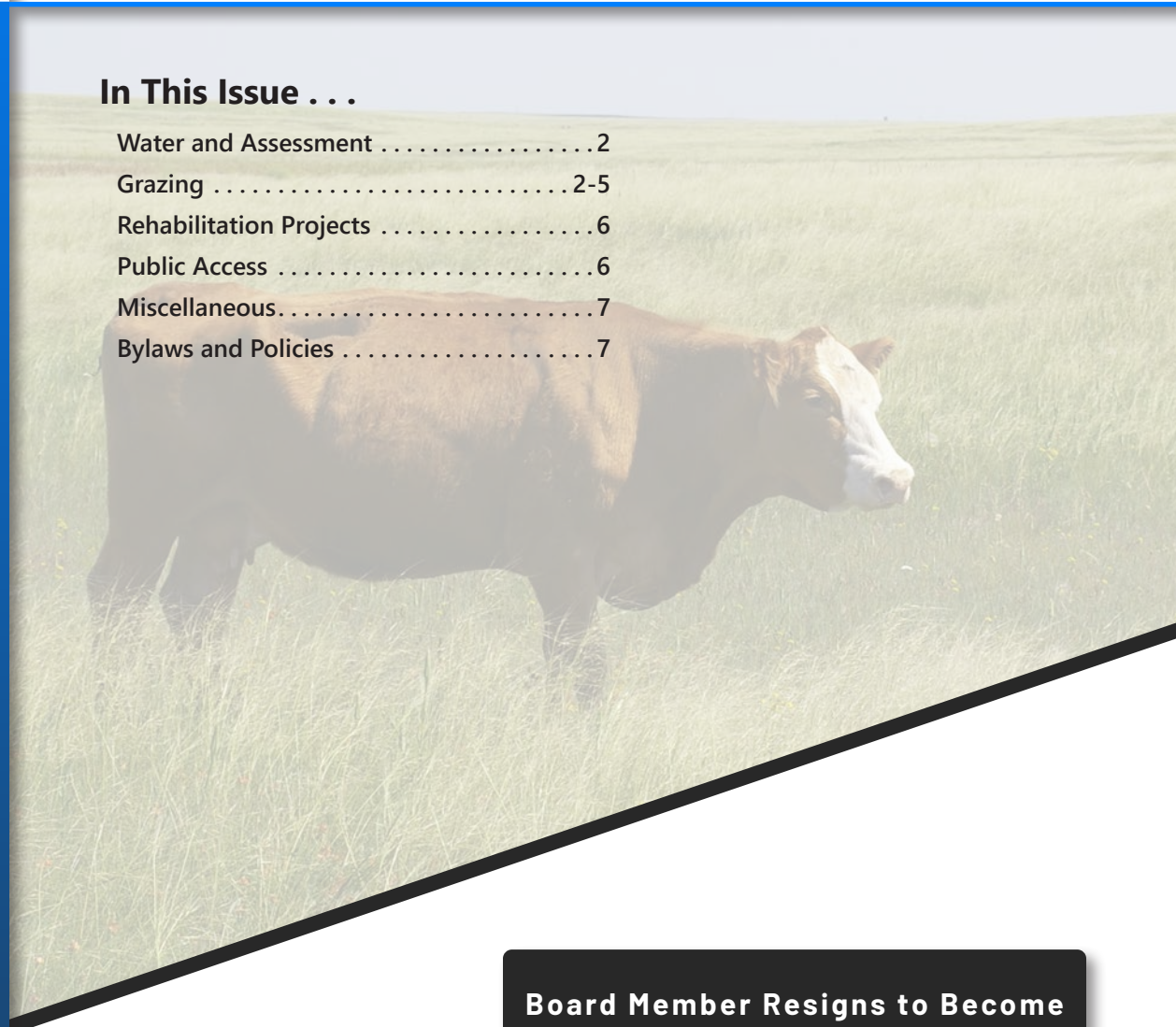


Publication Date
October 26, 2022

Eastern Irrigation District

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Notice of Fall Meeting Regarding Expiring Private Grazing Leases

A meeting has been set for Tuesday, November 15, 2022, 1:00 p.m. at the Heritage Inn to present information and receive feedback regarding the private grazing leases expiring December 31, 2023. All irrigators are welcome to attend. For review, see additional information on pages 2-5.

Board Member Resigns to Become Deputy Minister of Agriculture and Irrigation

The EID wishes to inform its irrigators of the resignation of the Division 1 (Gem/Bassano) Board Member and Chairman Jason Hale, effective October 24, 2022, as he has accepted the role of Deputy Minister of Agriculture and Irrigation with the provincial government. The EID would like to thank Jason for his nearly 2 terms of service on the board and his dedication to the District. We look forward to collaborating with him in his new capacity to continue moving the irrigation industry forward.

You may review Jason's letter on the EID website.

Board discussions and information gathering have commenced regarding next steps to fill the Division 1 (Gem/Bassano) vacancy. During this time, please feel free to contact any of the Directors or Ivan Friesen, General Manager if you have any business matters or questions.

IRRIGATION UPDATE

Water Diversions

The levels of Crawling Valley and Tilley B reservoirs have been drawn down below typical winter levels to facilitate construction over the winter months. All other reservoirs will be maintained at typical winter levels. The season started with heavy usage through late April and May; however, significant District wide precipitation through June and July led to less diversion compared to previous years, approximately 480,000 ac-ft. 29 parcels reached the maximum limit of 24".

Water Diversions

| Year | Acres Being Irrigated | Acre Feet Diverted |
|------|-----------------------|--------------------|
| 2022 | 312,078 | 478,000 |
| 2021 | 309,789 | 575,000 |
| 2019 | 305,859 | 509,000 |
| 2017 | 301,309 | 521,200 |
| 2000 | 281,758 | 675,000 |

Sprinkling of Roadways

Please be reminded for next season that the sprinkling of water on the driving surface of roadways by irrigation equipment is prohibited within the County of Newell under County Bylaw No. 1743-11. Upon receiving notice of a violation, a Community Peace Officer will inspect the area and request the person responsible to remedy the situation immediately. Failure to stop sprinkling the driving surface at the request of the Community Peace Officer may lead to a charge being laid against the person or persons responsible.

The EID also urges irrigators to keep the irrigation water from all infrastructure equipment within the assessed irrigation area and advises that all water used, even unintentional irrigating of ditches and roadways, counts towards the total water allocation and could mean you reach your irrigation cap earlier than expected.

Results of Irrigation Applications For 2023

Applications for 2023 irrigation development projects which were received by September 30th will be brought to the November Board of Directors meeting for review. Results of the approvals process will be included in the meeting minutes and posted to the website in December. All applicants will be contacted directly following the review.

Please be reminded that landowners with projects requiring 50 or less irrigation acres to be added to existing irrigation parcels may submit applications throughout the year. To apply for irrigation development or an increase in irrigation acres please contact Staci Connauton.

Staci Connauton,
Land Administrator - Assessment, Water, and Lands

Cell: 403-363-1376

Email: staci.connauton@eid.ca

Expiring Private Grazing Leases

Prior to 2008, most EID Private Grazing Leases (PGL) were 15-year agreements that contained an automatic renewal clause in favour of the lessee.

In 2007 the Board held a public meeting to discuss future PGL renewal management strategies. The EID Board recognized that other irrigators did not have opportunity to acquire these long-term PGLs as they typically stayed with the same lessee or within the lessee's family unit.

A long-term renewal plan was then established to recognize the continuing commitment that the existing leaseholders had for their leases yet allow the opportunity for other irrigators to obtain a lease. Any leases that had potential for irrigation or commercial development were converted to annual leases upon expiry at the end of 2008, resulting in 93 grazing parcels in total, 17 of which were under annual agreement.

Subject to being in good standing, lessees of the remaining 76 leases were given 3 options:

1. Let the lease go; the District would evaluate the fences and make an offer to purchase them, or the lessee could sell the fences to the next leaseholder or remove the fences.
2. Enter into a new 15-year lease with the District that was only transferable within the family (father, mother,

IRRIGATION UPDATE

October 26, 2022

Grazing

sibling, niece, nephew) for a fee of 50% of the 2007 lease amount. *[If the leaseholder becomes ineligible to hold the lease and there are no eligible family members, the lease defaults back to the District. A number of PGLs in this category have come back to the District and have been rebid as long-term extended leases, expiring in 2038.]*

3. Request that the lease be put up for bid and have the right to match the high bid. This lease would be transferable to any eligible irrigator with a term of 15 years, with an option, if in good standing, to extend the lease for an additional 15 years. *[When transferring the lease, the transferor and transferee may negotiate a transfer fee for the right to use the lease.]*

23 lessees chose Option 3, and the leases were put up for sealed bid; all then-current lessees matched the high bids and entered into new agreements. If in good standing at the end of 2023, the lessees of these leases will be offered a renewal agreement for the second 15 year term of the agreement.

53 lessees chose Option 2 and entered into new 15-year leases with the District. 31 of these leases remain; they will be expiring at the end of 2023 and contain no renewal provisions. Board direction and resolution in 2008 provided that upon expiration of the leases at the end of 2023 the leases be rebid **without** the prior lessee having a right to match the highest bid. There are also 5 short term leases expiring at the end of 2023. Both categories will have leases individually evaluated and some may not be renewed as long term leases. As well, 8 one year leases will be assessed this winter as they are expiring at the end of 2022.

By policy, to enter a lease the lessee must live in the District and own a minimum of 100 acres in the District, of which at least 60 are irrigation acres, and may only lease up to a maximum of 640 acres, or one lease. Both types of long term agreements do not allow subletting. In addition to the initial or private transfer payments to obtain a PGL agreement from the District, the annual rent is currently calculated as follows:

$$\begin{array}{l} \text{Convenience Factor} \\ (\$4.00/\text{acre for 1st 160 acres}) + (\$5.00 \times \text{remaining AUM over 26}) \end{array} + \begin{array}{l} \text{Carrying Capacity Factor} \\ (\text{AUM Grazing Rate})(\text{full AUM}) \end{array}$$

The PGL fee calculation was developed to charge similar amounts for using EID pasture, whether through PGLs or Community Grazing Associations (CGA) and is subject to 5-year rate reviews. The AUM Grazing Rate portion is reviewed and set on an annual basis to cover the costs associated with the administration and operation of the CGA leases at a minimum break-even basis for the District. The rate for 2022 was \$18.00/AUM. CGAs charge their members fees per AUM in addition to the District's fee. For fair access to District pastures, if a PGL lessee chooses to also run cattle in a CGA, the member is deducted 1 head per every 5 AUM that their PGL is assessed at.

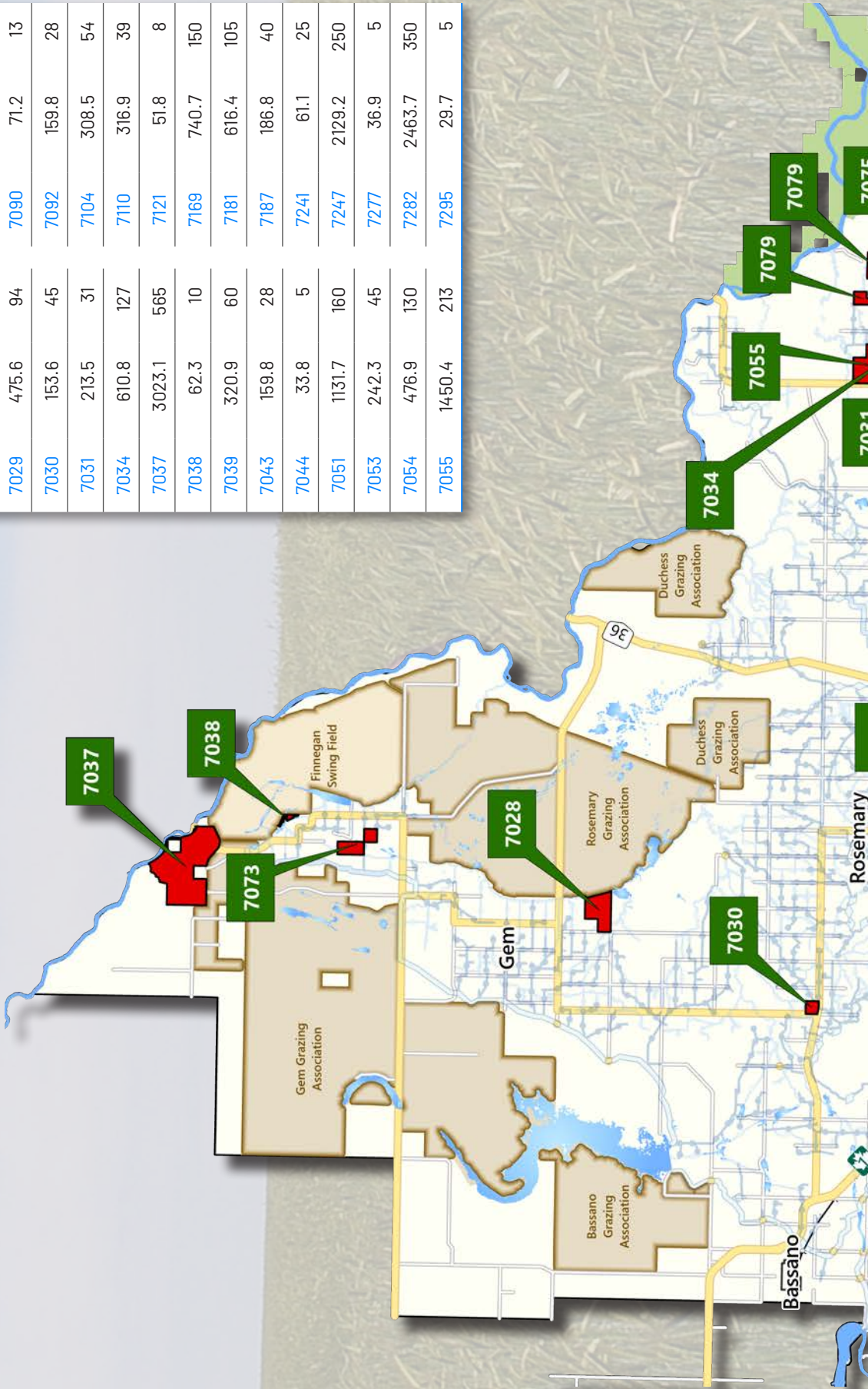
In **preliminary review** of the PGLs expiring in 2023, summaries of Board discussions to date have included:

- denying requests to purchase PGLs be continued.
- 25 quarters, all under reservoir support, are being soils tested and those PGLs with potential for irrigation (whole or part) may be recategorized as short term leases to allow for future development of irrigated farm leases or irrigated pasture; but would be strategized to not affect the demand for new irrigation acres from irrigators.
- soils results, and proximity to irrigation conveyance works or other PGL or CGA leases are determining factors when reviewing the continuance of grazing leases; as well as livestock water supply, the ability to fence or cross fence, parcel severance, parcel size, surface leases, and impact from planned conveyance works rehabilitation.
- shorter term leases (1-5 years), that have been tendered out without certain restrictions, have proven to show closer-to-market values for the use of the land which increases District revenues for all irrigators.
- to follow the direction from 2008, expired PGLs would be tendered for bid, with the prior lessee being able to bid but not having the right to match the high bid.
- adopting a new proposal could include extending the expired lease for a fee; or for a fee, permitting the prior lessee the right to match the high bid; the ability to transfer the agreement in either case would need to be examined.
- balancing the desires of some current lessees to continue leasing on a longer term basis to maintain their existing farming operations with other irrigators who may wish to secure a lease and the District's ability to generate market value revenue to benefit all irrigators.

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Expiring Private Grazing Leases

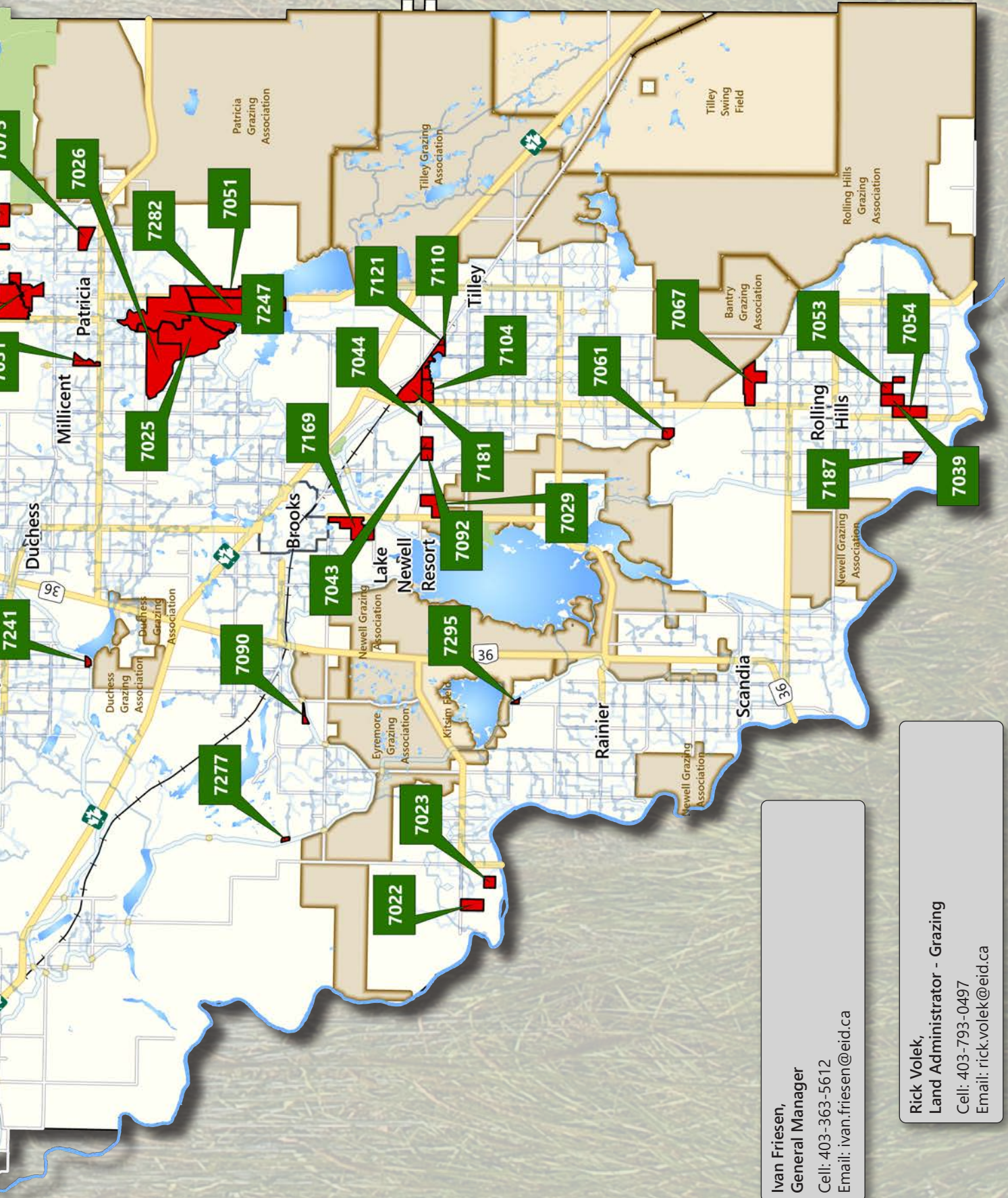
The Board of Directors and Admin are requesting feedback from grazing and non-grazing irrigators. Please feel free to contact Directors, Ivan Friesen, or Rick Volek, and to attend the meeting set for Tuesday, November 15, 1:00 p.m. at the Heritage Inn.



IRRIGATION UPDATE

| Private Grazing Leases Expiring in 2023 | | | | | |
|---|--------|-----|------|--------|-----|
| PGL | Acres | AUM | PGL | Acres | AUM |
| 7022 | 317.8 | 53 | 7061 | 142.0 | 26 |
| 7023 | 159.6 | 25 | 7067 | 706.8 | 135 |
| 7025 | 2053.7 | 302 | 7073 | 488.8 | 79 |
| 7026 | 1928.2 | 290 | 7075 | 343.1 | 75 |
| 7028 | 755.4 | 120 | 7079 | 548.9 | 103 |
| 7029 | 475.6 | 94 | 7090 | 71.2 | 13 |
| 7030 | 153.6 | 45 | 7092 | 159.8 | 28 |
| 7031 | 213.5 | 31 | 7104 | 308.5 | 54 |
| 7034 | 610.8 | 127 | 7110 | 316.9 | 39 |
| 7037 | 3023.1 | 565 | 7121 | 51.8 | 8 |
| 7038 | 62.3 | 10 | 7169 | 740.7 | 150 |
| 7039 | 320.9 | 60 | 7181 | 616.4 | 105 |
| 7043 | 159.8 | 28 | 7187 | 186.8 | 40 |
| 7044 | 33.8 | 5 | 7241 | 61.1 | 25 |
| 7051 | 1131.7 | 160 | 7247 | 2129.2 | 250 |
| 7053 | 242.3 | 45 | 7277 | 36.9 | 5 |
| 7054 | 476.9 | 130 | 7282 | 2463.7 | 350 |
| 7055 | 1450.4 | 213 | 7295 | 29.7 | 5 |

IRRIGATION UPDATE



Ivan Friesen,
General Manager
Cell: 403-363-5612
Email: ivan.friesen@eid.ca

Rick Volek,
Land Administrator - Grazing
Cell: 403-793-0497
Email: rick.volek@eid.ca

IRRIGATION UPDATE

Capital Construction Projects – 2022/2023 Construction Season

| Project | Description | Approved Estimate |
|---------------------------------|---|-------------------|
| 02 Bow Slope | <ul style="list-style-type: none"> designed to remediate the bisecting of 2 quarters and allow for future expansion located approximately 3.5 km NE of Rainier and supplies 4,152 acres earthworks portion to widen the first 1,750 m of existing canal is complete the remaining 2.1 km of level bank canal will be replaced with a 54" closed gravity pipeline which will tie into 3 existing pipelines | \$3,223,000 |
| Secondary C North Branch | <ul style="list-style-type: none"> designed to keep spill in the reservoir, eliminate 2 check structures and a rock weir, and be sized for over 1,150 additional acres for future corner arms and pivots currently serves 8,695 acres off the North Branch Canal a 6.4 km gravity pipeline will begin at the SE corner of Crawling Valley Reservoir, connect to existing deliveries off this portion of the canal, and tie into the current Secondary C North Branch pipeline downstream twin 60" pipe will be installed for the first 4.6 km, to a single 60", and then a 36" line | \$15,890,000 |
| Lake Newell South Feeder | <ul style="list-style-type: none"> located 6 km NE of Rainier, beginning at the Bow Slope Canal, extending to the SW corner of Lake Newell Reservoir trimming, armouring and fencing 3.2 km of the existing canal will increase capacity from 550 cfs to 800 cfs to allow more flow into the reservoir | \$1,826,000 |

Hunting Permission

The EID is moving towards mandatory written permission for hunting on EID owned lands. Visit or call EID reception (362-1400) to request a permission letter, or email Daniel Buell. Thank you for your cooperation in ensuring the EID private lands remain open for public use. If you require additional information, please contact Daniel Buell.

Trapping

The EID permits trapping for fur bearers on EID lands and in EID water bodies. Only normal locking snares (no spring assistance) shall be used on EID lands, and snaring may only occur between December 1 and February 28.

Starting in the fall 2023/winter 2024 trapping season, all traps and snares used on EID land or in EID waterbodies will be required to be tagged with a unique, permanent identification number assigned by the EID. Any trapper who has not already received an identification number and wishes to receive one in advance of the 2023/2024 season please contact Daniel Buell.

Ice Fishing

All EID access rules remain in force during the winter [see website for policy]. When accessing EID reservoirs keep highway vehicles on established roads and trails, no fires or camping on shore, and pets must always remain under control. If off-highway vehicles are to be used to access the ice, offload from the closest established trail, and then take the most direct line on and off the ice. Use extreme caution when driving on the ice on EID reservoirs.

Daniel Buell,
Land Administrator – Habitat, Wildlife, and Access
 Cell: 403-363-5618
 Email: daniel.buell@eid.ca

Behind the Matter...Corporate Planning

Corporate Planning Sessions have become an annual practice for the EID Board of Directors, administration, and staff. Typically held in January or February, the 2-day in camera meetings are used to focus on significant or confidential issues, those that require in depth review, and/or those that lead to policy development. Often, Directors are encouraged to obtain feedback from irrigators on certain topics or questions. The sessions may also be used to review board governance matters, and to meet confidentially as a Board and/or with the General Manager. In addition to other agenda items, it is anticipated that this winter's Corporate Planning sessions will include discussions on the upcoming expiry of the 15-Year Private Grazing Leases.

Updates on Policies and Bylaws

Bylaws and policies relevant to irrigators may be viewed on the District's website.

[see website for bylaws and policies] (https://www.eid.ca/bylaw_policy.html)

Farm Improvement Policy

- The core of this policy addresses on-farm developments that improve the irrigation farm operation and improves the District's infrastructure or saves a significant amount of water. The following funding categories were in effect from May 30, 2017, to September 30, 2022 but **are now discontinued**:
 - Funding for upgrades (such as panels, pumps, nozzles, and pivot modifications), per the value of the upgrade up to a maximum of \$100/irrigated acre.
 - Funding for corner arms or subsurface irrigation up to a maximum of \$700/irrigated acre. Although this category has been discontinued, an irrigation method conversion grant of up to \$100/acre for corner arms or subsurface irrigation remains.

Capital Assets Charges Bylaw

- The capital asset charges and annual payment escalator of two percent (2%) will be reviewed at the November Board of Directors Meeting. The approved charges will be posted on the District's website, to become effective December 1, 2022.

Did You Know?

Since the beginning of the Farm Improvement Policy in 1999, the District has approved over \$12 million in grants to irrigators.

| Approved Farm Improvement Grants | |
|----------------------------------|---------------------|
| 1999 | \$24,922 |
| 2000 | \$129,926 |
| 2001 | \$98,945 |
| 2002 | \$74,359 |
| 2003 | \$122,498 |
| 2004 | \$113,400 |
| 2005 | \$101,411 |
| 2006 | \$146,489 |
| 2007 | \$227,775 |
| 2008 | \$278,500 |
| 2009 | \$200,395 |
| 2010 | \$175,640 |
| 2011 | \$163,890 |
| 2012 | \$382,500 |
| 2013 | \$280,000 |
| 2014 | \$194,000 |
| 2015 | \$262,938 |
| 2016 | \$265,000 |
| 2017 | \$1,808,000 |
| 2018 | \$2,218,839 |
| 2019 | \$1,481,973 |
| 2020 | \$1,046,142 |
| 2021 | \$802,415 |
| 2022 | \$1,976,932 |
| TOTAL | \$12,576,889 |



Please Note:

All Annual Reports and
Newsletters can be read online at:
www.eid.ca

