

WESTERN IRRIGATION DISTRICT



ANNUAL REPORT 2019

ANNUAL GENERAL MEETING

APRIL 1, 2020 – 1:30 PM

Strathmore Travelodge

350 Ridge Road, Strathmore

.....
PLEASE BRING THIS REPORT
WITH YOU TO THE MEETING



Form 1

NOTICE OF ANNUAL MEETING

Irrigation Districts Act Forms Regulations (Section 45(2)(b))

Take Note that the annual meeting of the Irrigators of the Western Irrigation District will be held at the Strathmore Travelodge, Strathmore, Alberta on the 1st day of April 2020 at 1:30 p.m to:

- (a) Present annual reports of:
(i) the chair on behalf of the Board,
(ii) the manager,
(iii) the auditor of the district, and
(iv) the maintenance of irrigation works for the district, and,
(b) to conduct any other business.

David McAllister. P.Eng, MSc, MBA
General Manager

NOTICE OF ELECTION

Irrigation Districts Act (Section 53)
Local Authorities Election Act (Section 35, 46)

WESTERN IRRIGATION DISTRICT in the PROVINCE OF ALBERTA
Notice is hereby given that an election will be held for the filling of the following office(s):

Table with 3 columns: Office(s), Number of Vacancies, Division Number. Rows include Director (1 vacancy, Division 2) and Director (1 vacancy, Division 5).

Only those irrigators of the District can vote whose majority of irrigation acres fall within Electoral Division 2, which comprises Townships 22, 23, and 24 in Ranges 23 and 24. And Township 24 in Range 25.

Only those irrigators of the District can vote whose majority of irrigation acres fall within Electoral Division 5, which comprises Townships 25, 26 and 27 in Ranges 21, 22, 23 and 24.

Voting will take place on the 1st day of April 2020 between the hours of 10:00 am and 8:00 pm. The voting station will be located at the Western Irrigation District office at 105-900 Pine Road, Strathmore, Alberta.

David McAllister, P. Eng., MSc, MBA
Returning Officer

Voter Information for Poll

Irrigation Districts Act, Section 56:

- (2) A person is eligible to vote at an election of the district only if that person is
a) an irrigator recorded on the most recent assessment roll of the district as an irrigator of that district, or
b) appointed under a written authorization as an agent for a body corporate that is an irrigator of the district to vote on behalf of the body corporate.
(3) An irrigator may cast only one vote at an election.
(4) Notwithstanding subsection (3), an irrigator may also cast a vote on behalf of a body corporate if that irrigator is appointed as an agent for the body corporate in accordance with subsection (2)(b).
(5) Where more than one irrigator is the owner of one or more parcels, the number of irrigators who may vote may not exceed the number of parcels.
(6) An irrigator may vote in any voting subdivision of the district or electoral division, as the case may be, if
(a) the irrigator's name appears on the list of electors for the district or electoral division, or
(b) the irrigator makes a statement in the form prescribed in the regulations in the presence of an officer at the voting station that the irrigator is eligible to vote as an elector in the district or electoral division.

An Irrigator:

Section (1)(x): "irrigator" means an owner of a parcel with irrigation acres.

Section 57(3):

"an irrigator must vote in the electoral division in which that irrigator has irrigation acres, or if that irrigator has irrigation acres in more than one electoral division, the division in which the irrigator has the largest number of irrigation acres."




Note: In the event there is only one nomination for an electoral division, the nominee becomes elected by acclamation and balloting becomes unnecessary. Irrigators who are not sure which division applies to their lands, may check the listing of polling divisions contained in this announcement, or may contact the office of the Western Irrigation District.

MISSION STATEMENT

Effectively and efficiently provide water to support our industry, enhance our communities, and promote economic prosperity for the region in harmony with our natural environment.

WID STRATEGIC PRIORITIES

Each year, our Board and General Manager revisit the WID's annual plans to ensure alignment with our strategic priorities. Looking ahead to 2025, these are targets and tactics we are working hard to deliver.

STRATEGIC PRIORITY	PRIORITY DESCRIPTION	TARGETS 2025	KEY TACTICS
WATER SECURITY 	To divert and store water of sufficient quantity and quality to reliably meet the needs of all water users	<ul style="list-style-type: none"> • 3% increase in water licensed to WID • 10% reduction in water diverted but not used • Average water quality rated 'excellent' by Alberta Agriculture 	<ul style="list-style-type: none"> • Obtain additional water license • Develop additional reservoir storage • Separate stormwater management
SERVICE EFFICIENCY 	To deliver high water efficiency at all points within the system, from diversion to application on the farm; and, to effectively provide service to increasing number of water users	<ul style="list-style-type: none"> • 80%+ of acres irrigated using high efficiency irrigation systems • 10% reduction in water diverted but not used • 10,000-acre increase to WID expansion limit • Flood irrigation less than 2% of WID systems 	<ul style="list-style-type: none"> • Continue Irrigation Efficiency Program • Increase irrigation activity and density • Develop strategic reservoir storage • Prioritize canals to be converted to pipelines • Pursue District expansion • Repurchase acres
FINANCIAL SUSTAINABILITY 	To provide service to water users indefinitely at a cost they can afford and a value they can appreciate	<ul style="list-style-type: none"> • Less than 50% of revenue generated from irrigation rates • 20% increase in revenue generated from external sources • 10% revenue increase from water users due to expansion of irrigated area 	<ul style="list-style-type: none"> • System rationalization • Ensure cost controls • Pursue Municipal/First Nations partnerships • Stormwater Management • Increase irrigated acres • Diversify revenue

2019 SUCCESS HIGHLIGHTS AT A GLANCE



77,000 ACRES
HIGHEST ACREAGE IRRIGATED
IN WID HISTORY



\$40K/year
ENERGY COST SAVINGS AT
STOODLEY PUMP STATION THANKS TO
\$260K GRANT FOR SOLAR INSTALLATION



80%+
OF WID ACRES IRRIGATED
USED HIGH-EFFICIENCY
IRRIGATION SYSTEMS



\$1M+
IN OPERATING INCOME FROM SOURCES
OTHER THAN WATER RATES
(A RECORD!)



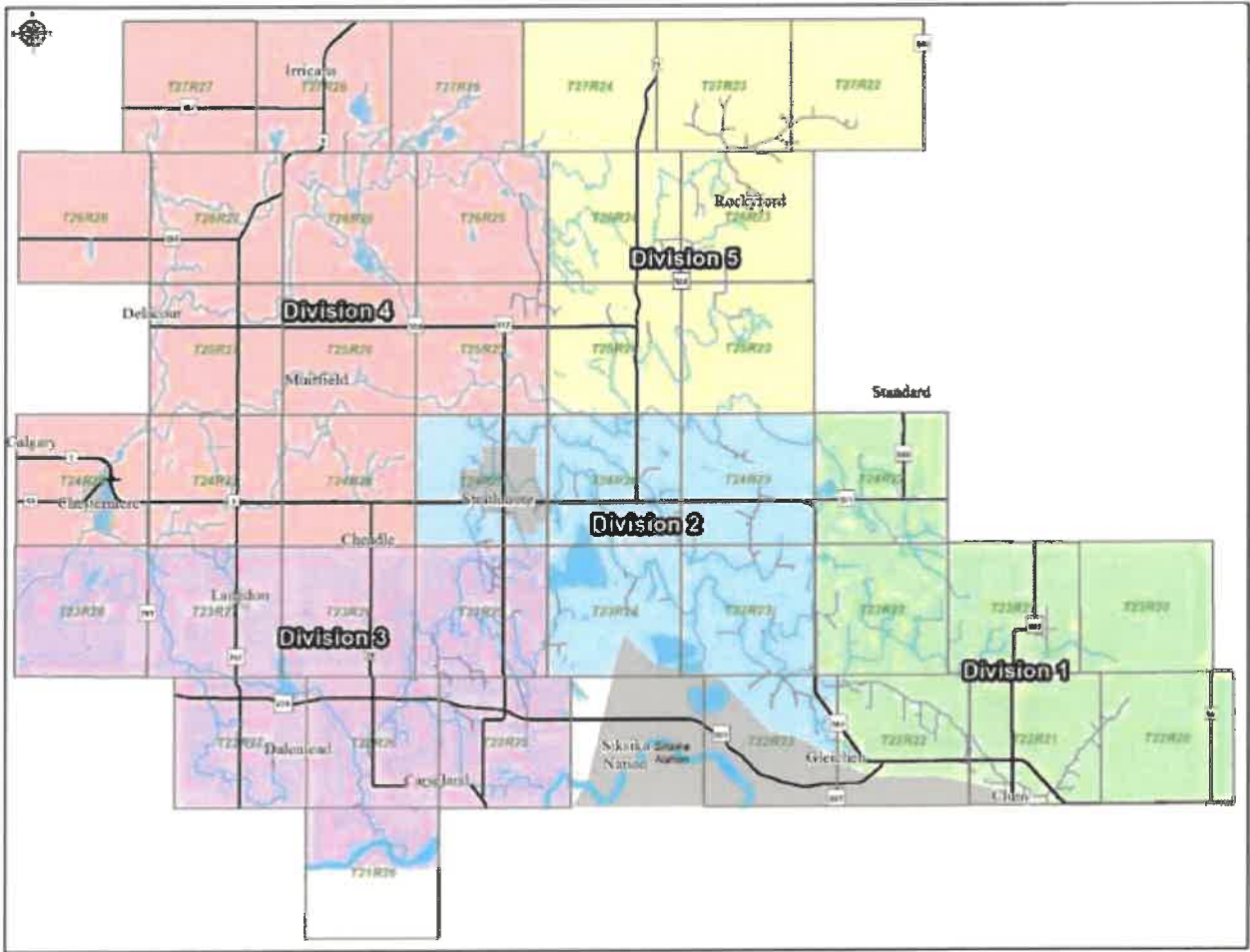
\$141M+
INVESTED IN
INFRASTRUCTURE
UPGRADES SINCE 2007

THE WID COMMITMENT
TO INFRASTRUCTURE CONTINUES,
WITH **53%+** OF INFRASTRUCTURE
NOW REMEDIATED

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DIVISIONS OF THE WESTERN IRRIGATION DISTRICT



Installation of liner and armoring on Glenrose Canal system

BOARD OF DIRECTORS



Left to Right: **Director** Henry Colpoys **Vice Chairman** Dan Shute **Chairman** Ray Kettenbach
Director Doug Brown **Director** Rick Page

ELECTORAL DIVISIONS

Division 1 – Doug Brown – Term expires 2022

Townships 21, 22, 23 and 24 in Ranges 20, 21 and 22

Division 2 – Henry Colpoys – Term expires 2020

Townships 22, 23 and 24 in Ranges 23 and 24 and Township 24 in Range 25

Division 3 – Rick Page – Term expires 2021

Townships 21, 22 and 23 in Ranges 25, 26, 27 and 28 and Township 23 in Range 29

Division 4 – Dan Shute – Term expires 2022

Township 24 in Ranges 26, 27 and 28 and Townships 25, 26 and 27 in Ranges 25, 26, 27 and 28

Division 5 – Ray Kettenbach – Term expires 2020

Townships 25, 26 and 27 in Ranges 21, 22, 23 and 24

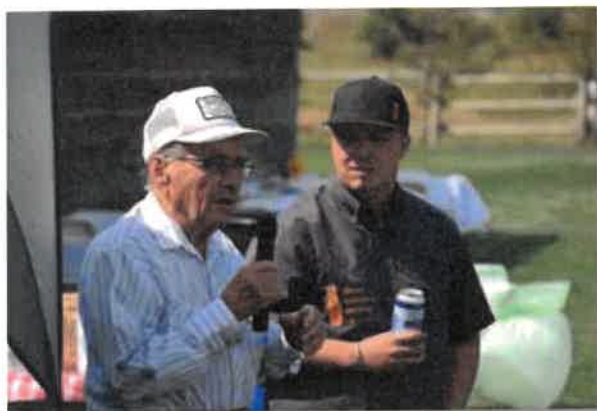
75TH ANNIVERSARY

Thank you to those who came from far and wide to celebrate the success of the WID on the occasion of our 75th anniversary. We enjoyed a summer afternoon connecting with more than 250 members of our WID community.

Our Board members and staff appreciated the opportunity to thank all our water users who contribute to the lasting legacy of irrigation in our district.



A lovely day to meet our water users



Longtime WID irrigators Gord Hilton and Kyle Geeraert from Origins Brewing prepared a special batch of malt beer for the event



Board Vice Chairman Dan Shute, MLA Angela Pitt, General Manager David McAllister, Board Chairman Ray Kettenbach and MP Martin Shields

CHAIRMAN'S REPORT

In 2019, the Western Irrigation District celebrated 75 years serving our community. During this milestone year, our water users **irrigated the largest total area in WID history!** This was possible because of the legacy of our early irrigators, previous and current Boards, and our committed staff. I personally thank each of you, and our water users, for contributing to this successful year.

We continue to deliver on our strategic priorities. The Board refined and adopted a plan that builds on past efforts and looks to the future. For the WID to prosper amid new challenges and a dynamic operating environments, our priorities are now organized under three areas:

Water Security is all about accessing enough water, of sufficient quality, when it is needed.

The WID continues to evaluate opportunities for potential district expansion, to build on the junior water license of 32,100 acre feet secured in 2016.

- The WID assessed the feasibility of accessing water from the Rosebud River
- The team is evaluating expanded use of the Eagle Lake Reservoir for water storage
- Initial results of both studies are promising, further information to come.

Through strategic partnerships like the Co-operative Stormwater Management Initiative (CSMI), the WID continues to maintain water quality. In 2019, \$2 million federal grant funding was granted to help with the separation and management of municipal stormwater from irrigation water.

Service Efficiency means that the WID continues to look for ways to be more efficient and increase water conservation throughout our system, from diversion to application on the farm.

- Further investment resulted in 5.5 km of rehabilitated infrastructure in 2019
- The Board approved updated 5-year capital plan to prioritize projects based on irrigation demand, water savings and operational improvement
- Water users invested in more efficient irrigation systems, supported by our matching grants program, resulting in the highest on-farm system efficiency in WID history.

Financial Sustainability is the WID's ability to deliver service at a cost that our water users can afford and a value they can appreciate.

More than \$2 million in additional external grants helped the WID to diversify revenue sources in 2019. Just like a farming or ranching operation, a diversified revenue stream and careful financial management helps to build a strong financial base. With a strong income statement and stable cash flow, the WID can continue to effectively manage water rates.

Looking ahead, our focus on these strategic priorities is critical to enable opportunities and benefits to water users and the communities we serve.

Respectfully yours,

Ray Kettenbach, MAAC, ABC
Chairman of the Board

GENERAL MANAGER'S REPORT

In 2019, the Western Irrigation District demonstrated that a focused commitment to our strategic priorities delivers success for our irrigators and our communities. It was a record year for our operations, and several efforts led to this success:

- Distribution of 740 acres of permanent irrigation rights
- Approval of 2,537 acres of alternative parcel agreements
- Approved 1,728 acres for WID water efficiency program to upgrade irrigation systems

Over 80% of acres irrigated in 2019 used a low-pressure pivot or a drip system, the most highly efficient available. This is an incredible, all-time high, with more than triple the number of our users on these systems since 2001. Significant strides in water efficiency mean that more water is available for users when needed and there is potential for the number of acres irrigated to increase.

Operationally, the 2019 water season began with a below-average snowpack but low temperatures helped retain the mountain snowpack later than in prior seasons. Timely rain events throughout June and July allowed water users to reduce their use at these times. As usual, irrigation demand peaked in late July and gradually declined throughout August and September. Significant differences in rainfall were observed throughout the District, resulting in higher application rates in the southeast portion.

More than \$1 million in revenue from non-water sources set an all-time high for the WID, significantly contributing to our financial sustainability. Grant funds to evaluate complementary revenue opportunities, such as renewable energy generation, have the potential to diversify revenue and provide sustainable cash inflows over the long-term.

Never in WID history have more acres been irrigated as efficiently with higher quality water than now.

Our strategic infrastructure projects leverage previous investments to increase overall water efficiency. In 2019, this involved rehabilitation of roughly 5.5 km of canals. For 2020, we will undertake projects to reduce seepage, evaporation and return-flows while improving water efficiency and resiliency:

- Start rehabilitation of Glenrose Canal system
- Complete work on North Cluny system
- Begin replacement of Field canal with a pipeline.

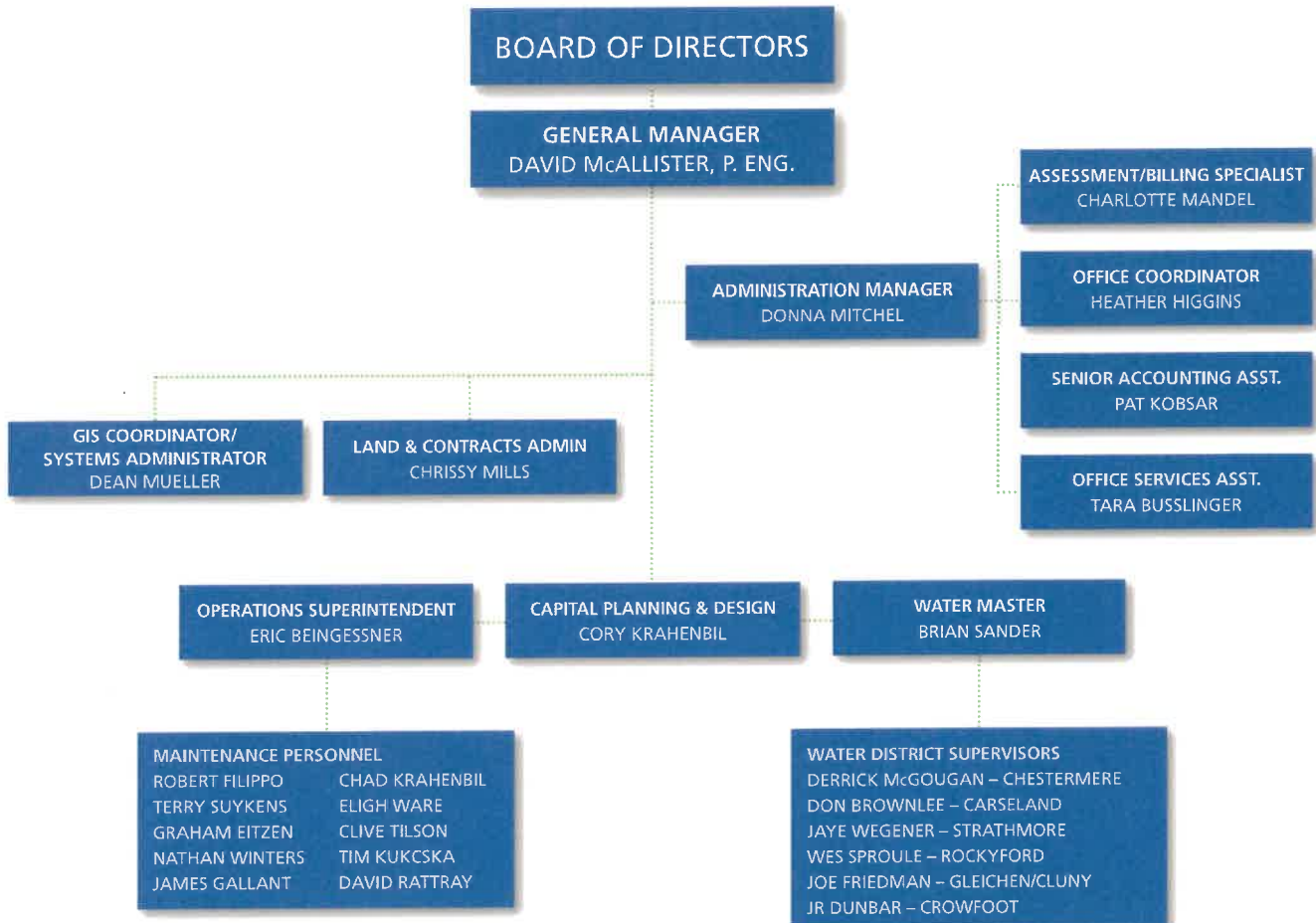
Along with our 75th anniversary, the WID set several important records in 2019 – for irrigation activity, water efficiency and financial sustainability. We will look to build on these accomplishments, with support from our Board, staff and water users, to ensure a vibrant future for irrigated agriculture in our region in 2020 and beyond.

Respectfully submitted,

David McAllister PEng, MSc, MBA
General Manager

WESTERN IRRIGATION DISTRICT

As of September 2019



WATER OPERATIONS

2019 water operations started on April 25th with diversion from the Bow River beginning to fill reservoirs in preparation for the upcoming water season. The first withdrawal of water from the system came on May 9th with the peak demand coming on July 31st when 283 contracts were recorded as using water on that day.

Bow River Diversion for the year totalled just over 120,687 acre feet which supplied all irrigation, household and domestic contract use as well as conveyance agreements with water. Peak diversion from the river occurred on July 30th when the district recorded 769 cubic feet/second of water being drawn from the Bow River. A total of 76,931 acres of land was irrigated in 2019 with the average irrigation application throughout the entire WID recorded at 8.25 inches. For comparison, 2018 diversion was 136,875 acre feet (13% higher than 2019) for 75,473 acres irrigated (1,458 less acres than 2019) with an average irrigation application of 11 inches.

Strathmore recorded a total of 205 mm of rainfall in 2019 from May 1st through October 1st according to Environment Canada (2018 total rainfall for Strathmore was 175mm).

WID DISTRIBUTES PERMANENT ACRES

The District provided an additional 740 permanent irrigation acres to 12 irrigators who applied through another District application process in 2019. This followed an initial distribution in 2018 where the WID provided 1,740 permanent irrigation acres to 20 successful applicants. Applications are scored based on 5 criteria, conveyance efficiency, on farm system efficiency, land classification, servicing infrastructure and infill of existing systems. Each criterion could score between 0 and 20 providing total scores out of 100. A capital asset fee of \$770.00 per acre was paid by each successful applicant. Acres acquired from this program must be actively irrigated within two years or the acres revert to the District.

For more details on acre distribution programs please contact Charlotte Mandel at the WID office, or visit www.wid.net

The District provided an additional 740 permanent irrigation acres to 12 irrigators who applied through the District application process in 2019.

**FINANCIAL
SUSTAINABILITY**



**SERVICE
EFFICIENCY**



H.P. SYSTEM CONVERSION EFFICIENCY GRANT

The WID continued to make grant funding available to irrigators for the conversion of existing high-pressure (H.P.) pivots to low pressure. Under the program, the WID reimburses producers 40% of the cost, up to a maximum of \$4,000, for the conversion of a H.P. pivot. The WID grant funds cover the cost of sprinklers and control panel conversions.

Combined with the current government C.A.P. program, the cost to producers to convert high-pressure pivots to low pressure could be reimbursed by up to 80% if a producer qualifies for both programs.



WATER MAXIMUMS FOR CROP AND STOCK USE (ALLOCATION)

2019 was the second year the WID imposed maximum water use amounts for its various water contracts. Crop production was allowed a maximum of 18 inches of water per acre without penalty. For stock consumption, the maximum volume allowed before penalty was 5 acre/feet. Overuse for both cases will be penalized at \$20.00 per acre/inch.

A key part of instituting this policy was to ensure that the WID water use records match those of producers in the field. In 2019, WID staff continued to confirm the water consumption rate of pivots, wheel moves and miscellaneous other irrigation systems by using a mobile strap-on flow meter. In conjunction with flow metering, irrigation systems continue to be GPS'd to confirm their irrigated area.

GPS and flow metering are provided at no charge to our water users. Please contact the WID office or your water district supervisor to make arrangements.



CONTINUED INVASIVE SPECIES MONITORING AND CONTROL

The WID continued to monitor for and implement control measures where possible to limit the spread of existing invasive species in the district. There are additional efforts to monitor for the introduction of new aquatic invasive species. Flowering Rush and Prussian Carp are two aquatic invasive species currently residing in the WID. We continue to monitor for invasive zebra, quagga mussels and Chinese mystery snail.

Flowering Rush control is achieved by careful hand removal of the plant from its growing medium. This is done to prevent breaking off root fragments and bulbs as even a small piece of root will produce a new plant. There are currently no herbicides approved for use in Canada to control Flowering Rush and biological controls are still several years away from reality.

Prussian Carp is found in the canal system. They are very prolific breeders and can use the sperm of other fish species to fertilize their eggs. With no natural predators, they will outcompete other native species for resources. Official provincial regulations for Prussian Carp have no limits on numbers you can catch. Either kill and dispose properly of the carcass, or eat it, but do not release the fish back to any waterbody.

There are additional efforts to monitor for the introduction of new aquatic invasive species.

WATER SECURITY



Prussian Carp



Flowering Rush

IRRIGATION REHABILITATION PROGRAM (IRP)

The Irrigation Rehabilitation Program (IRP) funding for rehabilitation work within the WID has historically been funded 75% by the provincial government with the remaining 25% contributed by the District. Although 2019 funds have yet to be received, it is expected that retroactive funds will be deposited prior to the 2020 Annual General Meeting. The District has advanced funds from the Capital Reserves to offset construction costs in the meantime.

PROVINCIAL GOVERNMENT	75%
DISTRICT	25%
TOTAL	100%



Hayes Spillway Outfall Structure installation

2019 IRP PROJECT SUMMARY

NORTH CLUNY TAIL-OUT REHABILITATION IRP 2333

The North Cluny Tail-out pipeline project is included in the long-term rehabilitation plans of the District and has been approved by Alberta Agriculture and Forestry as an IRP funded project. This project involved the replacement of an existing open channel with a gravity pipeline to service 545 acres of existing irrigation, and up to 1250 new acres of potential irrigation. The project also included the construction of a level bank canal system and upgrading of the existing spillway along the North Cluny ditch. This system accommodates operational and emergency spill flows and provides adequate head on the new pipeline. It ties into the existing Rougeau pipeline, bringing total accumulated acreage to nearly 2,700 acres at full build out. This project has been IRP approved for a budget of \$4,751,000, to be constructed over a 3-year period.

**SERVICE
EFFICIENCY**



**WATER
SECURITY**



2019 work began in late summer and consists of 1.80 km gravel on poly lined canal constructed by WID forces. This marks the last phase and will be completed in summer 2020.



Canal sub-grade prepared for liner installation

HAYES SPILLWAY IRP 2349

This new spillway is located at the upper end of the North Cluny lateral system, just downstream of the South Cluny pipeline inlet. Strategically located to manage and evacuate operational flows, the new spillway will also assist with spring runoff. The work consisted of the installation of a precast concrete inlet structure with Langemann gate and SCADA, precast baffled outfall structure and approximately 300m of 900mm diameter PVC pipe.

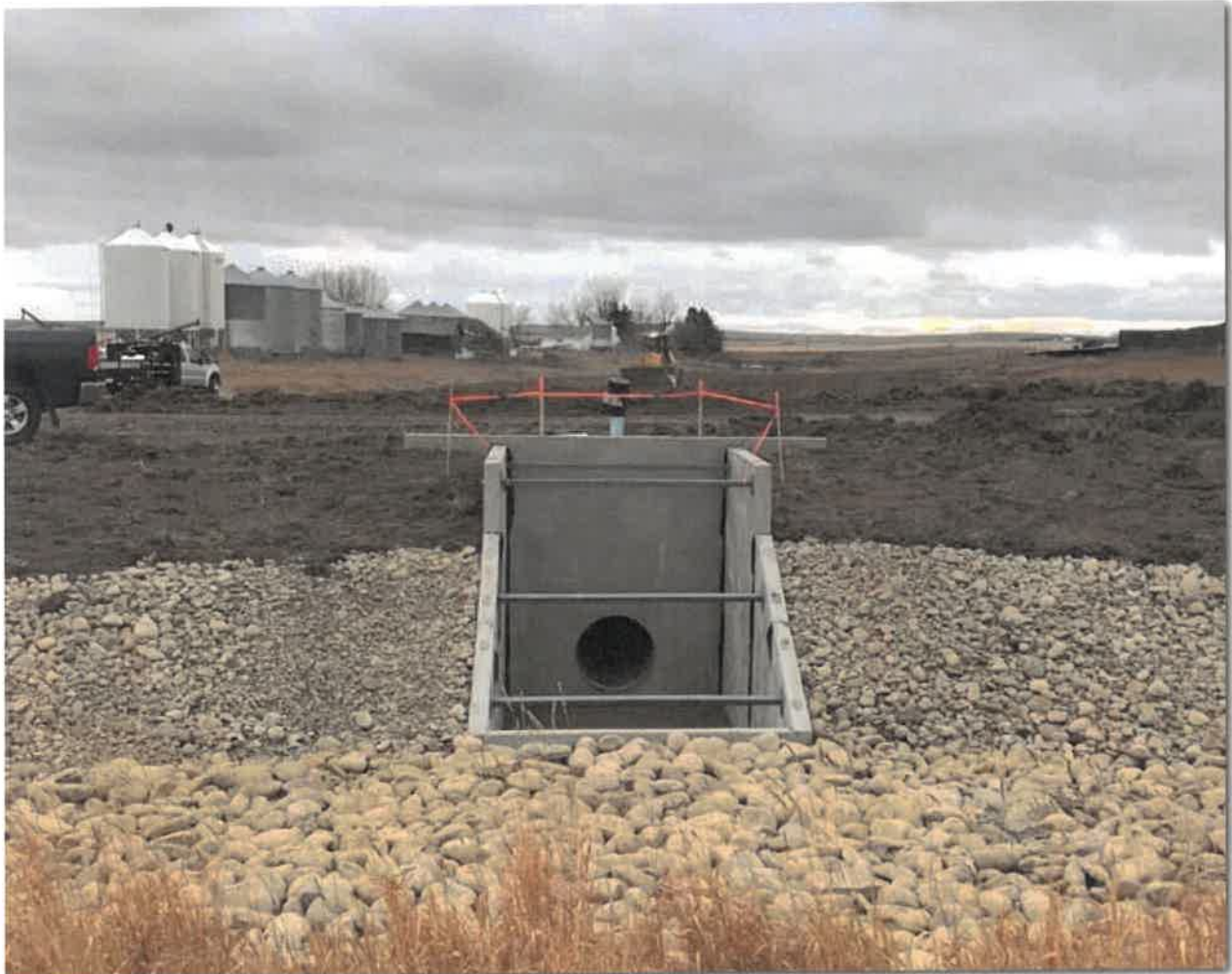
The WID constructed the entire spillway project at an estimated cost of \$430,000.

This project was constructed mainly during the 2018 water season and became operational for the 2019 water season. Final reclamation of surrounding lands and legal survey happened in summer 2019.

SERVICE
EFFICIENCY



WATER
SECURITY



Hayes Spillway Inlet Structure installed in North Cluny Canal

GLENROSE CANAL REHABILITATION IRP 2359 PHASE 1 & WID 21007-1 PHASE 1

In 2019, the District began a multi-year canal rehabilitation along the eastern end of the Glenrose (B Canal) system. The first three years of the project is a combined IRP and WID cost share program. This concept lends itself well to adjusting annual IRP and WID capital budget expenditures and maximizes available resources and manpower.

Multiple alternatives in determining the proposed scope of work for the rehabilitation of the Glenrose Canal have been assessed. These included PVC pipeline, buried earth liner and gravel on poly liner.

The pipeline option was not selected as it was not cost-effective given water delivery requirements and required grades. The option of using buried earth was considered but not recommended in this case due to the lack of availability of suitable local material and the costs of material hauling.

Gravel on poly liner was selected as the method of construction on both the 1.9 km IRP and 1.3 km WID reaches.

Potential storage opportunities were also identified at several strategic locations along the canal and will be incorporated to improve hydraulic efficiency and balance water demand.

2019 preliminary sitework began prior to water shutdown and will be substantially complete in advance of the 2020 water season.

2019 preliminary sitework began prior to water shutdown and will be substantially complete in advance of the 2020 water season.



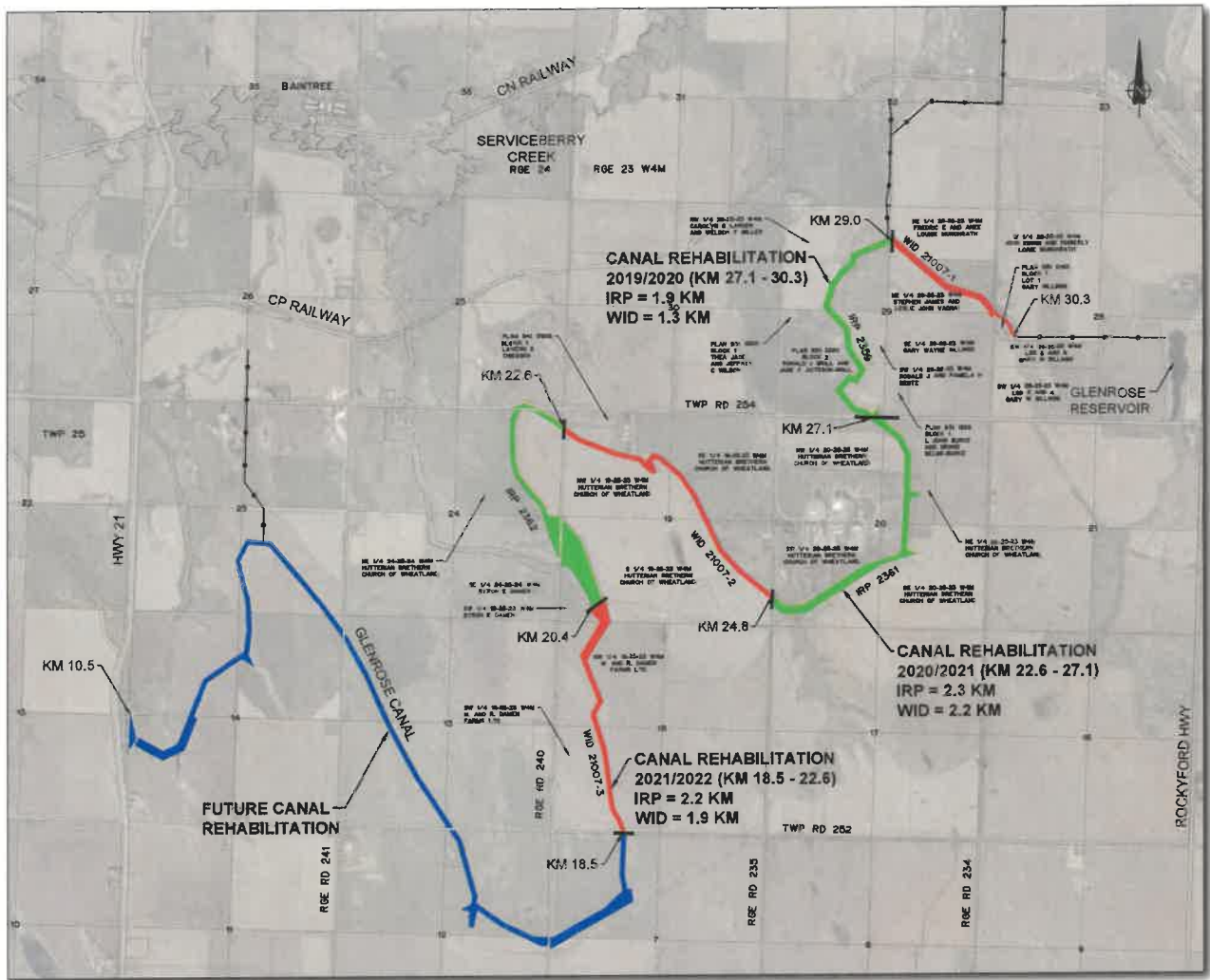
Finished armor placement on poly liner

WATER SECURITY



SERVICE EFFICIENCY





3 Year IRP and WID proposed site plan

ESTIMATED WID PROJECT COST

\$64,000

TOTAL WID PROJECT COST TO
SEPTEMBER 30, 2019

\$58,497

ESTIMATED IRP PROJECT COST

\$1,232,000

TOTAL IRP PROJECT COST TO
SEPTEMBER 30, 2019

\$78,878

OTHER PROJECTS FOR 2019

STOODLEY PUMP STATION SOLAR WID 21011

In October, the WID commissioned a 500 kW solar generation system at the Stoodley Pump Station, harnessing the power of the sun to move water through a portion of the system. This solar power entirely offsets the energy usage of the pump station over the course of a year.

During the irrigation season more power is required than the solar system can generate, but in the off-season energy is fed back into the power grid.

The District expects to save \$40-50K in a typical year at current power prices. Savings will increase if power prices rise, as is expected over the life of the system.

The project was made possible by a \$263,000 grant awarded by Energy Efficiency Alberta.



Solar generation system

**FINANCIAL
SUSTAINABILITY**



CROWFOOT SPILLWAY STRUCTURE WID 21005

The final spillway structure along Secondary B main canal was identified as a priority for replacement. Preliminary engineering, design and tender was completed in fall 2018. A significantly larger, deeper, cast-in-place structure was recommended to provide control and protection during the water season and in spring runoff events.

Kluane Construction was awarded the contract for the structure work and excavation/backfill.



Formwork and custom 1500mm steel adapter outlet stub with vent to be cast in place

WID crews installed the required 48m length of 1500mm PVC pipe, erosion protection and Langemann gate with SCADA.

Construction and final cleanup were completed in summer 2019.



ESTIMATED WID PROJECT COST

\$500,000

TOTAL WID PROJECT COST TO
SEPTEMBER 30, 2019

\$397,724

GLEICHEN DROP STRUCTURE WALL REPLACEMENT WID 21006

A significant drop structure near the eastern end of the 'A' Canal conveyance system required repair in 2019. The repair involved removal and replacement of both failing concrete walls and installation of a granular drainage system to protect against freeze/thaw. Kluane Construction completed the repair prior to 2019 water season.



Before: Glenrose (B Canal)



After: Glenrose (B Canal)

SERVICE
EFFICIENCY



WATER
SECURITY



ESTIMATED WID PROJECT COST

\$150,000

TOTAL WID PROJECT COST TO
SEPTEMBER 30, 2019

\$113,270

SECONDARY B STANDARD DITCH REHABILITATION WID 21003

The District continued construction of Standard lateral on the Secondary “B” system. The project is included in the District long term rehabilitation plans and starts at the Rockyford highway and continues southeast for 4.2 km.

The canal rehabilitation included a buried liner system in combination with a gravel armor on poly installation. Another strategically located underdrain ‘fill’ was designed to assist in the elimination of surface runoff into the canal. The project incorporated several canal relocations to limit earth movements and reduce overall construction costs and increase the ability to farm adjacent lands. Several small land swaps and/or purchases with adjacent landowners were required to properly fit the canal within the District Right of Way. Construction began in fall 2018 and was completed in summer 2019.

SERVICE
EFFICIENCY



WATER
SECURITY



Completed Standard (B Canal) Rehabilitation summer 2019



OPERATIONS & MAINTENANCE ACTIVITIES



Ditch rehabilitation and fencing required on old ditch south of Strathmore; fenced dugout storage and offsite watering systems prevent this type of damage



Irrigation standpipe and inlet installation for turbine pump application



Washed out drop pipe replaced with rip rap



Field drain inlet installation repair



Seepage issues Cairnhill North Ditch

GENERAL MAINTENANCE PROJECTS



Ditch cleaning Carseland Area



Yard water pipeline installation near Highway 21



Dalemead Reservoir vault repair



Major storage upgrade for irrigation pumping



Tractor and mower upgrade for maintaining canal banks

MAINTENANCE ACTIVITY SUMMARY

Ditch cleaning/rehab	12 kms
Bank levelling/ditch fill in	3 kms
Tree clearing	1.5 kms
Canal fencing	14 kms
Delivery installations-replacements	8
Drop/check installations	4
Canal crossing installations	4
Dugouts	3
Cattail cutting	47 days
Chemical spraying	46 days
Bank mowing	81 days



Tree clearing

2019 DISTRICT EQUIPMENT FLEET

2020	Peterbilt Tandem Gravel Truck with Pup
2019	Komatsu D61-PX Dozer
2019	Kubota M6-141 Tractor with 15' Schulte Mower
2018	Komatsu 240LC-11 Excavator
2018	Komatsu 290LC-11 Excavator
2018	Dodge 1.5 Ton with Gooseneck Trailer
2017	Peterbilt Tandem Gravel Truck with Pup
2017	Case CX350D Excavator
2016	John Deere 624K Loader
2016	Peerless Lowbed, Jeep, and Booster
2015	John Deere CT323 E Skid Steer
2015	Midland Side Dump Tridem Trailer
2014	John Deere 410K Backhoe
2014	John Deere 624K Loader
2012	Dodge 1 Ton with Dump Trailer
2011	Tandem Backhoe Trailer
2002	Tandem Tip Trailer



Erosion repair required on irrigation pump site reservoir

SEEPAGE CONTROL PLAN 2018 – 2022

The Western Irrigation District has prepared a Seepage Control Plan for 2018 through 2022 in accordance with Section 164(1) of the Irrigation Districts Act. The plan addresses seepage in the following areas:

YEAR	PROJECT	SECTION	STATUS
2018	North Cluny Tail out	Sec. 2,11,12 T23 R21 W4 Sec. 5,6,7 T23 R20 W4 Sec. 33, 34 T22 R21 W4	In progress
2019	Glenrose Canal	Sec. 19, 20, 28, 29 T25 R23 W4 Sec. 24 T25 R24 W4	In progress
2020	Glenrose Canal	Sec.18, 7 T25 R23 W4 Sec. 12, 13, 14, 23 R25 R24 W4	Not completed
2021	Secondary 'C' Canal	Sec.23, 24, 25, 26, 35, 36 R26 T24 W4	Not completed
2022	Secondary 'C' Canal	Sec. 11, 14 T26 R24 W4	Not completed



Spring runoff 2019 washed out culvert

2019 WEED CONTROL

Vegetation Management continues to be an important component of the district maintenance program.

Prevention of invasive species spreading maintains rehabilitated canal armor integrity, access to driving areas and assists in positive relationships with adjacent property owners.

WID owned and operated tractor and mower also provides control of weeds and grasses on WID canals and right of ways.

Prairie Environmental Services, our continuing contactor for vegetation management, spent a total of 46 days on district canals and right of ways targeting Prohibited Noxious, Noxious, specific nuisance weeds, trees and shrubs.

Aquatic vegetation control using Magnacide H was initiated on May 22 and the last application was completed on August 16. Irrigators and WID area supervisor concerns of early algae growth in the canals indicated a change was necessary to the historical schedule of applications. Feedback was positive throughout the district relating to the earlier applications in the spring and an increase in product for 2020 will provide more frequent applications throughout the summer in efforts to supply cleaner water to our users for irrigation, livestock and domestic requirements.

SERVICE
EFFICIENCY



WATER
SECURITY



WEED NOTICE

NOTICE

As in previous years, the Western Irrigation District is permitted to implement an herbicide spray program, under specific conditions, in or within 30 horizontal meters of irrigation canals, laterals and drains owned by the District to attempt to control:

- Broadleaf weeds and brush
- Aquatic & semi-aquatic vegetation.
- Noxious weeds.

In accordance with the Environmental Protection & Enhancement Act, application was made by the District and approval received to proceed with this annual program to apply herbicides.

Persons having specific concerns are encouraged to contact the Western Irrigation office.

PARCELS ADDED TO & REMOVED FROM WESTERN IRRIGATION DISTRICT – FISCAL 2019

NAME	LEGAL DESCRIPTION	ACTION
Fairwest Farms Ltd.	3 & 4 4-23-22 W4	Add
Fairwest Farms Ltd.	NW 4-23-22 W4	Add
Allan & Cheryl Koltusky	Subdivision SW 1-25-26 W4	Remove
Ronald William Kathol	NW 28-26-24 W4	Remove
James Tyler & Julie Dawn Jensen	SW 24-25-24 W4	Remove
John W. & Isabella Madeline Lupyczuk	SE 34-35-24 W4	Remove
Mason & Megan Raymond	NE 12-23-25 W4	Add
Lance & Meredith Bellanger	NE 36-23-23 W4	Add
Peter, Heidi & Andre Charles Sperling	SE 36-23-23 W4	Remove
Appleyard Land and Cattle Ltd.	SE 11-23-25 W4	Remove
Blair & Glenda Rusnack	NW 34-24-27 W4	Add
Richard Dennis & Trudy Lorna Page & Christopher Page	NE 1-23-26 W4	Add
Loretta Corbiell	NW 6-23-21 W4	Remove
Leonard A. & Lorraine P. Kathol	NE 8-26-23 W4	Remove
Leonard A. & Lorraine P. Kathol	SE 7-26-23 W4	Remove
F. Elaine & Graham Alan McKinnon	NW 1-22-27 W4	Remove
F. Elaine & Graham Alan McKinnon	SW 1-22-27 W4	Add
705370 Alberta Ltd.	SW 9-26-26 W4	Remove
John Boyle	SE 18-22-22 W4	Add
Earl Kenneth & Shelly Muriel Harriman	NW 20-26-24 W4	Add
Earl Kenneth & Shelly Muriel Harriman	SW 20-26-24 W4	Add
Earl Kenneth & Shelly Muriel Harriman	NW 1-26-25 W4	Add
David, Justin, Kenneth & David Wilson	NW 30-22-22 W4	Add
David, Justin, Kenneth & David Wilson	SE 19-23-21 W4	Remove
David, Justin, Kenneth & David Wilson	SW 30-23-21 W4	Remove
David, Justin, Kenneth & David Wilson	SW 19-23-21 W4	Remove
David, Justin, Kenneth & David Wilson	SE 23-22-23 W4	Remove
David, Justin, Kenneth & David Wilson	NW 19-23-21 W4	Remove
Odo Joseph & Sharon Anne Melcher	SW 29-26-23 W4	Remove
Jackie Elmer & Janice Marie Jensen	SE 1-24-22 W4	Remove
Bruce Farms Ltd.	SW 1-23-26 W4	Add

NAME	LEGAL DESCRIPTION	ACTION
Darcy & Tammy Praud	SE 18-22-22 W4	Remove
Gary S & Lesley A Gregory	NE 30-24-24 W4	Remove
Murray & Lynn McGonigle	NE 30-24-24 W4	Remove
C-6 Ranch Ltd.	S 27-24-25 W4	Remove
C-6 Ranch Ltd.	SE 28-34-25 W4	Remove
C-6 Ranch Ltd.	NE 28-24-25 W4	Remove
Leo David Bishop	NE 7-26-27 W4	Remove
Leo David Bishop	NW 7-26-27 W4	Remove
Leo David Bishop	SE 24-26-28 W4	Remove
Leo David Bishop	SW 24-26-28 W4	Remove
Town of Strathmore	SW 12-24-25 W4	Remove
Town of Strathmore	SE 12-24-25 W4	Remove
Town of Strathmore	NW 12-24-25 W4	Remove
Town of Strathmore	Subdivision NW 1-24-25 W4	Remove
Jackie Elmer & Janice Marie Jensen	NW 12-24-22 W4	Add
Mullen Land & Cattle Co. Ltd.	NE 6-25-23 W4	Add
Laprise Farms Ltd.	SE 6-23-20 W4	Add
705370 Alberta Ltd.	SW 8-26-26 W4	Add
705370 Alberta Ltd	NW 8-26-26 W4	Add
705370 Alberta Ltd	NW 11-26-26 W4	Add
705370 Alberta Ltd	NW 9-26-26 W4	Add
705370 Alberta Ltd	NE 8-26-26 W4	Add
705370 Alberta Ltd	NE 5-26-26 W4	Add
Ludwig J & Gabriele Reicheneder	NE 17-26-26 W4	Add
705370 Alberta Ltd	NW 14-26 26 W4	Add
Andrew N Bushfield	NE 2-25-27 W4	Add
Andrew N Bushfield	SW 2-25-27 W4	Add
Andrew N Bushfield	NW 2-25-27 W4	Add
Andrew Neil Bushfield	NW 11-25-27 W4	Add
Andrew Neil Bushfield	SW 11-25-27 W4	Add
Fairwest Farms Ltd.	SE 3-23-22 W4	Add

CROP DATA SUMMARY

NAME	IRRIGATED ACRES	NON-IRRIGATED ACRES	TOTAL ACRES
ALFALFA (2nd cut)	12,435	1,617	14,052
ALFALFA (silage)	110	0	110
BARLEY	5,281	1,216	6,497
BARLEY (malt)	799	0	799
BARLEY (silage underseed)	265	0	265
BARLEY (silage)	4,101	243	4,344
BEANS (faba)	170	0	170
CANOLA	9,067	184	9,251
CARROTS	194	0	194
CORN (fresh sweet)	130	0	130
CORN (silage)	969	0	969
FLAX	130	0	130
GRASS SEED	40	0	40
GREEN FEED	596	50	646
HAY (alfalfa)	605	30	635
HAY (brome)	70	0	70
HAY (grass)	523	248	771
HAY (timothy)	958	0	958
MISC	180	0	180
NON CROP	6,533	3,486	10,019
NURSERY	1167	417	1,584
OATS	821	0	821
OATS (silage)	409	125	534
PASTURE (native)	1,662	470	2,132
PASTURE (tame)	4,045	473	4,518
PEAS (dry)	2,271	302	2,573
PEAS (fresh)	170	0	170
POTATO	160	0	160
POTATO (Seed)	448	0	448
RYE	329	0	329
SMALL FRUIT	60	60	120
TURF SOD	1195	0	1,195
UNKNOWN CROP	10,252	0	10,252
WHEAT (cps)	1,766	100	1,866
WHEAT (hard spring)	11,058	898	11,956
WHEAT (silage)	2,466	310	2,776
WHEAT (soft)	2,268	0	2,268
Totals	83,703	10,229	93,932

Minutes of the Annual Meeting of the Water Users of the Western Irrigation District held in Strathmore, Alberta on April 3, 2019

PRESENT:

DIRECTORS

Doug Brown
Henry Colpoys
Ray Kettenbach
Rick Page
Dan Shute

STAFF

Eric Beingessner	Derrick McGougan
Don Brownlee	David McAllister
JR Dunbar	Chrissy Mills
Joe Friedman	Brian Sander
Heather Higgins	Wes Sproule
Cory Krahenbil	Jaye Wegener

AUDITORS

Michael McCutcheon and Shelly Harriman, Gregory Harriman & Associates LLP

CALL TO ORDER & INTRODUCTIONS

Ray Kettenbach called the meeting to order at 1:33 p.m. and welcomed everyone to the Fiscal 2018 Annual Meeting. He introduced the Board Members and Staff present. Approximately 22 water users were in attendance. Shelly Harriman and Michael McCutcheon were introduced, along with our financial advisory team. Strathmore Mayor Pat Fule was also in attendance. Representatives from Alberta Agriculture and MPE were also present, as well as the WID's lawyer Richard Jones.

ANNOUNCEMENTS

An election was being held for a Director of Division 4. Dan Shute was successful in retaining his position.

MEETING CHAIRMAN

Ray Kettenbach called for nominations for Chairman of the meeting.

MOVED by Vern Bretin THAT Anita Heuver be appointed Chairman, seconded by Vern Hoff

CARRIED

RECORDING
SECRETARY

Chairman Anita Heuver called for nominations for Recording Secretary.

Jay Anderson nominated Heather Higgins and Anita Heuver declared Heather Higgins the Recording Secretary. Seconded by Vern Bretin.

ADOPTION OF
AGENDA

The Chairman asked the audience to review the proposed agenda.

MOVED by Brian Laprise and SECONDED by Vern Bretin that the agenda be adopted.

CARRIED

ADOPTION OF MINUTES
2018 Annual Meeting

The Chairman requested that the audience review the Minutes from April 3, 2019 Annual Meeting.

MOVED by Vern Hoff and SECONDED by Vern Bretin THAT the Minutes of April 3, 2019 Annual Meeting be adopted as presented.

CARRIED

CHAIRMAN'S REPORT

Ray Kettenbach presented the Chairman's Report and summarized some of the highlights of our year. It was a dry year which created a lot of challenges for the WID. We have seen a significant change from high to low pressure pivots, thanks to the Growing Forward and CAP programs, which results in savings for all. We have been able to put up new fencing which in turn keep animals out of the canals making for cleaner water and overall greater water quality. We implemented a Buy Back Acres program which has been well received, and overall, looking at our Operation and Financial results, the WID had a very successful year.

Mr. Kettenbach thanked the Board of Directors and the Staff for helping make 2018 a successful year for the WID and look forward to continued success as we take on the challenges of the future.

MOVED by Jay Anderson and SECONDED by Brian Laprise THAT the Chairman's Report be adopted as presented.

CARRIED

GENERAL MANAGER'S
REPORT

Mr. McAllister summarized his report. We had a slow start to the season due to a large snowpack. Our infrastructure sustained some damage during this time, the cost of which we were able to recover from provincial disaster programs. The dedication of WID staff meant that repairs were quickly completed contributing to a successful season. Due to the dry season, irrigators used the second highest amount of water in our history.

Our initiative to encourage active use of acres by asking for the voluntary cancellation of terminable acres and the repurchase of idle acres has resulted in an 11% increase in the number of irrigated acres.

All water quality information is now posted on-line.

Mr. McAllister thanked the Board of Directors for their continuing support. He also thanked the staff for their continuing effort to provide a high level of service to the water users in the WID.

MOVED by Jay Anderson and SECONDED by Vern Bretin THAT the Chairman's Report be adopted as presented.

CARRIED

AUDITOR'S REPORT

Shelley Harriman and Michael McCutcheon of Gregory, Harriman & Associates LLP presented the Auditor's report for the Fiscal 2018.

Shelley Harriman stated the auditor's report was clean and it was presented in accordance with Canadian Generally Accepted Auditing Standards.

Shelley Harriman summarized the statement of operations and other earnings, highlighting the investments. She used several pie charts to demonstrate our growth, revenue, income, salaries etc. We follow a stringent investment program resulting in a 2.8% return. We are in a very good position financially due to being well managed and enjoy a strong equity position.

Michael McCutcheon spoke of our Statement of Operations and explained several charts used, including Sources of Revenue and Expenses. Our adherence to our budget is on target.

There were no questions for the Auditors, and Shelley thanked Donna Mitchel and staff for all the assistance afforded them while performing the audit.

MOVED by Vern Bretin and SECONDED by Brian Laprise THAT the Auditor's Report for Fiscal 2018 be adopted as presented.

CARRIED

Extra Items
Ratepayer Questions

Rod Vergouwen asked how long we thought our funds would last before we needed to look for more? David McAllister, GM, explained that we have several different sources, including Government Grants, and stockpiling for the future. We look for finance funding on an on-going basis. He referred to the pie chart from his presentation – Sources of Revenue – and explained that we constantly look at ways to increase future revenue.

John Kalbhen voiced concerns and asked about possible rehab on Serviceberry Creek. There is considerable erosion. David McAllister, GM, said no plans for rehab but we can take a look at the area.

Vern Hoff reminisced about his first AGM in 1963. He said there was a dust storm that day. He talked about the first center pivot 50 years ago that had to be physically moved to 3 different points. There was a company in Calgary that made the pivots called Mustang.

Dave Nelson appreciates the hard work that goes into the AGM but asked for bigger charts that are easier to see going forward.

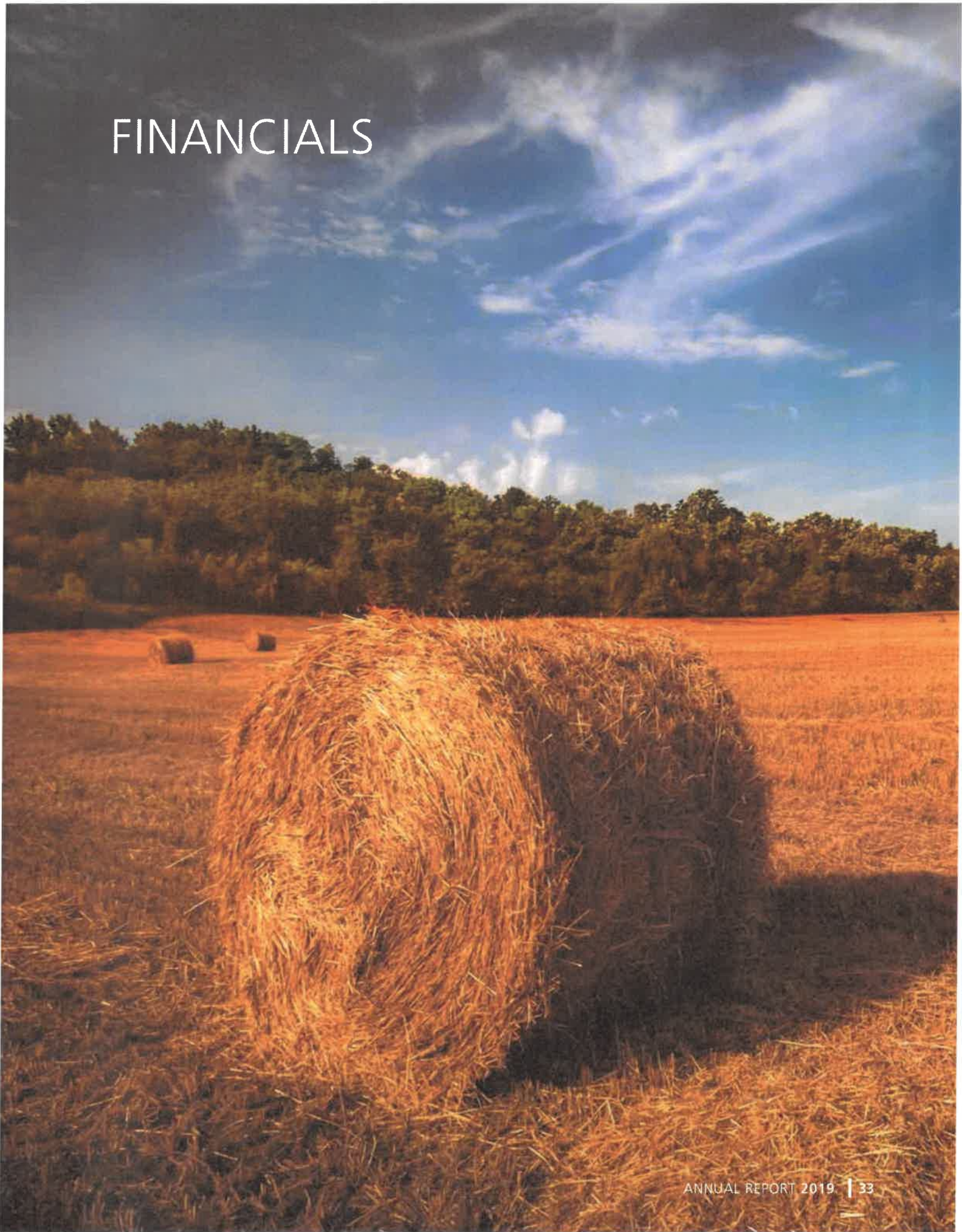
Ron Warrack thanked the Board for their hard work.

ADJOURNMENT

MOVED by Ron Warrack THAT the meeting be adjourned at 2:55 pm

CARRIED

FINANCIALS



WESTERN IRRIGATION DISTRICT
SEPTEMBER 30, 2019
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GREGORY
HARRIMAN
& ASSOCIATES LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Western Irrigation District:

Opinion

We have audited the consolidated financial statements of Western Irrigation District, which comprise of the consolidated statement of financial position as at September 30, 2019, and the consolidated statement of operations and changes in fund balances and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Western Irrigation District as at September 30, 2019, the results of its operations 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 Consolidated Financial Statements* section of our report. We are independent of the Western Irrigation District in accordance with the ethical requirements that are relevant to our audit of the consolidated 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Western Irrigation District'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 cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Western Irrigation District's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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:

- Identify and assess the risks of material misstatement of the consolidated 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 omission, 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 Western Irrigation District'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 Western Irrigation District'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 consolidated 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 Western Irrigation District to cease to continue as a going concern; and,
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Gregory, Harriman & Associates LLP

Strathmore, Alberta
January 27, 2020

Gregory, Harriman & Associates LLP
Chartered Professional Accountants

**WESTERN IRRIGATION DISTRICT
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2019**

	UNRESTRICTED FUNDS			RESTRICTED FUNDS			COMBINED			
	OPERATING	CO-OPERATIVE STORMWATER MANAGEMENT INITIATIVE		DISTRICT CAPITAL			IRRIGATION WORKS			
		2019	2018	2019	2018	2019			2018	2019
CURRENT ASSETS										
Cash and cash equivalents (Note 4)	\$ 4,872,567	\$ 3,447,548	\$ -	\$ 3,039,091	\$ 2,355,432	\$ -	\$ 407,574	\$ 1,471,539	\$ 6,979,832	\$ 7,274,519
Accounts receivable (Note 5)	1,862,884	1,758,175	48,834	119,348	286,807	-	-	-	1,911,528	2,252,317
Accrued interest receivable	-	-	-	7,538,814	9,280,902	-	-	-	119,348	286,807
Short term investments (Note 6)	326,068	191,063	-	633,027	753,741	-	-	-	7,538,814	9,280,902
Inventory (Note 7)	23,218	31,701	-	-	-	-	-	-	959,695	944,834
Prepaid expenses	288,508	439,154	-	(162,979)	(41,078)	-	-	-	23,218	31,701
Interfund receivables (payables) (Note 23)	7,373,655	5,867,871	48,834	11,768,001	12,835,804	(41,078)	(123,529)	(388,078)	16,532,535	20,071,040
OTHER ASSETS										
Loan receivable (Note 8)	-	-	-	3,500	4,500	-	-	-	3,500	4,500
Preliminary costs pending (Notes 9, 27)	-	29,041	-	377,946	119,829	-	-	-	377,946	148,870
Water rights (Note 10)	-	-	-	281,800	184,800	-	-	-	281,800	184,800
Deferred development costs (Notes 11)	-	-	-	1,165,138	1,006,671	-	-	-	1,165,138	1,006,671
Other intangible asset (Note 12)	-	-	-	10,772	19,897	-	-	-	10,772	19,897
Investments (Notes 13, 14)	51,728	51,063	-	28,870,487	28,888,463	-	14,148	13,508	27,036,343	28,951,865
Property and equipment (Note 15)	91,728	80,134	-	28,789,823	30,222,160	-	14,148	13,508	28,855,499	30,135,803
Property and equipment (Note 16)	-	-	-	7,807,116	7,136,652	-	49,436	49,439	7,856,552	7,186,091
Intangible works (Note 16)	-	-	-	90,238,286	87,867,304	-	80,603,054	81,304,641	170,842,350	169,871,945
TOTAL ASSETS	\$ 7,425,383	\$ 6,927,805	\$ 48,834	\$ 138,795,036	\$ 137,562,923	\$ -	\$ 81,069,653	\$ 92,441,048	\$ 227,186,936	\$ 226,448,876
CURRENT LIABILITIES										
Accounts payable and accrued liabilities (Note 17)	\$ 354,363	\$ 230,194	\$ -	\$ 139,060	\$ -	\$ -	\$ -	\$ -	\$ 494,322	\$ 230,194
Goods and Services Tax liability	92,839	118,087	-	2,481	2,423	-	-	-	92,939	118,887
Capital levy trust (Note 18)	-	-	-	4,595	-	-	-	-	2,481	2,423
Current portion of deferred revenue (Note 19)	447,302	349,081	-	147,035	2,423	-	-	-	584,337	351,504
OTHER LIABILITIES										
Deferred revenue (Note 19)	-	-	-	14,317	15,497	-	-	-	14,317	15,497
Asset retirement obligation (Note 20)	-	-	-	645,432	553,921	-	-	-	645,432	553,921
TOTAL LIABILITIES	\$ 894,504	\$ 697,302	\$ -	\$ 300,923	\$ 292,841	\$ -	\$ -	\$ -	\$ 1,284,086	\$ 921,012
FUND BALANCES										
Invested in property and equipment (Note 21)	-	-	-	97,773,552	94,358,732	-	80,652,480	81,354,077	178,426,042	175,710,809
Externally restricted (Note 22)	-	-	-	-	-	-	356,193	1,080,972	356,193	1,080,972
Internally restricted (Notes 23)	-	-	-	40,123,700	42,835,237	-	-	-	40,123,700	42,835,237
Unrestricted	6,978,081	5,598,724	48,834	137,687,252	136,991,889	(41,078)	81,038,663	82,441,048	7,028,915	6,092,826
TOTAL LIABILITIES AND FUND BALANCES	\$ 7,425,383	\$ 6,927,805	\$ 48,834	\$ 138,704,036	\$ 137,565,920	\$ -	\$ 81,069,653	\$ 82,441,048	\$ 227,186,936	\$ 226,448,876

APPROVED BY:  Chairman of the Board

 General Manager

The accompanying notes form an integral part of these financial statements.
Gregory Henman & Associates LLP

WESTERN IRRIGATION DISTRICT
CONSOLIDATED STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	OPERATING		CO-OPERATIVE STORMWATER MANAGEMENT INITIATIVE		DISTRICT CAPITAL		IRRIGATION WORKS		TOTAL	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
REVENUE										
Irrigation rates, net (Note 24)	\$ 1,908,838	\$ 1,884,701	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,908,838	\$ 1,884,701
Domestic and miscellaneous	1,000,594	986,003	-	-	-	-	-	-	1,000,594	986,003
Storm water	518,520	586,182	-	-	-	-	-	-	518,520	586,182
Penalties	6,620	6,202	-	-	-	-	-	-	6,620	6,202
TOTAL WATER EARNINGS	3,434,572	3,463,088							3,434,572	3,463,088
OTHER EARNINGS										
Capital asset charges	-	-	518,980	1,241,585	-	-	-	-	518,980	1,241,585
Government contributions	532,531	284,158	-	-	-	-	1,308,817	-	532,531	1,593,975
Interest revenue	143,461	81,809	-	-	891,487	1,008,152	-	19,678	1,054,606	1,104,167
Gravel revenue	-	-	415,523	380,018	-	-	-	-	415,523	380,018
Farm, land and building rentals	-	-	165,041	152,040	-	-	-	-	165,041	152,040
Gain on sale of land	-	-	9,937	29,261	-	-	-	-	9,937	29,261
Gain on sale of assets	-	-	63,765	63,268	-	-	-	-	63,765	63,268
Realized gain (loss) on investments (Note 14)	-	-	471,508	1,454,808	-	-	-	-	471,508	1,454,808
Unrealized gain (loss) on investments	-	-	90,795	13,308	-	-	-	-	90,795	13,308
Fees and other income	152,874	152,153	-	-	263	262	-	-	153,137	152,415
Miscellaneous	1,514	1,607	-	-	-	-	-	-	1,514	1,607
Inventory adjustment	176,137	3,989	-	-	19,245	(88,989)	-	-	195,382	(85,010)
TOTAL OTHER EARNINGS	1,008,517	503,716	2,646,502	4,233,703	2,846,502	4,233,703	1,344,023	1,344,023	3,672,697	6,081,442
	4,441,089	3,966,784					19,678	1,344,023	7,107,269	9,544,510
EXPENSES										
Amortization of property and equipment	-	-	1,941,258	1,878,322	-	-	1,452,044	1,440,486	3,393,300	3,318,818
Amortization of intangible asset	-	-	9,125	9,125	-	-	-	-	9,125	9,125
Depletion of resource properties	-	-	(6,467)	1,081	-	-	-	-	(6,467)	1,081
Commissions expense	-	-	118,154	150,282	-	-	-	-	118,154	150,282
Reclamation expense	-	-	-	141,242	-	-	-	-	-	141,242
Bursary expense	-	-	1,000	1,000	-	-	-	-	1,000	1,000
Operating and administrative (Schedule 1)	3,072,898	2,893,358	14,058	-	-	-	-	-	3,086,754	2,893,358
Property taxes	-	-	6,908	3,774	-	-	-	-	6,908	3,774
Accretion expense (Note 20)	-	-	91,511	82,324	-	-	-	-	91,511	82,324
EXCESS OF REVENUE OVER EXPENSES	3,072,898	2,983,358	2,175,541	2,267,150	1,452,044	1,440,486	(1,432,366)	(96,473)	6,700,283	6,801,004
Fund balances at beginning of year	1,368,391	1,073,426	-	-	470,981	1,886,553	-	-	408,886	2,843,605
Interfund transfers (Notes 23)	5,598,724	5,374,764	494,102	-	136,981,989	135,108,678	82,441,049	82,100,916	225,525,864	222,582,359
Irrigation provision (Notes 22, 23)	10,968	(412,880)	(445,268)	494,102	434,302	(81,242)	-	-	-	-
FUND BALANCES AT END OF YEAR	\$ 6,978,081	\$ 5,598,724	\$ 48,834	\$ 494,102	\$ 137,887,252	\$ 136,981,989	\$ 81,008,883	\$ 82,441,049	\$ 225,932,850	\$ 225,525,864

The accompanying notes form an integral part of these financial statements.
 Gregory, Harriman & Associates LLP

WESTERN IRRIGATION DISTRICT
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	OPERATING		CO-OPERATIVE STORMWATER MANAGEMENT INITIATIVE		DISTRICT CAPITAL		IRRIGATION WORKS		TOTALS	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES										
Cash receipts	\$ 4,193,109	\$ 3,928,873	\$ 445,268	\$ (494,102)	\$ 1,104,112	\$ 1,749,480	\$ -	\$ 1,308,816	\$ 5,297,221	\$ 6,988,179
Cash paid to suppliers and employees	(3,101,569)	(2,889,576)	-	-	(139,379)	(489,585)	-	-	(3,240,948)	(3,359,161)
Cash transferred to/from other funds	150,846	(260,519)	-	-	121,901	(45,734)	(272,547)	308,253	-	-
Interest received	143,461	61,809	-	-	1,058,926	1,014,919	19,678	34,208	1,222,065	1,110,934
Cash flows from operating activities	1,385,647	860,587	445,268	(494,102)	2,145,560	2,229,090	(252,869)	1,650,275	3,723,606	4,739,952
CASH FLOWS FROM INVESTING ACTIVITIES										
Purchases of property and equipment	-	-	-	-	(6,290,918)	(7,118,797)	(750,456)	(3,400,766)	(7,041,374)	(10,519,563)
Proceeds from sale of assets	-	-	-	-	1,033,158	709,494	-	-	1,033,158	709,494
Sales (purchase) of investments	(635)	1,792	-	-	4,220,216	2,039,794	(640)	(608)	4,218,941	2,040,978
Preliminary costs pending	29,041	(29,041)	-	-	(258,117)	(20,454)	-	-	(229,076)	(49,495)
Cash flows from investing activities	28,406	(27,249)	-	-	(1,295,661)	(4,399,953)	(751,096)	(3,401,374)	(2,016,351)	(7,818,565)
CASH FLOWS FROM FINANCING ACTIVITIES										
Irrigation provision	-	(436,606)	-	-	-	-	-	436,606	-	-
Trust funds received	-	-	-	-	58	49	-	-	58	49
Cash flows from financing activities	-	(436,606)	-	-	58	49	-	-	58	49
NET CASH INCREASE (DECREASE)	1,414,053	396,732	445,268	(494,102)	849,957	(2,160,825)	(1,003,965)	(1,314,493)	1,705,313	(3,078,565)
Cash and cash equivalents, opening balance	3,447,548	3,463,676	(445,268)	494,102	2,355,432	4,597,499	1,471,539	2,786,032	7,274,519	10,847,207
Interfund balance adjustments	10,966	(412,860)	-	-	434,302	(81,242)	-	-	467,574	10,847,207
CASH AND CASH EQUIVALENTS, CLOSING BALANCE	\$ 4,872,567	\$ 3,447,548	\$ -	\$ -	\$ 3,639,691	\$ 2,355,432	\$ 467,574	\$ 1,471,539	\$ 8,979,632	\$ 7,274,519
CASH REPRESENTED BY:										
Cash (Note 4)	4,872,567	3,447,548	-	-	741,791	769,869	467,574	1,471,539	6,081,932	5,688,956
Cash equivalents - deposit accounts (Note 4)	-	-	-	-	2,897,900	1,585,563	-	-	2,897,900	1,585,563
TOTAL CASH AND CASH EQUIVALENTS	\$ 4,872,567	\$ 3,447,548	\$ -	\$ -	\$ 3,639,691	\$ 2,355,432	\$ 467,574	\$ 1,471,539	\$ 8,979,632	\$ 7,274,519

The accompanying notes form an integral part of these financial statements.
 Gregory, Harriman & Associates LLP

WESTERN IRRIGATION DISTRICT
SCHEDULE 1 - OPERATING AND ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	DEPARTMENTS			TOTALS	
	OPERATIONS AND MAINTENANCE	WATER DELIVERY	GENERAL AND ADMINISTRATION	2019	2018
Advertising, publications, ratepayers meetings	\$ -	\$ -	\$ 17,020	\$ 17,020	\$ 11,133
Association fees	-	-	30,850	30,850	31,501
Board of Directors expenditures	-	-	51,976	51,976	47,626
Building maintenance	50,048	-	-	50,048	63,423
Computer expense	-	-	63,405	63,405	77,177
Equipment and easement rental	266,416	-	-	266,416	109,282
Equipment maintenance, gas, oil, grease	394,288	48,554	-	432,842	545,374
Gravel pit expenses	2,944	-	-	2,944	4,895
Insurance	18,060	2,421	8,603	29,084	25,652
Interest and bank charges	-	-	1,195	1,195	981
Land titles charges and classification	-	-	8,040	8,040	2,269
Materials and supplies, office supplies	162,508	79,573	90,106	332,187	405,406
Payroll service charges	-	-	4,679	4,679	6,469
Postage, freight and courier	-	-	4,347	4,347	6,025
Professional fees	-	89,354	302,010	391,364	179,424
Public relations	-	-	18,313	18,313	11,869
Safety supplies	10,800	3,381	255	14,436	9,672
Salaries and wages (Note 28)	1,593,867	366,555	689,997	2,650,419	2,804,451
Small tools and equipment	3,414	-	-	3,414	5,643
Social committee	13,997	-	-	13,997	13,919
Stationary, printing, photocopies, fax	-	-	19,318	19,318	17,822
Telephone	11,497	12,174	4,815	28,486	30,535
Travel and staff training	110	2,182	5,280	7,572	8,905
Utilities	50,190	86,352	-	136,542	131,639
Vegetation and pest control	-	248,604	-	248,604	253,183
Welding supplies	-	1,272	-	1,272	1,359
	2,568,139	940,422	1,320,209	4,828,770	4,805,634
Transfer as asset to irrigation works (Note 26)	(1,756,072)	-	-	(1,756,072)	(1,912,276)
	\$ 812,067	\$ 940,422	\$ 1,320,209	\$ 3,072,698	\$ 2,893,358

The accompanying notes form an integral part of these financial statements.
 Gregory, Harriman & Associates LLP

WESTERN IRRIGATION DISTRICT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

Note 1 Purpose of the Organization

The Western Irrigation District (the District) is charged with the responsibility of efficient and economical distribution of water for users of the District. The Western Irrigation District operates under the authority of the Irrigation Districts Act, Chapter I -11, which was proclaimed in force on May 1, 2000. The District operates as a not-for-profit organization.

The consolidated financial statements include the financial activities and financial position of the District and its wholly owned corporate subsidiaries. The wholly owned subsidiaries operate as not-for-profit entities with the purpose of facilitating strategic initiatives and capital activities of the District. All wholly-owned subsidiaries of the District are exempt from taxes under Paragraph 149 (1) (d.2) of the Income Tax Act (Canada).

Note 2 Economic Dependence

The District utilizes contributions from the Province of Alberta for rehabilitation of the irrigation works of the District, and is dependent on these contributions in order to continue operations.

Note 3 Significant Accounting Policies and Reporting Practices

Basis of Presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Basis of Accounting

The District follows the restricted fund method of accounting for contributions.

The Operating Fund accounts for the assets, liabilities, revenues and expenses relating to the District's administrative activities. This fund reports unrestricted resources and the transactions relating to them.

The Co-operative Stormwater Management Initiative Fund accounts for capital receipts for stormwater management between six cooperative members, Western Irrigation District, City of Calgary, City of Chestermere, Rocky View County, Wheatland County, and The Town of Strathmore. Costs incurred in constructing the stormwater system and operating and maintaining the system are provided for from provincial grant funding and the members.

The District Capital Fund reports the assets, investments, liabilities, revenue and expenses related to the District's land, buildings and equipment.

The Irrigation Works Fund accounts for capital receipts for new irrigation works and interest earnings arising from such funds. Costs incurred in constructing new irrigation works and in replacing and rehabilitating existing structures are provided for from the fund. The Province of Alberta contributes funding of 75% of expenditures approved by the Irrigation Council and the District contributes 25%.

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**WESTERN IRRIGATION DISTRICT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

Note 3 Significant Accounting Policies and Reporting Practices ... continued

Revenue Recognition

Restricted contributions related to general operations are recognized as revenue of the Operating 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 Operating Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

The percentage of completion method is used to recognize revenue on the properties that the District is developing. Revenue is recognized as the development activity progresses based on the stage of completion reached. Revenue is recognized when the sale is final, and in amounts proportionate to the actual costs incurred to date over the estimated total costs to complete the project.

Cash and Cash Equivalents

Cash includes cash and cash equivalents. Cash equivalents are investments in Guaranteed Investment Certificates and are valued at cost plus accrued interest. The carrying amounts approximate fair value because they have maturities at the date of purchase of less than 90 days and/or are redeemable at any time.

Short Term Investments

Short term investments are investments in term deposits, fixed income securities, and non-redeemable Guaranteed Investment Certificates and are valued at cost plus accrued interest. The carrying amounts approximate fair value because they are non-redeemable and mature in the next fiscal year.

Long Term Investments

Investments for which there are quoted prices in an active market are carried at fair value. Unrealized gains or losses are reported as part of net income. Investments for which there is not an active market are carried at amortized cost except when it is established that their value is impaired. Impairment losses, or reversal of previously recognized impairment losses, are reported as part of net income.

The investments in co-operatives are recorded at cost plus undistributed patronage allocations. Other investments are recorded at the lower of cost and realizable value.

Investments Subject to Significant Influence

The District has elected to record investments in companies subject to significant influence using the equity method. Using this method, the investment is initially recorded at cost and the carrying value adjusted thereafter to include the District's pro rata share of post-acquisition earnings of the investee.

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**WESTERN IRRIGATION DISTRICT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

Note 3 Significant Accounting Policies and Reporting Practices ... continued

Inventory

Inventory of materials and supplies are valued using the average cost method and the lower of net realizable value and the estimated market value, which most accurately reflects the flow through of the physical inventory. Gravel inventory is measured based on a weighted average.

Capitalization

Additions to the District irrigation works are capitalized when the materials utilized exceed \$12,000 per structure. For any addition representing a rebuilding of a canal or ditch, the cost of materials must exceed \$12,000 to be capitalized. Other property and equipment purchased is recorded at cost. Costs of other property and equipment must exceed \$5,000 to be capitalized.

Whenever any concrete structure is installed on the distribution system, and it is a replacement of an existing structure, the value of the structure to be replaced is to be 20% of all costs associated with the new structure being installed.

Amortization and Depletion

The buildings and equipment are recorded at cost and are amortized at fixed rates applied to diminishing balances. The rates can be summarized as follows:

Computers	50%
Trucks	20%
Office equipment	20%
Other equipment and furniture	20%
Power equipment	20%
Shop and office complex	5%
Farm property	4%
Industrial subdivision costs	3%

Irrigation works are amortized on a straight-line basis over their estimated average useful lives of 75 years.

Amortization is claimed in full in year of addition and no amortization is claimed in year of disposition.

Depletion of the resource property is calculated using the unit of production method, which is calculated using the quantity of gravel actually extracted and processed, compared with the best estimate of gravel reserves remaining and site restoration costs.

Deferred Development Costs

These amounts represent costs incurred to develop assets or land for sale. Costs incurred for assets being developed will be capitalized once related agreements are formalized. Costs incurred for land for sale will be recovered when the land is sold to third parties.

Income Tax

The District is exempt from income taxation under Section 149 (1) (d) of the Income Tax Act.

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WESTERN IRRIGATION DISTRICT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

Note 3 Significant Accounting Policies and Reporting Practices ... continued

Goods and Services Tax

The District is part of the Alberta Crown and is listed as a tax-exempt Government of Alberta agency, and is therefore included in the Province's constitutional tax immunity. As a result, the District is not subject to taxes or Goods and Services Tax on purchases, but is still required to collect and remit Goods and Services Tax on services provided.

Asset Retirement Obligation

Asset retirement obligations, related to the gravel pits, include the legal obligation the District will be required to spend to reclaim the gravel pit sites. The current asset retirement obligation, which is equal to the initially estimated fair value of the total asset retirement obligation, is capitalized as part of the cost of the gravel pit. Changes in the estimated obligation resulting from revisions to estimated timing or amount of undiscounted cash flows are recognized as a change in the asset retirement obligation.

The future site restoration costs are calculated as the total undiscounted amount of estimated cash flows required to reclaim the gravel pit, which has been discounted using the credit-adjusted risk free rate of 3.95% (rate of interest on monetary assets that are essentially free of default risk, adjusted for the effect of an entity's credit standing). Increases in the site restoration obligation resulting from the passage of time are recorded as accretion of the asset retirement obligation in the Statement of Operations and Changes in Fund Balances.

Financial Instruments

The District initially measures its financial assets and financial liabilities at fair value. The District subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

Measurement Uncertainty

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The precise value of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a year involves the use of approximations, which have been made using careful judgment by management. Actual results could differ from those approximations.

A significant area requiring the use of management's estimates was the inventory valuation and the asset retirement obligation. The value of the inventory was determined using the lower of average cost method, net realizable value and estimated market value at September 30, 2019. Significant changes in the market value of inventory could result in impairment of inventory.

The value of the asset retirement obligation was determined using the present value of estimated future site restoration costs. Significant changes to these estimated costs could result in impairment of the asset retirement obligation.

WESTERN IRRIGATION DISTRICT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

Note 4 Cash and Cash Equivalents

	2019	2018
<i>Operating</i>		
Petty cash	\$ 1,000	\$ 1,000
Bank account balance	4,871,567	3,446,548
	<u>4,872,567</u>	<u>3,447,548</u>
<i>District Capital</i>		
Cash held for reinvestment	69,777	769,869
Cash held by subsidiaries	672,014	\$ -
Credit Union special grant account, interest rate of Prime minus 1.5%	1,258,099	308,047
Credit Union shared building bank account, interest rate of 0.25%	1,100,664	-
Credit Union land bank account, interest rate of Prime minus 1.5%	536,693	1,275,131
Credit Union capital trust levy bank account, interest rate of Prime minus 1.5%	2,444	2,385
	<u>3,639,691</u>	<u>2,355,432</u>
<i>Irrigation Works</i>		
Bank account balance, interest rate of Prime minus 1.5%	467,574	1,471,539
	<u>\$ 8,979,832</u>	<u>\$ 7,274,519</u>

A portion of the cash balance for District Capital, \$2,481 (2018 - \$2,423), is restricted in accordance with the terms of the Capital Levy Trust, as documented in Note 18.

The District has approval for access to a bank overdraft with a limit of \$1,000,000, secured by a general security agreement over assets. The borrowings were approved in By-Law 322. Interest is charged monthly on any outstanding balance at the Chinook Credit Union Ltd. Prime Rate minus 0.50%. At this time, no funds have been utilized.

Note 5 Accounts Receivable

	2019	2018
<i>Operating</i>		
Water rates and charges	\$ 1,791,825	\$ 1,707,043
Sundry debtors	70,869	51,132
	<u>1,862,694</u>	<u>1,758,175</u>
<i>Co-operative Stormwater Management Initiative</i>		
Conditional and development costs receivable	48,834	494,102
	<u>\$ 1,911,528</u>	<u>\$ 2,252,277</u>

Note 6 Short Term Investments

	2019	2018
<i>District Capital</i>		
Current portion of guaranteed investment certificates (Note 13)	7,538,914	9,280,902
	<u>\$ 7,538,914</u>	<u>\$ 9,280,902</u>

**WESTERN IRRIGATION DISTRICT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

Note 7 Inventory

	2019	2018
<i>Operating</i>		
Supplies and materials	\$ 326,668	\$ 191,093
<i>District Capital</i>		
Gravel	633,027	753,741
	\$ 959,695	\$ 944,834

Note 8 Loan Receivable

The loan of \$3,500 (2018 - \$4,500) is a result of the sale of land to the City of Chestermere. The loan will be repaid over the next four years with three annual payments of \$1,000 and one \$500 payment in the form of issuing a bursary. There is no interest and the funds shall be utilized for the purpose of the bursary.

Note 9 Preliminary Costs Pending

The expenditures of \$377,946 (2018 - \$148,870) represent preliminary costs incurred by the District on irrigation works projects that have not been submitted to Irrigation Council for cost shared funding, as well as projects funded from District Capital not having final Board approval as of September 30, 2019. As projects are approved, costs will be recovered from the cost shared program.

Note 10 Water Rights

This amount represents irrigated acre water rights purchased. The rights are accounted for at the lower of cost and net realizable value. They are held with the intent to resell and therefore the value of the rights will not be amortized.

	2019	2018
<i>District Capital</i>		
340 Irrigated Acres (2018 - 240 Acres)	\$ 261,800	\$ 184,800
	\$ 261,800	\$ 184,800

Note 11 Deferred Development Costs

	2019	2018
<i>District Capital</i>		
Co-operative Stormwater Management Initiative	\$ 314,958	\$ 274,870
Orchard Park	313,592	313,592
Other	238,658	120,279
Regional Water Reservoir Study	205,549	205,549
Regional Water Supply Project	92,381	92,381
	\$ 1,165,138	\$ 1,006,671

WESTERN IRRIGATION DISTRICT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

Note 12 Other Intangible Asset

			2019			2018
	Cost	Accumulated Amortization	Net		Net	
<i>District Capital</i>						
Digital data	\$ 123,104	\$ 112,332	\$ 10,772	\$	\$ 19,897	
	\$ 123,104	\$ 112,332	\$ 10,772	\$	\$ 19,897	

These costs were incurred for the purposes of developing a web based video promoting the District's irrigation activities in addition to aerial photographs. The web based video costs are shared with two other irrigation districts. The digital data costs have been capitalized and are being amortized straight-line over 10 years.

Note 13 Investments

	2019	2018
<i>Operating</i>		
Calgary Co-operative Association equity	\$ 1,153	\$ 1,108
United Farmers of Alberta equity	37,511	37,511
Chinook Credit Union Ltd. common shares	13,064	12,474
	51,728	51,093
<i>District Capital</i>		
Fixed income securities	13,833,272	10,358,660
Guaranteed investment certificates	11,108,114	15,000,802
Common shares and equities	7,202,951	10,224,833
Chinook Credit Union Ltd. common shares	12,313	11,757
Kinniburgh South Limited Partnership (Note 14)	2,352,731	2,571,513
Less: Investments maturing in the next fiscal year (Note 6)	(7,538,914)	(9,280,902)
	26,970,467	28,886,463
<i>Irrigation Works</i>		
Chinook Credit Union Ltd. common shares	14,148	13,509
	\$ 27,036,343	\$ 28,951,065

The guaranteed investment certificates mature between December 2019 and December 2023 with interest ranging from 2.10% to 3.50%.

**WESTERN IRRIGATION DISTRICT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

Note 14 Related Party Transactions

In 2009, the District sold land for \$1,000,000 to the Kinniburgh South Limited Partnership in exchange for 10 Class B Units which represents 49.95% ownership of outstanding shares.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

The following is a summary of the District's related party transactions:

	2019	2018
<i>Statement of Financial Position</i>		
Investments (Note 13)	\$ 2,352,731	\$ 2,571,513
	\$ 2,352,731	\$ 2,571,513
<i>Statement of Operations</i>		
Realized gain/(loss) on investments	\$ (218,782)	\$ 1,226,773
	\$ (218,782)	\$ 1,226,773

The District has provided funding to its wholly owned corporate subsidiaries to fund strategic initiatives and activities.

During the year, the District transferred \$1,519,310 to its subsidiaries to fund strategic investment initiatives and capital activities.

As at September 30, 2019, there is a balance owing from the subsidiaries to the District in the amount of \$1,519,310.

Note 15 Property and Equipment

	2019		2018	
	Cost	Accumulated Amortization	Net	Net
<i>District Capital</i>				
Land and farm property	\$ 4,710,673	\$ 16,760	\$ 4,693,913	\$ 3,806,134
Resource property (Note 20)	591,419	180,679	410,740	404,273
Computers	135,691	131,378	4,313	7,188
Trucks	838,968	436,274	402,694	492,147
Office equipment	21,941	17,929	4,012	4,908
Other equipment and furniture	124,274	94,216	30,058	36,775
Power equipment	3,529,484	1,428,661	2,100,823	2,113,550
Shop and office complex	955,275	707,849	247,426	260,139
Industrial subdivision costs	40,304	27,167	13,137	13,538
	10,948,029	3,040,913	7,907,116	7,138,652
<i>Irrigation Works</i>				
Land	49,436	-	49,436	49,436
	\$ 10,997,465	\$ 3,040,913	\$ 7,956,552	\$ 7,188,088

**WESTERN IRRIGATION DISTRICT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

Note 16 Irrigation Works

Irrigation works transferred from the Canadian Pacific Railway Company in 1944, were taken into account at their amortized values, as estimated by District officials. Subsequent additions and betterments to these assets are shown in the accounts at cost. These assets are being amortized over their estimated average useful lives of 75 years on a straight-line basis.

Commencing in 1998, irrigation works constructed without the use of Irrigation Council cost shared funds, have been capitalized as part of the District Capital Fund.

			2019			2018
	Cost	Accumulated Amortization	Net	Net		Net
<i>District Capital</i>						
Irrigation Works	\$ 99,567,729	\$ 9,328,433	\$ 90,239,296		\$ 87,567,304	
<i>Irrigation Works</i>						
Irrigation Council Works	130,088,240	49,485,186	80,603,054		81,304,641	
	\$ 229,655,969	\$ 58,813,619	\$ 170,842,350		\$ 168,871,945	

Note 17 Accounts Payable and Accrued Liabilities

			2019			2018
<i>Operating</i>						
Accounts payable and accrued liabilities			\$ 218,158		\$ 70,558	
Vacation payable			132,077		157,869	
Accrued payroll			4,128		1,767	
			354,363		230,194	
<i>District Capital</i>						
Holdbacks			75,294		-	
Accounts payable and accrued liabilities			64,665		-	
			139,959			
			\$ 494,322		\$ 230,194	

Note 18 Capital Levy Trust

The amount of \$2,481 (2018 - \$2,423), which includes cash as well as the related credit union share value held, represents the Capital Levies paid by various municipalities in accordance with the Storm Water Discharge agreements signed with them. These funds can only be spent with the concurrence of the District and the affected municipality, and only on capital projects that will be of benefit to both parties.

**WESTERN IRRIGATION DISTRICT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

Note 19 Deferred Revenue

The District has a lease agreement with Ducks Unlimited for the lease of George Freeman Marshland. The term of the lease is for 30 years commencing January 1, 2003, and expired January 1, 2032. The District received a lump sum payment of \$29,854 in 2003, and this amount has been recognized as revenue in equal amounts over the term of the lease.

The District has subdivided and developed land in the Strathmore area. The District recognizes revenue, using the percentage of completion method described in Note 3, as each lot is sold.

The District has a lease agreement with the Town of Strathmore for the lease of land containing towers on them. The lease is an annual lease with the first day commencing on July 1, 2017. The Town paid a deposit of \$3,600 for the period ending September 2019, which was recognized as deferred revenue in the current year.

	2019	2018
<i>District Capital</i>		
George Freeman Marshland	12,937	12,937
Town of Strathmore - tower agreement	3,600	-
Other leases	2,375	2,650
	18,912	15,587
Less: Current portion	(4,595)	-
	\$ 14,317	\$ 15,587

Note 20 Asset Retirement Obligation

The following table presents the reconciliation of the beginning and ending aggregate carrying amount of the asset retirement obligation associated with the restoration of the gravel pits:

	2019	2018
Asset retirement obligation, beginning of the year	\$ 553,921	\$ 471,597
Accretion expense	91,511	82,324
Asset retirement obligation, end of the year	\$ 645,432	\$ 553,921

The total undiscounted amount to settle the Asset Retirement Obligation, based on management's estimate, is \$925,973 (2018 - \$1,115,462). While it is anticipated that some expenditures will be incurred during the life of the operation to which they relate, a significant component of this expenditure will only be incurred at the end of the pit life. In determining the carrying value of the Asset Retirement Obligation, the District has assumed a current year deflation rate of 4.51% a credit-adjusted risk-free discount rate of 3.95%, and a weighted average useful life of production facilities and equipment of 17 and 21 years. Elements of uncertainty in estimating this amount include, changes in the projected pit life, reclamation expenditures incurred during ongoing operations and reclamation and remediation requirements and alternatives. No reclamation costs incurred in 2019.

**WESTERN IRRIGATION DISTRICT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

Note 21 Invested in Property and Equipment

	2019	2018
<i>District Capital</i>		
Water Rights (Note 10)	\$ 261,800	\$ 184,800
Other intangible asset (Note 12)	10,772	19,897
Property and equipment (Note 15)	7,907,116	7,138,652
Irrigation works (Note 16)	90,239,296	87,567,304
Asset retirement obligation (Note 20)	(645,432)	(553,921)
	<u>97,773,552</u>	<u>94,356,732</u>
<i>Irrigation Works</i>		
Property and equipment (Note 15)	49,436	49,436
Irrigation Works (Note 16)	80,603,054	81,304,641
	<u>80,652,490</u>	<u>81,354,077</u>
	<u>\$ 178,426,042</u>	<u>\$ 175,710,809</u>

Note 22 Externally Restricted Funds

The net assets of the Irrigation Council Works Fund are restricted under the terms of the Irrigation Rehabilitation Funding Agreement. These funds can only be spent on projects approved by the Irrigation Council, and the costs are shared with the District. Once the District has transferred its 25% share of costs into the Irrigation Council Works Fund, and received the 75% matching deposit from the Irrigation Council, the cash is restricted from use on other projects.

Note 23 Internally Restricted Funds and Interfund Transfers

The Board has internally restricted funds for District Capital rehabilitation of irrigation works. This internally restricted balance also includes the amount recognized when the Commutation Fund was eliminated as a result of the new Irrigation Districts Act. The internally restricted funds are not available for general purposes without approval of the Board of Directors.

Interfund transfers are required to fund the cash outlays for capital asset acquisitions and loan principal payments as well as expenses requiring Board approval.

The irrigation provision reflects the District's required 25% contribution for the Irrigation Council cost shared projects, as described in Note 22.

WESTERN IRRIGATION DISTRICT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

Note 24 Irrigation Rates

Irrigation rates, net, consist of:

Acres	2019	2018
<u>Assessment roll acres</u>		
86,309.5 irrigation acres at \$18.32 per acre, plus additional pressure and/or screening charges where applicable	\$ 1,712,910	\$ 1,675,678
607.0 minimum charge irrigation acres at \$458 per parcel	15,114	15,575
5,982.5 terminable acres at \$20.11 per acre, plus additional pressure and/or screening charges where applicable	116,313	129,138
325.0 minimum charge terminable acres at \$502.75 per parcel	8,838	7,022
80.0 annual acres at \$20.11 per acre, plus additional pressure and/or screening charges where applicable	1,608	2,112
47.5 minimum charge annual acres at \$502.75 per parcel	1,006	503
694.0 annual acres - off creek at \$16.03 per acre plus additional pressure and/or screening charges where applicable	11,125	11,125
1,291.0 annual acres - irrigation acres at \$20.11 per acre, plus additional pressure and/or screening charges where applicable	26,399	15,648
745.0 sleeping acre annual agreement acres at \$20.11 per acre plus additional pressure and/or screening charges where applicable	15,525	27,900
96,081.5	\$ 1,908,838	\$ 1,884,701

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**WESTERN IRRIGATION DISTRICT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

Note 24 Irrigation Rates ... continued

Where water is supplied by way of pressure pipeline, the charge per acre for irrigation, terminable and annual acres is based on the water pressure supplied at an additional charge per acre, at a rate of \$0.31 per PSI as designed.

Where water is supplied by way of a system accommodated with a functioning automatic screen cleaner, the charge is \$0.60 per irrigation, terminable and annual acre.

Annual acres – sleeping acre annual agreement at \$20.11 per acre plus additional pressure and/or screening charge where applicable. This type of agreement ends December 2019.

Temporary suspended acres – agreements signed for irrigation acres within the District not being irrigated. These were then distributed in the form of sleeping acre annual agreements ending in 2019 (as noted above).

a) A \$4.00 rate discount was applied to irrigators who were under terminable agreements and conveyed water via a creek if they converted to a special agreement in order to allow the District to accommodate permanent acre applications in process through the period in which the acreage cap for the District's terminable acres was met (95,000 acres).

b) Further to this, the District offered the applications in process during this same period, a special annual agreement reflecting the rate for the type of agreement they would otherwise have entered into.

Note 25 Government Grants

In 2008, the District received \$85,000,000 in a legal settlement with Her Majesty the Queen as represented by the Minister of Environment. The action Western Irrigation District claimed was alleging that a license issued to Canadian Pacific Railway (CPR) on September 3, 1921, continued to subsist in force while the water license issued to Western Irrigation District on July 2, 1963, for 160,400 acre feet of water was not in force even though it had the same priority as the CPR license. The action was settled by way of this grant, which is to be used for the constructing, rehabilitating and enhancing of irrigation works. The funds are required to be invested in a risk-free manner. The funds are invested appropriately and detailed in Note 13.

Note 26 Transfer as Asset to Irrigation Works

The Western Irrigation District has transferred \$1,756,072 (2018 - \$1,912,276) as an asset to infrastructure. This amount represents the recovery of District labour and equipment that has been incorporated into the capital cost of the irrigation works.

Note 27 Contingent Liabilities

The District is involved in litigation, regulatory and environmental matters in the ordinary course of business. The District has been named in a legal claim. As of year end the matter is unresolved and the outcome is not determinable, and has not been accounted for.

At September 30, 2019, the District had expended \$377,946 (2018 - \$148,870) on irrigation works projects without approval of the Irrigation Council and District Capital projects without approval from the Board of Directors. Until formal approval is received from Irrigation Council for the balance of irrigation works expenditures paid by the District, the unapproved amounts cannot be cost shared with the Province of Alberta, as detailed in Notes 25 and 26.

**WESTERN IRRIGATION DISTRICT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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Note 28 Local Authorities Pension Plan

The District and its eligible employees participate in the Local Authorities Pension Plan (LAPP). This is a multi-employer, contributory defined benefit pension plan, for which specific information concerning the District's interest in the assets and liabilities is not readily available. The Alberta Pensions Services Corporation (APS) administers the plan, with the employee and District's contributions to the LAPP determined by the plan rules. The required contributions are determined by actuarial valuations conducted at least on a triennial basis. These valuations are made in accordance with legislative requirements and with the recommendations of the Canadian Institute of Actuaries for the valuation of a pension plan. Commencing December 1, 2000, the District prospectively applied the new accounting recommendations for employee future benefits, and is accounting for the plan, as though it were a defined contribution plan. There were no transitional assets or obligations at the time the change was made.

Pension cost of the LAPP is disclosed as part of salaries and wages. The expense for this pension plan is equivalent to the annual contributions of \$141,396 for the year ended September 30, 2019 (2018 - \$159,746).

Note 29 Environmental Contingencies

The District is vulnerable to lawsuits with respect to government regulations concerning environmental issues. As well, the operation of a gravel pit may have the potential to pollute ground water. The risk of these contingencies occurring, and the potential clean up costs of polluted ground water, has not been determined but could be material.

Note 30 Financial Instruments

The District, as part of its operations, carries a number of financial instruments. These financial instruments consist of cash and cash equivalents, accounts receivable, accrued interest receivable, short term investments, loan receivable, long term investments, accounts payable and accrued liabilities and capital levy trust. These financial instruments may be exposed to the following risks:

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. In seeking to minimize the risks from interest rate fluctuations, the District manages exposure through its normal operating and financing activities. The District's interest rate risk is reduced due to minimal debt held, the credit quality of the entities to which it provides services, as well as from the return on its investments and a diversified portfolio in which the investments are held.

Credit Risk

Credit risk arises from the possibility that the entities to which the District provides services may experience financial difficulty and be unable to fulfil their obligations. The District has potential exposure to financial risk that arises from the credit quality of the entities to which it provides services as well as the institutions with which it holds its cash and investments. The District provides its services to a large volume of customers and as a result, its credit risk is minimized. Cash and investments are in place with major financial institutions and therefore the District does not believe it is subject to any significant concentration of credit risk with its investments.

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**WESTERN IRRIGATION DISTRICT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

Note 30 Financial Instruments ... continued

Fair Value

The fair value of cash and cash equivalents, accounts receivable, accrued interest receivable, short term investments, accounts payable and accrued liabilities and capital levy trust corresponds approximately to their carrying amount because of their short term maturity dates.

The carrying amount of the loan receivable and long term investments approximates fair value because the coupons are close to the market rates.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The District is exposed to this risk mainly in respect of its accounts payable and accrued liabilities.

Note 31 Commitments

In consideration of entering into an agreement with Rocky View County (the County) for the supply and conveyance of water in 2011, the District has received a commitment fee in the amount of \$750,000 from the County. The agreement is for the District to allocate 2,500 acre-feet of raw water to the County and to convey up to 2,500 acre-feet of raw water as required by the County as and when permitted. No water has been allocated to the County by September 30, 2019, however the commitment fee was required to satisfy the terms of the agreement to reserve the water allocation for the County. The agreement term is from November 1, 2011 to December 31, 2035 unless terminated

The District has outstanding, a letter of guarantee to the Town of Strathmore in the amount of \$100,000 for the Orchard Park Development.

Note 32 Comparative Figures

Some of the comparative figures have been reclassified to conform to the current year's presentation.

Note 33 Approval of Financial Statements

The management of the Western Irrigation District approved these financial statements on January 15, 2020.



WESTERN IRRIGATION DISTRICT

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