted at the Board Retreat and it was decided that some amendments be made to the policy. The amended policy was presented to the Board.

245-12-2004 Moved by Tom Livingston that the amended policy for Board of Directors and Manager Relationship be approved, with noted amendment. Seconded by Floyd George. CARRIED

246-12-2004 Moved by P. Hemsing that the Board approve the renewal of the General Manager’s contract for 2005; and award of bonuses to the General Manager and Assistant General Manager, payable in December 2004. Seconded by T. Livingston. CARRIED

17.0 Information Items

The following items were brought to the Board for information purposes only:

17.01 International Joint Commission Media Release

17.02 Seminars

- Manure Management Planning – January 20, 2005, Lethbridge Lodge;
- Alberta Agronomy Update 2005 Conference – January 18 and 19, 2005, Lethbridge Lodge.

18.0 Upcoming Events

- 18.01 EID Office Closed December 24, 2004 to January 3, 2005 (re-opens January 4)**
- 18.02 Northwest Irrigation Operators Tour – January 18 – 20, 2005 in Yuma, Arizona;**
- 18.03 Regular EID Board Meeting – Tuesday, February 1, 2005**
- 18.04 Regular EID Board Meeting – Tuesday, February 22, 2005**
- 18.05 AIPA Conference – February 27 – March 1, 2005**

19.0 Additional Item

19.01 Rolling Hills Reservoir Campground

A short discussion was held and suggestions made as to whether or not there should be year round campsites at the Rolling Hills Reservoir Campground.

Clint Henrickson moved adjournment of the meeting at 3:55 p.m.

Board Chairman

General Manager

