



2014
FINANCIAL STATEMENT
AND
ANNUAL REPORT

The Board of Directors invites you
to attend the ANNUAL MEETING
Thursday, March 19, 2015 at 1:30 p.m.

Vauxhall Legion Hall

Please bring this report with you.

Lateral C Headgates Weed Screen



H-6-1 Pipeline Side Sweep Screen



FINANCIAL STATEMENT AND ANNUAL REPORT 2014
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**2014 DIRECTORS AND STAFF OF THE
BOW RIVER IRRIGATION DISTRICT
VAUXHALL, ALBERTA**

****BOARD OF DIRECTORS****

Harold Unruh, Chairman	John DeVries, Director
Ron Schlaht, Vice-Chairman	Vic VanDyk, Director
Glenn Logan, Director	Walter Unruh, Director
Dennis Orsten, Director	

****STAFF****

Administration/Engineering

Richard Phillips, P.Eng.	General Manager
Jessica Teasdale, CA	District Accountant
Rolf Schwabe	Executive Assistant
Glen Brown	Land Administrator
Ray Nickel	Landman
Muriel Golby	Accounts Payable
Edith Stevens	Accounts Receivable
Laurie Gallup	Receptionist/Secretary
Darryl Row	Computer Technologist/Draftsman
Lorne Pretzlaw	Engineering Technologist
Noel Going	Engineering Technologist

Operations

Bill Skelly	Superintendent of Maintenance
Dave Cholka	Water Controller
Marlin Hill	Survey Crew Chief
Ernie Crowson	Weed Control Operator/Welder
Roger Skretting	Weed Control Operator – Seasonal

West Division – Enchant/Badger Reservoir/Circle Hill Areas

Butch Porter	Divisional Supervisor
Kelly Howg	Ditchrider
Vince Row	Ditchrider
Lonnie Howg	Ditchrider - Seasonal
Gerald Drist	Ditchrider – Seasonal

East Division -Vauxhall/Hays Area

Denis Odland	Divisional Supervisor
Scott Slenders	Ditchrider
Ray Friesen	Ditchrider
Ivan Bolen	Ditchrider
Stan Kurek	Ditchrider - Seasonal

Headworks Operators

Matt Coster	Operator
Louise Christie	Assistant Operator - Seasonal

Shop and Field Staff

Rod Lowen	Shop and Equipment Foreman
Adrian Oostlander	Inventory Storekeeper
Don Ackrill	Mechanic
Dennis Brouwers	Semi Tractor Operator
Allan Friesen	Tandem Gravel Truck Operator
Tim Gow	Equipment Operator
Dave Fraser	Equipment Operator
Keith Gertzen	Equipment Operator
Kevin Jorgensen	Equipment Operator
Kelvin Wright	Equipment Operator
Rob Zalik	Equipment Operator
Jaarno Van Der Wielen	Equipment Operator
George Thiessen	Equipment Operator
Koos Van Der Wielen	Buildings Maintenance Man
Art Carlson	Groundskeeper - Seasonal

(Staff hired casual/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

Your Board had a busy year in 2014. These are some of the things we worked at:

Y Pastures Development:

This was the project that took the most time and energy for us. After many design proposals, we finally decided to go with a six pivot configuration that covered 1,051 acres. We had an auction to lease on June 20th. Five different water users were successful in renting these pieces with an average annual rental rate of \$222/acre for four year leases. As irrigated grassland we were getting just over \$22/acre for this land. In August the Board then decided to put up one more pivot on the NW corner of the south Y Pastures. The Hays Grazing Association will be using this piece for the coming summer as we had already agreed to let them do that. It should be coming up for auction this coming year as irrigated cropland for use in 2016. I would like to thank the Vauxhall and Hays Grazing Associations for their cooperation in making this project happen. We know the timing could not have been worse, with cattle prices at an all-time record high, but then rental rates for irrigated cropland are also at record levels.

We also had two auctions on other grassland to rent from the BRID. These have been well received and cattlemen have given their approval to this being the fairest way to do it. It has also generally doubled the BRID's income from these pieces.

Aquatic Invasive Species:

The latest scare in the natural world is the possible invasion of aquatic species, mainly zebra and quagga mussels, that may be coming to Alberta. These mussels have created havoc in the waters of eastern Canada and the USA and the southern USA. They have now moved as far north as Utah, and this past year, were discovered in Lake Winnipeg. Several boats coming to Alberta this past year had mussels on them. They are of huge concern to irrigation districts as they love pipelines. They will fasten themselves to the inside of the pipe, and with time, will block off the pipeline. This would not only affect the BRID pipelines but also every irrigator's underground mainline. Some irrigation districts in the southern USA are spending up to \$7/acre trying to control them.

Your Board is taking this threat very seriously. Last November we donated \$2,500 to the Aquatic Invasive Species Stakeholder and Jurisdictional Review Project to help them in improving awareness of the problem and to help coordinate the activities by different groups to prevent their introduction here. In April we donated another \$15,000 to the prevention program. This resulted in signs being put up at most major roadway entrances into Alberta, and at many boat launches.

Water License:

We still have a 52,000 acre foot license outstanding that was reserved for us in 1992. We think we are very close to getting it now. Notice has been given in the newspapers that the government is considering issuing this license. The expectation was that there would be a massive volume of letters opposing this but only two came in, one of them from a neighboring irrigation district. I believe one of the main reasons for this low response was that our manager had given an excellent presentation to the Bow River Basin Council, which has many

environmental groups as members, and explained to them why we should be getting it. Communication is so important.

Environmental Awareness:

The Board of our District has worked with environmental groups for years to develop and enhance habitat for wildlife. Unfortunately our farming practices and our pipelines that we have installed have led to a loss of habitat. The urban population really like wildlife, and if we wish to maintain their support, we too need to help with habitat development. This past year we renewed contracts for three projects with the Alberta Conservation Association for another 25 years. We added another project with them this fall: a quarter of grassland near Grantham Lakes. Another green project we did this year was to sign a lease agreement with a company to develop a one hundred acre solar farm on some of our grazing land. At the moment, this is just an option for them to do it in the next five years. We will need to wait and see if it actually happens.

Policy:

We approved a new policy for domestic relocations. The Board will contribute up to a maximum of \$3,000 towards the costs of a domestic relocation on irrigated parcels or subdivisions without irrigation acres, to a maximum of 10 relocations per year on existing pipelines or canals. If you are interested in this program, please contact the office.

Bus Tour:

Due to the high level of interest in touring our Headworks last year, we held another tour of it this July 30th. It was a hot trip as the air conditioning on the bus was not working in the afternoon, but 28 people did enjoy the tour.

Long Term Irrigation Awards:

We have been giving out plaques to irrigators who have enjoyed 40 & 50 years of irrigation. Very few actually show up to accept their plaques so the Board has decided to do something else instead. Now we will deliver them a hat with a nicely embroidered 40 or 50 and we will list their names in the Annual Report booklet.

Conclusion:

We thank our staff again for a successful year in running water. Your hard work and cooperation is much appreciated.

Thank you to our Department of Agriculture and Rural Development for your continued support and the increase this year of funding for our Irrigation Rehabilitation Program. Thank you to the Departments of Environment and Sustainable Resource Development, and Transportation for the work you are doing on Little Bow Reservoir.

We thank our water users too for your cooperation and communications in making the deliveries of water as efficient as possible. We wish you all a successful year in 2015.

Respectfully submitted,

Harold Unruh
Chair, Board of Directors

**BOARD OF DIRECTORS REMUNERATIONS REPORT
NOVEMBER 1, 2013 - OCTOBER 31, 2014**

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 \$325 per day with the chairman receiving an extra \$50 per day for each board meeting and for each day of official district business when specifically performing duties of board chairman.

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>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Directors' Fees	\$61,903	\$62,739	\$55,144	\$53,146	\$51,393
Miscellaneous	<u>\$10,734</u>	<u>\$ 12,558</u>	<u>\$6,673</u>	<u>\$7,729</u>	<u>\$4, 931</u>
TOTAL:	<u>\$72,638</u>	<u>\$75,297</u>	<u>\$61,817</u>	<u>\$60,875</u>	<u>\$56,324</u>

<u>Director</u>	<u>Fees</u>	<u>Mileage</u>	<u>Expense</u>	<u>Total</u>
Glenn Logan	\$ 3,575	\$740	\$ 161	\$ 4,476
Ron Schlaht	6,825	1,280	411	8,516
Dennis Orsten	6,175	864	161	7,200
John DeVries	5,525	265	509	6,299
Vic Van Dyk	6,825	436	632	7,893
Harold Unruh	13,875	1,422	661	15,958
Walter Unruh	<u>9,425</u>	<u>1,475</u>	<u>661</u>	<u>11, 561</u>
TOTAL:	<u>\$52,225</u>	<u>\$6,482</u>	<u>\$3,196</u>	<u>\$ 61,903</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 2014:

Portion S.E. 11-17-18-W4M

N.W. 24-13-17-W4M

N.W. 19-13-18-W4M

N.W. 6-13-18-W4M

N.E. 6-13-18-W4M

S.E. 7-13-18-W4M

S.E. 1-13-19-W4M

N.E. 1-13-19-W4M

S.E. 12-13-19-W4M

S.E. 24-13-17-W4M

S.W. 29-15-19-W4M

N.W. 23-13-18-W4M

N.E. 18-13-19-W4M

S.E. 19-13-19-W4M

N.W. 19-13-19-W4M

N.E. 19-13-19-W4M

S.E. 20-13-19-W4M

N.W. 20-13-19-W4M

N.E. 20-13-19-W4M

S.W. 21-13-19-W4M

N.W. 21-13-19-W4M

N.W. 28-13-19-W4M

S.E. 29-13-19-W4M

S.W. 29-13-19-W4M

N.W. 29-13-19-W4M

N.E. 29-13-19-W4M

S.E. 30-13-19-W4M

S.W. 30-13-19-W4M

S.E. 32-13-19-W4M

N.E. 32-13-19-W4M

S.W. 33-13-19-W4M

N.W. 33-13-19-W4M

S.E. 23-16-19-W4M

S.W. 23-16-19-W4M

N.W. 32-15-18-W4M

S.W. 14-20-22-W4M

N.W. 14-20-22-W4M

S.E. 17-16-19-W4M

N.E. 17-16-19-W4M

N.E. 15-15-18-W4M

N.W. 36-14-20-W4M
N.W. 10-15-18-W4M
S.E. 35-13-18-W4M
N.E. 35-16-18-W4M
S.W. 9-14-19-W4M
S.E. 26-13-19-W4M
S.W. 26-13-19-W4M
N.W. 26-13-19-W4M
S.W. 35-13-19-W4M
N.W. 1-14-19-W4M
N.W. 2-14-19-W4M
N.W. 3-14-19-W4M
N.E. 3-14-19-W4M
S.W. 11-14-19-W4M
S.E. 36-11-16-W4M
N.E. 36-11-16-W4M
N.E. 4-15-19-W4M
S.E. 9-15-19-W4M
S.E. 9-14-18-W4M
Plan 1312159 Block 1 Lot 4
N.W. 14-18-22-W4M
East ½ N.E. 10-12-17-W4M
S.E. 15-12-17-W4M
N.W. 15-12-17-W4M
N.E. 21-12-17-W4M
S.E. 22-12-17-W4M
S.E. 23-14-20-W4M

No parcels were removed from the Bow River Irrigation District in the year 2014.

GENERAL MANAGER'S REPORT

To the Board of Directors and Irrigators of the Bow River Irrigation District

These are some of the items of interest from 2014:

Water Operations

In 2014 our water use was again far lower than what used to be considered normal in spite of a significant increase in the irrigated area in recent year, and not dry weather from late June through the middle of August. Because weather is so variable from year to year, it is useful to look at ten year averages when evaluating water use trends. The average diversion from the Bow River at Carseland, which is predominantly for the BRID, was 221,000 acre feet from 2005 through 2014. This is the lowest 10 year average since the period from 1967 through 1976. The highest 10 year average was 350,000 acre feet, from 1983 through 1992. The diversion from the river per irrigated acre in the BRID is a good indicator of our efficiency, and this has dropped substantially, since the irrigated area has grown while our total water diversion is dropping. The 10 year average for this indicator peaked at 2.31 acre feet per acre for the period 1973 to 1982, and the lowest 10 year average was 1.06 acre feet per acre for the period 2005 to 2014.

Headworks Rehabilitation

Work on the Little Bow Dam resumed in late summer of 2014. The dam is being raised by approximately 3.3 metres, a new outlet into our main canal is currently under construction and a new campground is being built to replace the existing one, which will be inundated once the reservoir level is raised. This work is required to make the emergency spillway system for Travers Dam, which diverts water through Little Bow Reservoir and then back to the Little Bow River, operate correctly. The flood of 2013 was a powerful reminder of the need for adequate spillways, and the provincial government responded by providing the funding to complete this critical project, as part of their flood mitigation program. Upon completion, the existing control structure at the outlet of Travers Reservoir will be removed, and the water level in Little Bow and Travers reservoirs will be identical.

Staff Changes

We hired two new ditchriders in 2014: Vince Row and Scott Slenders, replacing Lonnie Volesky, who retired after 13 years of service, and Denis Chaperon, who resigned.

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 eleven turnouts were installed for new irrigation acres. Aquatic weeds and algae continue to be one of the biggest problems the district faces. Regular scheduled Magnacide H treatments will continue in the upcoming year on the canal system.

Magnacide H Chemical Costs:

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$315,702	\$163,178	\$163,270	\$184,940	\$87,309

The BRID installed drainouts on three existing pipelines and also installed one domestic pipeline.

Under the Irrigation Rehabilitation Program (IRP), the district with its own forces undertook the rehabilitation of Lateral C in the Enchant area. This project consisted of PVC pipeline, cast-in-place structure, turnout installations and one solar powered self-cleaning brush screen.

The BRID spent approximately \$395,000 on Special Projects this year. Under the 2013/2014 Special Projects program the BRID installed three inline screen cleaners, three side sweep screen cleaners, one weed deflector, installed two gates with automation, and installed solar panels and a battery backup on two structures. The district also replaced the hinges on fifteen Langemann gates.

The BRID implemented a program for the relocation of existing domestic turnouts in 2013 where an annual budget amount of \$30,000 goes towards farmer initiated projects. The BRID will pay a maximum of \$3,000 towards a domestic turnout relocation on existing pipelines or canals. One project took place in 2013/2014.

Under the canal relocation program, the district undertook and completed one farmer initiated project at a total cost of \$25,151. The BRID provides 75% of the cost for these relocations to a maximum of \$60,000 per parcel.

Canal Relocation Projects completed in 2013/2014 were as follows:

Location	BRID Contribution	Farmer Contribution	Total Costs
Drain F (Vaux.) SE 32-14-16-4	\$18,863	\$6,288	\$25,151

Following is a list of routine maintenance performed by the BRID in 2014:

Canals Sprayed with Boom or Spot Treated by Hand Gun	454	km
Ditch Channel Cleaned	19	km
Ditch Cleaned with Herder (Cattails)	38	km
Ditch Banks Mowed	785	km
Ditch Banks Leveled	5	km
Ditch Banks Grass Seeded	5	km
Ditch Bank Graveled	8	km
Driving Bank Repair	47	km
Ditch Closed	9	km
Fence Installed, Removed or Replaced	22	km
Rock, Gravel and Armour Placement (includes IRP projects)	10,440	m ³
Structures Repaired	4	units
Structures Removed	79	units
Farm Turnouts Installed in Laterals	6	units
Farm Turnouts Repaired	4	units
Turnouts Removed	62	units
Pipeline Turnouts Installed	4	units
Domestic Turnouts Installed	7	units
Standpipes Installed or Repaired	6	units
Farm or Lateral Crossings Replace or Repaired	10	units
Road Crossings Installed or Repaired	3	units
Bridges Installed or Replaced	1	unit
Canal Washouts Repaired (Structures & Culverts)	6	units
Beaver Dams & Weed Jams Removed	4	units
Drain Inlets Installed	3	units
Pipeline Turnouts Fabricated	57	units
Pipeline Screens Fabricated and Installed	6	units
Catwalks & Handrails Fabricated and Installed	11	units
Tileline Repair	1	unit
Texas Gates Installed or Removed	4	units
Pipeline Repairs (above ground)	19	units
Pipeline Repairs (below ground)	9	units

Respectfully submitted,

Bill Skelly
Superintendent of Maintenance

OPERATIONS REPORT

Water Diversions

Water diversions from the Bow River at Carseland began on May 6th, 2014. A total of 222,191 acre feet was diverted this season. Water diversion ceased on October 10th, 2014. McGregor, Travers and Little Bow Reservoirs started the season with 333,200 acre feet total storage on April 1st and ended the season at 313,500 acre feet storage on October 31st.

Water diversions into our main canal at Little Bow Reservoir began on May 6th, 2014. Diversions ceased on October 10th, 2014. Colder temperatures in April and for the first week of May delayed seeding. A good general rain in mid-June reduced irrigation demand until July when drier weather prevailed. Shortly after harvest began colder temperatures and another general rain early in September meant low fall water use. A total of 231,167 acre feet of water was diverted into the District's main canal at Little Bow Reservoir in 2014 with 68,000 acre feet returned to the river through the District's drainage system. The return flow includes operational spill (24,000 acre feet estimated) to assist with the lowering of the Travers Reservoir and runoff from rainfall that enters our drains.

The Lost Lake pumps operated for a total of 3407 hours pumping 8,540 acre feet into the main canal. This year the Vauxhall Research Station recorded 256 mm of precipitation between April 1 and October 31.

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)
2014	222,191	231,167	224,942	232,422	256 mm
2013	240,000	238,995	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
2007	256,518	247,527	201,286	211,060	250 mm
2006	210,741	208,567	198,111	208,378	299 mm
2005	182,819	204,713	192,899	206,452	521 mm
2004	230,817	221,575	203,007		208 mm
2003	279,798	264,750	202,973		195 mm

*Prior to 2005, acres irrigated included all acres under an irrigation system whereas beginning in 2005 only the acres actually irrigated are included.

Monthly Little Bow diversions with comparison to 2013 and the last 25 Year Average (in acre feet):

	<u>2014</u>	<u>2013</u>	<u>25 Year Average</u>
April	0	0	1,408
May	22,154	32,160	31,602
June	40,699	41,723	51,323
July	87,752	79,499	85,814
August	44,107	42,770	50,135
September	28,372	32,906	35,238
October	8,083	9,937	9,130
Total	<u>231,167</u>	<u>238,995</u>	<u>264,650</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. Oil rig activity remains low with 13 drilling locations using water from the District's distribution system in 2014, down from 30 drilling locations in 2013.

The BRID has agreements for uses other than irrigation under its amended licence: two agricultural users (intensive feeding operations), one colony and one gravel washing operation.

Water was also conveyed to many other users, who have their own water licences. These include the communities of Hays, Vauxhall, Enchant (through the Vauxhall and District Regional Water System), and Lomond; the Vauxhall Agricultural Research Station and numerous livestock operations. The District conveyed licensed industrial water used by Prairie Gold Produce. 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.

Irrigation Water Delivery Orders – 2014 On-Farm Records

<u>District</u>		<u>Ditchrider</u>	<u>Total Water</u>		<u>On-Farm</u>
			<u>Delivered</u> Acre Feet	<u>Acres</u> <u>Irrigated*</u>	<u>Use</u> (Average)
Headworks**	1	Matthew Coster	2,558	13,696	2.2 inches
West Division:	2	Lonnie Howg	23,917	34,636	8.3 inches
	3	Vince Row	17,293	25,344	8.2 inches
	4	Kelly Howg	29,006	37,687	9.2 inches
	6	Gerald Drist	16,116	18,892	10.2 inches
East Division:	5	Scott Slenders	22,347	27,612	9.7 inches
	7	Ray Friesen	18,764	20,126	11.2 inches
	8	Stan Kurek	20,504	22,842	10.8 inches
	9	Ivan Bolen	17,015	24,107	8.5 inches
TOTALS			167,520	224,942	8.9 inches

* This is the area that was irrigated at least once. It does not include 7,480 acres on parcels with irrigation systems which were not irrigated in 2014.

** The Headworks area is all irrigated acres on the Headworks Main Canal from Carseland to Lake McGregor Reservoir. Irrigation acres off of McGregor and Travers Reservoir are included in Area #2.

Crop Records

Crops on parcels with irrigation systems:

<u>CROP TYPE</u>	<u>AREA (Acres)</u>	<u>CROP TYPE</u>	<u>AREA (Acres)</u>
Hard Spring Wheat	54,737	Brome Hay	1,504
Canola	20,642	Green Feed	1,488
Barley	17,480	Soft Wheat	1,204
Alfalfa Hay	13,244	Grass Hay	1,002
Tame Pasture	10,777	Timothy Hay	931
Potatoes	11,527	Triticale	750
Dry Beans	11,520	Sunflowers	724
Alfalfa Seed	9,518	Native Pasture	401
Sugar Beets	9,401	Mustard	373
Canola Seed	9,373	Mint	340
Durum Wheat	9,092	Summer Fallow	334
Flax	8,618	Sweet Corn	287
Winter Wheat	6,565	CPS Wheat	278
Grain Corn	6,316	Grass Seed	204
Corn Silage	5,740	Turf Sod	123
Dry Peas	4,431	Yards	121
Hemp	4,396	Market Gardens	87
Barley Silage	2,705	Fescue	56
Faba Beans	2,348	Soybeans	9
Oats	1,974	Nursey	8
Fresh Peas	1,794		
		TOTAL	232,422

The methods of irrigation and acres of each are:

Pivot	89.4%	207,867
Wheel Move & Hand Move Sprinklers	4.1%	9,596
Gravity (Flood)	6.5%	14,959
		<hr/>
	100.0%	232,422

Respectfully submitted,

Dave Cholka

DISTRICT REHABILITATION PROGRAM REPORT

Rehabilitation of the BRID's irrigation works is funded primarily 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. Funds added to the district's IRP account in 2014 for rehabilitation projects were as follows:

2014 IRP Base Funds

Provincial Government Contribution (75%)	\$3,185,862
<u>BRID Contribution (25%)</u>	<u>\$1,061,954</u>
TOTAL:	\$4,247,816

Brief descriptions of projects which were completed last year, those which are now under construction, and those which are planned for next year follow; all of the canals listed here are being replaced with pipelines:

Projects Completed in the 2013/2014 Construction Season

<u>Project Description</u>	<u>Estimated Final Cost</u>
IRP 2259 Lateral C (West Block) Rehabilitation	\$4,970,000

Projects to be Completed in the 2014/2015 Construction Season

<u>Project Description</u>	<u>Estimated Cost</u>
IRP 2236 Laterals M & M-1 (Hays Block) Rehabilitation	\$1,595,000
IRP 2264 Lateral D-4 (West Block) Rehabilitation	\$1,498,000
IRP 2281 Structure Automation & Flow Measurement 2014	\$140,000
Lateral D-5 (Vauxhall Block) Rehabilitation – this project is being funded from our Irrigation Works Reserve	\$1,105,000

Projects to be Completed in the 2015/2016 Construction Season

<u>Project Description</u>	<u>Preliminary Cost Estimate</u>
IRP 2297 Lateral C-7 (Hays Block) Rehabilitation	\$1,131,000
IRP 2299 Laterals H-6-3 (West Block) and K-11-A, K-11-C, K-11-D & K-11-E (Vauxhall Block) Rehabilitation	\$3,791,000
IRP 2309 Badger Reservoir Dam Safety Review	\$ 60,000

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. Portions of Lateral C and Lateral M are included in the 2013 to 2017 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, Irrigation Council, the Irrigation Secretariat, and Alberta Agriculture and Rural Development.

Respectfully submitted,

Richard J. Phillips, P. Eng.

General Manager
Bow River Irrigation District

NOTICES AND ANNOUNCEMENTS

2015 Board Elections

Elections for three (3) electoral divisions are scheduled for Tuesday, March 17, 2015 (providing there are enough nominees to hold an election).

The electoral divisions up for election this year are:

Division #1:	Current Director Glenn Logan
Division #3:	Dennis Orsten (resigning)
Division #7:	Current Director Walter Unruh

Electoral Division 1 - Term Expires 2018

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 3 - Term Expires 2016

Includes all parcels of land with irrigation acres recorded on the assessment roll of the Bow River Irrigation District situated within Range 18 West of the Fourth Meridian and within Townships 15, 16, and 17 Range 17 West of the Fourth Meridian.

Electoral Division 7 - Term Expires 2018

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 24, 2015.

A nomination form may be found on Page 45 of this report.

Long Term Irrigators

As of the 2014 irrigation season, the following people are recognized as **40 year irrigators**:

David & Marjorie Armstrong	Kelly & Diane Howg	George Senneker
Lloyd & Martha Crowson	Malcom & Carol Jones	Isabel Volesky
Lyle & Dixie Crowson	Robert Mossey	

As of the 2014 irrigation season, the following people are recognized as **50 year irrigators**:

Hugh Bell	Louis & Jeanette Kondor	Anne Skretting
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**ANNUAL MEETING OF THE BOARD OF DIRECTORS
AND WATER USERS OF THE
BOW RIVER IRRIGATION DISTRICT**

**TUESDAY, MARCH 19, 2015
VAUXHALL LEGION HALL, 1:30 PM**

"AGENDA"

1. Welcoming Remarks - General Manager - Mr. 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 11, 2014
5. Business from the Minutes of Last Year's Meeting
6. Auditor's Report and Review of Financial Statements
Period Ending October 31, 2014
- District Accountant - Mrs. Jessica Teasdale, CA
7. Chairman of the Board's Report - Chairman - Mr. Harold Unruh
8. General Manager's Report - General Manager- Mr. Richard Phillips, P. Eng.
9. Annual Maintenance of Irrigation Works Report
- Superintendent of Maintenance - Mr. 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 11, 2014 VAUXHALL LEGION HALL

Following are the minutes of the Annual Meeting of the Board of Directors and the irrigators of the Bow River Irrigation District, held on Tuesday, March 11, 2014 in the Vauxhall Legion Hall.

Attendance included 29 irrigators, 7 Board members, 6 BRID staff, 1 representative from Irrigation Council, 1 representative from Alberta Treasury Branches, 3 Provincial Government staff, 1 private individual and 2 representatives from MNP for a total of 50 attendees.

The meeting was called to order at 1:35 PM by the General Manager, Mr. Richard Phillips.

1. Welcoming Remarks – Mr. Richard Phillips, P. Eng., General Manager

In opening the meeting, Mr. Phillips introduced the provincial representatives and welcomed all the irrigators to the meeting.

It was reported to the irrigators that the 2014 Board elections saw two incumbents, Ron Schlaht and John DeVries, returned to the Board of Directors by acclamation.

2. Appointment of a Meeting Chairperson

Mr. Phillips then introduced Mr. Ron Schlaht, Vice-Chairman of the Board, whom the Board had previously appointed as Chairman for the meeting.

3. Adoption of Agenda

At this time, Mr. Ron Schlaht invited everyone to review the agenda as noted on Page 21 of the annual report sent to all irrigators and asked if there were any items to be added. He then requested a motion to accept the agenda.

Moved by Mr. Nick Kuipers to approve the agenda as printed in the Annual Report.

CARRIED

4. Approval of the Minutes of Last Year's Meeting

The minutes of the March 12, 2013 annual meeting, on pages 22 through 28 of the annual report, were reviewed. Mr. Schlaht inquired whether there were any errors or omissions.

Moved by Mr. Brian Witdouck to approve the minutes of the March 12, 2013 annual meeting as printed and circulated in the 2013 annual report.

CARRIED

5. Business From the Minutes of Last Year's Meeting

Mr. Ron Schlaht inquired whether there was any business from the minutes of last year's meeting.

Q. Mr. Dale Reynolds asked what feedback was contributed to the SSRP by the BRID?

A. The BRID supported the plan because it was pro-irrigation.

Q. Mr. Dale Reynolds asked if the BRID contributes to any community services; campgrounds being one example.

A. The BRID does not operate any campgrounds. With the mussel threat on the horizon, we may not want to encourage additional boating on our reservoirs. There have been no mussels detected in our waters yet.

Mr. Dale Reynolds commented about a point raised at last year's meeting about whether grazing leases were the best use of BRID assets. It could be considered by some to be subsidization of special interest group. It appears that the BRID now wants to develop the grazing lands as irrigation cultivation.

Mr. Ron Schlaht stated that the district is investigating changes to the administration of the lease lands, and invited any further business from the minutes of last year's meeting.

Due to technical difficulties in presenting the auditor's report, the meeting proceeded to agenda item 7. Chairman of the Board's Report – Chairman – Mr. Harold Unruh.

Mr. Harold Unruh introduced the Board of Directors in attendance and then presented a summarization of his written report as it appeared in the annual report sent to all irrigators. Items presented were:

- Many more irrigators at this meeting than average. Most are likely here due to the potential changes and development of the BRID grazing lands. The Y pastures were the first parcels slated for development.
- The district entered into an option for a lease with a solar energy company.
- Potential changes in the investment policy. Interest rates are low; returns on investments are not even staying even with inflation.

-Expansion has generated millions of dollars in revenues. A fund has been set aside to replace main canal structures.

-AIPA held a successful tour of irrigation in southern Alberta for MLA's.

-The BRID board met with Ian Donovan.

-BRID may hold another bus tour for irrigators this summer.

-Water rates for the Vauxhall and District Growing Project were waived.

Mr. Unruh concluded by thanking ARD, Alberta Environment, Alberta Transportation for their timely repairs at the Carseland Weir, irrigators and staff for their efforts and cooperation and wished all a good 2014.

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

Q. Mr. Ivan Locke asked whether any government funding was available for the replacement of canal structures.

A. The BRID does receive some funding through IRP. These structures would be eligible for IRP funding. Major canal structures are very important and funds will be set aside for their replacement unless funding for their replacement is made available through the IRP.

Q. Mr. John Kolk asked whether canals in the Y pastures will be replaced by pipelines when development proceeds.

A. All canals under the pivots will be closed.

Q. Mr. Ron Huvenaars asked what the planned lease term is.

A. Not sure at this time. The BRID is planning to purchase the pivots.

Q. Mr. John DeGroot asked whether costs will be tracked accurately so as to determine a payback time for the investment.

A. A profit is expected by the 10 year mark.

Q. Mr. John DeGroot requested that the Board proceed slowly with developing grazing lands for cultivated irrigation as it may benefit only a few irrigators.

A. Leasing of the irrigation cultivation will generate higher revenues which will be a benefit to all irrigators in the district. We will know what the revenues are when the lease auction is held.

Q. Mr. Dale Reynolds asked why the Board approved of waiving the irrigation rates for the Vauxhall and District Growing Project. Why donate to something that is leaving the country and does not benefit the local area?

- A. The BRID also donates to other organizations on a case by case basis. We are a non-profit organization and have to be aware of that when deciding how to donate.
- Q. Mr. Dale Reynolds asked that all money donated by the BRID should be clearly indicated in the annual report.
- Q. Mr. James Larson asked what the budgeted amount is for donations.
- A. There is no actual budgeted amount.
- Q. Mr. James Larson asked where in the annual report the amount donated is found.
- A. It would most likely be found under promotions & public relations which is included in "Advertising" on the Statement of Operating Expenditures. The irrigators at previous annual meetings were generally in favor of donating to the Vauxhall and District Growing Project.
- Q. Mr. Brian Witdouch asked how the Board determines their investment policy. There must be some safety considerations when investing the district's money.
- A. We are looking for some feedback from irrigators today.

Mr. John Kolk stated that most municipalities have guidelines governing their investment policies.

Mr. Ron Schlaht stated that the investment policy may be changed. Mr. John Kolk requested that irrigators be made aware of what the investment policy will be.

Mr. Ron Huvenaars stated that the Board should establish a 10 year window for investments in the event that a couple of years are losses. Mr. Dennis Orsten stated that it is difficult to lock in investments for a long term period. Mr. Glenn Logan stated that he believes that the Board of Directors is responsible for generating as much revenue for the district as is safely possible.

- Q. Mr. Ivan Locke asked what the plans are for the south Y pastures.
- A. Two large pivots are planned. A meeting will be held on the Thursday following this meeting for further discussions.

Mr. Ron Schlaht asked whether the irrigators were in favor of riskier ventures.

- Q. Mr. James Larson asked what percentage of the reserves would be invested in riskier ventures.

- A. To attract an investment advisor would require a commitment of approximately \$2 million. The reserves will be more than \$12 million.

Mr. Ron Schlaht asked for a vote to indicate support or lack for the district to engage in riskier investments:

By show of hands, 9 irrigators were in favor, 4 were opposed.

Moved by Mr. Henry Wiebe that the Chairman's report for 2013 be approved.

CARRIED

As technical difficulties were resolved, the meeting moved back to:

- 6. Auditor's Report and Review of Financial Statements
Period Ending October 31, 2013
- District Accountant – Mrs. Jessica Teasdale, CA

Mr. Ron Schlaht introduced Mrs. Jessica Teasdale, CA.

Mrs. Jessica Teasdale directed attention to the Independent Auditor's Report on page 31 of the Annual Report. The 2013 year-end statements were then reviewed.

Mr. Ron Schlaht invited any questions relating to the Review of Financial Statements.

- Q. Mr. Brian Witdouck asked how much additional revenue is anticipated.
- A. Approximately \$16 million has been received so far from the expansion. The expansion is 28,000 acres which will generate approximately \$23 million in total revenues.

Moved by Mr. Nick Kuipers that the financial reports and auditor's report for the year ending October 31, 2013, be accepted as presented.

CARRIED

As the Chairman's report was presented earlier in the meeting, the meeting moved to:

- 8. General Manager's Report – Mr. Richard Phillips, P. Eng., General Manager
Mr. Richard Phillips presented the General Manager's report as written in the 2013 annual report.

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

Q. Mr. Ron Huvenaars asked what the costs were for the repair of the dyke at the Carseland Weir.

A. Approximately \$2.7 million, none of which was provided by the BRID.

Moved by Mr. Ron Huvenaars that the report of the General Manager be accepted as presented.

CARRIED

9. Annual Maintenance of Irrigation Works Report

– Mr. Bill Skelly - Superintendent of Maintenance

Mr. Bill Skelly reviewed the annual maintenance report as outlined in the 2013 annual report.

Mr. Ron Schlaht invited any questions relating to the Superintendent of Maintenance's report.

No questions were raised.

Moved by Mr. John DeGroot to accept the annual maintenance report as presented.

CARRIED

10. Presentations

The following reports were presented:

- 2013 Water Operations Report – Mr. Dave Cholka, Water Controller
Mr. Ron Schlaht invited any questions relating to the Water Controller's report.

Q. Mr. John Kolk asked whether the water quality in Travers Reservoir was affected by the flooding.

A. There was a health advisory in the summer for the west end of the reservoir. There was more algae than normal.

Q. Mr. Ivan Locke asked why Lost Lake seemed to have high water levels even though so many pipelines have been installed in the district.

A. In 2013 rainfall was responsible for the additional water in Lost Lake.

Q. Mr. Ivan Locke asked whether the pumps could be shut off earlier in the fall so that dugouts could be filled for the winter.

A. The status of the Lost Lake pumps is available on the BRID's website. Half a day of the pumps being off would then enable irrigators in the

Hays area upstream of Scope Reservoir to fill their dugouts without using any water from Lost Lake.

- Q. Mr. Dale Reynolds asked about the return flows and what percentage of the diversion this number represents.
- A. Approximately 52,000 acre feet is returned to the river. This represents 15% of the diversion. This number will vary greatly from year to year.

Mr. Ron Schlaht invited any further questions relating to the 2013 Water Operations Report. No further questions were raised.

- Irrigation Rehabilitation Program Reports-Mr. Richard Phillips, P. Eng., General Manager.

Mr. Ron Schlaht invited any questions relating to the Irrigation Rehabilitation Program Report. No questions were raised.

Mr. Richard Phillips then showed a power point presentation of the Carseland Weir dyke repair.

11. New Business

Mr. Ron Schlaht opened the floor to new business.

- Q. Mr. Ivan Locked asked whether more development other than the Y pastures would be taking place immediately.
- A. Not right away. Block 238 will be developed for the 2016 irrigation season by an irrigator. The Y pastures were determined to be the best place to start development. The Board also recently approved of offering the Hays Grazing Association 12 year leases on their existing pivot areas on BRID lands.

Mr. Joe Meier stated that the land proposed for irrigation cultivation development was condemned 30 years ago, but it was well taken care of by the grazing association. Mr. Harold Unruh stated that the grazing association received the benefit of 30 years of grazing the lands. Mr. Ron Schlaht stated that this development offers an expansion opportunity in the Hays area. The grazing associations will have the opportunity to farm it if they want.

- Q. Mr. James Larson asked whether the district supplied any pipelines to expansion applications located at a distance from their water source.
- A. The irrigators pays all costs. No infrastructure is provided by the district for expansion.

Mr. Dale Reynolds stated that \$900.00/acre for irrigation acres is high considering nothing else is provided by the district. Mr. Richard Phillips stated that the money is used to benefit the district as a whole.

Mr. John DeGroot stated that the notice that the grazing leases terms were expired was too short. He would have preferred a 3 to 5 year notice period.

- Q. Mr. Ivan Locke asked whether, with the revenues gained from expansion, would the Board consider lowering the annual water rate?
- A. Mr. Richard Phillips stated that using some of the revenue to buy irrigation equipment and place it on district land is a good investment and would benefit the district financially. Mr. Ron Schlaht also stated that a fund for future structure replacement must be maintained.
- Q. Mr. Ron Huvenaars asked whether the district has plans for future expansion.
- A. This will be discussed once the current supply of irrigation acres has been sold.

12. Awards

Mr. Harold Unruh, Chairman of the Board, read a list of irrigators receiving long term irrigator awards, with a presentation made to those in attendance:

TEN (10) YEAR SERVICE on the BRID Board (desk clock and pen set)

-Dennis Orsten (present)

FORTY (40) YEAR AWARDS (plaque)

- Belgium Farms Ltd.
-Wally and Edna Enns (present)
-Larry Helland
-Stan Liebreich
-Rod Mattson
-Connie Palmer
-Rick Stanko
-Lynn Thiessen
-Doug and Delores Wolosuk

FIFTY (50) YEAR AWARDS (plaque)

- Barbara Moore

13. Adjournment

The meeting was adjourned at 3:30 PM on a motion by Mr. Nick Kuipers.

BOW RIVER IRRIGATION DISTRICT

FINANCIAL STATEMENTS

OCTOBER 31, 2014

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Management's Responsibility

To the Members of Bow River Irrigation District:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is composed primarily of Directors who are neither management nor employees of the District. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the District's external auditors.

MNP LLP is appointed by the members to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

March 19, 2015



General Manager

Independent Auditors' Report

To the Members of Bow River Irrigation District:

We have audited the accompanying financial statements of Bow River Irrigation District which comprise the statements of financial position as at October 31, 2014, and the statements of operations and changes in net assets and cash flows for the year ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Bow River Irrigation District as at October 31, 2014, and the results of its operations, change in net assets and its cash flows for the year ended in accordance with Canadian accounting standards for not-for-profit organizations.

Lethbridge, Alberta

March 19, 2015



Chartered Accountants



ACCOUNTING) CONSULTING) TAX
3425 – 2ND AVENUE S, LETHBRIDGE, AB T1J 4V1
1.800.661.8097 P: 403.329.1552 F: 403.329.1540 mnp.ca

BOW RIVER IRRIGATION DISTRICT**Statement of Financial Position****As at October 31, 2014**

	General Fund	Irrigation Works	2014	2013
ASSETS				
CURRENT ASSETS				
Cash	3,825,072	919,220	4,744,292	6,083,441
Short-term investments (Note 3)	1,286,472	20,617,085	21,903,557	11,737,069
Accounts receivable (Note 4)	834,826	365,348	1,200,174	1,150,854
Materials and supplies, at cost	710,261	-	710,261	558,791
Prepaid expenses	39,330	-	39,330	39,111
Work in process	-	2,136,293	2,136,293	1,127,108
Due from funds	-	1,013,404	1,013,404	541,316
	6,695,961	25,051,350	31,747,311	21,237,690
LONG-TERM INVESTMENTS (Note 3)	498,959	5,566,003	6,064,962	4,017,490
PROPERTY AND EQUIPMENT (Note 5)	3,108,432	-	3,108,432	3,282,988
IRRIGATION WORKS (Note 5)	-	109,364,767	109,364,767	108,718,336
	10,303,352	139,982,120	150,285,472	137,256,504
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable and deferred revenue (Note 9)	1,473,822	2,316,927	3,790,749	3,266,600
Due to funds	1,013,404	-	1,013,404	541,316
	2,487,226	2,316,927	4,804,153	3,807,916
NET ASSETS				
Net assets invested in capital assets (Note 5)	3,108,432	109,364,767	112,473,199	112,001,324
Externally restricted net assets (Note 6)	-	4,137,453	4,137,453	4,716,226
Internally restricted net assets (Note 6)	-	24,162,973	24,162,973	12,233,485
Unrestricted net assets	4,707,694	-	4,707,694	4,497,553
	7,816,126	137,665,193	145,481,319	133,448,588
	10,303,352	139,982,120	150,285,472	137,256,504

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 Net Assets
For the Year Ended October 31, 2014

	General Fund	Irrigation Works	2014	2013
REVENUE				
WATER EARNINGS				
Irrigation rates (Note 7)	4,103,222	-	4,103,222	3,890,819
Water supply rentals	111,681	-	111,681	123,232
Sale of excess and domestic water	64,960	-	64,960	66,580
Discounts and penalties, net	-161,476	-	-161,476	-145,949
	<u>4,118,387</u>	<u>-</u>	<u>4,118,387</u>	<u>3,934,682</u>
LEASE REVENUE, NET	627,939	-	627,939	610,745
INTEREST EARNINGS	91,294	428,254	519,548	314,671
UNREALIZED GAIN (LOSS) ON INVESTMENTS	-	11,269	11,269	-11,327
PROVINCE OF ALBERTA	-	3,185,862	3,185,862	3,272,071
CONTRIBUTIONS FROM FARMERS	-	11,847,794	11,847,794	5,899,707
MISCELLANEOUS	53,050	-	53,050	353,353
	<u>4,890,670</u>	<u>15,473,179</u>	<u>20,363,849</u>	<u>14,373,902</u>
EXPENDITURES				
OPERATING EXPENDITURES (SCHEDULE 1)	3,393,131	-	3,393,131	3,650,841
AMORTIZATION OF IRRIGATION WORKS	-	5,019,015	5,019,015	4,915,979
CONSULTING FEES (REVENUE)	-	-81,028	-81,028	42,598
	<u>3,393,131</u>	<u>4,937,987</u>	<u>8,331,118</u>	<u>8,609,418</u>
EXCESS OF REVENUE OVER EXPENDITURES	1,497,539	10,535,192	12,032,731	5,764,484
PROVISION FOR IRRIGATION WORKS	-1,461,954	1,461,954	-	-
	<u>35,585</u>	<u>11,997,146</u>	<u>12,032,731</u>	<u>5,764,484</u>
NET ASSETS, beginning of year	<u>7,780,541</u>	<u>125,668,047</u>	<u>133,448,588</u>	<u>127,684,104</u>
NET ASSETS, end of year	<u>7,816,126</u>	<u>137,665,193</u>	<u>145,481,319</u>	<u>133,448,588</u>

BOW RIVER IRRIGATION DISTRICT
Statement of Combined Cash Flows
For the Year Ended October 31, 2014

	2014	2013
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Excess of revenue over expenditures	12,032,731	5,764,484
Items not involving cash:		
Amortization of property and equipment	343,748	393,141
Amortization of irrigation works	5,019,015	4,915,979
Loss on sale of property and equipment	3,437	7,027
	<u>17,398,931</u>	<u>11,080,631</u>
Net change in non-cash working capital balances		
Accounts receivable	-49,320	-35,957
Materials and supplies, at cost	-151,470	50,009
Prepaid expenses	-219	5,270
Accounts payable and deferred revenue	524,149	2,305,066
	<u>17,722,071</u>	<u>13,405,019</u>
INVESTING ACTIVITIES		
Purchase of property and equipment	-178,095	-572,436
Proceeds on disposal of capital assets	5,466	59,610
Expenditures on irrigation works	-5,665,446	-3,269,710
Change in work in process	-1,009,185	-535,819
Change in long-term investments	-2,047,472	-32,628
	<u>-8,894,732</u>	<u>-4,350,983</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	8,827,339	9,054,036
CASH AND CASH EQUIVALENTS, beginning of year	<u>17,820,510</u>	<u>8,766,474</u>
CASH AND CASH EQUIVALENTS, end of year	<u><u>26,647,849</u></u>	<u><u>17,820,510</u></u>
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and cash equivalents	4,744,292	6,083,441
Short-term investments	21,903,557	11,737,069
	<u><u>26,647,849</u></u>	<u><u>17,820,510</u></u>

BOW RIVER IRRIGATION DISTRICT
Notes to Financial Statements
For the year ended October 31, 2014

1. Purpose of the Organization

The Bow River Irrigation 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.

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, 2014

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, 2014

2. Accounting Policies (continued)

Measurement Uncertainty

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit 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, 2014

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, 2014

3. Investments	2014	2013
Term deposits	27,968,519	15,754,559
Less: current portion	-21,903,557	-11,737,069
	<u>6,064,962</u>	<u>4,017,490</u>
Market value	<u>27,968,519</u>	<u>15,754,559</u>

Short-term investments totalling \$21,903,557 (2013- \$11,737,069) mature in the next year. They include GICs and term deposits at interest rates varying from 1.80% to 5.16%.

4. Accounts Receivable	2014	2013
Water rates and charges	670,521	826,987
Leases	2,550	5,383
Sundry	249,521	191,630
Accrued interest	<u>277,582</u>	<u>126,854</u>
	<u>1,200,174</u>	<u>1,150,854</u>

BOW RIVER IRRIGATION DISTRICT

Notes to Financial Statements

For the Year Ended October 31, 2014

5. Property and Equipment

General

	2014		2013	
	Cost	Accumulated Amortization	Net	Net
Office shop complex	2,346,687	901,203	1,445,484	1,361,537
Buildings	193,354	133,471	59,883	63,034
Trucks	1,641,535	1,304,958	336,577	420,838
Power equipment	2,119,875	1,256,982	862,893	989,249
Computers	252,046	186,224	65,822	81,522
Other equipment	1,004,198	666,425	337,773	366,808
	<u>7,557,695</u>	<u>4,449,263</u>	<u>3,108,432</u>	<u>3,282,988</u>

Irrigation Works

	2014	2013
Irrigation works opening balance	204,862,959	201,593,249
Additions to irrigation works		
External goods and services	3,795,022	2,088,558
Internal (District) goods and services	<u>1,870,424</u>	<u>1,181,152</u>
Irrigation works at end of year	<u>210,528,405</u>	<u>204,862,959</u>
Amortization opening balance	96,144,623	91,228,644
Disposals	-	-
Current year amortization	<u>5,019,015</u>	<u>4,915,979</u>
Amortization at end of year	<u>101,163,638</u>	<u>96,144,623</u>
Irrigation works closing balance	<u>109,364,767</u>	<u>108,718,336</u>

BOW RIVER IRRIGATION DISTRICT

Notes to Financial Statements

For the Year Ended October 31, 2014

6. Restricted Net Assets

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	External		2014	2013
	District	Right of Way	Cost Share		
Opening fund balance	12,233,485	31,526	4,684,700	16,949,711	9,654,685
<u>Add:</u>					
Contributions new parcels	11,416,316	-	-	11,416,316	5,777,071
Province of Alberta	-	-	3,185,862	3,185,862	3,272,071
District	1,461,954	-	1,061,954	2,523,908	2,281,380
Farmers	385,307	-	112,955	498,262	312,464
Interest earnings	387,569	348	40,337	428,254	256,193
Unrealized gain (loss)	11,269	-	-	11,269	-11,327
	25,895,900	31,874	9,085,808	35,013,582	21,542,537
<u>Deduct:</u>					
Additions to capital works (Note 5)	685,217	-	4,980,229	5,665,446	3,269,711
Consulting fees (revenue)	-81,028	-	-	-81,028	42,598
Payments to water users	41,021	-	-	41,021	33,241
Drain relocations	25,764	-	-	25,764	156,586
Transfer to cost share	1,061,954	-	-	1,061,954	1,090,690
	24,162,973	31,874	4,105,579	28,300,426	16,949,711

BOW RIVER IRRIGATION DISTRICT
Notes to Financial Statements
For the Year Ended October 31, 2014

7. Irrigation Rates

Irrigation rates, net, consist of:		2014
251,189.75 acres	at \$16.00 per acre	4,019,036
428.42 acres	at \$400.00 per parcel minimum 50 parcels at 25 acres minimum	20,000
261.37 acres	at \$19.00 per acre, terminable	4,966
		4,044,002
2,990.53 acres	at \$19.00 per acre, annual	56,820
39.12 acres	at \$400.00 per parcel minimum, annual	2,400
		4,103,222

8. Provision for Irrigation Works

	2014	2013
Contribution to cost share reserve	1,061,954	1,090,690
Transfer surplus to reserves	400,000	100,000
	1,461,954	1,190,690

BOW RIVER IRRIGATION DISTRICT
Notes to Financial Statements
For the year ended October 31, 2014

9. Accounts Payable and Deferred Revenue

Included in accounts payable is deferred revenue of \$1,898,969 representing deposits on expansion acres and goods and services taxes payable of \$841,142.

10. Uncompleted Project Commitments

The District has commitments in an estimated amount of \$2,795,066 (2013 - \$1,702,488) in respect of uncompleted work on approved cost sharing projects.

11. Contingent Liabilities

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 11.39% of pensionable earnings up to the Canada Pension Plan's Maximum Pensionable Earnings and 15.84% for the excess. Total current service contributions by the employees of the District to LAPP in 2014 were \$254,229 (2013 - \$227,760) and the contributions made by the District to the plan in 2013 were \$276,689 (2013 - \$250,102). At December 31, 2013 the Plan served about 230,534 people (2012 - 223,643) and 418 employers (2012 - 428) and it disclosed an actuarial deficiency of \$4.86 billion (2012 - \$4.98 billion).

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.

BOW RIVER IRRIGATION DISTRICT
Notes to Financial Statements
For the year ended October 31, 2014

13. Financial Instruments (continued)

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 and term deposits are \$6,064,962 (2013 - \$4,017,490).

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 \$98,797 for irrigation water rates, upsizing pipelines and domestic water 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.

16. Comparative Figures

The comparative figures have been reclassified where necessary to conform to the current year's presentation.

BOW RIVER IRRIGATION DISTRICT

Schedule of Operating Expenditures

For the Year Ended October 31, 2014

Schedule 1

	2014				2013	
	Equipment Pool	Maintenance	Water Delivery	Administration	Total	Total
EXPENDITURES						
Salaries and wages	576,817	880,376	395,367	803,452	2,656,012	2,569,418
Employee benefits	128,456	187,552	67,983	177,902	561,893	574,514
Equipment operations & maintenance	626,137	-	-	3,893	630,030	541,328
Materials and supplies	1,423	438,924	-	45,291	485,638	470,297
Amortization	266,288	53,186	-	24,274	343,748	393,141
Weed and pest control	-	15,948	315,702	-	331,650	192,769
Delivery pumps	-	3,663	154,594	-	158,257	160,248
Insurance	26,260	28,607	-	7,073	61,940	103,540
Board of Directors fees and expenses	-	-	-	72,636	72,636	75,297
Association fees	-	-	-	90,739	90,739	62,437
Professional fees	-	-	-	32,358	32,358	42,581
Contracted services	-	-	-	8,402	8,402	37,613
Telephone	-	-	7,148	11,695	18,843	23,522
Equipment rent	-	22,009	-	-	22,009	13,534
Advertising	-	-	-	19,322	19,322	11,591
Conference and seminars	1,422	1,985	1,586	3,135	8,128	6,329
Land titles charge	-	-	-	3,654	3,654	4,870
Postage	-	-	-	7,463	7,463	4,769
Crop and flood damages	-	-	-	-	-	2,500
Allowance for doubtful accounts	-	-	-	1,337	1,337	2,110
Travel	-	299	-	1,547	1,846	1,600
Bank charges	-	-	-	2,732	2,732	835
Loss on disposal of equipment	3,437	-	-	-	3,437	7,027
Labour recoveries	-72,898	-150,619	-114,292	-251,850	-589,659	-620,714
Equipment recoveries	-2,302,845	687,017	104,387	12,047	-1,499,394	-967,042
Building occupancy costs, net	-	-41,308	-	-	-41,308	-51,885
Custom work recoveries	-	-8,040	-	-	-8,040	-20,293
Miscellaneous	827	75	255	8,301	9,458	8,905
TOTAL 2014	-744,676	2,119,674	932,730	1,085,403	3,393,131	-
TOTAL 2013	-536,547	2,236,931	810,600	1,139,857	-	3,650,841



**FORM FOR NOMINATION
FOR DIRECTOR OF THE
BOW RIVER
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. 2015.

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:

NOTES:


H-2 Pipeline Repair - Before



H-2 Pipeline Repair - After



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

CANADA		POSTES
POST		CANADA
Postage paid	Port payé	
Addressed	Médiaposte	
Admail	avec adresse	
0001619873		