

**March 4, 2025, Annual General Meeting**

The Eastern Irrigation District held its Annual General Meeting on Tuesday, March 4<sup>th</sup>, 2025, 1:30 p.m. at the Heritage Inn in Brooks, Alberta. Approximately 100 people were in attendance.

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

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

Mr. Hemsing welcomed those in attendance at the Annual General Meeting, including Jennifer Nitschelm, Director – Irrigation Secretariat, Len Ring – past Irrigation Secretariat Director, Brian Brewin, Member – Irrigation Council, Anne Marie Philipsen, Member – Irrigation Council; County of Newell Councillors Kelly Christman, Holly Johnson, Neil Johnson, Lynnette Kopp, Amanda Philpott, and Adena Skanderup; and Town of Bassano Councillor Sydney Miller.

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

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

**Moved by Kathlyn Peltzer that Kelly Christman be nominated for Chair.**

Mr. Hemsing called for any further nominations a second and third time.

**Holly Johnson moved nominations cease.**

As no further nominations were placed, Kelly Christman was elected Chair by acclamation. Mrs. Christman assumed the chair.

**3.0 Adoption of the Agenda**

Mrs. Christman advised of the format for making comments and asking questions from the floor and asked if there were any revisions to the agenda. Mr. Friesen advised that Brent Kroschel would be presenting the Maintenance Report. A motion to adopt the agenda as revised was requested.

**Moved by John Brummelhuis that the agenda be adopted as revised. Seconded by Gerwin Van Den Hoek.**

Having no requests for further revisions or any deletions to the agenda, a vote on the motion was requested.

**The motion to adopt the agenda was carried.**

**4.0 Approval of the Minutes – March 5, 2024, Annual General Meeting**

Mrs. Christman called for a motion to accept or revise the minutes from the March 5, 2024, Annual General Meeting.

**Moved by John Brummelhuis that the minutes of the 2024 Annual General Meeting be approved as distributed. Seconded by Gerwin Van Den Hoek.**

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

**The motion to approve the minutes was carried.**

## **5.0 Business Arising from the Minutes – March 5, 2024, Annual General Meeting**

Mrs. Christman called for items of business arising from the minutes of the 2024 Annual General Meeting; none were raised.

## **6.0 Presentation of Reports**

Mrs. Christman asked Directors to introduce themselves and their areas of representation, then invited Mr. Hemsing to present his report.

### **6.01 Chairman of the Board of Directors' Report – Mr. Tracy Hemsing**

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

- Irrigators and staff were thanked for their support and cooperation on another successful irrigation season.
- The Maximum Water Bylaw was revised to make Stage 2 the default whereby the District begins each season conservatively and each operating month evaluates and may adjust the allowable limit, based on existing conditions.
- The Snake Lake Reservoir Expansion Project was officially approved by motion, at an estimated cost of \$273 million, to be funded by the District, the Government of Alberta (GOA), and a loan from the Canada Infrastructure Bank.
- After several drought meetings with the GOA, a Memorandum of Understanding (MOU) was signed by the EID and other irrigation districts formally committing to collaboratively managing water resources and prioritizing the various needs of all users.
- The Irrigation Acres Bylaw was revised, requiring that prior to an application being accepted, soils testing is to be completed and if applicable, written consent from landowners must be submitted permitting access for new infrastructure to cross their lands.
- 4 new EID quarter sections will be developed and auctioned in 2025 as irrigated farm leases.
- The District is testing soils for further possible expansion on District owned lands.
- Capital Assets Charges had a 2% inflationary increase added and for 2025 are: New Acres - \$3,672, Infill Acres - \$1,530, and Converting from Term Acres - \$765.
- The Bow City, Rainier, and Scandia EIDNet fibre project was completed.
- Free internet service was given to all fire departments to support their emergency training, as was offered to community halls to assist with remote monitoring of their buildings.
- Further prevention measures continue to be explored to bolster the AIS Prevention Program.
- Environment and Protected Areas (EPA) introduced a Provincial Water Availability Engagement (PWAE) to pursue solutions for water allocations in Alberta. In response, the Alberta Irrigation Districts Association (AIDA) put forth 13 possible solutions to address the concerns of the province. The Board and irrigators attended open houses and met with our MLA to express our concerns.
- In spring of 2024, Brad Deschamps was acclaimed in Division 3 and Brent Schroeder was re-elected in Division 6. Appreciation was given to Ross Owen for his 15 years of service. In

December, after becoming ineligible to hold the Division 4 seat due to the sale of his land, the Board appointed Brian Schmidt as an additional member until the 2025 election.

- Operating costs for 2024/2025 are projected to be \$30.57/acre. With oil and gas revenue trending lower, the inflationary costs of infrastructure, and the Snake Lake Reservoir expansion project, the Board will be focusing on increasing revenue.
- The Board looks to its vision and mission statements for direction on developing policy and bylaws. Irrigators were encouraged to reach out to Directors with their feedback.

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

**Moved by Neil Johnson that the 2024 Chairman of the Board of Directors' Report be accepted as presented. Seconded by Adena Skanderup.**

Mrs. Christman asked if there were any questions of the Chairman; being none, a vote on the motion was requested.

**The motion to adopt the report was carried.**

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

Mr. Friesen presented expanded and complementary information to the General Manager's Report, as summarized below:

- EPA facilitated discussions of formal water sharing agreements between major license holders on the Red Deer River, Bow River, Oldman River, and southern tributaries. MOUs were developed on each system that modelled reciprocal unwritten practices and verbal agreements already in place between districts and other major license holders on the Bow River. The Bow River basin did not require to activate the MOU as there was ample water to meet all demands.
- The District took a cautious approach heading into the 2024 irrigation season, setting the allocation at 15", knowing that that amount could be delivered with little to no shortages. Spring precipitation, along with good late snowpack allowed an increase to 18" and then 24". Total diversion was 432,000 acre-feet and 9.84" delivered to the farm gate. Seasonal precipitation resulted in being mostly above the long term average for the area.
- In late fall of 2024, EPA initiated the PWAE. The irrigation industry was one of the first industries to recognize and address the concerns and uncertainty the "Water Management Issue Sheets" released by EPA created for its irrigation producers, value added agricultural processors, and the agricultural industry at large. Proactively, AIDA with the consensus of all irrigation districts, provided Government with identified concerns of possible amendments and suggestions to improve water access in Alberta. Thank you to everyone who attended engagement meetings and helped in providing feedback.
- The multi-year Alberta Irrigation Modernization (AIM) projects which include canal to pipeline conversions are continuing. Also included is the Snake Lake Reservoir expansion. Engineering, geotechnical, environmental, and regulatory work is well underway, with the Environmental Impact Assessment (EIA) to be completed and submitted to the Government in early 2025.
- 1,789 acres of irrigation development applications were approved for the 2025 season.
- The Farm Improvement Program saw 30 approved applications totaling \$249,563, with the majority for converting to a more efficient method of irrigation, cost-shares to accommodate pivots, and return of deductions.
- A reduced maximum of 60 head and a 2 week delay was imposed to allow time for pastures to recover from the last couple of years of low precipitation. 13,791 head of cattle were placed

on pastures, down 3,643 from 2023; total Animal Unit Months (AUMs) were 61,766, down from 81,719 in 2023. The maximum listing for the 2025 grazing season has tentatively been set at 65 head.

- 13 new wells were established on District land, 19 wells were twinned, 70 wells were reclaimed, and 84 abandonment notifications were received. 30 miles or 183 acres of new pipelines were added.
- Topics that were before the Board in 2024:
  - What cost is prohibitive to construct Snake Lake Reservoir?
    - The Snake Lake Reservoir project was approved at the February 27, 2024, Board Meeting at an estimated cost of \$273 million.
  - Should Capital Assets be increased?
    - Capital assets charges were increased on November 26, 2024:
      - \$765/acre for converting terminable acres to irrigation acres;
      - \$1,530/acre for infill and efficiency acres up to 50 irrigation acres per parcel;
      - \$3,672/acre for infill and efficiency acres over 50 irrigation acres per parcel; and
      - \$3,672/acre for acres assessed to dry parcels (new acres).
  - How can large scale projects be facilitated?
    - Discussions are still ongoing.
  - What role beyond irrigation development does the District play in the economic development of the area?
    - All developments will be considered on their own merits.
- Irrigators were encouraged to reach out to Directors to discuss any matters of interest including the following topics before the Board in 2025:
  - Snake Lake Reservoir Expansion Project
  - Irrigation Expansion Pace
  - Capital Asset Rate
  - Water Rate
    - The rate was increased from \$5/acre to \$6/acre on February 25, 2025.
  - New Irrigation Development Leases
    - 4 EID quarters are scheduled to be auctioned in late summer.
  - How can large scale developments be facilitated?
  - What role beyond irrigation development does the District play in the economic development of the area?
  - Is there interest in revising the Sale of District Owned Lands Policy?
- Alberta Open Farm Days' theme this year is on water; EID will again offer Bassano Dam tours.
- Irrigators were given notice of the District moving towards digital mailings and correspondence.
- Sincere appreciation was extended to irrigators, Directors, and staff for their dedication and work necessary in achieving the District's primary directive of conveying water to the farm gate.

A number of questions throughout the report were responded to by Administration and Directors.

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

**Moved by Kathlyn Peltzer that the 2024 General Manager's Report be accepted as presented.  
Seconded by Carl Chomistek.**

As there were no further questions, Mrs. Christman requested a vote on the motion.

**The motion to adopt the report was carried.**

**6.03 Maintenance Report – Mr. Brent Kroschel, Operations Manager**

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

- Maintenance costs for 2024 totaled \$3,068,230; somewhat higher than the past 5 year average.
- The modest increase in costs is due to more pipeline repairs, unexpected pumphouse repairs, related increase in labour, and overall inflationary costs.

Mrs. Christman asked if there were any questions of the Operations Manager; being none, a motion to accept the report was requested.

**Moved by Gerwin Van Den Hoek that the 2024 Maintenance Report be accepted as presented.  
Seconded by Gerald Trembecki.**

**The motion to adopt the report was carried.**

**6.04 Rehabilitation Report – Mr. Ryan Gagley, Assistant General Manager – Engineering and Operations**

Mr. Gagley reviewed the 2024 Rehabilitation Report, displayed information on completed projects, and advised of plans for future Capital and IRP projects.

- In 2023/2024, \$36,041,200 of District funds were spent on Capital and IRP construction projects. Nearly 30 km of pipeline was installed, 6 km of canal was rehabilitated, and 3 concrete structures were installed.
- 2025/2026 capital construction will consist of 7 proposed projects, subject to Board approval: T Tilley (AIM), Lower North Branch (AIM), Lower Bow Slope (AIM), 17-G Springhill (AIM), Tilley Canal Rehab and Lining, Snake Lake Canal (IRP), Main Bantry Bank Lift, as well as the continuance of the County/EID Joint Drainage Program in the south Rolling Hills area.
- Extensive fieldwork and laboratory analysis for the Snake Lake Reservoir expansion project have taken place to determine the existing ground conditions under the proposed dam and within the expanded reservoir. The EIA is nearing completion with plans to file it with the EPA Environmental Assessment Group and the Natural Resources Conservation Board (NRCB) by the end of the month. Approvals are expected to take a minimum of 1 year.

Mrs. Christman asked if there were any questions of the Assistant General Manager; being none a motion to accept the report was requested.

**Moved by Harry Philipsen that the 2024 Rehabilitation Report be accepted as presented.  
Seconded by Lammert Lyzenga.**

**The motion to adopt the report was carried.**

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

Mr. Chapman, Bevan and Partners, advised that at the conclusion of the audit a clean audit report on the financial statements was presented in accordance with Canadian accounting standards for Not-For-Profit organizations. A summary of the independent auditor's report and the audited financial statements were then presented, highlighted as follows:

Assets

- Current Assets
  - Overall current assets increased by \$10.35 million. The reason for the increase was the significant increase in Accounts receivable due to the unpaid amounts relating to the Fibre optic and AIM projects.
  - Changes that occurred in Materials and Supplies and Prepaid expenses are normal fluctuations that can occur year to year.
- Non- Current Assets
  - There were no significant changes; deposits and trust funds increased from the previous year because of new funds being held for a land lease security deposit.
  - Accounts receivable increased over the previous year and was the result of work billed in the current year but that was not due for repayment before September 30, 2025.
  - Long term Investments, which are investments not due within the next 12 months, decreased by \$11.7 million.
- Property and Equipment
  - There was a net increase of \$23.46 million net of amortization expenses compared to the previous year.
  - The increase in building and equipment was primarily the result of the irrigation development and Rock Lake pivot and the continued expansion of the fibre optic project.
  - The net increase in irrigation works was the result of irrigation works projects capitalized of \$36.04 million and the yearly amortization of \$20.46 million.
  - The irrigation works project additions were comprised of the AIM projects, IRP projects, and other EID capital projects.
  - During the year there was an additional \$10 million spent on the Snake Lake Reservoir expansion.

Liabilities

- Long term debt increased by \$4.63 million and this is directly attributable to the AIM Program.
- Deferred grants and contributions increased by \$5.15 million during the year. The District received funding of \$12.41 million: \$8.42 million from AIM and the Province of Alberta under the IRP program and \$3.99 million from a UBF Grant to be used for the fibre optic expansion.
- This money will be amortized into revenue as the funds are spent. In 2024, \$7.26 million was amortized into revenue.

Fund Balances

- Fund balances are used to track how funds have been spent and allocated for future EID projects (Note 10 will provide additional details).
- Internally restricted assets are funds that the Board of Directors have allocated to future projects relating to community pasture development and irrigation works additions.
- Externally restricted assets are funds that have been received from the province that must be used for specific cost-shared irrigation projects.

Statement of Operations

- Water earnings decreased from the previous year due to the irrigation season extending into October in 2024 and a portion of the income being deferred into the next fiscal year (view Note 11 for additional details).
- Revenue for the District was up from the previous year approximately \$1.66 million.

- The gain on sale of land, equipment, and buildings consisted of the sale of capital assets during the year.
- Capital asset charges increased by \$1.96 million over the previous year, which is a product of the AIM program.
- Amortization of irrigation works increased over the past year and was expected given the most recent capital asset additions to irrigation works.
- Total operating and administration expenses were down \$840,000 because of increased recovery rates.
- EIDNet revenue, as laid out on Note 15, shows revenue was 15% higher than the previous year due to the grant received. Profitability dropped due to increased expenses when compared to the previous year.
- The Statement of Operations shows a surplus at the end of the year of \$20.57 million.

#### Cash Flow Statement

- The income statement that was previously discussed shows the EID operations on an accrual basis for revenue and expenses over the last operating year, showing the EID profitability.
- Whereas the cash flow statement shows the increases and decreases in the EID cash position during the year. Unlike the income statement that uses accrual basis accounting, the cash flow statement shows the cash movements during the year only.
- The total cash shown as available on the Cash Flow Statement only shows the cash and cash equivalents at the end of the year.
- This is defined as the cash and short-term securities with maturities less than 90 days from the year end date. This is displayed at the bottom of the Cash Flow Statement.
- The cash position increased by \$5.57 million from the previous year.

Mr. Chapman thanked Mrs. Stephanie Barlow for preparing the financial statements and EID staff for their assistance when performing the audit.

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

**Moved by Carl Chomistek that the 2024 Independent Auditor's Report and Financial Statements be accepted as presented. Seconded by John Brummelhuis.**

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

**The motion to adopt the report was carried.**

## **7.0 General Matters & New Business**

### **7.01 Provincial Water Availability Engagement**

Mr. Friesen presented a more detailed summary of the PWAE as follows:

- In October 2024, AIDA was made aware of a PWAE and its potential to affect the Water Act:
  - According to Minister Schultz's letter, the intent of the engagement was to "Review Alberta's water management strategy to increase the availability of water and water licenses to Alberta's municipalities, businesses and agricultural producers while maintaining the highest standards of water conservation and treatment."
  - Shortly after, the Province released a number of "Water Management Issue Sheets".

- AIDA promptly and proactively drafted a response paper, "White Paper", with consensus from all irrigation districts, proposing suggestions to improve water availability. White Paper messaging was based on the following key points:
  - irrigation provides significant economic and social benefits
  - the system is not broken: 2023 and 2024 saw large senior license holders working together to mitigate drought, with the result of successful water management years
  - mitigation for droughts and floods can be achieved through increased water storage
  - stripping large license holders of allocation would restrict Alberta's economy
- The engagement period was short, initially ending January 15<sup>th</sup>, then extended to the 24<sup>th</sup>.
  - November 28<sup>th</sup> all irrigation district boards met individually with EPA.
  - January 3<sup>rd</sup> the EID met with MLA/Premier Smith.
  - AIDA had multiple additional meetings with senior staff and ministers across several different ministries.
- Thank you to all those who took the time to attend one or more of the virtual or in-person meetings and those who wrote/emailed their feedback to EPA and/or their MLAs.
- The engagement is currently in the "Review Phase 1 Feedback" stage.

#### **7.02 General Matters Raised from the Floor**

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

Directors, Mr. Friesen, and Mr. Gagley responded to various questions from the floor regarding infrastructure capacity to facilitate irrigation development in the Gem area, further AIS prevention strategies, the sale of land, the rate of development for reservoir and river acres, carry forward acres, large scale irrigation development, contribution towards landowner infrastructure, revenue streams, and the capital asset rate.

#### **7.03 Report on Scheduled Elections – Mr. Ivan Friesen, Returning Officer**

Mr. Friesen reported that the terms for the current Directors for Electoral Division 2 (Rosemary/Duchess), Electoral Division 4 (Cassils/Brooks), and Electoral Division 7 (Rolling Hills) have been completed; therefore, nominations are being accepted for these divisions. The nomination period will close Wednesday, March 5, 2025, at 5:00 p.m. Nomination forms can be obtained from the District Office. An election, if necessary, will be held Tuesday, April 8<sup>th</sup>.

#### **8.0 Adjournment**

Mr. Hemsing thanked everyone for attending and giving input and thanked the EID field and office staff for their hard work. Mrs. Christman extended appreciation for the good working relationship between the County and the EID, then called for a motion to adjourn the meeting.

**Moved by Jeff Van Wert that the annual meeting be adjourned at 4:05 p.m.**