



**FINANCIAL STATEMENTS
AND
ANNUAL REPORT
For the year ended October 31, 2021**

The Board of Directors invites you
to attend the VIRTUAL annual meeting on
Thursday, March 10, 2022 at 1:30 p.m.
Please refer to the BRID website for instructions on
how to attend.

Carseland Weir Trash Boom



Trash Boom Detail



**FINANCIAL STATEMENTS AND ANNUAL REPORT
FOR THE YEAR ENDED OCTOBER 31, 2021**

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DIRECTORS AND STAFF OF THE BOW RIVER IRRIGATION DISTRICT

****BOARD OF DIRECTORS****

Walter Unruh, Chairman-Division #7	John DeVries, Director-Division #4
James Larson, Vice-Chairman- Division #3	Vic Van Dyk, Director-Division #5
Glenn Logan, Director- Division #1	Laus Stiekema, Division -District #6
Richard Sander, Director- Division #2	(partial term)

****STAFF****

Administration/Engineering

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

Operations/Maintenance

Bill Skelly	Superintendent of Maintenance
Rod Lowen	Shop and Equipment Foreman
Denis Odland/Daryl Brouwers	Operations Supervisor
Butch Porter/Donnell Schlosser	Maintenance Foreman
Marlin Hill	Survey Crew Chief
Mark Borle	Operations Assistant
Nicholas May	Headworks Operator
Louise Christie	Assistant Headworks Operator – Seasonal
Adam Locke	Ditchrider
Bryden Geremia	Ditchrider
Conrad Cazemier	Ditchrider
Kelly Howg	Ditchrider
Lonnie Howg	Ditchrider - Seasonal
Ray Friesen	Ditchrider
Richard Church	Ditchrider
Vince Row	Ditchrider
Cory Hull	Purchaser
Daniel Wiebe	Mechanic

Allan Friesen	Tandem Gravel Truck Operator
Dennis Brouwers	Semi Tractor Operator
Jared Willis	Weed Control Operator/Labourer
Armand Lautier	Equipment Operator
Jaarno Van Der Wielen	Equipment Operator
Keith Gertzen	Equipment Operator
Kelvin Wright	Equipment Operator
Kevin Jorgensen	Equipment Operator
Rob Zalik	Equipment Operator
Westin Hlatky	Equipment Operator
Ernie Crowson	Weed Control Operator/Welder
Ivan Bolen	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 year with Covid 19 the BRID took precautions so we could operate safely. The severe drought again showed the value of irrigation. The efforts of our staff to design, build, maintain, and operate our system efficiently are appreciated. The board and management were able to work well together as issues came up. Past decisions to treat canals with magnacide and set up a boom on the headworks were beneficial for operations.

The board also heard from many irrigators this year and the needs they had. Projects are progressing across the district, which include pipelining, Deadhorse Reservoir studies and planning, as well as possible solar and irrigation development on BRID owned land in Hays. This required extra meetings and tours, which will help improve the district.

The Division 6 director, Laus Stiekema resigned from the board this year after two years of valuable service. The board opened nominations for a by-election, but none were received. The Minister was notified we would go without one director until March 2022 when the next election is scheduled.

The board sold Enchant Camp and decided to sell all but the essential acreages the BRID owns. The board also raised the capital assets charge from \$1500 to \$3000 per acre on remaining irrigation acres for sale.

In conclusion the Board would like to thank our management, and staff of the BRID who all did a fine job supplying us with water for our farms in a very dry year. Thanks to the irrigators for your part in helping it go so well. Also, thank you to the Department of Agriculture, Forestry, and Rural Economic Development and the Department of Environment and Parks of Alberta.

May we all be Blessed in 2022.

Respectfully submitted,

Walter Unruh
Chair, Board of Directors

BOARD OF DIRECTORS REMUNERATION REPORT
NOVEMBER 1, 2020 - OCTOBER 31, 2021

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 \$509 per day. The board chairman receives an extra \$112 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 \$56 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>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Directors' Fees	\$73,542	\$111,285	\$112,856	\$ 77,664	\$84,811
Miscellaneous	<u>33,942</u>	<u>27,877</u>	<u>27,022</u>	<u>15,362</u>	<u>20,008</u>
TOTAL:	<u>\$107,484</u>	<u>\$139,162</u>	<u>\$139,877</u>	<u>\$ 93,026</u>	<u>\$104,819</u>

<u>Director</u>	<u>Fees</u>	<u>Mileage</u>	<u>Expense</u>	<u>Total</u>
John DeVries	\$10,089	\$120	\$140	\$10,349
James Larson	11,198	317	140	11,655
Glenn Logan	9,671	170	359	10,200
Laus Stiekema	2,545	0	0	2,545
Walter Unruh	17,388	1,346	426	19,160
Vic Van Dyk	8,653	202	140	8,995
Richard Sander	<u>10,180</u>	<u>320</u>	<u>140</u>	<u>10,640</u>
TOTALS:	<u>\$69,724</u>	<u>\$2,475</u>	<u>\$1,334</u>	<u>\$73,542</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 2021:

N.E. 14-14-22-W4M
S.W. 2-17-21-W4M
N.W. 35-16-21-W4M
S.W. 35-16-21-W4M
N.W. 26-16-21-W4M
S.E. 20-13-18-W4M
Plan 141 0181 Block 1,
Lot 1 (S.W. 31-13-18-W4M)
S.W. 14-15-20-W4M
S.E. 14-15-20-W4M
N.W. 29-12-18-W4M
N.E. 29-12-18-W4M
S.W. 29-12-18-W4M
N.E. 31-12-18-W4M
N.E. 8-17-18-W4M
Plan 121 2637 Block 1,
Lot 4 (S.W. 33-21-25-W4M)
N.W. 2-13-18-W4M
S.E. 3-13-18-W4M
N.E. 3-13-18-W4M
S.E. 36-13-18-W4M
N.E. 19-18-21-W4M
N.W. 29-18-21-W4M
S.E. 30-18-21-W4M
S.W. 4-21-24-W4M
S.E. 5-21-24-W4M
S.W. 5-21-24-W4M
N.E. 12-15-20-W4M
N.W. 34-16-21-W4M
N.E. 34-16-21-W4M
S.E. 1-17-21-W4M
N.E. 1-17-21-W4M
N.W. 2-17-21-W4M
S.E. 12-17-21-W4M
N.E. 12-17-21-W4M
S.E. 13-17-21-W4M

No parcels were removed from the Bow River Irrigation District in 2021.

GENERAL MANAGER'S REPORT

Water Operations

The hot dry conditions in 2021 resulted in very high water use, but we were able to deliver all the water required, and to end the season with reservoirs at or above normal winter levels. The water demand from Little Bow Reservoir was well above average through July, and slightly below average for the remainder of the season. The total diversion from Little Bow Reservoir was the seventh highest on record. A few new daily high diversion records were set last year, including a new all-time daily high of 2500 cubic feet per second on July 16/17, but this was still less than 75% of the main canal's design capacity. The recorded diversion from the Bow River at Carseland was 465,000 acre feet, but there appears to have been a problem with the measurement, and the actual number was probably 5% to 10 % lower. The total licensed allocation is over 543,000 acre feet.

There was a good mountain snowpack last spring, so the river flow was good well into July, and cooperation among all major water users on the rivers helped ensure a good water supply for everyone. Another important factor in our successful water season was the floating trash boom we installed in the river to prevent debris from plugging the canal intake structure. It performed extremely well, almost completely eliminating reductions in the flow due to debris, which was a chronic problem in the past.

Lost Lake Solar Project

We began construction of a 400 kw solar project adjacent to the Lost Lake pumphouse in September 2021. The power output should be close to our annual power consumption. We will receive a credit for power produced and not consumed on-site, and will purchase any power required that is not produced by the solar project.

Deadhorse Coulee Reservoir

Engineering and environmental studies progressed for the proposed reservoir, including the drilling of boreholes to assess foundation conditions and seepage potential.

Further geotechnical investigations including additional boreholes for the dams continued in the fall of 2021. Assuming the results of the studies and investigations are positive we hope to begin construction in 2023, but that is dependent on when regulatory approval to construct the project is received.

Alberta Irrigation Modernization Program

This program was announced in 2020 as an \$815 million irrigation expansion project that would result in over 200,000 new acres of irrigation in eight of Alberta's irrigation districts. Since then, two more districts and several new projects

have been added, bringing the total cost to nearly \$933 million. The messaging in the media has been confusing, implying that most of the funding is from government grants, and that large irrigation expansion is the focus of the program. The Province of Alberta is providing a grant for 30% of the total costs, with 70% covered by the irrigation districts. Districts must pay 20% initially, and are receiving loans for the remaining 50% of the total from the Canada Infrastructure Bank.

Irrigation expansion will likely result from the program, but there are no pre-determined areas for expansion, and no requirement for districts to expand. The modernization and reservoir projects will save and store additional water, which should lead to expansion, but any expansion, will be subject to the same process as past expansion, including plebiscites to obtain irrigators' approval. The BRID's projects should provide enough water to irrigate approximately 25,000 acres.

Staff Changes

There were several staff changes in 2021 including the retirement of three long-term employees: Butch Porter, maintenance supervisor, 38 years; Rolf Schwabe, executive assistant, 34 years, and Noel Going, engineering technologist, 33 years. In addition Denis Odland, water supervisor, went on permanent leave after 41 years. Three staff members changed positions, with Nick May moving from mechanic to headworks operator, Daryl Brouwers moving from operations assistant to operations supervisor, and Mark Borle moving from ditchrider to operations assistant. New staff include Armand Lautier, equipment operator; Dylan Fletcher, engineering technologist; Daniel Wiebe, mechanic; Donnell Schlosser; maintenance foreman; and Bryden Geremia, ditchrider.

Respectfully submitted,

Richard Phillips, P. Eng.
General Manger
Bow River Irrigation District

MAINTENANCE REPORT

The maintenance department of the BRID experienced a normal year. Before water was turned on in the spring, six 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>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
\$738,067	\$563,046	\$693,046	\$709,742	\$276,881

Maintenance projects that were completed this year, include the installation of a pipeline in the NE 19-14-19-W4 to reroute Main Canal tile drain water and digging a drain adjacent to the Main Canal on BRID owned land in the NW 28-13-14-W4 (Block A1) to improve surface drainage.

The district changed mainline fittings to PVC fittings and changed farmer turnouts to stainless risers on three pipelines.

Due to strong winds in the fall and spring and little snow fall, several BRID laterals and drains were filled with topsoil. Landowners were busy getting them cleaned before water was turned on in the spring. It is the responsibility of the adjacent landowners to remove their topsoil that has blown into the canal system and the BRID appreciates your cooperation.

The district with it own forces installed the Drain B, B-5-C & H-1 pipelines in the Vauxhall area. These projects consisted of the installation of a precast inlet structure, PVC pipeline, farm turnouts, domestic turnouts, structure removal and canal backfill.

The BRID spent approximately \$234,320 on Special Projects this year. Under the 2021 Special Projects program the BRID upgraded screens and brooms on 10 pipeline screen cleaners, rebuilt 3 pipeline screen cleaners, automated 2 emergency pipeline drain outs, installed 2 electric gate operators, and installed 1 inline pipeline screen cleaner.

MAINTENANCE REPORT

Following is a list of routine maintenance performed by the BRID in 2021:

Canal Banks Sprayed with Boom or Spot Treated by Handgun	415	km
Ditch Channel Cleaned	16	km
Ditch Cleaned with Herder (Cattails)	6	km
Ditch Banks Mowed	250	km
Ditch Banks Leveled	8	km
Ditch Banks Graveled	50	km
Ditch Banks Graded	88	km
Ditch Closed	1	km
Fence Installed, Removed or Replaced	6	km
Rock, Gravel, and Armour Placement (includes IRP projects)	13,072	m ³
Beaver Dams & Weed Jams Removed	3	units
Canal Washouts Repaired (Structures & Culverts)	21	units
Catwalks & Handrails Fabricated and Installed	3	units
Concrete Bridge Repair	1	unit
Domestic Turnouts Installed	1	units
Drain Inlets Installed	11	units
Farm Turnouts Installed in Laterals	9	units
Farm Turnouts Repaired	7	units
Farm or Lateral Crossings Replace or Repaired	3	units
Gates Repairs	7	units
Pipeline Repairs (above ground)	25	units
Pipeline Repairs (below ground)	5	units
Pipeline Screen Modifications	2	units
Pipeline Screens Fabricated and Installed	3	units
Pipeline Turnouts Fabricated	42	units
Pipeline Turnouts Installed	4	units
Pipeline Turnouts Replaced	14	units
Road Crossings Installed or Repaired	4	units
Rock Weir Installed or Repaired	2	units
Standpipes Installed or Repaired	4	units
Structures Removed	1	units
Structures Installed or Repaired	1	units
Texas Gates Cleaned, Installed or Removed	12	units
Tile line Repair	2	units
Turnouts Removed	2	units
Turnout Screen Fabricated	3	units

Respectfully submitted,

Bill Skelly
Superintendent of Maintenance

OPERATIONS REPORT

Water Diversions

Water diversions from the Bow River at Carseland began on April 16, 2021 and ceased on October 8, 2021. A total of 465,433 acre feet was diverted this season. McGregor, Travers, and Little Bow Reservoirs started the season with 321,000 acre feet total storage and ended the season at 329,000 acre feet storage.

Water diversions into our main canal at Little Bow Reservoir began on April 23 and ceased on October 8. A total of 338,535 acre feet of water was diverted into our main canal at Little Bow Reservoir in 2021, which is 71,845 acre feet above the 25-year average. The return flow was 47,616 feet, which was returned to the river through the district's drainage system.

The Lost Lake pumps returned 2,952 acre feet into the main canal. This year the Vauxhall Research Station recorded 120.4 mm of precipitation between April 1st and October 31st, which is 48% of the 25-year 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)
2021	465,433	338,535	266,379	272,878	120 mm
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	245,244	124 mm
2016	328,085	262,391	225,566	242,598	281 mm
2015	331,900	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

The assessment roll at the close of the 2021 irrigation season was 286,661.95 acres. The expansion limit of the district is 295,000 acres.

Monthly Little Bow Diversions with comparison to 2020 and the last 25-Year Average (in acre feet):

	<u>2021</u>	<u>2020</u>	<u>25-Year Average</u>
April	11,998	1,786	2,116
May	36,590	27,713	32,730
June	96,087	45,020	50,523
July	107,193	67,530	87,365
August	42,342	69,511	51,956
September	31,831	29,646	33,277
October	<u>12,494</u>	<u>9,820</u>	<u>8,723</u>
Total	338,535	251,026	266,690

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, and small wildlife habitat projects controlled by the Alberta Conservation Association.

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

Water was also conveyed to many other users, who have their own water licenses. 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	47,625	Grass Seed	608
Durum Wheat	24,091	Malt Barley	546
Barley	23,681	Lentils	544
Dry Beans	22,387	Sunflower	467
Canola	20,501	CPS Wheat	460
Canola Seed	20,284	Alfalfa Silage	433
Potatoes	13,137	Native Pasture	359
Dry Peas	13,066	Quinoa	344
Sugar Beets	12,116	Triticale	309
Corn Silage	9,882	Mint	283
Hay Grass, Timothy, Brome	8,667	Summer Fallow	242
Tame Pasture	8,265	Fresh Peas	168
Alfalfa Hay	7,484	Miscellaneous	157
Grain Corn	4,906	Chickpeas	136
Soft Wheat	4,275	Oats Silage	135
Alfalfa Seed	4,219	Milk Vetch	132
Barley Silage	3,796	Fescue	129
Hemp	3,770	Soybeans	112
Flax	3,768	Miscellaneous Yards	66
Rye	2,868	Buckwheat	66
Winter Wheat	2,657	Market Gardens	30
Oats	1,754	Pumpkins	<u>8</u>
Faba Beans	1,517		
Green Feed	1,411	TOTAL:	272,878
Mustard	1,021		

The methods of irrigation and acres of each are:

	% of Total	Acres
Pivot	94.7	258,536
Gravity (Flood)	3.3	8,952
Wheel Move/Hand Move	1.9	5,196
Subsurface Drip	0.1	194
	100	272,878

Respectfully submitted,
Daryl Brouwers
Operations Supervisor

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.

Projects which do not include IRP in the description are being funded under the Alberta Irrigation Modernization program. Funding for this program includes a 30% grant from the province, with the district funding the remainder. The Canada Infrastructure Bank provides a loan for 50% of the total approved costs.

Brief descriptions of projects that were completed last year, those that are now under construction, and those that are planned for next year follow.

Projects Completed in the 2020/2021 Construction Season

<u>Project Description</u>	<u>Estimated Final Cost</u>
IRP 2364 Lateral H/H-1 (Vauxhall Block)	\$2,400,000
B-5-C / Drain A (Vauxhall Block) pipelines	\$2,280,000
Lomond Lateral Rehabilitation km 30.3 to km 43.0	\$5,650,000
Lost Lake North Channel Pipeline	\$360,000

Projects to be Completed in the 2021/2022 Construction Season

<u>Project Description</u>	<u>Cost Estimate</u>
IRP 2372 Main Canal Drop 3 Replacement	\$3,003,000
Lateral H-7-2 (West Block) Pipeline	\$435,000
Lateral H (West Block) Pipeline	\$2,778,000

Projects to be Completed in the 2022/2023 Construction Season

<u>Project Description</u>	<u>Preliminary Cost Estimate</u>
Lateral O (Hays Block) Pipeline	\$3,867,000
B-K-3 (Vauxhall Block) Pipeline	\$9,100,000

The Lateral O (Hays Block) pipeline includes a new check structure on the main canal at the inlet to Scope Reservoir, which will replace the existing reservoir inlet structure. It is being constructed in 2021/2022 along with a portion of the pipeline.

The B-K-3 pipeline is the first of three large pipelines which will be constructed to replace Lateral B and all its sub-laterals.

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 H-1(Vauxhall Block) is included in our 2019-2023 seepage control plan. A pipeline will eliminate seepage on this system.

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, Forestry and Rural Economic Development, and the Canada Infrastructure Bank.

Respectfully submitted,

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

NOTICES AND ANNOUNCEMENTS

2021 BOARD ELECTIONS

Elections for three (3) electoral divisions are scheduled for Tuesday, March 15, 2022 (providing there are enough nominees to hold an election).

The electoral divisions up for this year are:

Division # 3 Current Director: James Larson

Division # 5 Current Director: Vic Van Dyk

Division # 6 Current Director: Vacant

Electoral Division 3 - Term Expires 2025

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 5 -Term Expires 2025

Includes all parcels of land with irrigation acres recorded on the assessment roll of the Bow River Irrigation District situated within Townships 11, 12 and 13, Range 16 and 17 West of the Fourth Meridian.

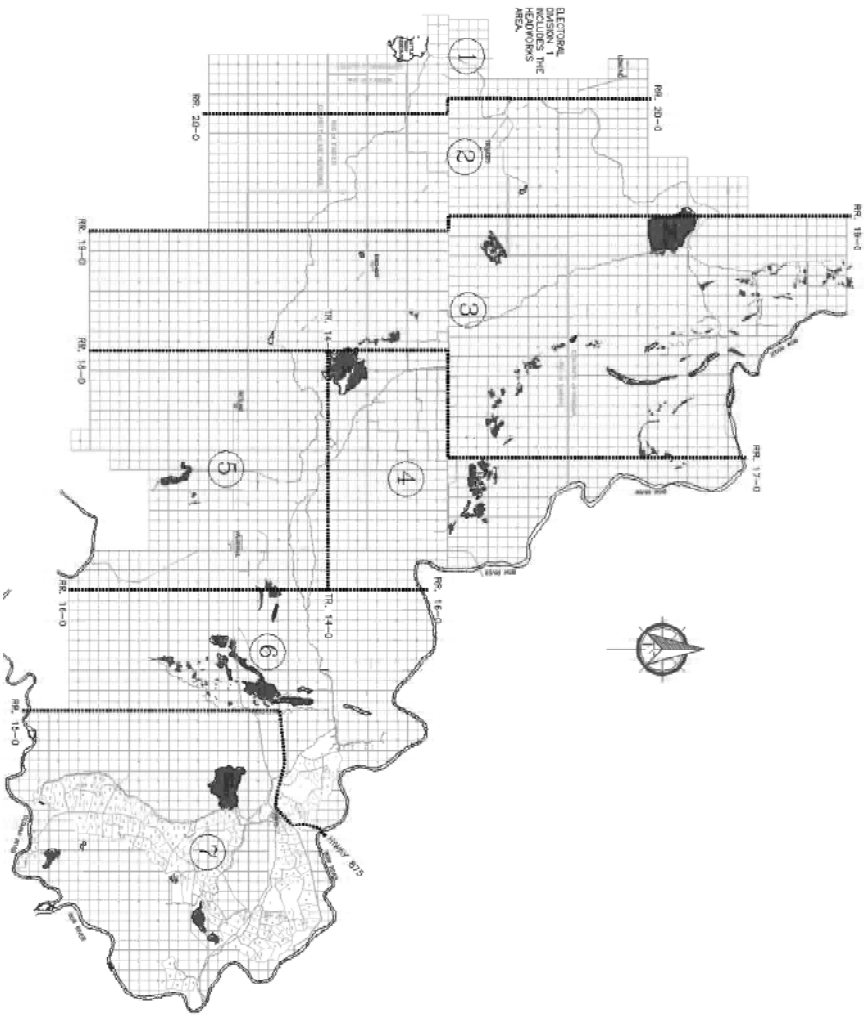
Electoral Division 6 – Term Expires 2025

Includes all parcels of land with irrigation acres recorded on the assessment roll of the Bow River Irrigation District situated within Range 15 West of the Fourth Meridian, and also portion of Townships 13 and 14, Range 14 West of the Fourth Meridian described as lying north of Highway #524 and west of Highway #875.

Nominations will close at 4:00 P.M Tuesday, February 22, 2022.

A nomination form may be found on Page 48 of this report.

BOARD ELECTORAL DIVISION BOUNDARIES



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

**THURSDAY, MARCH 10, 2022
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 9, 2021
5. Business from the Minutes of Last Year's Meeting
6. Auditor's Report and Review of Financial Statements
Period Ending October 31, 2021
- 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 IRRIGATORS OF THE
BOW RIVER IRRIGATION DISTRICT**

**TUESDAY, MARCH 9, 2021
VIRTUAL MEETING, 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 virtually on Tuesday, March 9, 2021.

Attendance included approximately 24 irrigators, 6 board members, 7 BRID staff members, 1 representative from Avail CPA, 3 representatives from ATB, 3 representatives from Irrigation Council, 1 representative from MPE Engineering Ltd., and 1 representative from the Government of Canada for a total of approximately 46 attendees.

The meeting was called to order at 1:30 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 said introductions would not be done due to the meeting being held virtually. Richard Phillips said that the 2021 board elections saw Glenn Logan (Area #1-Headworks) and Walter Unruh (Area #7-Hays) returned to the board by acclamation. Jessica Robbins then reviewed the zoom meeting protocols for attendees to follow.

2) Appointment of a Meeting Chairperson

Richard Phillips introduced John DeVries, whom the board had previously appointed as Chairman of the meeting.

3) Adoption of Agenda

John DeVries welcomed all attendees and introduced the board members. He asked that attendees review the agenda in the annual report and asked if anyone wished to add items. As there were none, he requested a motion to accept the agenda.

Moved by Glenn Logan that the agenda be accepted as printed.

CARRIED

4) Approval of the Minutes of the last Annual Meeting: March 10, 2020

John DeVries requested that attendees review the minutes of the last year's annual meeting on pages 20 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 10, 2020 annual meeting was requested.

Moved by James Larson that the minutes of the March 10, 2020 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

John DeVries asked if there was any business from the minutes of last year's annual meeting. Nothing was noted.

6) Auditor's Report and Review of Financial Statements

Period ending October 31, 2020: Assistant General Manager – Finance and Human Resources: Jessica Robbins, CPA, CA

Jessica Robbins presented the financial report.

John DeVries invited any questions related to the review of the financial statements. None were raised.

Moved by Richard Stamp that the financial statements for the year ending October 31, 2020 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:

- Meetings: It was a very challenging year due to COVID-19. Many meetings and events were cancelled, some changes had to be made to keep the board, employees, and water users safe. 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 listen to concerns from them.
- Milestones: 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.
- Funding: 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, MLAs, 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.
- Solar Projects: The BRID has many solar energy projects being planned, built, and operating throughout the district.
- Water Allocation: 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.
- Lease Auction: 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.
- 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.

John DeVries invited questions relating to the Chairman's report. None were noted.

Moved by Lucas Bennen 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 reproduced below:

- 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 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 licensed 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 groundkeeper, 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.

John DeVries invited any questions relating to the General Manager's report.

Q. Ron Schlaht asked if 30% of the Deadhorse Coulee project will be funded by the government.

A. Richard Phillips said 30% of the funding will come from the Alberta Government, 50 % will be funded by a long-term low interest loan through CIB, with 20% upfront from the district. The loan will be paid over 35 years.

Q. Ron Schlaht asked if Deadhorse Coulee could go ahead without a plebiscite and what the timeline is for it.

A. Richard Phillips said it absolutely could. The only thing we need a plebiscite for is when we want to change our expansion limit.

Q. Ron Schlaht asked if we know when the expansion plebiscite will be.

A. Richard Phillips said that would be a board decision and called on Chairman, Walter Unruh to comment.

A. Walter Unruh said it will be in the future. Once we have the ability to have the water available, then we will decide.

A. Richard Phillips said the modernization project pipelines that will save a lot of water have to be completed by the spring of 2025. We hope to begin construction of Deadhorse Reservoir no later than the spring of 2024 and that it is realistic to complete construction in two years, filling in 2025/2026. At that point, there is no reason not to expand. Based on these dates, the earliest expansion would be 2025, and the latest would be 2027.

Q. Daryl Johnson asked what the cost of new expansion acres would be set at in order to cover the loan for Deadhorse and the other works.

A. Richard Phillips asked Jessica Robbins how much money we have in our reserves. She said we currently have over \$50 million. Richard said our total commitment to this project is \$70 million. We currently have \$50 million in reserves and have 35 years to repay it. Even if we didn't expand at all, we would repay this loan quite comfortably if we used all our reserves as well as covering the upfront portion, considering it would be less than \$1 million per year over 35 years, and that's normally what we put into rehabilitation out of our own pockets. The rate will be a question for the board at the time that we expand. It is safe to say it will not be any less than it is today.

A. John DeVries said as a board we really would have liked to bring this to the water users and have a plebiscite on it, but we were specifically told by both levels of government that it was not an option.

John DeVries invited further questions relating to the General Manager's report. None were raised.

Moved by Brian Witdouck that the General Manager's report be accepted as presented.

CARRIED

9) **Annual Maintenance of Irrigation Works Report**

Bill Skelly presented a summary of his written report as it appeared in the annual report.

- Magnacide was used proactively in 2020 and we experienced fewer problems with aquatic weeds and algae this year.
- Projects completed including 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 Enchant. Our goal is to do two or three pipelines per year.
- The district started to replace some steel mainline fittings with PVC fittings and change farmer turnouts to stainless steel.
- The district 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. We 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.

John DeVries invited any questions relating to the maintenance of irrigation works report. None were raised.

Moved by John Kolk that the annual maintenance of irrigation works report be accepted as presented.

CARRIED

10) **Presentations**

The following reports were presented:

Operations Report - Daryl Brouwers, Operations Assistant

Daryl Brouwers presented a summary of the operations report as printed in the annual report.

John DeVries invited questions relating to the 2020 operations report. None were raised.

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

Richard Phillips said last year we completed three projects all in the western part of the district. The E-2 / Drain F pipeline, the M-1 pipeline and the Main Canal Drop 7 pipeline.

This winter we have a busy construction season underway; we are doing the Lomond Lateral for 13km, which will be about a \$6.5 million project when completed.

We also have pipelines happening in the Vauxhall area: the B-5-C and Drain B pipelines are well underway. That will be a \$2.4-2.5 million job. We are replacing the canal out of Reservoir H, locally known as Marshes Lake, which will be a \$2.5 million job.

We are also doing the Lost Lake pipeline, replacing the old channel that lost a lot of water through seepage with a pipeline. It's a smaller job costing roughly \$360,000. The pipeline out of Marshes is part of IRP, while the other three are part of the new infrastructure program.

Looking ahead to next year under IRP we will be replacing Drop Structure 3 on our main canal. It's our largest drop structure and it will cost about \$3 million.

We will also be doing a couple of pipelines in the West Block. Lateral H, our last concrete ditch, will be replaced with a pipeline and later H-7-2 will also be replaced. Lateral H will be a \$2.7 million job, and H-7-2 will be a \$400,000 job.

In addition, next year we are looking at doing the Lateral O (Hays Block) which comes off the main canal just below Scope. The engineering is well underway for that. In order to make that work as a pipeline, we are going to move the inlet structure from the canal below Scope Reservoir to the canal above Scope to gain some elevation.

In addition to the pipeline, we are going to build a new inlet structure into Scope. The new one will also be a check structure. It's not likely we will get the whole project completed next year because both the top and bottom end are crossing Crown Land and that's a time consuming, tedious job to get approval to work on Crown Land. We will certainly go in and put the pipe in on private land, so the following year there will be very little work to do on Crown Land. It's important to keep doing pipe because then we have a big project replacing the B & K system for the following three winters after that. We want to be sure we stay on track.

John DeVries invited questions relating to the district rehabilitation program report.

Q. Brian Witdouck asked if the map shown could be posted on our website.

A. Richard Phillips said we will have it posted on our website.

Q. Chris Siemens asked if Richard could point out where expansion is going.

A. Richard Phillips asked if Chris was referring to current expansion or what

future expansion. Chris said he was referring to the current expansion on the map.

- A. Richard Phillips said it doesn't show on the map, but it's primarily in the western part of the district. Very little expansion has happened east of Highway 864 from Enchant to Taber. It has mostly been west of Highway 864.

No further questions were raised relating to the 2020 District Rehabilitation Project Report.

11. **New Business**

John DeVries asked if anyone had new business.

- Q. Ron Schlaht asked regarding the coalmine issue in the news if the BRID and AIDA are in support to stop anymore of these open bit coalmines to secure our water.

A. Richard Phillips said AIDA has essentially drafted a position, while trying to walk a fine line in a sensitive area. Traditionally irrigation has had a target on our back because our critics believe we are taking too much water out of the rivers: it's the perception of many people that we are the bad guys. We are reluctant to point the finger at the coalminers. Our position as AIDA is that anything be subject to appropriate regulatory review to ensure that any development happens reasonably in a way that we can utilize the gifts we've been given, without unacceptable harm to others or the environment.

- Q. John Kolk asked if the AIDA has means of reporting how good their water efficiency is.

A. Richard Phillips said we've tracked water efficiency for a very long time as districts. Every year, Alberta Agriculture publishes a booklet that is available online. Alberta Water Council does regular reporting on efficiency and productivity as well. We are the largest water consumer and we have demonstrated tremendous improvements in efficiency and productivity over the years since Water for Life was introduced many years ago.

- Q. Chris Siemens said to clarify his previous question, he wanted to know where the acres from the future expansion will go.

A. Richard Phillips said they go wherever people want them to go as long as we are able to get water to them. They most definitely do not have to be downstream of Deadhorse. Deadhorse will supply a portion of the 25,000 but a lot of them are also going to be supported by the water saving of the pipelines we are putting in. When we finish these pipelines, we will reduce our return flow, seepage, and evaporation losses by a very large amount. Whether you have water at the top end of the system or the bottom end of the system, its still water saved that can be used anywhere in our entire huge system. Again, this is subject to having canals close enough for people to get the water, and canals have to have the capacity to get the water there. There is no geographical restriction to where expansion could occur in the future.

- Q. Brian Witdouch asked if it was necessary to wait for a plebiscite for new

acres. There are efficiencies happening in the district, so are we able to expand as we gain efficiencies?

- A. Richard Phillips said it will come down to what the board senses you the irrigators want. In terms of when to hold the next plebiscite, we don't have to wait until it's all finished to start. Physically there is no reason to wait until completion to begin.
- A. John DeVries said as a board we appreciate this dialogue. We try to listen to the water users.

John DeVries welcomed any further questions.

- Q. John Kolk commented that the water was much cleaner in the canal last year, saying it certainly seemed like an improvement and hopefully that proactive approach will continue in the upcoming year.
- A. Richard Phillips said it is absolutely our intention to be more proactive with the magnacide use, as well as doing whatever else we can to ensure we have good clean water for delivery. One of the biggest issues that can mess things up, is when we get a big spring run off it can introduce a lot of nutrients into the canal.

No further questions were raised.

12. Recognition

Walter Unruh congratulated Director Vic Van Dyk on the 10 years with the board. Walter Unruh said Vic came to Canada as an immigrant and worked along side John DeVries on the Hans Vissers feedlot in Taber. Vic owned the farm where the first water flowed in 1920. His son still runs that farm today. Walter said Vic has brought a lot to the board. Working on his family farm and along side his neighbors to achieve success gave him knowledge to help us at the BRID. Walter thanked Vic's wife Jeanie for her support and congratulated Vic on his 10 years with the board.

John DeVries said he would like to thank the water users in his district for letting him represent them, saying it's been a pleasure. The board is a team and together we make things happen. We appreciate each other, we work with each other, and we try to do the right thing all the time.

13. Adjournment

The meeting was adjourned at 2:45 P.M. on a motion by Richard Stamp.

BOW RIVER IRRIGATION DISTRICT

FINANCIAL STATEMENTS

OCTOBER 31, 2021

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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.



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, 2021, 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, 2021, 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:

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.

Lethbridge, Alberta
January 26, 2022





Chartered Professional Accountants

BOW RIVER IRRIGATION DISTRICT
Statement of Financial Position
As at October 31, 2021

	General Fund	Irrigation Works	2021	2020
ASSETS				
CURRENT ASSETS				
Cash	1,152,720	40,080,132	41,232,852	22,837,520
Short-term investments (Note 3)	-	6,754,029	6,754,029	7,919,137
Accounts receivable (Note 4)	3,996,882	761,673	4,758,555	1,969,185
Materials and supplies, at cost	1,011,098	-	1,011,098	1,107,234
Prepaid expenses	121,090	-	121,090	120,180
Work in process	-	3,178,819	3,178,819	2,260,408
Due from funds	-	1,332,451	1,332,451	2,156,677
	6,281,790	52,107,104	58,388,894	38,370,341
LONG-TERM INVESTMENTS (Note 3)	-	14,562,574	14,562,574	18,098,084
PROPERTY AND EQUIPMENT (Note 5)	3,875,609	-	3,875,609	3,825,385
IRRIGATION WORKS (Note 5)	-	121,315,516	121,315,516	115,653,731
	10,157,399	187,985,194	198,142,593	175,947,541
LIABILITIES AND FUND BALANCES				
CURRENT LIABILITIES				
Accounts payable and deferred revenue (Note 9)	849,512	5,023,792	5,873,304	5,517,059
Due to funds	1,332,451	-	1,332,451	2,156,677
	2,181,963	5,023,792	7,205,755	7,673,736
LONG-TERM DEBT (Note 10)	-	4,398,152	4,398,152	-
	2,181,963	9,421,944	11,603,907	7,673,736
COMMITTMENTS (Note 11)				
CONTINGENCIES (Note 12)				
FUND BALANCES				
Invested in capital assets (Note 5)	3,875,609	121,315,516	125,191,125	119,479,116
Externally restricted (Note 6)	-	2,959,695	2,959,695	2,698,507
Internally restricted (Note 6)	-	54,288,039	54,288,039	41,987,844
Unrestricted	4,099,827	-	4,099,827	4,108,338
	7,975,436	178,563,250	186,538,686	168,273,805
	10,157,399	187,985,194	198,142,593	175,947,541

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, 2021

	General Fund	Irrigation Works	2021	2020
REVENUE				
WATER EARNINGS				
Irrigation rates (Note 7)	4,611,368	-	4,611,368	4,505,196
Water supply rentals	83,104	-	83,104	94,264
Sale of excess and domestic water	86,720	-	86,720	81,600
Discounts and penalties, net	8,147	-	8,147	-176,208
	<u>4,789,339</u>	<u>-</u>	<u>4,789,339</u>	<u>4,504,852</u>
LEASE REVENUE, NET	1,394,083	-	1,394,083	1,238,367
INVESTMENT INCOME	26,046	1,136,209	1,162,255	972,255
UNREALIZED GAIN ON INVESTMENTS	-	283,340	283,340	74,797
PROVINCE OF ALBERTA	-	4,534,856	4,534,856	3,824,406
CONTRIBUTIONS FROM FARMERS	-	16,671,005	16,671,005	16,472,855
MISCELLANEOUS	50,648	-	50,648	58,754
	<u>6,260,116</u>	<u>22,625,410</u>	<u>28,885,526</u>	<u>27,146,286</u>
EXPENSES				
OPERATING EXPENSES (SCHEDULE 1)	4,383,359	207,913	4,591,272	5,551,479
AMORTIZATION OF IRRIGATION WORKS	-	6,029,373	6,029,373	5,803,921
CONSULTING FEES (REVENUE)	-	-	-	-
	<u>4,383,359</u>	<u>6,237,286</u>	<u>10,620,645</u>	<u>11,355,400</u>
EXCESS OF REVENUE OVER EXPENSES	1,876,757	16,388,124	18,264,881	15,790,886
PROVISION FOR IRRIGATION WORKS (Note 8)	(1,835,044)	1,835,044	-	-
	<u>41,713</u>	<u>18,223,168</u>	<u>18,264,881</u>	<u>15,790,886</u>
FUND BALANCES, beginning of year	<u>7,933,723</u>	<u>160,340,082</u>	<u>168,273,805</u>	<u>152,482,919</u>
FUND BALANCES, end of year	<u>7,975,436</u>	<u>178,563,250</u>	<u>186,538,686</u>	<u>168,273,805</u>

BOW RIVER IRRIGATION DISTRICT
Statement of Combined Cash Flows
For the Year Ended October 31, 2021

	2021	2020
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Excess of revenue over expenses	18,264,881	15,790,886
Items not involving cash:		
Amortization of property and equipment	549,057	536,112
Amortization of irrigation works	6,029,373	5,803,921
Gain on sale of property and equipment	(1,249,799)	(13,412)
	<u>23,593,512</u>	<u>22,117,507</u>
Net change in non-cash working capital balances		
Accounts receivable	(2,789,370)	(308,789)
Materials and supplies, at cost	96,136	(297,300)
Prepaid expenses	(910)	(5,791)
Accounts payable and deferred revenue	356,245	92,197
	<u>21,255,613</u>	<u>21,597,824</u>
INVESTING ACTIVITIES		
Purchase of property and equipment	(692,347)	(976,332)
Proceeds on disposal of capital assets	1,342,866	77,750
Expenditures on irrigation works	(11,691,158)	(8,408,326)
Change in work in process	(918,411)	(1,587,013)
Change in long-term investments	3,535,509	(196,096)
Change in long-term debt	4,398,152	-
	<u>(4,025,389)</u>	<u>(11,090,017)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	17,230,224	10,507,807
CASH AND CASH EQUIVALENTS, beginning of year	<u>30,756,657</u>	<u>20,248,850</u>
CASH AND CASH EQUIVALENTS, end of year	<u>47,986,881</u>	<u>30,756,657</u>
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash	41,232,852	22,837,520
Short-term investments	6,754,029	7,919,137
	<u>47,986,881</u>	<u>30,756,657</u>

BOW RIVER IRRIGATION DISTRICT

Notes to Financial Statements

For the Year Ended October 31, 2021

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 corporation 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. It also includes funds provided by the Province of Alberta and loaned by the Canada Infrastructure Bank for the Alberta Irrigation Modernization program. The Province contributes 30%, the CIB loans 50% and the District contributes 20%.

BOW RIVER IRRIGATION DISTRICT

Notes to Financial Statements

For the Year Ended October 31, 2021

2. Accounting Policies (continued)

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.

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.

BOW RIVER IRRIGATION DISTRICT

Notes to Financial Statements

For the Year Ended October 31, 2021

2. Accounting Policies (continued)

Pension

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

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, 2021

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, 2021

3. Investments

	2021	2020
Managed portfolios (cost - \$4,507,506)	5,134,493	4,545,952
GICs	14,677,462	19,791,126
Fixed income (cost - \$1,542,895)	1,504,648	1,680,143
	21,316,603	26,017,221
Less: short term	(6,754,029)	(7,919,137)
Long term investments	14,562,574	18,098,084

Short-term investments totalling \$6,754,029 (2020- \$7,919,137) mature in the next year. They include GICs, term deposits and bonds at interest rates varying from 1.47% to 3.28%. Long term investments totalling \$14,562,574 (2020 - \$18,098,084) mature in one to nine years. They includes GICs, term deposits and bonds at varying interest rates from 1.11% to 3.50% and equities.

4. Accounts Receivable

	2021	2020
Water rates and charges	3,291,977	803,575
Leases	288,211	61,830
Sundry	416,694	414,207
Accrued interest	846,673	689,573
	4,843,555	1,969,185

Sundry includes an estimate of \$270,219 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, 2021

5. Property and Equipment

<u>General</u>	2021		2020	
	Cost	Accumulated Amortization	Net	Net
Office shop complex	2,373,953	1,182,612	1,191,341	1,228,186
Buildings	-	-	-	44,019
Trucks	2,132,478	1,450,651	681,827	847,522
Power equipment	3,427,682	1,808,116	1,619,566	1,322,937
Computers	301,853	243,998	57,855	35,753
Other equipment	1,125,008	799,988	325,020	346,968
	<u>9,360,974</u>	<u>5,485,365</u>	<u>3,875,609</u>	<u>3,825,385</u>

<u>Irrigation Works</u>	2021	2020
Irrigation works opening balance	249,738,521	241,330,195
Additions to irrigation works		
Land	-	2,743,000
External goods and services	10,136,211	4,873,561
Internal (District) goods and services	<u>1,554,947</u>	<u>791,765</u>
Irrigation works at end of year	<u>261,429,679</u>	<u>249,738,521</u>
Amortization opening balance	134,084,790	128,280,869
Disposals	-	-
Current year amortization	<u>6,029,373</u>	<u>5,803,921</u>
Amortization at end of year	<u>140,114,163</u>	<u>134,084,790</u>
Irrigation works closing balance	<u>121,315,516</u>	<u>115,653,731</u>

BOW RIVER IRRIGATION DISTRICT

Notes to Financial Statements

For the Year Ended October 31, 2021

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	External		2021	2020
	District	Right of Way	Cost Share		
Opening fund balance	41,987,844	31,204	2,667,303	44,686,351	31,339,547
<u>Add:</u>					
Contributions new parcels	16,823,865	-	-	16,823,865	15,892,095
Province of Alberta	2,629,723	-	1,905,133	4,534,856	3,824,406
District	1,835,044	-	635,044	2,470,088	1,799,604
Contributions from farmers	292,891	-	-	292,891	655,674
Investment earnings	1,125,984	172	10,053	1,136,209	901,757
Unrealized gain	283,340	-	-	283,340	74,797
	64,978,691	31,376	5,217,533	70,227,600	54,487,880
<u>Deduct:</u>					
Additions to capital works (Note 5)	9,401,944	-	2,289,214	11,691,158	5,665,326
Purchase of land	-	-	-	-	2,743,000
Operating fees	207,913	-	-	207,913	43,487
Payments to water users	445,751	-	-	445,751	46,914
Drain relocations	-	-	-	-	28,000
Transfer to cost share	635,044	-	-	635,044	1,274,802
	54,288,039	31,376	2,928,319	57,247,734	44,686,351

BOW RIVER IRRIGATION DISTRICT
Notes to Financial Statements
For the Year Ended October 31, 2021

7. Irrigation Rates		
Irrigation rates, net, consist of:		<u>2021</u>
284,784.76 acres	at \$16.00 per acre	4,556,556
579.63 acres	at \$400.00 per parcel minimum	23,200
	58 parcels at 25 acres minimum	
240.93 acres	at \$19.00 per acre, terminable	<u>4,578</u>
		4,584,334
1,086.01 acres	at \$19.00 per acre, annual	20,634
16.00 acres	at \$400.00 per parcel minimum, annual	<u>6,400</u>
		<u><u>4,611,368</u></u>

8. Provision for Irrigation Works		
		<u>2021</u> <u>2020</u>
Contribution to cost share reserve		635,044 1,274,802
Transfer to (from) reserves		<u>1,200,000</u> <u>(750,000)</u>
		<u><u>1,835,044</u></u> <u><u>524,802</u></u>

BOW RIVER IRRIGATION DISTRICT
Notes to Financial Statements
For the Year Ended October 31, 2021

9. Accounts Payable and Deferred Revenue

Included in accounts payable is deferred revenue of \$3,521,443 representing deposits on expansion acres and goods and services taxes payable of \$214,185.

10. Long Term Debt

On December 18, 2020, the District entered into a funding agreement with Irrigating Alberta Inc. ("IAI"). Funding will be provided to the District through a Canadian Infrastructure Bank ("CIB") loan and a grant from the Province of Alberta. The funds are to be used for the development and construction of the Modernization Projects and Reservoir Projects.

In accordance with the terms of the funding agreement, IAI has agreed to the sources of funds to be made available to the District in the maximum initial amount of \$102,975,000 and is comprised of: 30% (\$30,892,500) contributed by a grant from the Province of Alberta; and 50% (\$51,487,500) will be from a CIB loan. The District will be responsible for the remaining 20% (\$20,595,000) of the approved projects. The loan will accrue interest at 1.0% per annum for 35 years to be repaid by incremental revenues. The funds can be drawn on up to 102 months after the effective date (December 18, 2020) with a possible 18 month extension. The outstanding balance of the loan as at October 31, 2021 was \$4,398,152.

Security on the loan consists of a general security agreement on the incremental revenues attributable to these projects. These revenues include capital asset charges, new surcharges, fees and other operating revenues. The District is only liable to IAI for its proportionate share and does not guarantee any portion related to the other Districts who have separate loans.

11. Commitments

The District has commitments in an estimated amount of \$1,068,958 (2020 - \$730,954) in respect of uncompleted work on approved cost sharing projects.

12. 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.

BOW RIVER IRRIGATION DISTRICT

Notes to Financial Statements

For the Year Ended October 31, 2021

13. 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 2021 were \$257,129 (2020 - \$223,373) and the contributions made by the District to the plan in 2021 were \$279,717 (2020 - \$251,510). At December 31, 2020 the Plan served about 275,863 people (2019 – 274,151) and 433 employers (2019 – 420) and it disclosed an actuarial surplus of \$5.0 billion (2019 - \$7.9 billion).

14. 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 \$14,562,574 (2020 - \$18,098,084).

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.

BOW RIVER IRRIGATION DISTRICT

Notes to Financial Statements

For the Year Ended October 31, 2021

15. Related Parties

During the year the District received revenues of \$52,056 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.

16. 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, 2021

Schedule 1

	2021			2020	
	Maintenance & Equipment	Water Delivery	Administration	Total	Total
EXPENSES					
Salaries and wages	1,653,083	436,558	934,256	3,023,897	3,017,109
Employee benefits	338,734	99,623	208,179	646,536	611,435
Equipment operations & maintenance	640,183	-	1,694	641,877	493,852
Materials and supplies	560,100	488	96,451	657,039	596,079
Amortization	527,558	-	21,499	549,057	536,112
Weed and pest control	27,877	744,580	-	772,457	595,387
Delivery pumps	3,147	100,653	-	103,800	102,346
Contracted services	-	-	85,070	85,070	58,739
Association fees	-	25,150	88,945	114,095	113,475
Board of Directors fees and expenses	-	-	107,485	107,485	140,219
Insurance	73,422	-	8,516	81,938	66,641
Equipment rent	174,578	-	-	174,578	105,057
Professional fees	-	-	25,551	25,551	26,235
Telephone	-	6,315	10,655	16,970	23,348
Miscellaneous	736	12,911	5,256	18,903	25,922
Conference and seminars	1,680	1,140	540	3,360	10,654
Postage	-	-	8,079	8,079	9,648
Advertising	-	-	19,214	19,214	32,115
Land titles charge	-	-	2,054	2,054	5,159
Loss (gain) on disposal of equipment	-	-	(1,249,799)	(1,249,799)	(13,412)
Bank charges	-	-	2,847	2,847	2,531
Travel	164	-	478	642	896
Allowance for doubtful accounts	-	-	7,350	7,350	-
Custom work recoveries	(4,902)	-	-	(4,902)	(5,598)
Building occupancy costs, net	10,654	-	-	10,654	(20,813)
Labour recoveries	(256,154)	(87,613)	(294,833)	(638,600)	(427,218)
Equipment recoveries	(911,281)	102,008	12,480	(796,793)	(597,926)
General Fund operating expenses	2,839,579	1,441,813	101,967	4,383,359	5,507,992
Irrigation Works operating expenses			207,913	207,913	43,487
TOTAL	2,839,579	1,441,813	309,880	4,591,272	5,551,479



**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)

Land location with irrigation acres in the electoral division

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

To be signed by at least two irrigators of the Bow River Irrigation District who
are eligible to vote.

Printed name:	Land location containing irrigation acres in the District:	Signature:
_____	_____	_____
_____	_____	_____
_____	_____	_____

I hereby confirm that I am eligible under Section 35 or 36 of the Irrigation Districts
Act to become a member of the Board. I consent to being nominated as a candidate
for election of Director for the Board of the Bow River Irrigation District, and agree
if elected to serve as a member of the Board for the term for which I am elected.

To be signed by candidate



Road Bore B-5-C Pipeline



Topsoil in Canal



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		