
March 8, 2022, Annual General Meeting

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

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

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

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

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

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

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

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

3.0 Adoption of the Agenda

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

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

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

The motion to adopt the agenda was carried.

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

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

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

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

The motion to approve the minutes was carried.

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

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

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

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

- Over 40% of the world’s food supply is dependent on irrigation.
- Irrigation is the most reliable prevention for famine.
- Canada has the ability to significantly increase food production to support global population growth.
- Alberta’s 13 irrigation districts support 60 different crop varieties and 29 specialty crops on 4.4% of Alberta’s cultivated area. Irrigated crop production for various crops can be between 2 and almost 6 times as much as equivalent crops grown on dryland.
- Inputs, operations, maintenance, rehab, and labour of irrigation districts and farm businesses, as well as agricultural product and processing, all influence the economy.
- Water conveyed for community and industrial use, hydropower production, recreation, flood mitigation, and wildlife habitat also contribute to the economy.
- Irrigated crop sales total \$1.076 billion per year, which is 17% of total provincial farm sales.
- Specialty crops generate almost 50% of the total crop sales on 22% of the irrigated land base.
- Livestock production in irrigation districts saw \$2.2 billion per year, which is 38% of Alberta’s total average livestock sales and is 2 times more revenue than crop production.
- Combined irrigated crop and livestock production total \$3.3 billion per year, 27% of the total primary agriculture sales in Alberta, \$1.019 Billion to total agri-food GDP, supports 10,786 full time jobs, and generates 8 times more revenue per acre than dryland.
- Irrigation related food processing accounts for \$2.086 billion to provincial GDP, \$1.12 billion in labour income, and 16,128 full time jobs.
- Every \$1.00 invested by the Government of Alberta in irrigation districts generates \$3.56 in added revenue to the GOA.
- Total economic impacts of irrigated agriculture see \$5.4 billion to provincial GDP, \$3.2 billion in labour income, approximately 46,000 full time jobs, and 80% of income-generated benefits accrued to the province and 20% to irrigation producers.
- With the assistance of the Alberta Irrigation Modernization (AIM) program, future opportunities are seen in increased and diversified crop production. Other opportunities will likely be seen in increased intensive livestock production and solar power development.

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

7.0 Presentation of Reports**7.01 Chairman of the Board of Directors Report – Mr. Jason Hale**

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

- Water users were thanked once again for their patience as the District continued to deal with COVID-19 restrictions.
- Appreciation was given to outgoing Director Bob Chrumka for his years of service and a welcome to new Director Brent Schroeder in Division 6. Ross Owen was acclaimed in Division 3.
- New Vision and Mission Statements were adopted to help set goals and guide decisions. A Board Code of Conduct was also approved. *[documents can be found at www.eid.ca]*
- Admin and staff prepared extensive information for plebiscite expansion discussion. A plebiscite to increase the expansion limit to 345,000 was passed with 75% of those voting water users, voting in favour. Subsequently, irrigation development applications were approved in April and November.
- The Government of Alberta, Canada Infrastructure Bank, EID, and 9 other irrigation districts together invested an additional \$118 million to modernize irrigation infrastructure. This brings the total investment under this program to just under \$1 billion.
- Aquatic invasive species continue to be a major concern for the District and AIDA. A collaborative approach is continued through education, mandatory inspections, and watercraft registration. Thanks to staff, a total of 4,166 watercraft were registered in the EID, and 12 high risk watercraft were disallowed entry to our reservoirs.
- The EID and County of Newell continue to work together through the County/EID Joint Drainage Program and have this year collaborated on a Soil Erosion/Degradation Advisory Committee.
- Even with increased demands on the system, the District's infrastructure provided certainty for water users during a summer of drought.
- A crucial infrastructure project, the expansion of Snake Lake Reservoir, will benefit the District, local communities, and others within the Bow River Basin by supplying additional water storage to help alleviate current pressure on the river and the EID system. The District is extremely pleased to have entered into a sale agreement for the land required for the project.
- EID staff were thanked for their hard work and dedication, especially during a year of changing restrictions and conveying water in dry conditions.
- Water users were encouraged to continue to reach out to Directors with any questions, concerns, or suggestions.

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

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

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

The motion to adopt the report was carried.

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

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

- Precipitation in 2021 began well below the long term average, prompting an earlier water delivery date of April 25th. Precipitation remained low and comparable to other dry years; however, diversion was 118,000 ac-ft lower than in 2000 (another extremely dry year).

- 310,000 acres are being irrigated in the EID with consistently less water than was used to irrigate 100,000 acres in 1935. Overall diversion from the Bow River for the WID, EID, and BRID is trending downward, while irrigated acreage increases. In 1987, approx. 1,100,000 ac-ft was diverted as compared to approx. 700,000 ac-ft in 2020; and approx. 525,000 irrigation acres were assessed as compared to approx. 685,000 irrigation acres in 2020.
- Efficiencies of method of irrigation from 2002 to 2021 can be seen in low pressure pivots increasing from 30.4% to 78.22%, wheel moves decreasing from 18.8% to 4.07%, and leveled flood decreasing from 28.5% to 9.48%. High pressure pivot, unlevelled flood, and other methods make up the difference.
- Snowpack sites continue to show accumulation and are tracking well above the upper quartile.
- The plebiscite to increase the expansion limit from 311,000 to 345,000 passed with 75% of those voting, voting in favour. The Expansion Limit Change Bylaw allows for the expansion limit to be changed from 311,000 irrigation acres to 345,000 acres. No more than 340,000 irrigation acres may be assessed until the Snake Lake Reservoir expansion project is commissioned, or the Board holds a meeting with the water users and consequently approves to exceed the 340,000 acre limit to 345,000 by a special resolution approved by not less than 6 Directors of the Board.
- Subject to permitted exceptions, the Irrigation Acres Bylaw limits approval of new parcel irrigation acres in any given year to 2,000 and for new parcel irrigation acres which are not located downstream of either Lake Newell Reservoir or Crawling Valley Reservoir to 800.
- In spring, 2,000 acres were approved for completion by September 30, 2021. 700 infill acres were also approved throughout the year. In fall, another 2,000 acres were approved for completion by September 30, 2022.
- Through the Alberta Irrigation Modernization (AIM) program, \$282.8 million will be invested for modernization projects and reservoir expansion within the EID. The District contributes 20% upfront, the Province funds 30%, and the CIB contributes 50% through financing arrangements.
- The Snake Lake Reservoir expansion project would move 48,750 downstream irrigation acres under reservoir support and indirectly support 96,000 river acres. Full scale geotechnical drilling commenced March 1, 2022. Regulatory approvals are ongoing. The project has a completion schedule of 2027 – spring 2028.
- Farm Improvement grants have totalled \$10.6 million since 1999 (\$7.4 million in the last 5 years). The Board has approved the removal of sections 8.0 (panel, pump, nozzles, and pivot modification upgrades) and 9.0 (corner arms and subsurface corners) to take effect September 30, 2022, rendering related expenditures incurred after September 30, 2022, ineligible for reimbursement.
- An average of nearly 87,000 AUM or 17,000 head have been placed in Community Grazing pastures over the last 7 years. 5 of the last 7 years have experienced lower than average precipitation which can limit the grazing season. Additional waterlines and pasture management have enabled cattle listings to remain relatively stable.
- 9,245 oil and gas leases and twinned wells have been acquired within the District since 1990. Since 2014, 934 leases have been abandoned and 221 reclamation certificates have been issued.
- A 400-megawatt solar facility is being proposed by Solar Krafte to be sited in part on 3,600 acres of EID lands which are heavily impacted by conventional energy production. A revenue stream for the District, the facility is also expected to provide significant property tax revenue and direct and indirect economic activity in the County and City. The AUC hearing is to be held in March.

- Phase 1 of the 8 phase fibre build for EIDNet has been completed, connecting One Tree, Duchess, and Rosemary towers to the Brooks tower. Phase 2 is scheduled for 2022 to build the Cassils and Bantry reaches, at an estimated project cost of \$1,800,000.
- Water users were encouraged to give their input to Directors regarding the following matters:
 - Should the expansion of irrigation acres be done more quickly or differently? Demand for irrigation acres is particularly high in river supported areas and relatively weaker on the reservoir supported areas.
 - When should the District develop its own lands for irrigated farm or irrigated grazing leases? When the 1,200 irrigation acre allotment for reservoir supported areas is not fully subscribed, does this allow the District to participate?
 - Should the 15 year long term grazing leases expiring at the end of 2023 be extended to current holders or bid out as per the 2008 agreement? The District plans to have public meetings this fall with a decision made late 2022 – early 2023.
 - The District is willing to consider all industries/commercial activities that are looking to locate in the County of Newell to diversify revenue streams, including renewables.
- Sincere appreciation was extended to water users, Directors, and staff for the dedication and work in achieving the District's primary directive of conveying water to the farm gate.
- For details on the General Manager's Report as printed in the District's 2021 Annual Report Book, visit www.eid.ca

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

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

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

The motion to adopt the report was carried.

7.03 Maintenance Report – Mr. Ivan Friesen, General Manager

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

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

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

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

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

The motion to adopt the report was carried.

7.04 Rehabilitation Report – Mr. Ryan Gagley, Engineering Manager

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

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

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

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

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

The motion to adopt the report was carried.

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

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

Assets

- Current Assets
 - Cash/STI/CI increased by approx. \$34 M. There was a larger than usual increase as interest rates were cut during the pandemic. Since a better rate of return was received on the chequing account versus investing in any term deposits, numerous GICs and term deposits were not renewed. Additionally, it is expected to see an increase in cash given the additional financing being funded by the federal and provincial government for the Alberta Irrigation Modernization (AIM) program. Under the AIM program, the GOA covers 30% of the costs and the Canada Infrastructure Bank provides financing for 50% of the costs associated with our modernization projects and the Snake Lake Reservoir expansion.
 - Accounts receivable increased by approx. \$2.7 M. This is primarily due to a receivable under the AIM program of \$2.87 M. The remainder of the changes are normal fluctuations that occur from year to year.
 - Inventory and prepaid expenses saw minor increases, which are normal fluctuations that occur from year to year.
- Non-Current Assets
 - The total decreased by approx. \$20 M, which is largely due to the decrease in long term investments. Long term investments are normally more consistent as GICs are renewed

- with longer than one year to maturity; however, given the poor interest rates, the EID paused the long term GIC investments.
- The remaining fluctuations in deposits, non-current AR, and trust funds are minor and within normal expectations.
 - Property and Equipment
 - There was a net increase of \$12.4 M (refer to Note 7 of the Financial Statements).
 - Total Irrigation Works (IW) projects capitalized were \$29.7 M. An increase in activity on projects was seen compared to the previous year due to the increase in funding under the AIM program.
 - There were no land purchases during the year. A few land sales occurred, totalling 34 acres.

Liabilities

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

Fund Balances

- Fund balances are used to track how funds have been spent and allocated/earmarked for future spending on EID projects and initiatives (refer to Note 10).
- The internally restricted pasture development fund had \$1,650 allocated to it to bring the ending balance to \$167,254.
- The Internally Restricted Fund for future Irrigation Works started the year with a balance of \$80.2 M. As the District did receive an IRP grant in 2021, the District was required to contribute to the Externally Restricted Fund – Province of Alberta in the amount of \$964,000. \$3.6 M were withdrawn to pay for building purchases and capital projects funded solely by the District. \$4.4 M were added to the fund from capital asset charges, gravel royalties & dirt sales, the gain on the sale of land, and from interest earnings. The Board of Directors transferred \$17.96 M into the fund from current year's operations. Over the year, the fund balance increased by about \$17.8 M.
- The Bassano Dam project added \$583 in interest income to bring the ending balance to \$936,403.
- The externally restricted Province of Alberta Fund started with a positive balance of \$7.2 M; \$10.1 M in grant funds were received and allocated to the account. \$26.2 M in irrigation works additions were made in cost share with the province of Alberta which brings the ending balance to a deficit of \$7.8 M.

Statement of Operations

- Total water earnings were up by nearly \$30,000. This number is driven by oil and gas drilling which was consistent with last year. This number is expected to go up as oil and gas drilling seems to be increasing in fiscal 2022.
- Lease Revenues

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

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

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

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

The motion to adopt the report was carried.

8.0 General Matters & New Business

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

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

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

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

8.02 General Matters Raised from the Floor

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

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

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

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

8.02 General Matters Raised from the Floor cont'd

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

9.0 Adjournment

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

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