

Eastern Irrigation District
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November 3, 2008

**PLEASE NOTE THE
FOLLOWING
DATES:**

New Irrigation
Development Auction:

December 12, '08
1:30 p.m.

Private Grazing
Lease Bid Opening:

December 11, '08
1:30 p.m.

Discontinuance of
Dial-Up Internet:

November 30, '08

New Irrigation Development

The EID is planning to develop 7 parcels for irrigation in 2009 (see map on page 2). These parcels are going to be leased to eligible water users for 10 years with the leaseholder having the option to purchase the parcel at the end of 10 years. The EID retains all surface lease compensation on existing oil and gas leases for the duration of the lease. The leaseholder will receive surface lease compensation on new oil and gas leases.

The annual rental for the 1st year of the lease shall be \$10,000; with \$2,857 applying to the purchase if the leaseholder chooses to purchase the parcel at the end of the lease.

The annual rental for the 2nd through 10th years of the lease shall be 7% of the purchase price bid on the parcel; with 2% applying to the purchase if the leaseholder chooses to purchase the parcel at the end of the lease.

The parcels will be leased/sold by auction at 1:30 p.m. on Friday, December 12th at the EID office in Brooks.

The minimum bid that will be accepted by the District is \$1,800/irrigated acre + \$500/dry acre.



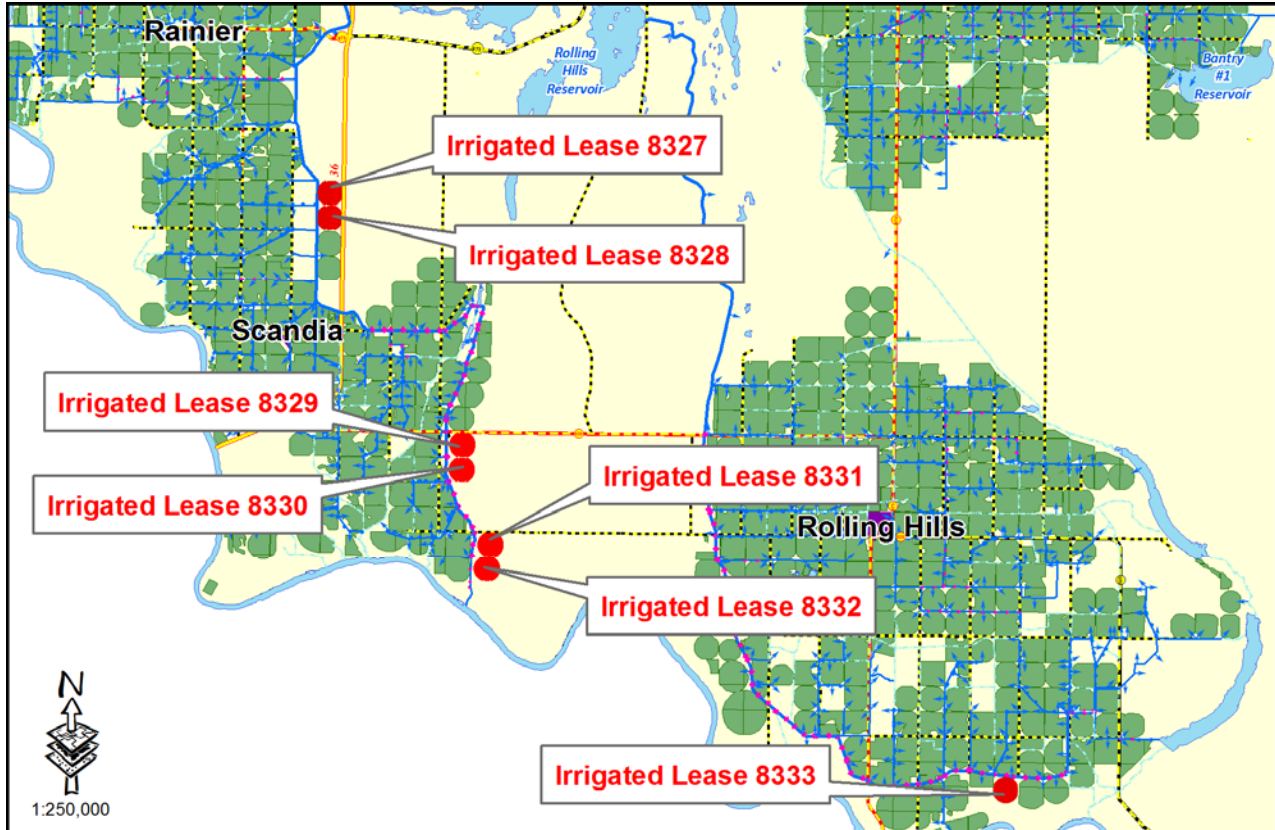
In order to be able to bid on the parcels, your eligibility must be pre-approved, your deposit of \$10,000 must be received, and you will be given a bidder's information package and bidder's number. Bidder packages and numbers will be available at the District's Brooks office between November 26 and December 11, 2008.

To be eligible to bid on these irrigation leases you must:

- own 100 acres of land with at least 40 acres of 1st water rights within the EID
- you must reside within the EID

No individual can obtain more than 1 of these new irrigated leases.

New Irrigation Development



(8327) NE 05-16-15 W4M
 (8328) SE 05-16-15 W4M
 (8329) Pt. NW 11-15-15 & Pt. NE 11-15-15 W4M
 (8330) Pt. SW 11-15-15 & Pt. SE 11-15-15 W4M

(8331) NW 35-14-15 & Pt. NE 35-14-15 W4M
 (8332) SW 35-14-15 & Pt. SE 35-14-15 W4M
 (8333) Pt. NE 04-14-13 & Pt. SE 09-14-13 W4M

Dial-Up Internet Customers

Please note that EIDNet's dial-up service will be discontinued as of November 30, 2008. If you are interested in a high speed EIDNet wireless internet account, please contact Randy Hayes at (403) 362-1401. It may take up to 4 weeks from the date of application for a high speed account until the equipment can be installed, so we need to hear from you as soon as possible.

The installation cost for a standard high speed residential account is \$400. The monthly subscription fee is \$40 for a regular residential account and \$25 per month if you own 1st water rights. All prices are plus GST. If you prepay for 11 months, the 12th month is free. Business accounts are available as well. Please call Randy for more information.

Private Grazing

Of the 93 private grazing leases, 17 are annual leases, and 53 have chosen to enter into a new 15 year lease that is transferable within the family only.

The remaining 23 private grazing leases will be put up for bid by sealed bid on Thursday, December 11, 2008; with the existing leaseholders having the right to match the high bid (see map on page 4).

Lease

- the bid is to purchase the lease agreement; the annual lease payment for the first 5 years is pre-set
- each lease has a minimum bid price consisting of 50% of the 2007 rate plus the value of the fences and any improvements
- the lease is a 15 year lease, that is transferable to any eligible water user and has an option to renew for a second 15 year term
- the lease is not sublettable (ie. the leaseholder must own the cattle)
- the leaseholder does not receive any of the oil and gas surface lease compensation

Eligibility

- must be a water user that owns 100 acres of land and 40 acres of 1st water rights within the EID
- must reside within the EID
- no one person can have more than 640 acres of private grazing leases or one lease (whichever is greatest)

Bid Procedure

- all bids must be submitted on official tender form 'A' by 11:00 a.m. on Thursday, December 11, 2008 (forms may be obtained from the EID office after November 24, 2008)
- bids will be opened at 1:30 p.m. on Thursday, December 11th at the EID office; all bidders and existing leaseholders are welcome to attend
- no individual can bid on more than 2 leases
- if an individual bids on more than 1 lease he must indicate 1st and 2nd choice
- if an existing leaseholder bids on a different lease and is successful in getting the lease (ie. is the high bidder and existing leaseholder does not match), and the combination of leases puts him over the 640 acre limit, then he must return his original lease to the EID and the EID will put it up for bid at a later date
- all bids must be accompanied by a certified cheque in the amount of the bid (unsuccessful bids will have their cheques returned no later than December 18th)
- existing leaseholders will have until Tuesday, December 16th at 2:00 p.m. to match the high bid

Private Grazing Leases

