



**FINANCIAL STATEMENTS
AND
ANNUAL REPORT
For the year ended October 31, 2020**

The Board of Directors invites you
to attend the VIRTUAL annual meeting on
Tuesday, March 9, 2021 at 1:30 p.m.
Please refer to the BRID website for instructions on
how to attend.

Drop 7 Construction



Drop 7 Completion



**FINANCIAL STATEMENTS AND ANNUAL REPORT
FOR THE YEAR ENDED OCTOBER 31, 2020**

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**2020 DIRECTORS AND STAFF OF THE
BOW RIVER IRRIGATION DISTRICT
VAUXHALL, ALBERTA**

****BOARD OF DIRECTORS****

Walter Unruh, Chairman -District #7	John DeVries, Director -District #4
James Larson, Vice-Chairman -District #3	Vic VanDyk, Director -District #5
Glenn Logan, Director -District #1	Laus Stiekema, Director District #6
Richard Sander, Director -District #2	

****STAFF****

Administration/Engineering

Richard Phillips, P. Eng.	General Manager
Jessica Robbins, CPA, CA	Assistant General Manager-Finance and HR
Rolf Schwabe	Executive Assistant
George Thiessen	Land Administrator/Safety Officer
Ray Nickel/Dana Laurence	Landman
Muriel Golby	Accounts Payable
Teri Lund/Anne Cazemier	Accounts Receivable
Lori Van Hal	Receptionist
Darryl Row	Computer Technologist/Draftsman
Noel Going	Engineering Technologist
Evan Blindback	Land Classification Technologist

Operations/Maintenance

Bill Skelly	Superintendent of Maintenance
Rod Lowen	Shop and Equipment Foreman
Denis Odland	Operations Supervisor
Butch Porter	Maintenance Supervisor
Marlin Hill	Survey Crew Chief
Daryl Brouwers	Operations Assistant
Matt Coster	Headworks Operator
Louise Christie	Assistant Headworks Operator – Seasonal
Adam Locke	Ditchrider
Conrad Cazemier	Ditchrider
Kelly Howg	Ditchrider
Lonnie Howg	Ditchrider - Seasonal
Mark Borle	Ditchrider
Ray Friesen	Ditchrider
Richard Church	Ditchrider

Vince Row	Ditchrider
Adrian Oostlander/Cory Hull	Inventory Storekeeper
Nick May	Mechanic
Allan Friesen	Tandem Gravel Truck Operator
Dennis Brouwers	Semi Tractor Operator
Jared Willis	Weed Control Operator/ Labourer
Jaarno Van Der Wielen	Equipment Operator
Keith Gertzen	Equipment Operator
Kelvin Wright	Equipment Operator
Kevin Jorgensen	Equipment Operator
Rob Zalik	Equipment Operator
Art Carlson/Jared Capner	Groundskeeper – Seasonal
Ernie Crowson	Weed Control Operator/Welder
Ivan Bolen	Labourer
Westin Hlatky	Labourer

(Staff hired casual or part-time on an as-needed basis and released as work requirements dictate are not included on the above list.)

CHAIRMAN'S REPORT

To the irrigators of the Bow River Irrigation District:

This was a very challenging year due to COVID-19. Many meetings and events were cancelled, and some changes had to be made to keep the board, employees, and water users safe.

The joint 100th anniversary celebration between the BRID and the Town of Vauxhall that was supposed to take place in June of 2020 was postponed. The BRID partnered with the Town to build a clock tower on Main Street and commemorated it with a small ceremony. A larger anniversary celebration will be held in the future when it is safe to do so. The management team of the BRID updated our history book, which are available free of charge to water users with additional books being sold for \$25 each.

This year, irrigation districts received an infrastructure funding proposal from the Government of Alberta. The Board of the BRID took a stand for our District and we were able to negotiate a deal that we were comfortable with. Our general manager, Richard Phillips, along with several other District managers have continued negotiations and planning with the provincial and federal governments. The executive director of the Alberta Irrigation Districts Association, Margo Redelback, has also contributed greatly. This deal will have a positive generational effect on our region when it is completed.

I would like to thank Premier Kenney, his Ministers, MLA's, and staff for their vision and hard work to begin this process. Our MP, Martin Shields, has been very supportive to us in irrigation and I know has helped our cause. I must thank our Federal Government, as they have seen the importance of irrigation, to also participate for the future of agriculture. The Board held area meetings in 5 locations throughout the District in early 2020. The purpose of these meetings was to inform irrigators about our current issues and to listen to concerns from them.

The BRID has many solar energy projects being planned, built and operating throughout the District.

The Board decided to cut the water allocation back this year from 24 inches to 20 inches for sprinklers, leaving flood at 24 inches. Additional blocks of

4 inches can be purchased for \$4, although no irrigators had the need to do so in 2020.

The lease auction was successful this year again with good demand for pivot irrigated land and dry leases.

Intensification acres are still available to purchase at \$1500 per acre.

In conclusion, the Board would like to thank our irrigators for your help to make this a successful year. Thank you, management, and staff, for your hard work to manage a difficult year, to benefit irrigators in the BRID. Thanks again to the Government of Alberta, specifically the Department of Agriculture and Forestry. This year has shown how all of us working together can get through a challenging time and have hope for the future.

May all in our District and those involved in various ways be blessed in 2021.

Respectfully submitted,

Walter Unruh
Chair, Board of Directors

**BOARD OF DIRECTORS REMUNERATIONS REPORT
NOVEMBER 1, 2019 - OCTOBER 31, 2020**

Members of the Board of Directors of the Bow River Irrigation District receive remuneration for their time spent in attendance at meetings, and compensation for whatever expenses are incurred in attending those meetings, such as meals and mileage. For attendance at meetings, directors receive \$497 per day. The board chairman receives an extra \$109 per day for each board meeting and for each day of official district business when specifically performing duties of board chairman. The board member who reviews the monthly bank reconciliations and investment summaries receives an extra \$54 per day for each board meeting.

The following is a listing of fees incurred through operations of the Board of Directors of the Bow River Irrigation District:

<u>Year</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Directors' Fees	\$111,285	\$112,856	\$77,664	\$84,811	\$70,267
Miscellaneous	<u>27,877</u>	<u>27,022</u>	<u>15,362</u>	<u>20,008</u>	<u>18,664</u>
TOTAL:	<u>\$139,162</u>	<u>\$139,877</u>	<u>\$93,026</u>	<u>\$104,819</u>	<u>\$88,931</u>

<u>Director</u>	<u>Fees</u>	<u>Mileage</u>	<u>Expense</u>	<u>Total</u>
John DeVries	\$12,360	\$ 549	\$ 250	\$13,159
James Larson	16,379	1,412	515	18,306
Glenn Logan	10,934	908	0	11,842
Ron Schlaht	6,677	1,215	0	7,892
Laus Stiekema	9,940	560	0	10,500
Walter Unruh	23,331	2,349	565	26,245
Vic Van Dyk	13,419	902	250	14,571
Richard Sander	<u>7,952</u>	<u>790</u>	<u>28</u>	<u>8,770</u>
TOTALS:	<u>\$100,992</u>	<u>\$8,685</u>	<u>\$1,608</u>	<u>\$111,285</u>

REPORT ON ADDING AND REMOVING PARCELS

Section 46(1)(d) of the IRRIGATION DISTRICTS ACT states that each district must report all parcels added to or removed from the district; the following parcels have been added to the Bow River Irrigation District in 2020:

S.W. 19-15-19-W4M	S.W. 29-14-14-W4M	S.W. 30-20-22-W4M
N.W. 19-15-19-W4M	N.W. 29-14-14-W4M	S.W. 16-16-19-W4M
N.E. 25-20-23-W4M	S.E. 30-14-14-W4M	N.W. 16-16-19-W4M
S.E. 27-20-23-W4M	S.E. 17-13-18-W4M	N.E. 16-16-19-W4M
S.W. 27-20-23-W4M	S.W. 17-13-18-W4M	S.E. 20-16-19-W4M
N.W. 27-20-23-W4M	N.W. 17-13-18-W4M	N.E. 20-16-19-W4M
N.E. 27-20-23-W4M	N.E. 17-13-18-W4M	S.E. 21-16-19-W4M
N.E. 30-13-17-W4M	N.E. 10-21-24-W4M	S.W. 21-16-19-W4M
S.E. 29-21-24-W4M	S.E. 15-21-24-W4M	N.W. 21-16-19-W4M
S.W. 29-21-24-W4M	N.W. 15-21-24-W4M	N.E. 21-16-19-W4M
N.E. 29-21-24-W4M	N.E. 15-21-24-W4M	N.W. 3-13-18-W4M
N.E. 25-14-18-W4M	S.E. 26-13-18-W4M	S.W. 36-13-18-W4M
N.E. 32-13-18-W4M	N.W. 26-13-18-W4M	S.E. 13-14-22-W4M
S.E. 33-15-18-W4M	S.E. 27-13-19-W4M	S.W. 13-14-22-W4M
N.W. 23-16-19-W4M	S.W. 27-13-19-W4M	N.W. 13-14-22-W4M
N.E. 23-16-19-W4M	N.W. 27-13-19-W4M	N.E. 13-14-22-W4M
S.E. 2-15-20-W4M	N.E. 27-13-19-W4M	S.E. 23-14-22-W4M
N.E. 2-15-20-W4M	S.E. 28-13-19-W4M	N.E. 23-14-22-W4M
N.E. 32-15-18-W4M	S.W. 28-13-19-W4M	S.E. 24-14-22-W4M
S.W. 2-17-18-W4M	S.E. 34-13-19-W4M	S.W. 24-14-22-W4M
N.W. 2-17-18-W4M	S.W. 34-13-19-W4M	S.W. 25-14-22-W4M
N.W. 12-15-20-W4M	S.E. 22-16-19-W4M	N.W. 25-14-22-W4M
N.E. 26-14-20-W4M	N.W. 21-13-17-W4M	S.E. 26-14-22-W4M
N.E. 21-13-18-W4M	S.E. 28-13-17-W4M	N.E. 26-14-22-W4M
N.E. 1-19-22-W4M	S.W. 28-13-17-W4M	S.E. 20-14-17-W4M

S.E. 12-19-22-W4M	N.E. 28-13-17-W4M	S.W. 20-14-17-W4M
S.E. 6-21-22-WW4M	S.E. 30-12-18-W4M	N.W. 20-14-17-W4M
S.W. 6-21-22-W4M	N.E. 30-12-18-W4M	N.E. 20-14-17-W4M
S.E. 2-21-23-W4M	S.E. 31-12-18-W4M	S.E. 12-14-20-W4M
S.W. 2-21-23-W4M	S.W. 31-12-18-W4M	N.E. 12-14-20-W4M
N.E. 27-19-22-W4M	S.W. 32-12-18-W4M	S.W. 32-20-24-W4M
S.W. 9-21-24-W4M	N.W. 32-12-18-W4M	N.W. 32-20-24-W4M
S.E. 13-14-20-W4M	S.W. 5-13-18-W4M	
N.E. 13-14-20-W4M	S.E. 6-13-18-W4M	
S.E. 36-12-16-W4M	S.W. 6-13-18-W4M	
S.W. 36-12-16-W4M	N.W. 34-13-19-W4M	
N.E. 36-12-16-W4M	S.E. 30-20-22-W4M	

No parcels were removed from the Bow River Irrigation District in 2020.

GENERAL MANAGER'S REPORT

New Infrastructure Program

The new \$815 million infrastructure program agreement between the Province, the Canada Infrastructure Bank (CIB) and the irrigation districts will provide funding to complete several projects in the BRID with an estimated total cost of nearly \$103 million. Our projects include Deadhorse Coulee Reservoir, the Lomond Lateral Rehabilitation from km 30.3 to km 43, the B-5-C/Drain B (Vauxhall Block) pipelines, the Lost Lake North Channel pipeline, the Lateral H and Lateral H-7-2 (West Block) pipelines, the Lateral O (Hays Block) pipeline and the Lateral B/K (Vauxhall Block) pipelines.

The reservoir projects funded under this agreement must be completed by the spring of 2028, and all other projects must be completed by the spring of 2025. Three of our projects are already being constructed this winter, and engineering has begun on all the others. We have already purchased some of the land for our new reservoir.

Under this program, the province is providing a grant for 30% of the project costs, and the districts will provide 20% initially, with the remaining 50% funded through a long-term low interest loan to the districts from the CIB. The main objective of both the province and the CIB is to expand irrigation, and they estimate that over 200,000 new irrigated acres will result from this program, with 25,000 new acres in the BRID. Future expansion will be subject to the same process as past expansion, with approval of the irrigators required in a plebiscite.

The interest rate on the loan is fixed at 1% over a 35-year term, but the repayment schedule will vary depending on how rapidly districts add new irrigation acres using the water saved and made available by the projects being funded. If expansion creates large cash influxes early in the 35-year term the early payments will be higher, but the loan does not have to be fully repaid for 35 years. Detailed financial modelling shows that the loan for all districts should be repaid entirely by capital asset charges and water rates on new acres resulting from these projects.

Water Operations

In 2020 our water use was finally below average for the first time since 2014. Our total diversion from Little Bow Reservoir was 251,000 acre feet, which is 15,000 acre feet below the average for the last 25 years. Water use was generally relatively low through the third week of July, followed by six weeks of above average use. The daily diversion peaked at 1900 cubic feet per second at the end of July, and more water was used in August than any other month, which is very unusual.

At the start of the season total reservoir storage was 350,000 acre feet, which is very high. This resulted from significant spring runoff into the reservoirs added to

excellent storage from the previous year. The storage at the end of the season was 323,000 acre feet, which is normal.

The total diversion from the Bow River at Carseland was approximately 284,000 acre feet, which is 52% of the total licenced allocation.

Water Ordering

Water ordering was better in 2020 than it has been in recent years. Thank you to those irrigators who cooperate by ordering water in advance. We cannot operate our system efficiently if we don't know how much water will be needed the next day, so please remember to order water 24 hours before you need it.

Staff Changes

There were several changes in 2020. Ray Nickel (landman) and Art Carlson (groundskeeper) retired after 24 years and 16 years with the district. Teri Lund (accounts receivable clerk) resigned, and Matt Coster (headworks operator) resigned at the end of the season. We were saddened by the death of Adrian Oostlander, our inventory storekeeper since 1996, following a brief illness.

New staff include Dana Laurence as landman, Jared Capner as groundskeeper, Anne Cazemeir as accounts receivable clerk, and Cory Hull as inventory storekeeper. Additionally, Jessica Robbins was promoted from District Accountant to Assistant General Manager – Finance and Human Resources.

Respectfully submitted,

Richard J. Phillips, P. Eng.
General Manager
Bow River Irrigation District

MAINTENANCE REPORT

The maintenance department of the BRID experienced a normal year. Before water was turned on in the spring, eighteen turnouts were installed for new irrigation acres. With scheduled Magnacide H treatments, especially on the Main Canal, we experienced fewer problems with aquatic weeds and algae this year. Scheduled Magnacide H treatments will continue in the upcoming year on the canal system, including the Main Canal.

Magnacide H Chemical Costs:

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$563,046	\$693,046	\$709,742	\$276,881	\$269,657

Maintenance projects that were completed this year include the Y-1 Pipeline in the Hays area, a pipeline on BRID owned land on Parcel 205 in the Hays area and two pipeline emergency spillway turnouts in the Enchant area.

The district has started to replace steel mainline fittings with PVC fittings and change farmer turnouts to stainless risers on pre-1995 pipelines. Our goal is to do two or three pipelines per year.

The district with its own forces installed the E-2, M-1 & Drain F Pipeline in the Lomond area. These projects consisted of the installation of precast inlet structures, PVC pipeline and farm & domestic turnouts.

The BRID spent approximately \$227,564 on Special Projects this year. Under the 2020 Special Projects program the BRID added side plates to four inline screen cleaners, installed electric gate operators on three pipeline inlet structures, upgraded screens and brooms on three pipeline screen cleaners, automated three structures, and installed one drop-leaf gate.

Under the domestic relocation program, the district completed four farmer-initiated projects at a total cost of \$9,215. The BRID provides up to \$3,000 towards each domestic relocation, to a maximum of 10 relocations per year on existing canals or pipelines.

OPERATIONS REPORT

Following is a list of routine maintenance performed by the BRID in 2020:

Canal Banks Sprayed with Boom or Spot Treated by Handgun	377	km
Ditch Channel Cleaned	9	km
Ditch Cleaned with Herder (Cattails)	33	km
Ditch Banks Mowed	960	km
Ditch Banks Leveled	8	km
Ditch Banks Graveled	38	km
Ditch Banks Graded	32	km
Ditch Closed	1	km
Fence Installed, Removed or Replaced	2	km
Rock, Gravel and Armour Placement	10,716	m ³
Beaver Dams & Weed Jams Removed	2	units
Canal Washouts Repaired (Structures & Culverts)	3	units
Catwalks & Handrails Fabricated and Installed	7	units
Concrete Bridge Repair	1	unit
Domestic Turnouts Installed	2	units
Drain Inlets Installed	3	units
Farm Turnouts Installed in Laterals	6	units
Farm Turnouts Repaired	3	units
Farm or Lateral Crossings Replace or Repaired	2	units
Gates Repairs	3	units
Pipeline Repairs (above ground)	41	units
Pipeline Repairs (below ground)	22	units
Pipeline Screen Modifications	4	units
Pipeline Screens Fabricated and Installed	10	units
Pipeline Turnouts Fabricated	38	units
Pipeline Turnouts Installed	25	units
Road Crossings Installed or Repaired	2	units
Rock Weir Installed or Repaired	3	units
Standpipes Installed or Repaired	4	units
Structures Removed	2	units
Structures Installed or Repaired	2	units
Texas Gates Installed or Removed	2	units
Tileline Repair	2	units
Turnouts Removed	3	units
Turnout Screen Fabricated	4	units

Respectfully submitted,

Bill Skelly
Superintendent of Maintenance

Water Diversions

Water diversions from the Bow River at Carseland began on April 25, 2020 and ceased on October 9, 2020. A total of 284,400 acre feet was diverted this season. McGregor, Travers and Little Bow Reservoirs started the season with 350,000 acre feet total storage and ended the season at 323,000 acre feet storage.

Water diversions into our main canal at Little Bow Reservoir began on April 29 and ceased on October 9. A total of 251,000 acre feet of water was diverted into our main canal at Little Bow Reservoir in 2020, which is 15,000 acre feet below the 25-year average. The return flow was 62,735 feet, which was returned to the river through the District's drainage system.

The Lost Lake pumps returned 2,629 acre feet into the main canal. This year the Vauxhall Research Station recorded 307 mm of precipitation between April 1st and October 31st, which is 123% of the average.

COMPARISION OF PREVIOUS YEARS

Year	Carseland Diversion (acre feet)	Little Bow Diversion (acre feet)	Acres Irrigated	Irrigation Acres & Annual Acres with Systems	Precipitation @Vauxhall (April 1 to October 31)
2020	284,400	251,000	252,144	260,856	307 mm
2019	389,000	313,914	250,832	251,750	165 mm
2018	290,400	300,000	239,295	248,318	145 mm
2017	422,000	351,500	242,150	245,224	124 mm
2016	328,085	262,391	225,566	242,598	281 mm
2015	331,000	298,800	226,042	239,957	156 mm
2014	222,191	231,167	224,942	232,422	256 mm
2013	240,000	238,955	216,571	225,222	247 mm
2012	260,000	230,618	208,217	217,218	305 mm
2011	151,700	214,666	202,478	216,375	289 mm
2010	156,116	163,603	182,483	216,285	363 mm
2009	295,557	244,573	211,577	215,183	282 mm
2008	238,000	217,179	206,283	213,951	314 mm

The assessment roll at the close of the 2020 irrigation season was 274,526.54 acres. The expansion limit of the district is 295,000 acres.

Monthly Little Bow Diversions with comparison to 2019 and the last 25 Year Average (in acre feet):

	<u>2020</u>	<u>2019</u>	<u>25 Year Average</u>
April	1,786	8,825	1,998
May	27,713	36,265	32,048
June	45,020	90,934	53,175
July	67,530	90,535	85,322
August	69,511	55,825	50,792
September	29,646	21,515	33,856
October	9,820	10,015	8,349
Total	<u>251,026</u>	<u>313,914</u>	<u>265,550</u>

These totals include all water uses downstream of Little Bow Reservoir, as well as water which is not used, and spilled as return flow.

In addition to irrigation, the BRID supplied water to farmsteads, acreages, small livestock operations, grazing associations, the East Sundial Water Users, and the Retlaw Water Users Co-op, drilling rigs and small wildlife habitat projects controlled by the Alberta Conservation Association.

The BRID has agreements for uses other than irrigation under its amended licence: four agricultural, municipal, commercial and one habitat enhancement project.

Water was also conveyed to many other users, who have their own water licences. These include the communities of Hays, Vauxhall and Enchant (through the Vauxhall and District Regional Water System), and Lomond, the Vauxhall Agricultural Research Station, and numerous livestock operations. Our district also conveyed water for several wildlife habitat projects controlled by Ducks Unlimited, and for use by recreation areas and parks including the Vauxhall and Enchant golf courses and the Enchant Park.

CROP RECORDS

Crops on parcels with irrigation systems:

CROP	ACRES	CROP	ACRES
Hard Spring Wheat	56,804	Fresh Peas	544
Durum Wheat	26,126	Grass Seed	520
Dry Beans	18,763	Sunflower	507
Canola Seed	17,450	Fescue	446
Barley	15,160	Miscellaneous	368
Sugar Beets	13,523	None	323
Alfalfa Hay	13,120	Lentils	314
Potatoes	12,488	Alfalfa Silage	280
Dry Peas	12,485	Corn Sweet	273
Canola	12,360	Faba Beans	261
Hay Grass Timothy Brome	9,194	Summer Fallow	259
Tame Pasture	8,059	Miscellaneous- Yards	229
Soft Wheat	5,721	Mustard	211
Corn Silage	5,474	Native Pasture	202
Grain Corn	5,393	Sorghum Sudan Grass	178
Flax	3,269	Chick Peas	138
CPS Wheat	3,061	Milk Vetch	132
Barley Silage	3,173	Mint	111
Alfalfa Seed	3,023	Oats Silage	109
Oats	2,223	Canary Seed	51
Rye	1,686		
Hemp	1,681		
Green Feed	1,242	TOTAL:	260,856
Quinoa	1,160		
Winter Wheat	1,036		
Malt Barley	951		
Triticale	604		

The methods of irrigation and acres of each are:

	% of Total	Acres:
Pivot	94.7	247,176
Gravity (Flood)	3.3	8,500
Wheel Move/Hand Move Sprinklers	1.9	4,986
Subsurface Drip	0.1	194
	100	260,856

DISTRICT REHABILITATION AND MODERNIZATION PROGRAM REPORT

Rehabilitation and modernization of the BRID's irrigation works is funded partially through the provincial government's Irrigation Rehabilitation Program (IRP), which requires the district to provide 25% of the cost, with the government providing the remaining 75%. IRP funds are used only on projects which are approved by Irrigation Council. The district received both its 2019 and 2020 IRP funds in 2020, totalling \$3,824,406. The district is also spending substantial money from reserves to rehabilitate our system.

Brief descriptions of projects that were completed last year, those that are now under construction, and those that are planned for next year follow. All projects completed in 2019/2020 were funded entirely from our reserves. For 2020/2021 and 2021/2022 projects which do not include IRP in the description are being funded under the new program with the province and the Canada Infrastructure Bank.

Projects Completed in the 2019/2020 Construction Season

<u>Project Description</u>	<u>Estimated Final Cost</u>
Lateral M-1 (West Block) Pipeline	\$191,000
Lateral E-2 / Drain F (West Block) Pipelines	\$1,960,000
Main Canal Drop 7 Replacement	\$1,710,000

Projects to be Completed in the 2020/2021 Construction Season

<u>Project Description</u>	<u>Cost Estimate</u>
IRP 2364 Lateral H/H-1 (Vauxhall Block) Pipeline	\$2,540,000
B-5-C / Drain A (Vauxhall Block) pipelines	\$2,400,000
Lomond Lateral Rehabilitation km 30.3 to km 43.0	\$6,800,000
Lost Lake North Channel Pipeline	\$360,000

Projects to be Completed in the 2021/2022 Construction Season.

<u>Project Description</u>	<u>Preliminary Cost Estimate</u>
IRP 2372 Main Canal Drop 3 Replacement	\$3,000,000
Lateral H-7-2 (West Block) Pipeline	\$400,000
Lateral H (West Block) Pipeline	\$2,700,000
Lateral O (Hays Block) Pipeline	\$3,250,000

Under Section 164 of the Irrigation Districts Act, the District is able to be exempted from sections of the Act dealing with claims for seepage damage by submitting five-year plans which specify canals to be rehabilitated with seepage control included. Lateral E-2 (West Block) and Lateral H-1(Vauxhall Block) are included in our 2019-2023 seepage control plan. Pipelines will eliminate seepage on these systems.

I wish to thank all those involved in the projects which have been completed and which are underway, including the BRID staff, the Board of Directors, the irrigators, contractors, suppliers, engineering consultants, Irrigation Council, the Irrigation Secretariat, Alberta Agriculture and Forestry, and the Canada Infrastructure Bank.

Respectfully submitted,

Richard J. Phillips, P. Eng.
General Manager
Bow River Irrigation District

NOTICES AND ANNOUNCEMENTS

2021 BOARD ELECTIONS

Elections for two (2) electoral divisions are scheduled for Tuesday, March 16, 2021 (providing there are enough nominees to hold an election).

The electoral divisions up for this year are:

Division #1: Current Director Glenn Logan

Division #7 Current Director Walter Unruh

Electoral Division 1- Term Expires 2024

Includes all parcels of land with irrigation acres recorded on the assessment roll of the Bow River Irrigation District situated to the west of the west boundary of Range 19 West of the Fourth Meridian.

Electoral Division 7-Term Expires 2024

Includes all parcels of land with irrigation acres recorded on the assessment roll of the Bow River Irrigation District situated to the east of the west boundary of Range 14 West of the Fourth Meridian excepting out that portion described as lying north of Highway #524 and west of Highway #875.

Nominations will close at 4:00 P.M Tuesday, February 23, 2021.

A nomination form may be found on Page 47 of this report.

**ANNUAL MEETING OF THE BOARD OF DIRECTORS
AND WATER USERS OF THE
BOW RIVER IRRIGATION DISTRICT**

**TUESDAY, MARCH 9, 2021
VIRTUAL Meeting, 1:30 PM**

AGENDA

1. Welcoming Remarks - General Manager - Richard Phillips, P. Eng.
2. Appointment of a Meeting Chairperson
3. Adoption of Agenda
4. Approval of the Minutes of the last Annual Meeting: March 10, 2020
5. Business from the Minutes of Last Year's Meeting
6. Auditor's Report and Review of Financial Statements
Period Ending October 31, 2020
- Assistant General Manager-Finance & HR- Jessica Robbins, CPA, CA
7. Chairman of the Board's Report - Chairman – Walter Unruh
8. General Manager's Report - General Manager- Richard Phillips, P. Eng.
9. Annual Maintenance of Irrigation Works Report
- Superintendent of Maintenance - Bill Skelly
10. Presentations
11. New Business
12. Recognition
13. Adjournment

**ANNUAL MEETING OF THE BOARD OF DIRECTORS
AND WATER USERS OF THE
BOW RIVER IRRIGATION DISTRICT**

**TUESDAY, MARCH 10, 2020
VAUXHALL LEGION HALL, 1:30 PM**

MINUTES

Following are the minutes of the Annual Meeting of the Board of Directors and irrigators of the Bow River Irrigation District, held on Tuesday, March 12, 2020, in the Vauxhall Legion Hall.

Attendance included 23 irrigators, 7 board members, 6 BRID staff members, 1 representative from Avail CPA, 1 representative from ATB, 1 representative from Irrigation Council, and 1 representative from MPE Engineering Ltd. for a total of 40 attendees.

The meeting was called to order at 1:31 P.M. by General Manager Richard Phillips.

- 1) **Welcoming remarks – General Manager – Richard Phillips, P. Eng.**
In opening the meeting, Richard Phillips welcomed all attendees and requested introductions.
He said that the 2020 board elections saw John DeVries (Area #4 – Vauxhall) returned to the board by acclamation. Ron Schlaht did not seek re-election in Area #2 – Lomond, and Richard Sander was elected to the board by acclamation.
BRID staff in attendance were introduced.
- 2) **Appointment of a Meeting Chairperson**
Richard Phillips introduced Ron Schlaht, Vice Chairman of the board, whom the directors had previously appointed as Chairman of the meeting.
- 3) **Adoption of Agenda**
Ron Schlaht welcomed all attendees and introduced the board members. He asked that attendees review the Annual Report agenda and asked if anyone wished to add items. As there were none, he requested a motion to accept the agenda.

Moved by John Kolk that the agenda be accepted as printed.

CARRIED

- 4) **Approval of the Minutes of the last Annual Meeting; March 12, 2019**
Ron Schlaht requested that attendees review the minutes of the last year's annual meeting on pages 17 through 28 of the report and inquired whether there were any errors, omissions or corrections required. None were noted. A motion to accept the minutes of the March 12, 2019 annual meeting was requested.

Moved by John DeGroot that the minutes of the March 12, 2019 Annual Meeting as printed and circulated in the 2020 annual report be accepted.

CARRIED

5) Business from the Minutes of last year's Annual Meeting

Ron Schlaht asked if there was any business from the minutes of last year's annual meeting.

Q. Albert Dalton asked if there was a third party that would clean up decommissioned solar projects.

A. Richard Phillips said that the parent company of the project owner, Innogy, has posted a third-party guarantee of cleanup.

6) Presentation of the Financial Statements for the year ended October 31, 2019

Period ending October 31, 2019: District Accountant - Jessica Teasdale, CPA, CA

Jessica Teasdale presented the financial report.

Ron Schlaht invited any questions relating to the review of the financial statements.

Q. John Kolk asked if the MD of Taber contributed any funds towards the \$2.2 million cost of Drop 5.

A. Richard Phillips said that \$2.2 million was our share of the total cost.

Q. John Kolk asked if the district runs any tax risk.

A. Jessica Teasdale said that the district is not taxable.

Q. John Kolk asked why capitalization is tracked.

A. Jessica Teasdale said this is done to reflect the actual value of the district's assets.

Q. Rick Friesen asked if the district pays tax on its investments.

A. Jessica Teasdale said that the district does not pay tax on investments or on anything else.

Q. Albert Dalton asked if when investments mature, or they are rolled over into new investments, does the district pay tax on them.

A. Jessica Teasdale said that the district does not pay tax.

Ron Schlaht invited further questions. None were raised. A motion to approve the financial statements and report was requested.

Moved by Harold Unruh that the financial statements for the year ending October 31, 2019 be accepted as presented.

CARRIED

7) **Chairman of the Board's report: Chairman – Walter Unruh**

Walter Unruh presented a summary of his written report as it appeared in the annual report. Items noted:

-IRP funding – late in October, Agriculture and Forestry Minister Dreeshen informed the district of future funding. It will be less in 2020 than in previous years and even less in 2021 and 2022. The district has a rehabilitation plan in place, and we will draw from reserves rather than reduce our rehabilitation projects.

-Meetings – many meetings were held in 2019. Five area meetings in February 2020 were held throughout the district to inform irrigators of happenings in the district and to listen to their concerns.

-Tours – we had a tour of the WID, the new Bassano Dam spillway and a tour of areas in the district to view past, present and future projects. Our MLA Joseph Schow joined us on a tour where he gained an understanding of irrigation in the BRID.

-Milestones – some BRID directors and staff attended the WID's 75th and UID's 100th anniversary celebrations. The Town of Vauxhall and the BRID are sharing a 100th anniversary, with the celebrations taking place June 19-21. The BRID will have a separate function on June 20 at the office. We honored our past Chairman, Harold Unruh, with a banquet. He served for 33 years on the board, with most of that time as Chairman.

-Deadhorse Reservoir – this reservoir would improve operations, but at this point it is uncertain whether it will be built. A meeting was held with affected landowners in Enchant. It would be beneficial to the district but would require government funding.

-Water allocations – it has been 24" per acre in the past which is higher than other districts. We are considering lowering it to 20" per acre, with flood irrigators able to purchase another 6" per acre if required. In 2019, 98% of the parcels used less than 18". It will help the district to become more efficient in the future.

Conclusion – we want to thank the water users, staff, and the staff of Alberta Agriculture and Forestry and Alberta Environment and Parks.

Ron Schlaht invited questions relating to the Chairman's report.

Q. Harry Pickering asked where Deadhorse Coulee is.

A. Richard Phillips said that it is on the main canal south and west of Lost Lake.

Walter Unruh said that the new reservoir would benefit operations downstream of the reservoir. The district can no longer function on a water on demand model. Ordering water is important.

As there were no further questions, Ron Schlaht asked for a motion to accept the Chairman's report.

Moved by Ben Janz that the Chairman of the Board's report be accepted.

CARRIED

- 8) **General Manager's Report – General Manager Richard Phillips, P. Eng.**
Richard Phillips presented a summary of his written report as it appeared in the annual report.

-Expansion-biggest story of 2019 was the expansion. This is our third expansion. 35,000 acres were made available for intensification and the development of new parcels. The demand was far larger than the acres we had, and no applicant received approval for a second parcel until all applicants received their first parcel, and no applicant received approval for a third parcel until all applicants who applied for two or more parcels received their second parcel. At this point, no applicant has been approved for more than twelve parcels as we have a board motion capping the number of approved applications per applicant at twelve. We received dryland applications from fifty-seven people and of those, fifteen were not already BRID irrigators. We also received intensification applications from sixty-six people. Our expansion is happening rapidly, but we are confident we can do it.

-Water operations – 2019 was our fifth consecutive dry year with high demand. We ended the 2019 season with 333,000 acre feet of water in the headworks reservoirs. This is the most stored water we have had at the end of a season. With increased efficiencies, and into our third expansion, we are using less water than we used prior to the first expansion. We could divert far more water from the river as the headworks canal has the capacity, but a lot of water was left in the river in 2019. It was not a bad year for algae and aquatic weeds compared to 2018, which is attributable to less local runoff into our reservoirs and canals and proactive Magnacide treatments.

-Water ordering – this continues to be a challenge. The breakdown in ordering can be attributed to the prevalence of pipelines. It takes time for water to move down the canal to the pipeline inlets. Water must be ordered 24 hours in advance of when you need it, but it may be available sooner than that. If ordered 24 hours in advance, you will be guaranteed to receive the water within that time. Cooperation is urged.

-Deadhorse Coulee Reservoir – this has been considered for several years. MPE Engineering completed a study and determined that we could build a reservoir in the 20,000 acre foot range in that location. A preliminary geotechnical program was completed this year to assess foundation conditions for the dams, and results were generally good. We appreciate the concerns of affected landowners but in the bigger picture the reservoir would be very good for the district. Money is the issue as the district doesn't want to foot the entire \$45 million bill.

-Staff changes – Glen Brown (land administrator), Edith Stevens (accounts receivable) and Koos VanderWielen (building maintenance) retired in 2019.

Laurie Gallup (receptionist/secretary) resigned. George Thiessen replaced Glen and as safety is becoming more time consuming, he also became the safety officer. George had been an equipment/weed control operator and Jared Willis was hired to fill that position. Teri Unruh replaced Edith Stevens and Lori Van Hal replaced Laurie Gallup.

In addition, Ray Nickel and Rolf Schwabe will be retiring before the next annual meeting.

Ron Schlaht invited any questions relating to the General Manager's report.

- Q. John Vander Waal asked if Deadhorse Reservoir would capture water lost in ordering.
- A. Richard Phillips said that if there are sudden shutoffs Scope Reservoir does not have the capacity to catch the excess water. Deadhorse Reservoir would not only help with surges but would make up some shortages if necessary.
- Q. Albert Dalton asked if there was a chance that the government would approve the reservoir if the BRID paid the entire cost.
- A. Richard Phillips said that there should be no problems with approvals if the BRID paid the entire cost. Approvals are needed but no problems are foreseen. This reservoir should not be a concern of the environmental activists. The cost is large relative to our financial reserves. The reservoir would be a good project, but no one is in favor of the BRID paying the entire cost.
- Q. Albert Dalton asked if the next government could shut down the project entirely.
- A. Richard Phillips said that this could happen. However, we have no guarantees today that the project would proceed so there is nothing to lose in trying.

Ron Schlaht invited further questions relating to the General Manager's report. None were raised. A motion to accept the General Manager's report was requested.

Moved by Jake Rozendaal that the General Manager's report be accepted as presented.

CARRIED

9) **Maintenance of Irrigation Works Report – Superintendent of Maintenance Bill Skelly**

Bill Skelly reviewed the annual maintenance report on pages 10 and 11 in the annual report.

-Magnacide was used proactively in 2019.

-some screen cleaners were changed from solar power to electrical, as the solar powered screens could not keep up with the demand. Some of the panels were used to bolster other solar powered sites.

-projects completed include Lateral R-0 in south Hays and three pipeline emergency spillway turnouts. Two others will be done in 2020.

-under the domestic relocation policy, the district completed three farmer-initiated projects at a total cost of \$9,000.

-the district builds its own fittings and screens. 71 units were produced. 6.4 kilometers of pipe was installed by BRID staff.

-the district has an ongoing program to replace pipeline fittings, so maintenance costs will increase.

Ron Schlaht invited any questions relating to the maintenance of irrigation works report.

Q. Albert Dalton asked if something can be done about precast turnout beaks breaking.

A. Bill Skelly said that frost separates them from the headwall, and they are replaced when broken.

Q. Albert Dalton asked if they can be built in some other way.

A. Bill Skelly said that any other way other than cast in place will continue to cause problems.

Richard Phillips said that the newer precast is thicker. Considering the number of turnouts in the field the percentage that break is not very high.

Bill Skelly said that with more pipelines in the future, we will also have fewer turnouts.

Q. Jake Rozendaal asked if Magnacide treatments are hurting water quality.

A. Bill Skelly said that the green color of the water is probably not caused by Magnacide.

Jake Rozendaal said that he is finding it difficult to find a time to fill his dugouts when the water isn't green.

Richard Phillips said that if the water in Scope Reservoir is green that is the likely source. He has no idea how to clean Scope.

Jake Rozendaal said that the water quality seemed better ten years ago.

Richard Phillips said that Magnacide kills vegetation and algae but doesn't hurt water quality. Part of the problem may be the higher average water temperatures in the last few years.

Q. Laus Stiekema asked Jake Rozendaal if the water in Scope has been bad the last few years.

A. Jake Rozendaal said that windy days seem to stir up the reservoir.

Bill Skelly said that if we used less Magnacide the water may look clearer,

but it would be hard to keep up with weed and algae growth.

- Q. Laus Stiekema asked if high runoff into Lost Lake could affect the water.
- A. Richard Phillips said that this is a reasonable guess as to what is contributing to the problem. Once the problem occurs it is hard to clear up and Lost Lake can get quite stagnant.
- Q. Ron Schlaht asked Jake Rozendaal if the problem is early in the season or does it last all year?
- A. Jake Rozendaal said that it lasts all season.
Ron Schlaht said that the problem couldn't be caused by Lost Lake in 2019 because the pumps were not on until July.
- Q. Jake Rozendaal asked if other areas in the district were having problems.
- A. Ricard Phillips said that the water coming out of Scope Reservoir can appear bad but the water out of Little Bow Reservoir looks clear. The water in Lost Lake almost always looks like pea soup.
- Q. Albert Dalton asked if grass carp would help control the weeds.
- A. Bill Skelly said that they would have to be screened off and they couldn't be left in the canal year-round.
- A. Richard Phillips said that you can't get a permit to have carp in a canal in Alberta.

Ron Schlaht invited further questions relating to the report. None were raised.
A motion to accept the annual maintenance of irrigation works report was requested.

Moved by Kent Sande that the annual maintenance of irrigation works report be accepted as presented.

CARRIED

10) Presentations – Richard Phillips & Rolf Schwabe

The following reports were presented:

District Rehabilitation Program Report – Richard Phillips, P. Eng., General Manager

Richard Phillips said that the district completed two projects in 2019. Lateral B was completed, which reduced the spill into Lost Lake and saved on pumping costs. We replaced Drop 5 in a joint project with the MD of Taber. This winter we will be completing the Lateral M-1 pipeline (West Block), the Lateral E-2/Drain F pipeline (West Block) and Drop 7. Next year the Lomond Lateral will be rehabilitated to the Badger Reservoir inlet. Two other pipelines will be completed. The canal out of Marsh's Lake (Reservoir H) will be replaced by a pipeline and Lateral B-5-C/Drain A in the Vauxhall area will be completed. The main canal Drop 3 replacement was moved to the fall of 2021; this structure may incorporate a hydro power development.

Next year, \$7.5 million of the rehabilitation costs will be funded from reserves. The district has enough funds to upgrade the infrastructure. In the longer term, the Lomond Lateral will be completed and the last concrete canal in the district

will be replaced with a pipeline along with Lateral O out of Scope Reservoir. Once that is complete the K block will be receiving pipelines. Richard Phillips displayed Deadhorse Coulee on a district map and stated that Drop 7 would be the inlet structure for the reservoir.

Ron Schlaht invited questions relating to the district rehabilitation program report. None were raised.

2019 Operations Report – Rolf Schwabe, Executive Assistant

Rolf Schwabe presented the report.

Ron Schlaht invited questions relating to the 2019 Operations Report.

- Q. John Vander Waal asked if the district is credited for its return flow.
- A. Richard Phillips said that the district does not receive any credit for its return flow, and there is no obligation to return any amount of water to the river.

No further questions were raised relating to the 2019 operations report.

11. New Business

Ron Schlaht asked if anyone had new business.

- Q. John Kolk asked if the proposed Deadhorse Reservoir has any function regarding flood control.
- A. Richard Phillips said that it may have some partial use in flood control.
- Q. John Kolk asked if government funding would be available if the reservoir is used for flood control.
- A. Richard Phillips said that it was unlikely.
- Q. Dennis Johnson asked if the district guaranteed enough spill water for the Ypma project, which may comprise 100 quarter sections.
- A. Richard Phillips said that spill is variable but averages 10,000 acre feet per year. There was a proposal several years ago to develop irrigation east of the Bow River which appears to be in the works again. Spill water cannot be eliminated at the Ronalane spillway. If the reservoirs are too high, we start dumping excess water in the fall, but this would be too much to be captured for the project. He could count on 10,000 acre feet of spill a year and some years it may be double that.
- Q. Dennis Johnson asked if the district is obligated to deliver water to the project.
- A. Richard Phillips said that there is no obligation to deliver with a drain agreement.

No further business was raised.

12. Presentation – Canadian Agricultural Partnership – Shelley Woods

Shelley Woods presented details of the CAP irrigation efficiency program. The objective is to increase water savings and reduce energy use. It will assist with the cost of new low-pressure pivots that are replacing less efficient irrigation systems. It also assists with the cost of retro fitting high pressure pivots, high efficiency sprinkler nozzles, variable rate irrigation equipment and surface and sub surface drip irrigation. To be eligible, a person must own irrigated land or rent irrigated agricultural land in Alberta. Irrigation expansion is not covered. A website explaining the program was displayed.

- Q. Albert Dalton asked if the program can be used to bring power to a pivot.
A. Shelley Woods said that the program is meant to increase efficiency, not to secure a power source.
- Q. Kent Sande asked if his denied application could be reinstated.
A. Shelley Woods said that she will review the application again when received.
- Q. Kent Sande asked whose job it is to call the minister about his application.
A. Shelley Woods said that the government has fiscal restraint in mind right now. There is nothing to stop anyone from applying again and she would be happy to approve valid applications received.

13. Recognition

John DeVries, board member, presented Ron Schlaht with a plaque recognizing his eighteen years as a director. He said that Ron Schlaht is an analytical thinker and good listener who always tries to understand and find solutions to issues. On behalf of the BRID, the water users, staff and management John DeVries thanked Ron Schlaht for his years of service on the board.

Ron Schlaht thanked John DeVries for his words and thanked the directors and staff. He said that after eighteen years on the board it was time to move on. He said that he was proud to have been a member of the board and that he was sure that Richard Sander will do a good job as his replacement.

14. Adjournment

The meeting was adjourned at 3:11 P.M. on a motion by John Vander Waal.

CARRIED

BOW RIVER IRRIGATION DISTRICT

FINANCIAL STATEMENTS

OCTOBER 31, 2020

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CHARTERED PROFESSIONAL ACCOUNTANTS

MANAGEMENT RESPONSIBILITY STATEMENT

The financial statements are the responsibility of the management of the Bow River Irrigation District.

These financial statements have been prepared from information provided by management. Financial statements are not precise since they include certain amounts based on estimates and judgments. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly, in all material respects.

The elected Board of Directors of the Bow River Irrigation District is responsible for ensuring that management fulfils its responsibilities for financial statements. The Board carries out its responsibility principally through the Audit Committee.

The Board meets annually with management and the external auditors to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, and to satisfy itself that each party is properly discharging its responsibilities. The Board also considers the engagement or re-appointment of the external auditors. The Board reviews the monthly financial reports.

The financial statements have been audited by Avail LLP, Chartered Professional Accountants, the external auditors, in accordance with Canadian generally accepted auditing standards on behalf of the Board. Avail LLP has full and free access to the Board.

A handwritten signature in black ink, appearing to be "L. J. P.", is written over a horizontal line. Below the line, the text "General Manager" is printed.

General Manager

INDEPENDENT AUDITOR'S REPORT

To the Irrigators of Bow River Irrigation District

Opinion

We have audited the financial statements of Bow River Irrigation District, which comprise the as at October 31, 2020, and the for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at October 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:



CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT, continued

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Avail LLP

Lethbridge, Alberta
January 27, 2021

Chartered Professional Accountants

BOW RIVER IRRIGATION DISTRICT
Statement of Financial Position
As at October 31, 2020

	General Fund	Irrigation Works	2020	2019
ASSETS				
CURRENT ASSETS				
Cash	5,774,219	17,063,301	22,837,520	16,350,037
Short-term investments (Note 3)	-	7,919,137	7,919,137	3,898,813
Accounts receivable (Note 4)	1,279,612	689,573	1,969,185	1,660,396
Materials and supplies, at cost	1,107,234	-	1,107,234	809,934
Prepaid expenses	120,180	-	120,180	114,389
Work in process	-	2,260,408	2,260,408	673,395
Due from funds	-	2,156,677	2,156,677	734,482
	8,281,245	30,089,096	38,370,341	24,241,446
LONG-TERM INVESTMENTS (Note 3)				
	-	18,098,084	18,098,084	17,901,988
PROPERTY AND EQUIPMENT (Note 5)				
	3,825,385	-	3,825,385	3,449,503
IRRIGATION WORKS (Note 5)				
	-	115,653,731	115,653,731	113,049,326
	12,106,630	163,840,911	175,947,541	158,642,263
LIABILITIES AND FUND BALANCES				
CURRENT LIABILITIES				
Accounts payable and deferred revenue (Note 9)	2,016,230	3,500,829	5,517,059	5,424,862
Due to funds	2,156,677	-	2,156,677	734,482
	4,172,907	3,500,829	7,673,736	6,159,344
COMMITMENTS (Note 10)				
CONTINGENCIES (Note 11)				
FUND BALANCES				
Invested in capital assets (Note 5)	3,825,385	115,653,731	119,479,116	116,498,829
Externally restricted (Note 6)	-	2,698,507	2,698,507	30,799
Internally restricted (Note 6)	-	41,987,844	41,987,844	31,308,748
Unrestricted	4,108,338	-	4,108,338	4,644,543
	7,933,723	160,340,082	168,273,805	152,482,919
	12,106,630	163,840,911	175,947,541	158,642,263

The accompanying notes and schedules are part of these financial statements.



General Manager



Chairman of the Board

BOW RIVER IRRIGATION DISTRICT
Statement of Operations and Changes in Fund Balances
For the Year Ended October 31, 2020

	General Fund	Irrigation Works	2020	2019
REVENUE				
WATER EARNINGS				
Irrigation rates (Note 7)	4,505,196	-	4,505,196	4,373,244
Water supply rentals	94,264	-	94,264	88,168
Sale of excess and domestic water	81,600	-	81,600	79,040
Discounts and penalties, net	-176,208	-	-176,208	-170,257
	4,504,852	-	4,504,852	4,370,195
LEASE REVENUE, NET	1,238,367	-	1,238,367	1,190,348
INTEREST EARNINGS	70,498	901,757	972,255	657,840
UNREALIZED GAIN ON INVESTMENTS	-	74,797	74,797	262,829
PROVINCE OF ALBERTA	-	3,824,406	3,824,406	479,769
CONTRIBUTIONS FROM FARMERS	-	16,472,855	16,472,855	7,669,580
DISASTER RECOVERY PROGRAM	-	-	-	193,521
MISCELLANEOUS	58,754	-	58,754	62,197
	5,872,471	21,273,815	27,146,286	14,886,279
EXPENSES				
OPERATING EXPENSES (SCHEDULE 1)	5,507,992	43,487	5,551,479	5,322,508
DISASTER RECOVERY EXPENSES	-	-	-	157,486
AMORTIZATION OF IRRIGATION WORKS	-	5,803,921	5,803,921	5,706,453
CONSULTING FEES (REVENUE)	-	-	-	(17,624)
	5,507,992	5,847,408	11,355,400	11,168,823
EXCESS OF REVENUE OVER EXPENSES	364,479	15,426,407	15,790,886	3,717,456
PROVISION FOR IRRIGATION WORKS (Note 8)	(524,802)	524,802	-	-
	(160,323)	15,951,209	15,790,886	3,717,456
FUND BALANCES, beginning of year	8,094,046	144,388,873	152,482,919	148,765,463
FUND BALANCES, end of year	7,933,723	160,340,082	168,273,805	152,482,919

BOW RIVER IRRIGATION DISTRICT

Statement of Combined Cash Flows

For the Year Ended October 31, 2020

	2020	2019
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Excess of revenue over expenses	15,790,886	3,717,456
Items not involving cash:		
Amortization of property and equipment	536,112	460,623
Amortization of irrigation works	5,803,921	5,706,453
Gain on sale of property and equipment	(13,412)	(54,206)
	<u>22,117,507</u>	<u>9,830,326</u>
Net change in non-cash working capital balances		
Accounts receivable	(308,789)	285,224
Materials and supplies, at cost	(297,300)	103,115
Prepaid expenses	(5,791)	(19,836)
Accounts payable and deferred revenue	92,197	3,952,760
	<u>21,597,824</u>	<u>14,151,589</u>
INVESTING ACTIVITIES		
Purchase of property and equipment	(976,332)	(680,697)
Proceeds on disposal of capital assets	77,750	74,097
Expenditures on irrigation works	(8,408,326)	(10,585,319)
Change in work in process	(1,587,013)	96,814
Change in long-term investments	(196,096)	(4,224,724)
	<u>(11,090,017)</u>	<u>(15,319,829)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	10,507,807	(1,168,240)
CASH AND CASH EQUIVALENTS, beginning of year	<u>20,248,850</u>	<u>21,417,090</u>
CASH AND CASH EQUIVALENTS, end of year	<u><u>30,756,657</u></u>	<u><u>20,248,850</u></u>
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash	22,837,520	16,350,037
Short-term investments	7,919,137	3,898,813
	<u><u>30,756,657</u></u>	<u><u>20,248,850</u></u>

BOW RIVER IRRIGATION DISTRICT

Notes to Financial Statements

For the Year Ended October 31, 2020

1. Purpose of the Organization

The Bow River Irrigation District (District) is charged with the responsibility of efficient and economical distribution of water to users in the District and operates as a not-for-profit organization under the Irrigation Districts Act, Chapter 1-11, Revised Statutes of Alberta 2000.

The District is considered a tax-exempt Government of Alberta agency and as a result pays no income taxes or Goods and Services Tax (GST) on purchases but is still required to collect and remit GST.

2. Accounting Policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations including the following significant accounting policies:

Fund Accounting

The activities of the District have been disclosed as two distinct funds – the General Fund and the Irrigation Works Fund:

General Fund – Discloses the water management and delivery operations and land lease operations of the District, as well as certain special projects as designated by the Board of Directors from time to time. The general fund includes management of equipment and personnel, the costs of which are billed to the irrigation works fund to the extent they relate to construction activities.

Irrigation Works Fund – Discloses receipts and expenditures for new irrigation works and interest earned on such monies. Costs incurred in constructing new irrigation works and in replacing and rehabilitating existing structures are provided for from this fund. It includes funds provided by the Province of Alberta for the Irrigation Rehabilitation Program. The Province contributes 75% of the funds for this program and the District contributes 25%. This IRP fund can only be used for projects approved by Irrigation Council.

Revenue Recognition

Restricted contributions related to general operations are recognized as revenue of the General Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

BOW RIVER IRRIGATION DISTRICT
Notes to Financial Statements
For the Year Ended October 31, 2020

2. Accounting Policies (continued)

Cash and Cash Equivalents

The District considers cash on hand, in banks and term deposits that mature within twelve months of year-end as cash and cash equivalents.

Inventory

Purchased materials and supplies inventory are valued at the lower of cost or net realizable value with cost determined by the average cost method.

Work in progress is stated at cost and capitalized as specific projects are completed.

Property and Equipment

Property and equipment are recorded at cost. Amortization of buildings and equipment is provided using the declining balance method at rates intended to amortize the cost of these assets over their estimated useful lives. The annual rates are as follows:

Office shop complex	3%
Buildings	5%
Other equipment	10%
Power equipment	15%
Trucks	20%
Computer equipment	25%

Irrigation works assets are recorded at cost to the District. Items capitalized include the cost of easements and rights of way purchased. Irrigation works are amortized on a straight-line basis over their estimated average useful lives of 40 years.

Pension

Expenditures: Employee benefits include pension costs which comprise the cost of pension obligations earned by employees during the year.

BOW RIVER IRRIGATION DISTRICT

Notes to Financial Statements

For the Year Ended October 31, 2020

2. Accounting Policies (continued)

Measurement Uncertainty

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Management has estimated the average useful life of irrigation works in the District to be 40 years. Amortization of irrigation works is based on this estimate.

Long-lived Assets

Long-lived assets consists of property, buildings and equipment and irrigation works. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The District performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying value of an asset, or group of assets, may be unrecoverable. Impairment losses are recognized when undiscounted future cash flows from its use and disposal are less than the asset's carrying amount. Impairment is measured as the amount by which the asset's carrying value exceeds its fair value. Any impairment is included in income for the year.

Financial Instruments

The District recognizes its financial instruments when the District becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recognized at their fair value, including financial assets and liabilities originated.

At initial recognition, the District may irrevocably elect to subsequently measure any financial instrument at fair value. The District has not made an election during the year.

BOW RIVER IRRIGATION DISTRICT

Notes to Financial Statements

For the Year Ended October 31, 2020

2. Accounting Policies (continued)

The District subsequently measures investments in equity instruments quoted in an active market at fair value. Fair value is determined by published price quotations. Investments in equity instruments not quoted in an active market are subsequently measured at cost less impairment. All other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in the excess of revenues over expenses for the current period. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at amortized cost or cost.

Financial Asset Impairment

The District assesses impairment of all of its financial assets measured at cost or amortized cost. The District groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group; there are numerous assets affected by the same factors; no asset is individually significant. Management considers whether the issuer is having significant financial difficulty; whether there has been a breach in contract, such as a default or delinquency in interest or principal payments in determining whether objective evidence of impairment exists. When there is an indication of impairment, the District determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the District reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in current year excess of revenues over expenses.

The District reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment was recognized. The amount of the reversal is recognized in the excess of revenues over expenses in the year the reversal occurs.

BOW RIVER IRRIGATION DISTRICT
Notes to Financial Statements
For the Year Ended October 31, 2020

3. Investments

	2020	2019
Managed portfolios (cost - \$4,255,076)	4,545,952	4,482,974
GICs	19,791,126	16,617,046
Fixed income (cost - \$1,665,619)	1,680,143	700,781
	<u>26,017,221</u>	<u>21,800,801</u>
Less: short term	(7,919,137)	(3,898,813)
	<u>18,098,084</u>	<u>17,901,988</u>
Long term investments		

Short-term investments totalling \$7,919,137 (2019 - \$3,898,813) mature in the next year. They include GICs, term deposits and bonds at interest rates varying from 1.19% to 3.15%. Long term investments totalling \$18,098,084 (2019 - \$17,901,988) mature in one to nine years. They includes GICs, term deposits and bonds at varying interest rates from 1.47% to 3.5% and equities.

4. Accounts Receivable

	2020	2019
Water rates and charges	803,575	824,905
Leases	61,830	134,137
Sundry	414,207	389,397
Accrued interest	<u>689,573</u>	<u>311,957</u>
	<u>1,969,185</u>	<u>1,660,396</u>

Sundry includes an estimate of \$300,180 to be received from the Disaster Recovery Program relating to expenses incurred during the flood of 2018.

BOW RIVER IRRIGATION DISTRICT
Notes to Financial Statements
For the Year Ended October 31, 2020

5. Property and Equipment

<u>General</u>	2020		2019	
	Cost	Accumulated Amortization	Net	Net
Office shop complex	2,373,953	1,145,767	1,228,186	1,266,171
Buildings	193,354	149,335	44,019	46,336
Trucks	2,241,293	1,393,771	847,522	828,942
Power equipment	3,081,284	1,758,347	1,322,937	897,216
Computers	260,466	224,713	35,753	35,139
Other equipment	1,124,046	777,078	346,968	375,699
	<u>9,274,396</u>	<u>5,449,011</u>	<u>3,825,385</u>	<u>3,449,503</u>

<u>Irrigation Works</u>	2020	2019
Irrigation works opening balance	241,330,195	230,744,876
Additions to irrigation works		
Land	2,743,000	-
External goods and services	4,873,561	7,105,415
Internal (District) goods and services	<u>791,765</u>	<u>3,479,904</u>
Irrigation works at end of year	<u>249,738,521</u>	<u>241,330,195</u>
Amortization opening balance	128,280,869	122,574,416
Disposals	-	-
Current year amortization	<u>5,803,921</u>	<u>5,706,453</u>
Amortization at end of year	<u>134,084,790</u>	<u>128,280,869</u>
Irrigation works closing balance	<u>115,653,731</u>	<u>113,049,326</u>

BOW RIVER IRRIGATION DISTRICT

Notes to Financial Statements

For the Year Ended October 31, 2020

6. Restricted Fund Balances

The District has funds contributed by Alberta Agriculture (externally restricted) and by the District (internally restricted) for use in addition to and/or rehabilitating irrigation works. The District also has funds contributed by Alberta Environment (externally restricted) to secure right of way for deficiencies existing prior to 1974.

	Internal District	External Right of Way	Cost Share	2020	2019
Opening fund balance	31,308,748	30,799	-	31,339,547	32,638,380
<u>Add:</u>					
Contributions new parcels	15,892,095	-	-	15,892,095	7,383,318
Province of Alberta	-	-	3,824,406	3,824,406	-
District	524,802	-	1,274,802	1,799,604	750,000
Contributions from farmers	655,674	-	-	655,674	368,332
Transfer from cost share	2,437,400	-	(2,437,400)	-	-
Interest earnings	893,165	405	8,187	901,757	622,513
Unrealized gain (loss)	74,797	-	-	74,797	262,829
	51,786,681	31,204	2,669,995	54,487,880	42,025,372

Deduct:

Additions to capital works (Note 5)	5,662,634	-	2,692	5,665,326	10,585,319
Purchase of land	2,743,000	-	-	2,743,000	-
Consulting fees (revenue)	-	-	-	-	(17,624)
Operating expenses	43,487	-	-	43,487	36,060
Payments to water users	46,914	-	-	46,914	22,070
Drain relocations	28,000	-	-	28,000	60,000
Transfer to cost share	1,274,802	-	-	1,274,802	-
	41,987,844	31,204	2,667,303	44,686,351	31,339,547

BOW RIVER IRRIGATION DISTRICT
Notes to Financial Statements
For the Year Ended October 31, 2020

7. Irrigation Rates		
Irrigation rates, net, consist of:		<u>2020</u>
273,711.25 acres	at \$16.00 per acre	4,379,380
526.63 acres	at \$400.00 per parcel minimum 55 parcels at 25 acres minimum	22,000
240.93 acres	at \$19.00 per acre, terminable	<u>4,578</u>
		4,405,958
4,949.37 acres	at \$19.00 per acre, annual	94,038
13.00 acres	at \$400.00 per parcel minimum, annual	<u>5,200</u>
		<u><u>4,505,196</u></u>

8. Provision for Irrigation Works		
	<u>2020</u>	<u>2019</u>
Contribution to cost share reserve	1,274,802	-
Transfer to (from) reserves	<u>(750,000)</u>	<u>750,000</u>
	<u>524,802</u>	<u>750,000</u>

BOW RIVER IRRIGATION DISTRICT

Notes to Financial Statements

For the Year Ended October 31, 2020

9. Accounts Payable and Deferred Revenue

Included in accounts payable is deferred revenue of \$2,334,525 representing deposits on expansion acres and goods and services taxes payable of \$469,182.

10. Commitments

The District has commitments in an estimated amount of \$730,954 (2019 - \$0) in respect of uncompleted work on approved cost sharing projects.

11. Contingencies

The District is involved in various minor litigation, regulatory and environmental matters in the ordinary course of business. In management's opinion, an adverse resolution of these matters would not have a material impact on operations or the District's financial position.

12. Local Authorities Pension Plan

Employees of the District participate in the Local Authorities Pension Plan (LAPP), which is covered by the Public Sector Pension Plans Act. It is financed by employer and employee contributions and investment earnings of the LAPP fund. The District is required to make current service contributions to the plan of 9.39% of pensionable earnings up to the Canada Pension Plan's Maximum Pensionable Earnings and 13.84% for the excess. Total current service contributions by the employees of the District to LAPP in 2020 were \$223,373 (2019 - \$240,173) and the contributions made by the District to the plan in 2020 were \$251,510 (2019 - \$265,198). At December 31, 2019 the Plan served about 274,151 people (2018 - 265,813) and 420 employers (2018 - 421) and it disclosed an actuarial surplus of \$7.9 billion (2018 - \$3.5 billion).

BOW RIVER IRRIGATION DISTRICT

Notes to Financial Statements

For the Year Ended October 31, 2020

13. Financial Instruments

The District as part of its operations carries a number of financial instruments. It is management's opinion that the District is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

Fair value of financial instruments

The carrying value of current financial assets and liabilities approximates their fair values due to the short-term nature of these instruments.

The fair value of the District's long-term investments consisting of fixed income bonds, term deposits and equities are \$18,098,084 (2019 - \$17,901,988).

Credit concentration

The District does not have significant exposure to risk from any individual customer. The District conducts regular reviews of its existing customers' credit performance. The Irrigation Districts Act provides a mechanism to recover losses associated with non-payment of irrigation rates and rights.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. The District does not have any specific exposure to interest rate risk.

14. Related Parties

During the year the District received revenues of \$100,081 for irrigation water rates from members of the board of directors. These transactions are in the normal course of operations and are measured at the exchange amounts outlined in the District's by-laws.

15. Approval of Financial Statements

These financial statements were approved by management and the Board of Directors.

BOW RIVER IRRIGATION DISTRICT
Schedule of Operating Expenses
For the Year Ended October 31, 2020

Schedule 1

	2020			2019	
	Maintenance & Equipment	Water Delivery	Administration	Total	Total
EXPENSES					
Salaries and wages	1,546,281	493,233	977,595	3,017,109	2,959,801
Employee benefits	315,658	101,416	194,361	611,435	586,972
Equipment operations & maintenance	493,363	-	489	493,852	651,930
Materials and supplies	506,118	105	89,856	596,079	519,673
Amortization	521,790	-	14,322	536,112	460,624
Weed and pest control	25,539	569,848	-	595,387	711,709
Delivery pumps	3,345	99,001	-	102,346	105,585
Contracted services	-	-	58,739	58,739	129,589
Association fees	-	24,374	89,101	113,475	110,025
Board of Directors fees and expenses	-	-	140,219	140,219	139,877
Insurance	59,773	-	6,868	66,641	69,092
Equipment rent	105,057	-	-	105,057	125,598
Professional fees	-	-	26,235	26,235	39,387
Telephone	-	8,161	15,187	23,348	22,518
Miscellaneous	3,221	2,637	20,064	25,922	8,333
Conference and seminars	5,851	1,481	3,322	10,654	14,527
Postage	-	-	9,648	9,648	12,703
Advertising	-	-	32,115	32,115	10,598
Land titles charge	-	-	5,159	5,159	30,155
Loss (gain) on disposal of equipment	-	-	(13,412)	(13,412)	(54,206)
Bank charges	-	-	2,531	2,531	2,724
Travel	409	-	487	896	2,048
Allowance for doubtful accounts	-	-	-	-	-
Custom work recoveries	(5,598)	-	-	(5,598)	(10,855)
Building occupancy costs, net	(20,813)	-	-	(20,813)	(17,439)
Labour recoveries	(159,662)	(114,082)	(153,474)	(427,218)	(547,832)
Equipment recoveries	(718,302)	101,979	18,397	(597,926)	(796,690)
General Fund operating expenses	2,682,030	1,288,153	1,537,809	5,507,992	5,286,448
Irrigation Works operating expenses				43,487	36,060
TOTAL	2,682,030	1,288,153	1,537,809	5,551,479	5,322,508



**FORM FOR NOMINATION
FOR DIRECTOR OF THE
BOW RIVER
IRRIGATION DISTRICT
IRRIGATION DISTRICTS
ACT (SECTION 58)**

We, the undersigned Irrigators in the Bow River Irrigation District,
hereby nominate:

Name (Please Print)

Resident Land Location

as candidate for the election now to be held for Electoral Division # ____.

WITNESSED by our hands this ____ day of _____, A.D. 2021.

To be signed by at least two (2)

Irrigators of the Bow River

Irrigation District who are

eligible to vote.

}
}
}
}
}
}
}
}
}

I hereby consent to being nominated as a candidate for election of Director for the
Board of the Bow River Irrigation District, and hereby agree, if elected to serve as
a member of the Board for the term for which I am elected.

To be signed by Candidate

NOTES



Drain A Road Crossing Installation



Lateral A Check Installation



Bow River Irrigation District
P.O. Box 140
Vauxhall, AB T0K 2K0

CANADA				POSTES	
POST				CANADA	
		Postage paid		Port payé	
Personalized Mail		Courrier personnalisé			
				1619873	