

Eastern Irrigation District
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**PLEASE NOTE THE
FOLLOWING
DATES:**

New Irrigation
Development Auction:

Thursday,
January 13, 2011
1:30 p.m.
Rainier Hall

County of Newell
Rural Water System
Initiative:

Deadline for
\$1,000 deposit -
January 31, 2011



December 10, 2010

County of Newell Rural Water System Initiative

The Eastern Irrigation District Board of Directors is in support of this initiative and have decided to contribute \$2,000 per Water User to the project.

For Water Users (people who own land that has 1st water rights) who have paid the County's \$1,000 deposit and the project proceeds, the EID will pay the County \$2,000 of the \$6,000 owing. The EID will only subsidize 1 property per Water User.

The Board of Directors hopes this will encourage more farmers to take advantage of this opportunity and will make it easier for those that do.

If you have any questions, feel free to contact Earl Wilson.



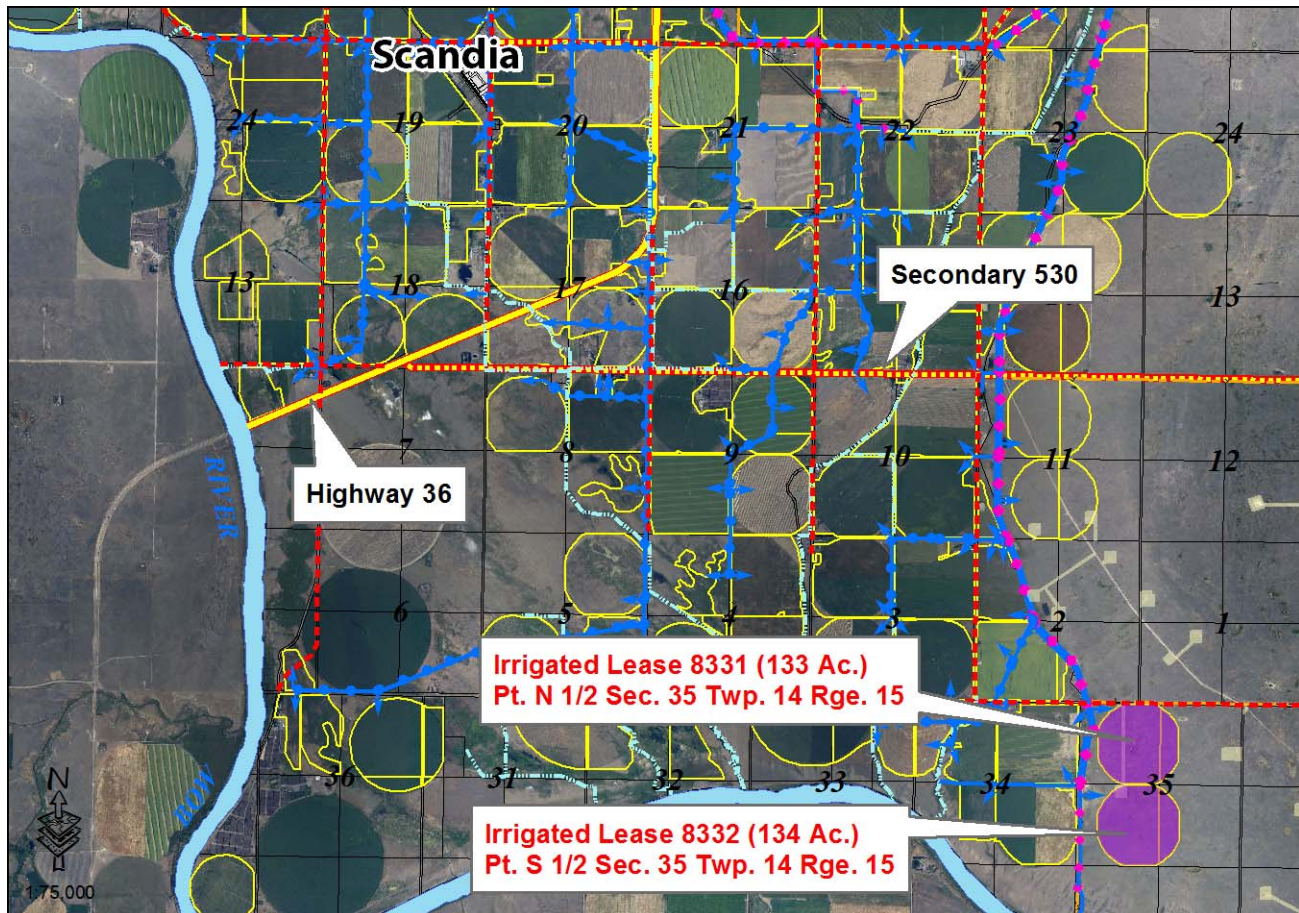
New Irrigation Development

The land auction held on November 10th was successful and it proved there was more than enough demand for the land we propose to develop. The average price for the 14 parcels sold was \$3,300/irrigated acre + \$750/dry acre.

The EID is planning to proceed and develop the remaining 7 parcels on this project and put them up for auction along with 2 parcels in Sec. 35-14-15 W4M.

These parcels (see maps following) are going to be leased to eligible Water Users for up to 10 years with the leaseholder having the option to purchase the parcel any time after 5 years. The EID retains all surface lease compensation on existing oil and gas leases for 10 years (duration of lease; if purchased prior to lease expiration—balance of 10 year period). The leaseholder will receive surface lease compensation on new oil and gas leases.

New Irrigation Development



ANNUAL RENTAL

The annual rental for the 1st year on the parcels in Section 35-14-15 W4M (approx. 160 acre parcels) will 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 1st year on parcels 7, 8, 9, 10, 11, 12, & 15, (approx. 280 acre parcels) shall be \$17,500 with \$5,000 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 2/7th's applying to the purchase if the leaseholder chooses to purchase the parcel at the end of the lease.

AUCTION DATE

The parcels will be leased/sold by auction at 1:30 p.m. on Thursday, January 13th at the Rainier Hall.



ORDER OF SALE

- #8331 in Pt. N 1/2 35-14-15 W4M will be sold 1st.
- #8332 in Pt. S 1/2 35-14-15 W4M will be sold 2nd.
- Parcels 7, 8, 9, 10, 11, 12 & 15 will be drawn from a hat and auctioned in that order.

MINIMUM BID

The minimum bid that will be accepted by the District is \$1,800/irrigated acre + \$750/non-irrigated acre for parcels #8331 & #8332; \$2,000/irrigated acre + \$750/non-irrigated acre for parcels 7, 8, 9, & 10; and \$2,250/irrigated acre + \$750/non-irrigated acre for parcels 11, 12, & 15.

ELIGIBILITY

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 a bidder's number. Bidder packages will be available at the District office between January 5 and January 13, 2011.

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

No individual can lease more than 450 irrigated acres, this includes the leases that were auctioned in 2008 and 2010.

| PARCEL | MINIMUM PRICE |
|------------------------|---------------|
| Pt. N 1/2 35-14-15 W4M | \$258,900 |
| Pt. S 1/2 35-14-15 W4M | \$250,800 |
| Block 7 | \$491,250 |
| Block 8 | \$491,250 |
| Block 9 | \$492,000 |
| Block 10 | \$491,250 |
| Block 11 | \$548,250 |
| Block 12 | \$549,750 |
| Block 15 | \$546,750 |