

# WESTERN IRRIGATION DISTRICT

## ANNUAL REPORT | 2020



**ANNUAL GENERAL MEETING**  
APRIL 7, 2021 – 1:30 PM  
Strathmore Travelodge  
and broadcast online  
.....  
PLEASE BRING THIS REPORT  
WITH YOU TO THE MEETING

# NOTES

A series of 20 horizontal dotted lines for writing notes, evenly spaced across the page.

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 is scheduled for April 7, 2021 at 1:30pm. It will be held at the Strathmore Travelodge at 350 Ridge Road in Strathmore, and also broadcast online; link will be provided at www.wid.net one week prior to the meeting and emailed to Irrigators. The meeting is 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. Row 1: Director, 1, 3

Only those irrigators of the District can vote whose majority of irrigation acres fall within Electoral Division 3, which comprises Townships 21, 22 and 23 in Ranges 25, 26, 27 and 28, and Township 23 in Range 29.

Voting will take place on the 7th day of April 2021 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

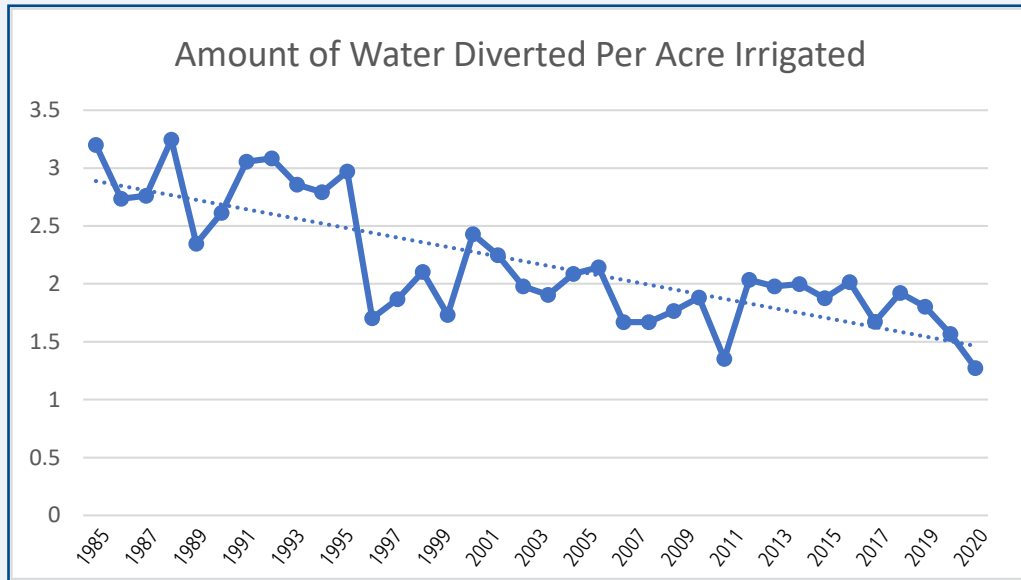
Effectively and efficiently provide water to support our industry, enhance our communities, and promote economic prosperity for the region in harmony with our natural environment.

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

# 2020 SUCCESS HIGHLIGHTS AT A GLANCE

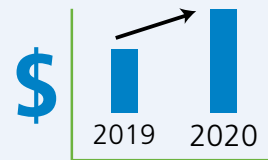


SECOND HIGHEST TOTAL ACREAGE & LOWEST WATER DIVERTED  
 → MOST EFFICIENT DIVERSION IN WID HISTORY



**86%+**

OF WID ACRES IRRIGATED  
**USED HIGH-EFFICIENCY  
 IRRIGATION SYSTEMS**



**60%**

OF REVENUE FROM  
 EXTERNAL SOURCES INCLUDING  
**\$5.7M GRANTS**



**\$145M+**

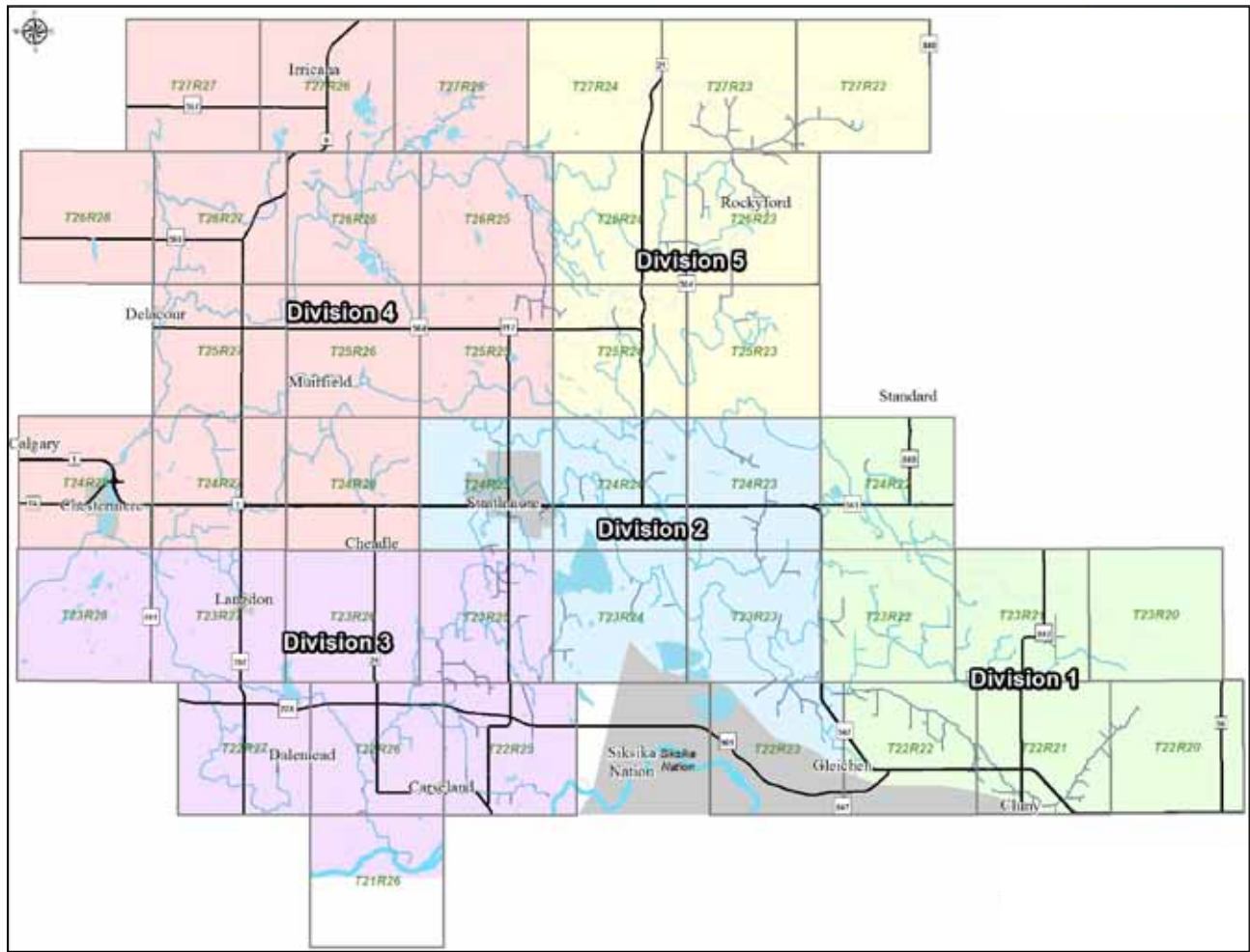
INVESTED IN  
**INFRASTRUCTURE  
 UPGRADES SINCE 2007**

THE WID COMMITMENT  
 TO MODERNIZING AND EXPANDING  
 OUR INFRASTRUCTURE CONTINUES

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# DIVISIONS OF THE WESTERN IRRIGATION DISTRICT



# BOARD OF DIRECTORS



**Chairman**  
Dan Shute



**Vice Chairman**  
Ray Kettenbach



**Director**  
Doug Brown



**Director**  
Henry Colpoys



**Director**  
Rick Page

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## 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 2023**

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 2023**

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



# CHAIRMAN'S REPORT

For so many reasons, 2020 will go down in history as a year unlike any other in our lifetime. At the WID, there are a number of positives to celebrate from the past year and optimism about future growth that I am pleased to share with you.

The team had another strong performance, with delivery of water to an increasing number of active acres, a trend that we expect to continue. The WID manages our resource well while constantly working hard to further improve the efficiency and dependability of the system and the water quality within it.

Significant capital secured by the WID a number of years ago has provided for a substantial investment, more than \$145M since 2007, for ongoing modernization, rehabilitation and expansion of the system. And, there is much more to do.

With foresight, strong partnerships and strategic decision-making, our Board and staff are driven to find solutions for both the short and long terms.

- This year, the WID completed the first large-scale infrastructure project constructed entirely during the irrigation season, demonstrating significant efficiencies and cost savings are possible when leveraging this window of time.
- We saw that a proactive approach to infrastructure development is critical to our growth and success. The WID had multiple years of capital construction designed and ready, and applicable consultation with irrigators completed, allowing us to apply for and secure economic stimulus funds from the provincial and federal governments.
- Further progress was made on the Cooperative Stormwater Management Initiative in 2020, a strategy to embed protection and enhancement of water quality into our system for the long term.
- The WID partnered with the Marigold Library System to build a new joint facility that will open in Strathmore in 2021. By leveraging assets and strengths of the two organizations, and pursuing land use upgrades, both the WID and Marigold realize cost savings and other efficiencies. We look forward to moving into a fresh space where all the WID staff will be co-located and where we have room for growth.

Past efforts have set us up well for future investments and ultimately, to put more acres to work.

Through this period of change, I am proud of the WID's efforts to prepare, adapt and demonstrate resilience. I sincerely thank our staff for their dedication and achievements this year, and know they will continue to deliver high-quality service for our water users. Past efforts have set us up well for future investments and ultimately, to put more acres to work. The WID is poised for significant growth – we have many reasons to be optimistic in 2021 and beyond.

Respectfully yours,

**Dan Shute**  
*Chairman of the Board*

# GENERAL MANAGER'S REPORT

During 2020, the WID continued to make significant progress towards achieving our three Strategic Priorities, below. Despite the circumstances and challenges brought on by COVID-19 restrictions, we managed to support the communities we serve and contribute to their progress.

## WATER SECURITY

Working together, the WID and our water users made excellent strides towards increasing the efficiency of our systems, achieving significant water savings that enhance water security for everyone. This led to the 2nd highest total acreage irrigated in our history while demonstrating the most water efficiency ever, with the lowest diversion rate per irrigated acre in WID history. The WID also advanced the Cooperative Stormwater Management Initiative (CSMI) and the Natural Hydrology Restoration Program (NHRP). The latter will reduce the amount of inflow into the WID system, preserving water quality and reducing the risk of damage to our system during high-flow events.



**General Manager**  
David McAllister

## SERVICE EFFICIENCY

The WID is pleased to see the ongoing investment in high-efficiency systems by our water users. A record 86% of irrigation used either low-pressure pivot or drip systems in 2020. We contributed more than \$4M dollars towards infrastructure improvements, resulting in a total of \$145M+ in improvements to our infrastructure since 2007.

## FINANCIAL SUSTAINABILITY

Our team continues to balance strategic investments into our operations with a strong financial position, and sufficient reserves to maintain reasonable water rates for our users. From grants and other external sources, the WID generated \$5.7M in 2020, which we believe demonstrates the value that irrigation has within the communities we serve.

We engaged with the Alberta government and the Canada Infrastructure Bank regarding funding to accelerate infrastructure development in future years. This opportunity allows the WID to leverage external funds to modernize and upgrade our infrastructure, substantially reducing costs for water users over the long term.

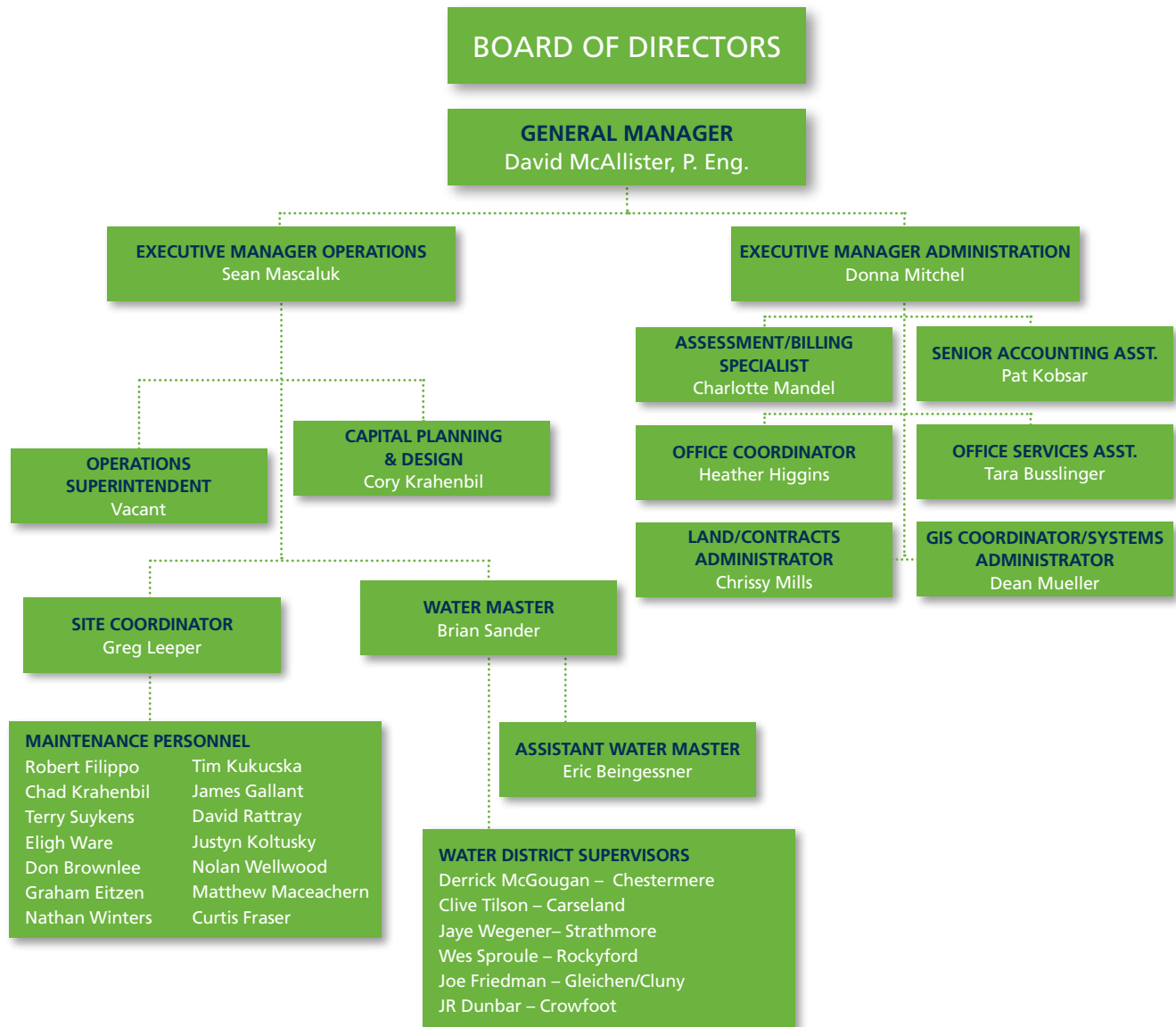
Operationally, we saw significant rainfalls during the spring and therefore low demand for irrigation. As the season progressed, water use increased substantially, resulting in peak flows occurring later than usual, in the first week of August.

Although 2020 was an unprecedented year in so many ways, the WID is well-positioned for the future – with accelerated infrastructure rehabilitation, increasing water savings and improved water quality all on the horizon. Our focus on these Strategic Priorities will ensure that the WID is vibrant and makes significant contributions to the communities we serve.

Respectfully submitted,

**David McAllister** PEng, MSc, MBA  
*General Manager*

# WESTERN IRRIGATION DISTRICT



# WATER OPERATIONS

Our annual 2020 water operations began May 2nd with diversion from the Bow River. Ice conditions had been heavy and caused a delay in the ability to divert water sooner.

The first withdrawal of water from the WID canal system came on May 7 with the peak demand on August 1 when 196 contracts were recorded to be using water that day.

Bow River Diversion for the year totalled a little more than 96,360 acre/feet which supplied all irrigation, household and domestic contract use, and conveyance agreements. Peak diversion from the river occurred on August 7th when the WID recorded 607 cubic feet/second of water being drawn from the Bow River.

A total of 76,027 acres of land were irrigated in 2020 with the average irrigation application throughout the entire WID recorded at 5.5 inches per acre. Timely and significant rainfall had a major impact on diversions, kept low from May until late July; the average amount of irrigation applied in the year was also proportionately less due to rainfall. Strathmore recorded 226 mm of rainfall from May 1 through October 1, according to Environment Canada.



Ice build-up

## UNIQUE IMPACT OF COVID-19

During the pandemic, many people were eager to get outside as much as possible. The WID worked with municipal stakeholders to enable and expand recreational opportunities, including use of the Strathmore greenspace. Pedestrians and cyclists enjoyed, and will on an ongoing basis, the areas adjacent to the canal.

Albertans also sought more chances to go fishing, with 30% more licenses issued over the prior year. The District addressed a concern raised at Lake Chestermere, a WID reservoir, where some fish were found floating. Upon investigation, with assistance from Alberta Fish & Wildlife, we determined the problem was due to increased angling and improper catch and release.

## WATER MAXIMUMS FOR CROP AND STOCK USE (ALLOCATION)

This year marked the third season of the WID's Water Allocation Policy, where crop production is allowed a maximum of 18 inches of water per acre without penalty, and stock consumption has a maximum volume of 5 acre/feet allowed before penalty. Overuse for both cases are penalized at \$20.00 per acre/inch. There were no instances of water overuse recorded in 2020.

A key reason for introducing this policy was to ensure that the WID water use records match what the producers have in the field. In 2020, WID staff continued to confirm water consumption rate of pivots, wheel moves and miscellaneous other irrigation systems, using a District-owned mobile strap-on flow meter. In conjunction with flow metering, irrigation systems continue to be reviewed via GPS to confirm irrigated areas. GPS and flow metering are provided at no charge to our water users and can be arranged by calling the WID office.

WATER  
SECURITY



## EXPANDED USE OF AQUATIC HERBICIDES

The District's use of Magnicide H for the control of aquatic based weeds was adjusted in 2020. Additional chemical was purchased for more frequent applications. There was a noticeable decrease in the amount of aquatic vegetation in both the A and B canals, and weed growth did not interrupt irrigation operations for our water users.

The WID has now planned and budgeted to use of Magnicide H on C canal in 2021, where we are confident that the same reduction of weed growth can be achieved.

For the sixth year the WID used eco-socks for aquatic weed control. These contain naturally occurring biological agents called live liquid micro-organisms (LLMO's) that aggressively compete with aquatic plants for nutrients like nitrogen and phosphorus in the water column.



An eco-sock at work in a WID canal

The bacteria are naturally occurring, so pose no harm to the environment and have been shown to benefit crop health. The WID plans to use them on additional, smaller lateral delivery canals in 2021. There are limitations to the size of canals that eco-socks can be used on. The main limiting factor for their use is the flow volume of the lateral ditch.

If you have any questions regarding the WID's aquatic weed control program, please contact our office or any of our Water Operations team.

# IRRIGATION REHABILITATION PROGRAM (IRP)

The Irrigation Rehabilitation Program (IRP) continued as a major source of funding for rehabilitation work within the District this year. The program is funded 75% by the provincial government and 25% by the WID.

<b>PROVINCIAL GOVERNMENT</b>	<b>75%</b>
<b>DISTRICT</b>	<b>25%</b>
<b>TOTAL</b>	<b>100%</b>



# 2020 IRP PROJECT SUMMARY

## NORTH CLUNY TAIL-OUT REHABILITATION IRP 2333

The North Cluny tail-out pipeline and canal rehabilitation project is included in the long-term rehabilitation plans of the District and approved by Alberta Agriculture and Forestry as an IRP-funded project. The project involved the replacement of an existing open channel with a gravity pipeline to service 545 acres of existing irrigation, and up to 1,250 new acres of potential irrigation. It also included construction of a level bank and lined canal system and installation of a new spillway along the North Cluny ditch.

This system accommodates operational and emergency spill flows and provides adequate head on the new pipeline. This line ties into the existing Rougeau pipeline, bringing total accumulated acreage to nearly 2,700 acres at full build out. The project is IRP-approved for a budget of \$4,751,000, to be constructed over a 3-year period.

In 2020, an additional 1.80 km gravel on poly lined canal was rehabilitated. This marks the final phase of a 3-year, IRP-funded project at the eastern end of the 'A' Canal system. In total, 4.0 km of canal was lined and rehabilitated and 7.5 km of canal was converted to a 5.3 km pipeline with new spillway.

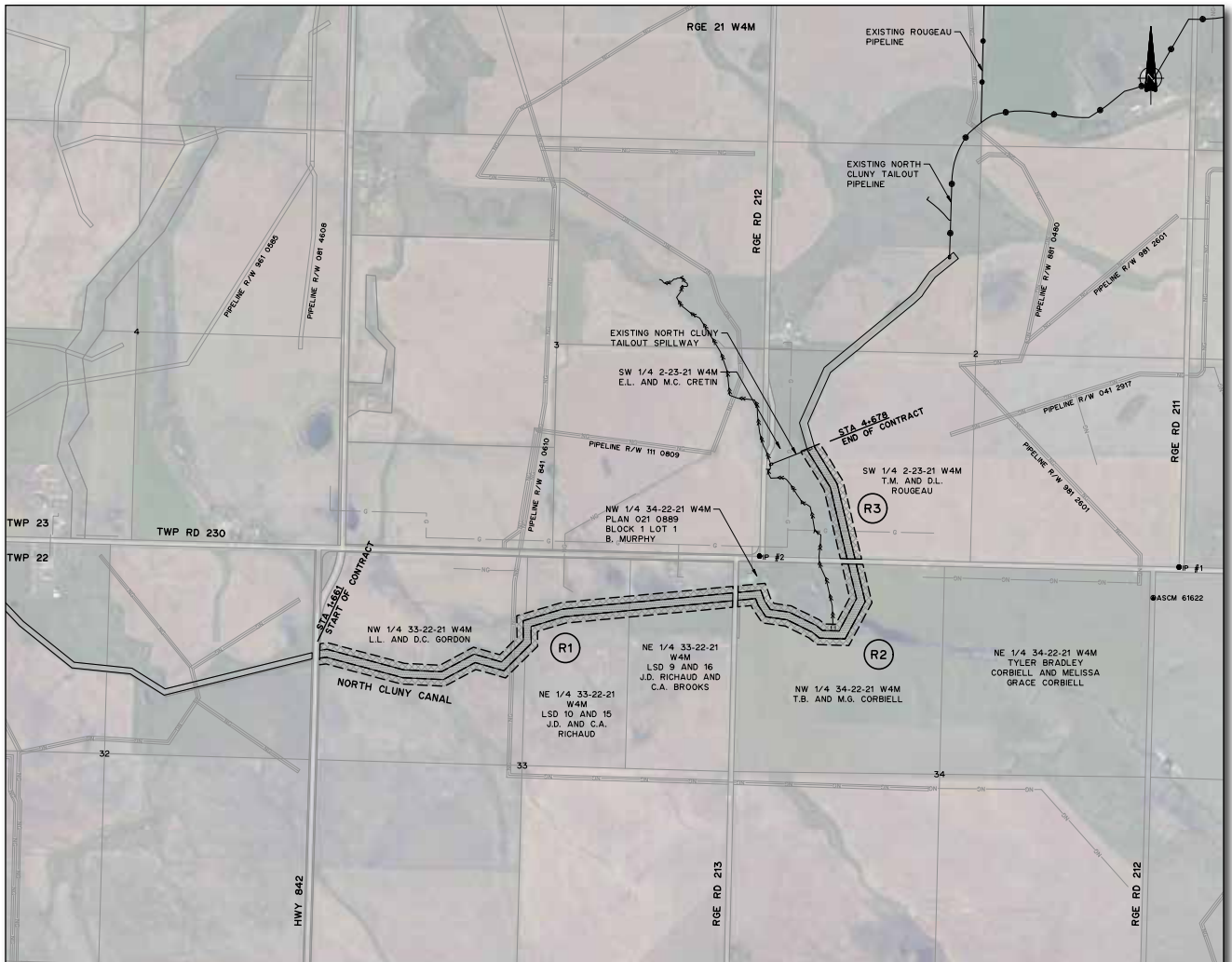
**WATER  
SECURITY**



**SERVICE  
EFFICIENCY**



Final phase of North Cluny 3-year IRP Rehabilitation Project is complete



Overall site plan for rehabilitated canal including gravity pipeline and spillway

APPROVED IRP PROJECT COST  
**\$4,751,000**

TOTAL IRP PROJECT COST TO  
 SEPTEMBER 30, 2020  
**\$4,723,343**



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

In 2019, the District began a multi-year canal rehabilitation along the eastern end of the Glenrose (B Canal) system. The initial three years are cost-shared between the IRP and WID which works well to adjust annual capital budget expenditures and maximize resources and manpower.

Multiple alternatives for the proposed scope of work for the rehabilitation of the Glenrose Canal were assessed, including PVC pipeline, buried earth liner and gravel on poly liner. The pipeline option was not cost-effective given water delivery requirements and required grades. Using buried earth was considered but not recommended due to the lack of availability of suitable local material and the costs associated with 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 identified at strategic locations and incorporated to improve hydraulic efficiency and balance water demand.

Phase 1 was completed in summer 2020 on this 3-year, combined IRP and WID-funded canal rehabilitation.



Automated Langemann gate and pipeline screen cleaner

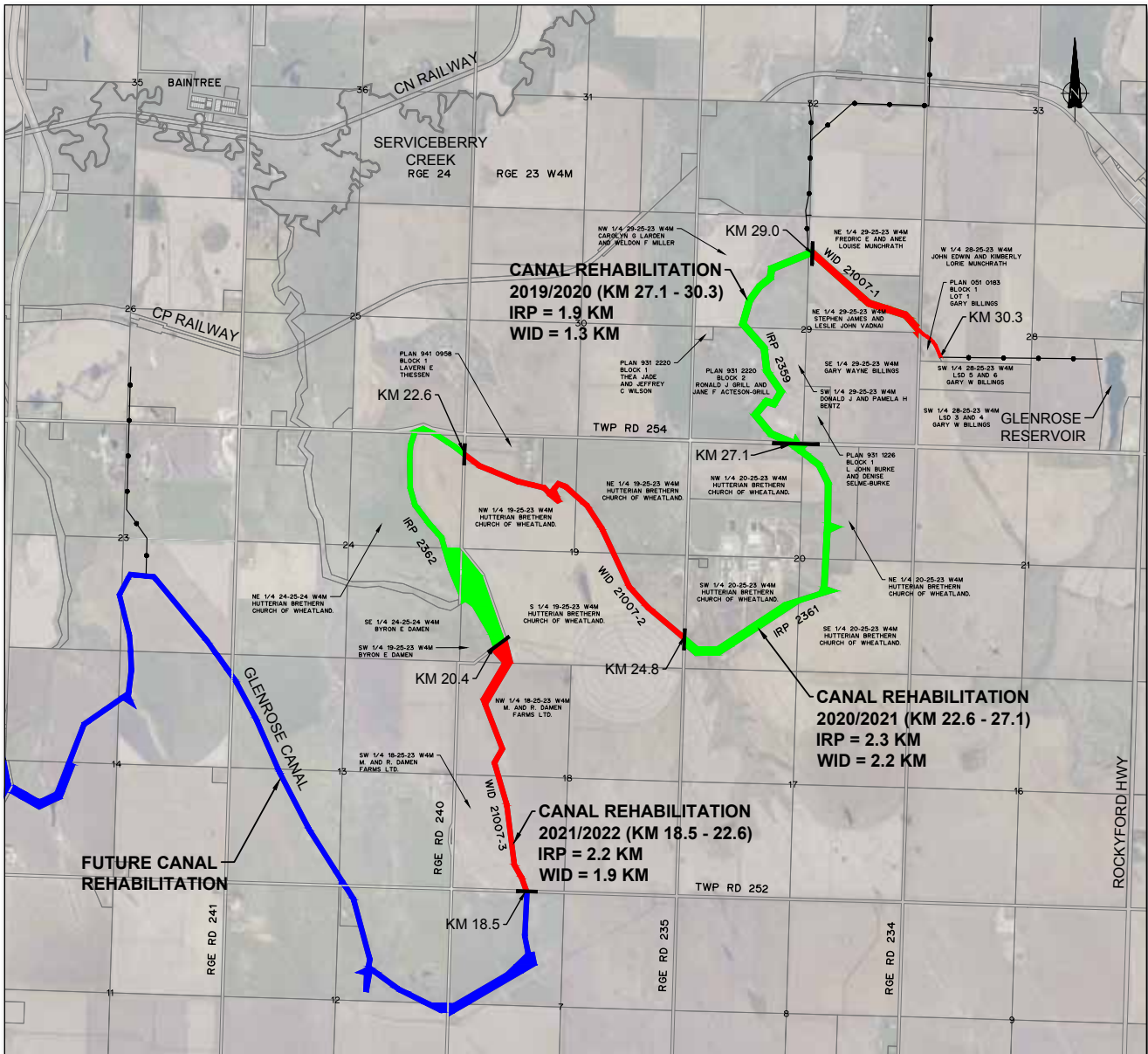
**WATER  
SECURITY**



**SERVICE  
EFFICIENCY**



Extra wide right-of-way incorporated into canal design



3-Year IRP and WID Proposed site plan Glenrose canal rehabilitation

APPROVED IRP PROJECT COST  
**\$1,232,000**  
 TOTAL IRP PROJECT COST TO  
 SEPTEMBER 30, 2020  
**\$1,150,035**

APPROVED WID PROJECT COST  
**\$640,000**  
 TOTAL WID PROJECT COST TO  
 SEPTEMBER 30, 2020  
**\$534,614**

# GLENROSE CANAL REHABILITATION PHASE 2

## IRP 2361 & WID 21007-2

Work commenced in late summer 2020 on Phase 2 of this 3-year combined IRP and WID-funded canal rehabilitation project. Excess WID canal right-of-way combined with a large borrow and water storage site provided ample clay fill material to facilitate a buried liner construction method for this reach. Substantial completion of the 5.8 km rehabilitation will be achieved prior to the 2021 water season.



Canal excavation



Building and compacting new bank

**WATER  
SECURITY**



**SERVICE  
EFFICIENCY**





Excavating key trench for liner



Liner placed in preparation for covering



Clay loaded from borrow pit within WID lands for compacted liner cover

APPROVED IRP PROJECT COST  
**\$1,419,000**

TOTAL IRP PROJECT COST TO  
SEPTEMBER 30, 2020

**\$162,142**

APPROVED WID PROJECT COST  
**\$1,313,000**

TOTAL WID PROJECT COST TO  
SEPTEMBER 30, 2020

**\$100,438**

# OTHER PROJECTS FOR 2020

## WID 21010-1 STRANGMUIR-FIELD PIPELINE PHASE 1

There has been a recent emphasis on strategic acre movement and re-distributions, along with increased interest in irrigation expansion from motivated landowners. This resulted in the anticipated cost for this pipeline to be reduced by approximately half because the original engineering was considered several years ago.

The existing 3.0 km canal section is heavily treed with poor access for maintenance staff and equipment, has seepage areas and most significantly, has no proper tail out. The current open channel system services less than 400 acres of irrigation but has expansion capacity projected up to 1,525 total future acres.



The first phase of the Field-Strangmuir pipeline, along 'A' Canal, is integral to the proposed, full build-out of the Strangmuir pipeline system which is scheduled to be phased over the next several years.

To maximize the future expansion capacity of this project, the WID Board approved upsizing the Phase 1 pipe size from 1,200mm to 1,350mm.

The current Field-Strangmuir open canal system services 3,222 acres of irrigation.

With the increased pipe size allowance for future expansion, the new closed pipeline system will be capable of servicing more than 8,000 acres at full build out.



PVC pipe and fitting installation

Unloading 1,200mm PVC

Historically, the WID has installed pipelines during the off-season, in fall and winter, when conditions were often challenging. During summer 2020, the WID successfully installed 1,800 meters of 1,350 mm and 1,200 mm diameter PVC. Supportive landowners and summer working conditions allowed for productive, efficient and higher-quality pipe installation and remediation.

The cast-in-place inlet structure, tie-in and Phase 2 pipeline construction will occur in 2021.



Pipe installed and right-of-way reclaimed prior to harvest



Mainline installation and backfill

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APPROVED IRP PROJECT COST  
**\$2,100,000**

TOTAL WID PROJECT COST TO  
SEPTEMBER 30, 2020  
**\$1,542,392**

# WID 21009 SECONDARY A CANAL DROP STRUCTURE REPAIR

This significant drop structure within Strathmore town limits was constructed in 1974 under the IRP's predecessor, the Irrigation Council Works (ICW) program. In 1987, several issues were repaired. Significant wall movement and cracking continued so it was determined that the downstream walls should be replaced with an increased height to contain water within the chute. Granular drainage was installed to lower groundwater levels and reduce frost forces on the walls.

The contract portion of this project was completed by Robin Hansen Construction in a timely manner and on budget.

Final site cleanup and reclamation was completed in spring 2020 by District staff.



Damaged walls removed and granular backfill placed for proper drainage



Repaired drop structure operational for 2020 water season

APPROVED IRP PROJECT COST

**\$175,000**

TOTAL WID PROJECT COST TO  
SEPTEMBER 30, 2020

**\$164,162**

## WRRP NHRP GRANT

The WID applied for and received a grant of \$96,351 for completion of Phase 1 of the Natural Hydrology Restoration Project (NHRP), under the Alberta Government's Watershed Resiliency and Restoration Program (WRRP).

Work began in 2020, to decommission inactive and legacy irrigation infrastructure within WID rights-of-way to re-establish pre-existing hydrology. This program was a significant opportunity to improve flood and drought resilience as dechannelizing flow substantially reduces the rapidity of hydrological response and retains more water on-site.

The objectives of the NHRP align well with the intent of the WRRP:

1. To re-establish pre-existing hydrology where legacy WID canals are creating a physical barrier to natural hydrology by intercepting and channelizing surface runoff.
2. To reduce the likelihood, frequency, severity and consequences of flooding through the elimination of channelized flow within the drainage catchments.
3. To reduce the likelihood, frequency, severity and consequence of drought impacts by decreasing runoff and enhancing opportunities for groundwater recharge and retention of soil moisture through infiltration.

The WID selected two specific project sites that would enable us to evaluate the performance of two restoration techniques – one solely incorporating soil, and the other incorporating reduced material from on-site vegetation.

All project works were completed by a 3rd party contractor.

The re-established lands were returned to the landowners for future production.

WID has applied for the second phase of the NHRP project for 2021.



Prior to decommissioning of legacy infrastructure





During decommissioning of legacy infrastructure



After decommissioning of legacy infrastructure

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APPROVED WRRP NHRP GRANT AMOUNT

**\$96,351**

TOTAL WID PROJECT COST TO  
SEPTEMBER 30, 2020

**\$70,119**

# SEEPAGE CONTROL PLAN 2018 – 2022

The Western Irrigation District prepared a Seepage Control Plan for 2018 through 2022 in accordance with Section 164(1) of the Irrigation Districts Act.

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	Completed
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 T26 R24 W4	Not completed
2022	Secondary 'C' Canal	Sec. 11, 14 T26 R24 W4	Not completed

# OPERATIONS AND MAINTENANCE ACTIVITIES

Ditch Cleaning	14.4 kms
Bank Levelling/Ditch Fill-In	6.2 kms
Tree Clearing	5.2 kms
Canal Fencing	12.5 kms
Delivery Installations-Replacements	11 units
Drop/Check Installations	3 units
Canal Crossing Installations	12 units
Dugouts	3 units
Cattail Cutting	26 days
Chemical Spraying	52 days
Magnacide H	41 days
Bank Mowing	440 hours



# 2020 DISTRICT EQUIPMENT FLEET

- 22017 Case CX350D Excavator
- 2018 Komatsu 240LC-11 Excavator
- 2018 Komatsu 290LC-11 Excavator
- 2019 Komatsu D61-PX Dozer
- 2019 Komatsu D51-PXI GPS Dozer
- 2014 John Deere 410K Backhoe
- 2014 John Deere 624K Loader
- 2016 John Deere 624K Loader
- 2020 Case TR270 CTL Skid Steer
- 2019 Kubota M6-141 Tractor with 15' Schulte Mower
- 2017 Peterbilt Tandem Gravel Truck with Pup
- 2020 Peterbilt Tandem Gravel Truck with Pup
- 2018 Peterbilt Tandem Tractor
- 2020 Peterbilt Tandem Gravel Truck with Pup
- 2016 Peerless Lowbed w/ Jeep and Booster
- 2002 Tandem Tip Trailer
- 2011 Tandem Backhoe Trailer
- 2015 Midland Side Dump Tridem Trailer
- 2012 Dodge 1 Ton with Dump Trailer
- 2018 Dodge 1.5 Ton with Gooseneck Trailer
- 2017 Bomag 8500 Roller Packer
- 2018 Industrias America 2432 10ft Offset Tandem Disc



# 2020 WEED CONTROL

The annual aquatic vegetation management program remains a priority as it significantly improves water flows and efficiency for delivery to all water users. Both mechanical and chemical efforts are carried out annually resulting in reduced flow restrictions, providing cleaner water at the pumps and aiding in seepage control.

The aquatic vegetation control treatment in the canals began on May 20, 2020 with efforts to successfully control early growth stages of algae and pond weed. Earlier treatments of Magnacide H, and scheduled more frequent applications thereafter, resulted in significant improvements in controlling aquatic weed growth. The last treatment of Magnacide H was on August 12, 2020 as irrigation requirements began to taper off for the season.

As in the prior year, increasing positive feedback from water users and Water District Supervisors has firmly established the program as successful. An increase in Magnacide H budget for the 2021 water season will provide allowance for additional applications.

With the aid of our continuing contractor for control of prohibited noxious, noxious, specific nuisance weeds, trees and shrubs, the District also utilizes WID-owned equipment and employees for mowing canal banks controlling grasses and weeds.

## 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 2020

NAME	LEGAL DESCRIPTION	ACTION
Morgan 66 Ltd.	NW 24-24-24 W4	Addition
590140 Alberta Ltd.	SW 32-23-28 W4	Removal
Kelly & Nora Muenchrath	NE 20-26-23 W4	Removal
Kelly & Nora Muenchrath	SE 20-26-23 W4	Removal
2188205 Alberta Ltd.	SE 2-24-25 W4	Removal
Bill & Deanne Rommens	NE 33-23-25 W4	Removal
Henricus & Johanna Heuver	SW 33-23-28 W4	Removal
Henricus & Johanna Heuver	NW 28-23-28 W4	Addition



## CROP DATA SUMMARY

NAME	TOTAL ACRES	NAME	TOTAL ACRES
ALFALFA (2nd cut)	13619	MISC	227
ALFALFA (silage)	617	NON CROP	333
BARLEY	8393	NURSERY	1384
BARLEY (malt)	823	OATS	910
BARLEY (silage underseed)	132	PASTURE (native)	1515
BARLEY (silage)	5953	PASTURE (tame)	5055
BEANS (faba)	558	PEAS (dry)	2673
CANOLA	16411	POTATO	60
CARROTS	30	POTATO (Seed)	461
CORN (grain)	130	RYE	896
CORN (silage)	986	TURF SOD	2214
FLAX	100	UNKNOWN CROP	233
GRASS SEED	320	WHEAT (cps)	1373
GREEN FEED	1169	WHEAT (durum)	675
HAY (alfalfa)	2213	WHEAT (hard spring)	11117
HAY (brome)	150	WHEAT (silage)	1532
HAY (grass)	1186	WHEAT (soft)	2363
HAY (timothy)	936	WHEAT (winter)	100
MARKET GARDENS	100		



# Minutes of the Annual Meeting of the Water Users of the Western Irrigation District held remotely via Zoom in Strathmore, Alberta on January 14, 2021

## ONLINE:

### DIRECTORS

Henry Colpoys  
Dan Shute  
Doug Brown  
Ray Kettenbach  
Rick Page

### STAFF

David McAllister, General Manager  
Donna Mitchel, Executive Manager - Administration  
Heather Higgins, Office Coordinator & Recording Secretary

### AUDITORS

Shelley 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 2019 Annual General Meeting. He introduced the Board Members and staff online. Approximately 30 water users joined the Zoom meeting. WID consultants and legal counsel in attendance were introduced.

Strathmore Mayor Pat Fule and Wheatland County Deputy Reeve Scott Klassen extended greetings on behalf of their governments, with Deputy Reeve Klass noting the WID as having the best infrastructure providing service to the County. Representatives of the Irrigation Council and Member of Parliament Martin Shields were in attendance.

## ANNOUNCEMENTS

An election was held for a Director of Divisions 2 & 5. Both Henry Colpoys and Ray Kettenbach were acclaimed.

## MEETING CHAIRMAN

Due to the COVID-10 restrictions necessitating a remote meeting, it was agreed beforehand that Ray Kettenbach, WID Board Chairman in 2019, would chair the meeting.



RECORDING  
SECRETARY

Ray Kettenbach appointed Heather Higgins as the Recording Secretary.

ADOPTION OF  
AGENDA

The Chairman asked the audience to review the proposed agenda.

**MOVED by Vern Bretin and SECONDED by Henry Colpoys that the agenda be adopted.**

**CARRIED**

ADOPTION OF MINUTES  
2018 Annual Meeting

The Chairman requested that the audience review the Minutes of the April 4, 2018 Annual Meeting.

**MOVED by Anita Heuver and SECONDED by Vern Bretin THAT the Minutes of April 4, 2018 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.

Chairman Kettenbach reviewed the performance within the context of the WID Strategic Plan. The three strategic priorities of water security, service efficiency and financial sustainability were discussed.

Key highlights noted within the presentation included:

- WID Water Users irrigated the largest total area in WID history.
- WID has received Government Grants of more than \$2 million which gives a strong financial base as we look to the future.

Mr. Kettenbach thanked the Board of Directors and staff for helping make 2020 a successful year for the WID and said he looks forward to continued progress as we take on the challenges ahead.

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

**CARRIED**

GENERAL MANAGER'S  
REPORT

Mr. McAllister presented the General Manager's Report and summarized several highlights from the year. The General Manager reviewed the values incorporated within the WID Strategic Plan and how they are embedded in the way the WID conducts its business.

The General Manager's presentation noted that 2019 was a record year:

- More than 80% of irrigation used high efficiency systems
- Greatest total number of acres irrigated in WID history
- More than 1 million of operating revenue from sources other than water rates

Additionally, the WID approved:

- A distribution of an additional 740 acres of permanent water rights.
- Alternate parcel agreements covering 2537 acres.
- Water saving upgrades for 1,728 acres with the WID's Water Efficiency Program.

Based on these achievements it was noted –

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

Mr. McAllister thanked the Board of Directors for their continued support and thanked staff for their ongoing effort to provide a high level of service to water users in the WID.

**MOVED by Vern Bretin and SECONDED by Anita Heuver THAT the Chairman's Report be adopted as presented.**

**CARRIED**

AUDITOR'S REPORT

Shelley Harriman of Gregory, Harriman & Associates LLP presented the Auditor's report for Fiscal 2019.

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, financial position, revenue, income and cash flow. Attendees were advised that the WID is in a very good position financially due to being well managed and enjoys a strong equity position

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 Earl Munro and SECONDED by Vern Bretin THAT the Auditor’s Report for Fiscal 2019 be adopted as presented.**

**CARRIED**

OPERATIONS &  
MAINTENANCE REPORT

David McAllister, General Manager, presented the Operations & Maintenance Report for the 2019 water season.

**MOVED by Vern Bretin, and SECONDED by Anita Heuver, THAT the Operations and Maintenance Report for 2019 be adopted and presented.**

**CARRIED**

Extra Items  
Ratepayer Questions

A question period followed the presentation of the Annual Report. Questions were posed by Ryan McKenzie, Vern Bretin, Earl Munro, Joel Tschetter, and were answered by Ray Kettenbach and David McAllister.

Mr. McKenzie and Mr. Munro had questions regarding the Co-operative Stormwater Management Initiative (CSMI). An overview was provided to explain the CSMI system, intended to be developed over the next 25 years to maintain water quality within the WID system. One question about the impact to current irrigators was asked, and it was advised that there are no current irrigators in the sections being constructed this year. Due to the phased approach, there would be time to mitigate any impacts in future stages.

Mr. Bretin and Mr. Tschetter expressed interest in the function of the solar power system at the Stoodley Pump Station. The General Manager reviewed the operations of the pump station, and noted the \$40,000 savings in annual utility costs anticipated and the \$263,000 grant to complete the work.

Martin Shields was asked to say a few words. He thanked the Board for the invitation to the AGM, and explained how irrigation has played a huge part in his family history. He has enjoyed many tours and farmer’s markets around the area, and has seen the diversity and productivity of crops grown here in Alberta that are only possible through irrigation. He congratulated the WID on their forward-thinking and prudent management of water which is a critical resource now and vital to our future.

Denise Peterson, Councilor from the Town of Strathmore, also thanked the Board for the invitation to the AGM and noted the strong working relationship the WID maintains with the Town.

ADJOURNMENT

**MOVED by Anita Heuver, SECONDED by Vern Bretin, THAT the meeting be adjourned at 3:30 PM.**

**CARRIED**



# FINANCIALS



**WESTERN IRRIGATION DISTRICT  
CONSOLIDATED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2020**

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## 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, 2020, 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, 2020, 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 Auditors' 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 auditors' 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 auditors' 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 auditors' 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 20, 2021

Gregory, Harriman & Associates LLP  
Chartered Professional Accountants



**WESTERN IRRIGATION DISTRICT**  
Consolidated Statement of Financial Position  
As at September 30, 2020

	UNRESTRICTED FUNDS			RESTRICTED FUNDS			COMBINED		
	OPERATING			DISTRICT CAPITAL			IRRIGATION WORKS		
	2020	2019	2020	2020	2019	2020	2020	2019	2020
<b>CURRENT ASSETS</b>									
Cash (Note 4)	2,762,698	4,872,567	\$ -	\$ 7,048,566	\$ 3,639,691	\$ 1,604,162	\$ 11,415,426	\$ 8,979,832	
Accounts receivable (Note 5)	1,857,748	1,862,694	103,802	-	-	-	1,961,550	1,911,528	
Accrued interest receivable	-	-	-	60,826	119,348	-	60,826	119,348	
Short term investments (Note 6)	-	-	-	7,473,752	7,538,914	-	7,473,752	7,538,914	
Inventory (Note 7)	328,144	326,668	-	256,250	633,027	-	584,394	959,695	
Prepaid expenses	34,932	23,218	-	-	-	-	34,932	23,218	
Interfund receivables (payables) (Note 19)	1,699,892	288,508	-	(1,517,216)	(162,979)	(182,676)	-	-	
	6,683,414	7,373,655	103,802	13,322,178	11,768,001	1,421,486	21,530,880	19,532,535	
<b>OTHER ASSETS</b>									
Loan receivable	-	-	-	2,500	3,500	-	2,500	3,500	
Preliminary costs pending (Notes 8, 23)	-	-	-	360,085	377,946	-	360,085	377,946	
Water rights (Note 9)	-	-	-	435,050	261,800	-	435,050	261,800	
Deferred development costs (Notes 10)	-	-	-	1,658,581	1,165,138	-	1,658,581	1,165,138	
Other intangible asset	-	-	-	1,646	10,772	-	1,646	10,772	
Investments (Notes 11, 12)	52,249	51,728	-	23,816,649	26,970,467	14,711	23,883,609	27,036,343	
	52,249	51,728	-	26,274,511	28,789,623	14,711	26,341,471	28,855,499	
<b>PROPERTY AND EQUIPMENT</b>									
Property and equipment (Note 13)	-	-	-	8,195,533	7,907,116	51,266	8,246,799	7,956,552	
Irrigation works (Note 14)	-	-	-	91,236,702	90,239,296	81,046,888	172,283,590	170,842,350	
	-	-	-	99,432,235	98,146,412	81,098,154	180,530,389	178,798,902	
<b>TOTAL ASSETS</b>	<b>\$ 6,735,663</b>	<b>\$ 7,425,383</b>	<b>\$ 103,802</b>	<b>\$ 139,028,924</b>	<b>\$ 138,704,036</b>	<b>\$ 82,534,351</b>	<b>\$ 228,402,740</b>	<b>\$ 227,186,936</b>	
<b>CURRENT LIABILITIES</b>									
Accounts payable and accrued liabilities	433,141	354,363	\$ -	5,500	139,959	\$ -	438,641	494,322	
Goods and Services Tax liability	130,423	92,939	-	-	-	-	130,423	92,939	
Capital levy trust (Note 15)	-	-	-	74,525	2,481	-	74,525	2,481	
Current portion of deferred revenue	-	-	-	4,820	4,595	-	4,820	4,595	
	563,564	447,302	-	84,845	147,035	-	648,409	594,337	
<b>OTHER LIABILITIES</b>									
Deferred revenue	-	-	-	13,322	14,317	-	13,322	14,317	
Asset retirement obligation (Note 16)	-	-	-	585,438	645,432	-	585,438	645,432	
	-	-	-	598,760	659,749	-	598,760	659,749	
<b>TOTAL LIABILITIES</b>	<b>563,564</b>	<b>447,302</b>	<b>-</b>	<b>683,605</b>	<b>806,784</b>	<b>-</b>	<b>1,247,169</b>	<b>1,254,086</b>	
<b>FUND BALANCES</b>									
Invested in property and equipment (Note 17)	-	-	-	99,283,489	97,773,552	81,098,154	180,381,643	178,426,042	
Externally restricted (Note 18)	-	-	-	-	-	1,436,197	1,436,197	356,193	
Internally restricted (Notes 19)	-	-	-	39,061,830	40,123,700	-	39,061,830	40,123,700	
Unrestricted	6,172,099	6,978,081	103,802	138,345,319	137,897,252	82,534,351	227,155,571	225,932,850	
	6,172,099	6,978,081	103,802	138,345,319	137,897,252	82,534,351	227,155,571	225,932,850	
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 6,735,663</b>	<b>\$ 7,425,383</b>	<b>\$ 103,802</b>	<b>\$ 139,028,924</b>	<b>\$ 138,704,036</b>	<b>\$ 82,534,351</b>	<b>\$ 228,402,740</b>	<b>\$ 227,186,936</b>	
<b>Economic Dependence (Note 2)</b>									
<b>Contingent Liabilities (Note 23)</b>									
<b>Environmental Contingencies (Note 25)</b>									
<b>Commitments (Note 27)</b>									

APPROVED BY:  Chairman of the Board  
 General Manager

**WESTERN IRRIGATION DISTRICT**  
**Consolidated Statement of Operations and Changes in Fund Balances**  
**Year Ended September 30, 2020**


	OPERATING		CO-OPERATIVE STORMWATER MANAGEMENT INITIATIVE		DISTRICT CAPITAL		IRRIGATION WORKS		TOTAL	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
<b>REVENUE</b>										
Irrigation rates, net (Note 20)	\$ 1,925,455	\$ 1,908,838	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,925,455	\$ 1,908,838
Domestic and miscellaneous	1,022,438	1,000,594	-	-	-	-	-	-	1,022,438	1,000,594
Storm water	644,629	518,520	-	-	-	-	-	-	644,629	518,520
Penalties	4,813	6,620	-	-	-	-	-	-	4,813	6,620
<b>TOTAL WATER EARNINGS</b>	<b>3,597,335</b>	<b>3,434,572</b>							<b>3,597,335</b>	<b>3,434,572</b>
<b>OTHER EARNINGS</b>										
Capital asset charges	-	-	-	-	4,500	518,960	-	-	4,500	518,960
Government contributions	334,258	532,531	-	-	263,528	-	-	-	2,839,444	532,531
Interest revenue	96,809	143,461	-	-	943,654	891,467	2,241,658	19,678	2,839,444	1,054,606
Gravel revenue	-	-	-	-	388,537	415,523	-	-	388,537	415,523
Farm, land and building rentals	-	-	-	-	209,888	165,041	-	-	209,888	165,041
Gain on sale of land	-	-	-	-	557,523	9,937	-	-	557,523	9,937
Gain on sale of assets	-	-	-	-	52,484	63,765	-	-	52,484	63,765
Realized gain (loss) on investments (Note 12)	-	-	-	-	(130,021)	471,506	-	-	(130,021)	471,506
Unrealized gain (loss) on investments	-	-	-	-	(94,983)	90,795	-	-	(94,983)	90,795
Fees and other income	151,368	152,874	-	-	-	263	-	-	151,368	153,137
Miscellaneous	-	1,514	-	-	-	-	-	-	-	1,514
Inventory adjustment	25,830	176,137	-	-	(221,172)	19,245	-	-	(195,342)	195,382
<b>TOTAL OTHER EARNINGS</b>	<b>608,265</b>	<b>1,006,517</b>			<b>1,973,938</b>	<b>2,646,502</b>	<b>2,254,307</b>	<b>19,678</b>	<b>4,836,510</b>	<b>3,672,697</b>
	<b>4,205,600</b>	<b>4,441,089</b>			<b>1,973,938</b>	<b>2,646,502</b>	<b>2,254,307</b>	<b>19,678</b>	<b>8,433,845</b>	<b>7,107,269</b>
<b>EXPENSES</b>										
Amortization of property and equipment	-	-	-	-	1,978,210	1,941,256	1,476,125	1,452,044	3,454,335	3,393,300
Amortization of intangible asset	-	-	-	-	9,125	9,125	-	-	9,125	9,125
Depletion of resource properties	-	-	-	-	(6,467)	(6,467)	-	-	(6,467)	(6,467)
Commissions expense	-	-	-	-	39,094	118,154	-	-	39,094	118,154
Bursary expense	-	-	-	-	1,000	1,000	-	-	1,000	1,000
Operating and administrative (Schedule 1)	3,689,640	3,072,698	-	-	38,806	14,056	-	-	3,728,446	3,086,754
Property taxes	-	-	-	-	8,116	6,906	-	-	8,116	6,906
Accretion expense	-	-	-	-	(28,992)	91,511	-	-	(28,992)	91,511
	<b>3,689,640</b>	<b>3,072,698</b>			<b>2,045,359</b>	<b>2,175,541</b>	<b>1,476,125</b>	<b>1,452,044</b>	<b>7,211,124</b>	<b>6,700,283</b>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>515,960</b>	<b>1,368,391</b>			<b>(71,421)</b>	<b>470,961</b>	<b>778,182</b>	<b>(1,432,366)</b>	<b>1,222,721</b>	<b>406,986</b>
Fund balances at beginning of year	6,978,081	5,598,724	48,834	494,102	137,897,252	136,991,989	81,008,683	82,441,049	225,932,850	225,525,864
Interfund transfers (Notes 19)	(574,456)	10,966	54,968	(445,268)	519,488	434,302	-	-	-	-
Irrigation provision (Notes 18, 19)	(747,486)	-	-	-	-	-	747,486	-	-	-
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 6,172,099</b>	<b>\$ 6,978,081</b>	<b>\$ 103,802</b>	<b>\$ 48,834</b>	<b>\$ 138,345,319</b>	<b>\$ 137,897,252</b>	<b>\$ 82,534,351</b>	<b>\$ 81,008,683</b>	<b>\$ 227,155,571</b>	<b>\$ 225,932,850</b>

APPROVED BY:  Chairman of the Board  General Manager

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

**WESTERN IRRIGATION DISTRICT**  
**Consolidated Statement of Cash Flows**  
**Year Ended September 30, 2020**

	OPERATING		CO-OPERATIVE STORMWATER MANAGEMENT INITIATIVE		DISTRICT CAPITAL		IRRIGATION WORKS		TOTALS	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>										
Cash receipts	\$ 4,113,737	\$ 4,193,109	(\$54,968)	\$ (494,102)	\$ 866,683	\$ 1,104,112	\$ 2,241,658.00	\$ -	\$ 7,222,078	\$ 5,297,221
Cash paid to suppliers and employees	(3,586,568)	(3,101,569)	-	-	(897,284)	(139,379)	-	-	(4,483,852)	(3,240,948)
Cash transferred to/from other funds	(1,411,384)	150,646	-	-	1,354,237	121,901	57,147	(272,547)	-	-
Interest received	98,809	143,461	-	-	1,002,176	1,058,926	12,649	19,678	1,111,634	1,222,065
<b>Cash flows from operating activities</b>	<b>(787,406)</b>	<b>1,385,647</b>	<b>(54,968)</b>	<b>(494,102)</b>	<b>2,325,812</b>	<b>2,145,560</b>	<b>2,311,454</b>	<b>(252,869)</b>	<b>3,794,892</b>	<b>3,278,338</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
Purchases of property and equipment	-	-	-	-	(3,228,062)	(6,290,918)	(1,921,789)	(750,456)	(5,149,851)	(7,041,374)
Proceeds from sale of assets	-	-	-	-	711,130	1,033,158	-	-	711,130	1,033,158
Sales (purchase) of investments	(521)	(635)	-	-	2,990,602	4,220,216	(564)	(640)	2,989,517	4,218,941
Preliminary costs pending	-	29,041	-	-	17,861	(258,116)	-	-	17,861	(229,075)
<b>Cash flows from investing activities</b>	<b>(521)</b>	<b>28,406</b>	<b>-</b>	<b>-</b>	<b>491,531</b>	<b>(1,295,660)</b>	<b>(1,922,353)</b>	<b>(751,096)</b>	<b>(1,431,343)</b>	<b>(2,018,350)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
Irrigation provision	(747,486)	-	-	-	-	-	747,486	-	-	-
Trust funds received	-	-	-	-	72,044	58	-	-	72,044	58
<b>Cash flows from financing activities</b>	<b>(747,486)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>72,044</b>	<b>58</b>	<b>747,486</b>	<b>-</b>	<b>72,044</b>	<b>58</b>
<b>NET CASH INCREASE (DECREASE)</b>	<b>(1,535,413)</b>	<b>1,414,053</b>	<b>(54,968)</b>	<b>(494,102)</b>	<b>2,889,387</b>	<b>849,957</b>	<b>1,136,587</b>	<b>(1,003,965)</b>	<b>2,435,593</b>	<b>1,260,046</b>
Cash, opening balance	4,872,567	3,447,548	-	-	3,639,691	2,355,432	467,575	1,471,539	8,979,832	7,274,519
Interfund balance adjustments	(574,456)	10,966	54,968	494,102	519,488	434,302	-	-	-	939,370
<b>CASH, CLOSING BALANCE</b>	<b>\$ 2,762,698</b>	<b>\$ 4,872,567</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,048,566</b>	<b>\$ 3,639,691</b>	<b>\$ 1,604,162</b>	<b>\$ 467,574</b>	<b>\$ 11,415,426</b>	<b>\$ 8,979,832</b>

APPROVED BY:  Chairman of the Board  General Manager

**WESTERN IRRIGATION DISTRICT**  
**Schedule 1 - Operating and Administrative Expenses**  
**Year Ended September 30, 2020**

	DEPARTMENTS			TOTALS	
	OPERATIONS AND MAINTENANCE	WATER DELIVERY	GENERAL AND ADMINISTRATION	2020	2019
Advertising, publications, ratepayers meetings	\$ -	-	\$ 26,017	\$ 26,017	\$ 17,020
Association fees	-	-	29,986	29,986	30,850
Board of Directors expenditures	-	-	69,126	69,126	51,976
Building maintenance	58,371	-	-	58,371	50,048
Computer expense	-	-	81,340	81,340	63,405
Equipment and easement rental	283,088	-	-	283,088	266,416
Equipment maintenance, gas, oil, grease	388,792	40,503	-	429,295	432,842
Gravel pit expenses	5,184	-	-	5,184	2,944
Insurance	23,699	2,289	9,816	35,804	29,084
Interest and bank charges	-	-	1,189	1,189	1,195
Land titles charges and classification	-	-	3,427	3,427	8,040
Materials and supplies, office supplies	441,229	54,519	75,738	571,486	332,187
Payroll service charges	-	-	4,910	4,910	4,679
Postage, freight and courier	-	-	5,751	5,751	4,347
Professional fees	-	55,288	482,054	537,342	391,364
Public relations	-	-	27,242	27,242	18,313
Safety supplies	12,320	5,504	5,233	23,057	14,436
Salaries and wages (Note 28)	1,806,483	366,511	709,428	2,882,422	2,650,419
Small tools and equipment	7,699	-	-	7,699	3,414
Social committee	13,997	-	-	13,997	13,997
Stationary, printing, photocopies, fax	-	-	16,959	16,959	19,318
Telephone	15,557	6,254	3,658	25,469	28,486
Travel and staff training	1,856	4,106	3,139	9,101	7,572
Utilities	53,576	25,231	-	78,807	136,542
Vegetation and pest control	-	274,523	-	274,523	248,604
Welding supplies	-	1,602	-	1,602	1,272
	3,111,851	836,330	1,555,013	5,503,194	4,828,770
Transfer as asset to irrigation works (Note 22)	(1,813,554)	-	-	(1,813,554)	(1,756,072)
	\$ 1,298,297	\$ 836,330	\$ 1,555,013	\$ 3,689,640	\$ 3,072,698

APPROVED BY:  Chairman of the Board  General Manager

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, 2020**

**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 (ASNFPPO).

*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 five cooperative members, Western Irrigation District, City of Calgary, 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, 2020**

**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.

*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.

**..... continues**

**WESTERN IRRIGATION DISTRICT**  
**Notes to the Consolidated Financial Statements**  
**September 30, 2020**

**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%
Land and 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.

..... continues

**WESTERN IRRIGATION DISTRICT**  
**Notes to the Consolidated Financial Statements**  
**September 30, 2020**

**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 2.45% (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.

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, 2020**

**Note 4 Cash**

	2020	2019
<i>Operating</i>		
Petty cash	\$ 1,000	\$ 1,000
Bank account balance	2,761,698	4,871,567
	<u>2,762,698</u>	<u>4,872,567</u>
<i>District Capital</i>		
Cash held for reinvestment	157,823	69,777
Cash held by subsidiaries	501,814	672,014
Credit Union special grant account, interest rate of Prime minus 1.5%	3,812,887	1,258,099
Credit Union building bank account, interest rate of 0.25%	1,955,561	1,100,664
Credit Union savings account, interest rate of Prime minus 1.5%	545,995	536,693
Credit Union capital trust levy bank account, interest rate of Prime minus 1.5%	74,486	2,444
	<u>7,048,566</u>	<u>3,639,691</u>
<i>Irrigation Works</i>		
Bank account balance, interest rate of Prime minus 1.5%	1,604,162	467,574
	<u>\$ 11,415,426</u>	<u>\$ 8,979,832</u>

A portion of the cash balance for District Capital, \$74,486 (2019 - \$2,481), is restricted in accordance with the terms of the Capital Levy Trust, as documented in Note 15.

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**

	2020	2019
<i>Operating</i>		
Water rates and charges	\$ 1,721,964	\$ 1,791,825
Sundry debtors	135,784	70,869
	<u>1,857,748</u>	<u>1,862,694</u>
<i>Co-operative Stormwater Management Initiative</i>		
Conditional and development costs receivable	103,802	48,834
	<u>\$ 1,961,550</u>	<u>\$ 1,911,528</u>

**Note 6 Short Term Investments**

	2020	2019
<i>District Capital</i>		
Current portion of guaranteed investment certificates (Note 11)	\$ 7,473,752	\$ 7,538,914
	<u>\$ 7,473,752</u>	<u>\$ 7,538,914</u>

**WESTERN IRRIGATION DISTRICT**  
**Notes to the Consolidated Financial Statements**  
**September 30, 2020**

**Note 7 Inventory**

	<b>2020</b>	<b>2019</b>
<hr/>		
<i>Operating</i>		
Supplies and materials	\$ 328,144	\$ 326,668
<hr/>		
<i>District Capital</i>		
Gravel	256,250	633,027
	\$ 584,394	\$ 959,695
<hr/>		

**Note 8 Preliminary Costs Pending**

The expenditures of \$360,085 (2019 - \$377,946) represent the 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, 2020. As projects are approved, costs will be recovered from the cost shared program.

**Note 9 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.

	<b>2020</b>	<b>2019</b>
<hr/>		
<i>District Capital</i>		
565 Irrigated Acres (2019 - 340 Acres)	\$ 435,050	\$ 261,800
	\$ 435,050	\$ 261,800
<hr/>		

**Note 10 Deferred Development Costs**

	<b>2020</b>	<b>2019</b>
<hr/>		
<i>District Capital</i>		
Shared Office with Marigold	\$ 564,928	\$ 185,995
Co-operative Stormwater Management Initiative	429,469	314,958
Orchard Park	313,592	313,592
Regional Water Reservoir Study	205,549	205,549
Regional Water Supply Project	92,381	92,381
Other	52,662	52,663
	\$ 1,658,581	\$ 1,165,138
<hr/>		

**WESTERN IRRIGATION DISTRICT**  
**Notes to the Consolidated Financial Statements**  
**September 30, 2020**

**Note 11 Investments**

	2020	2019
<i>Operating</i>		
Calgary Co-operative Association equity	\$ 1,153	\$ 1,153
United Farmers of Alberta equity	37,511	37,511
Chinook Credit Union Ltd. common shares	13,585	13,064
	52,249	51,728
<i>District Capital</i>		
Fixed income securities	14,619,091	13,833,272
Guaranteed investment certificates	7,744,539	11,108,114
Common shares and equities	6,708,196	7,202,951
Chinook Credit Union Ltd. common shares	12,804	12,313
Kinniburgh South Limited Partnership (Note 12)	2,205,771	2,352,731
Less: Investments maturing in the next fiscal year (Note 6)	(7,473,752)	(7,538,914)
	23,816,649	26,970,467
<i>Irrigation Works</i>		
Chinook Credit Union Ltd. common shares	14,711	14,148
	\$ 23,883,609	\$ 27,036,343

The guaranteed investment certificates mature between December 2020 and December 2023 with interest ranging from 2.25% to 3.50%.

**WESTERN IRRIGATION DISTRICT**  
**Notes to the Consolidated Financial Statements**  
**September 30, 2020**

**Note 12 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:

	2020	2019
<i>Statement of Financial Position</i>		
Investments (Note 11)	\$ 2,205,771	\$ 2,352,731
	\$ 2,205,771	\$ 2,352,731
<i>Statement of Operations</i>		
Realized gain/(loss) on investments	\$ (146,961)	\$ (218,782)
	\$ (146,961)	\$ (218,782)

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

During the year, the District transferred \$0 to its subsidiaries to fund strategic investment initiatives and capital activities.

As at September 30, 2020, there is a balance owing from the subsidiaries to the District in the amount of \$1,519,310.

**Note 13 Property and Equipment**

			2020	2019
	Cost	Accumulated Amortization	Net	Net
<i>District Capital</i>				
Land and farm property	\$ 4,710,673	\$ 49,610	\$ 4,661,063	\$ 4,693,913
Resource property (Note 16)	591,419	180,679	410,740	410,740
Computers	135,691	133,103	2,588	4,313
Trucks	971,223	410,166	561,057	402,694
Office equipment	21,941	18,662	3,279	4,012
Other equipment and furniture	124,274	99,706	24,568	30,058
Power equipment	4,131,963	1,847,807	2,284,156	2,100,823
Shop and office complex	955,275	719,941	235,334	247,426
Industrial subdivision costs	40,304	27,556	12,748	13,137
	11,682,763	3,487,230	8,195,533	7,907,116
<i>Irrigation Works</i>				
Land	51,266	-	51,266	49,436
	\$ 11,734,029	\$ 3,487,230	\$ 8,246,799	\$ 7,956,552

**WESTERN IRRIGATION DISTRICT**  
**Notes to the Consolidated Financial Statements**  
**September 30, 2020**

**Note 14 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.

			<b>2020</b>			<b>2019</b>
	Cost	Accumulated Amortization	Net		Net	
<i>District Capital</i>						
Irrigation Works	\$ 101,927,512	\$ 10,690,810	\$ 91,236,702		\$ 90,239,296	
<i>Irrigation Works</i>						
Irrigation Works	132,008,199	50,961,311	81,046,888		80,603,054	
	\$ 233,935,711	\$ 61,652,121	\$ 172,283,590		\$ 170,842,350	

**Note 15 Capital Levy Trust**

The amount of \$74,486 (2019 - \$2,481), 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.

**Note 16 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:

			<b>2020</b>			<b>2019</b>
Asset retirement obligation, beginning of the year			\$ 645,432		\$ 553,921	
Accretion expense			(59,994)		91,511	
Asset retirement obligation, end of the year			\$ 585,438		\$ 645,432	

The total undiscounted amount to settle the Asset Retirement Obligation, based on management's estimate, is \$910,073 (2019 - \$925,973). 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 7.11% a credit-adjusted risk-free discount rate of 2.45%, 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 2020.

**WESTERN IRRIGATION DISTRICT**  
**Notes to the Consolidated Financial Statements**  
**September 30, 2020**

**Note 17 Invested in Property and Equipment**

	2020	2019
<i>District Capital</i>		
Water Rights (Note 9)	\$ 435,050	\$ 261,800
Other intangible asset	1,642	10,772
Property and equipment (Note 13)	8,195,533	7,907,116
Irrigation works (Note 14)	91,236,702	90,239,296
Asset retirement obligation (Note 16)	(585,438)	(645,432)
	99,283,489	97,773,552
<i>Irrigation Works</i>		
Property and equipment (Note 13)	51,266	49,436
Irrigation Works (Note 14)	81,046,888	80,603,054
	81,098,154	80,652,490
	\$ 180,381,643	\$ 178,426,042

**Note 18 Externally Restricted Funds**

The net assets of the Irrigation 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 Province of Alberta, the cash is restricted from use on other projects.

**Note 19 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 18.

**WESTERN IRRIGATION DISTRICT**  
**Notes to the Consolidated Financial Statements**  
**September 30, 2020**

**Note 20 Irrigation Rates**

Irrigation rates, net, consist of:

<b>Acres</b>	<b>2020</b>	<b>2019</b>
<u>Assessment roll acres</u>		
87,315.5 Irrigation acres at \$18.40 per acre, plus additional pressure and/or screening charges where applicable	\$ 1,742,082	\$ 1,712,910
701.0 Minimum charge irrigation acres at \$460 per parcel	17,940	15,114
5,352.5 Terminable acres at \$20.20 per acre, plus additional pressure and/or screening charges where applicable	105,909	116,313
310.0 Minimum charge terminable acres at \$505 per parcel	7,575	8,838
80.0 Annual acres at \$20.20 per acre, plus additional pressure and/or screening charges where applicable	1,616	1,608
47.5 Minimum charge annual acres at \$505 per parcel	1,010	1,006
694.0 Annual acres - off creek at \$16.10 per acre plus additional pressure and/or screening charges where applicable	11,173	11,125
1,750.0 Annual acres - irrigation acres at \$20.20 per acre, plus additional pressure and/or screening charges where applicable	38,150	26,399
745.0 Sleeping acre annual agreement acres at \$20.11 per acre plus additional pressure and/or screening charges where applicable	-	15,525
96,995.5	\$ 1,925,455	\$ 1,908,838

... continues

**WESTERN IRRIGATION DISTRICT**  
**Notes to the Consolidated Financial Statements**  
**September 30, 2020**

**Note 20 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 \$20.20 per acre plus additional pressure and/or screening charge where applicable. This type of agreement ends December 2020.

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 2020 (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 21 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 11.

**Note 22 Transfer as Asset to Irrigation Works**

The Western Irrigation District has transferred \$1,813,554 (2019 - \$1,756,072) 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 23 Contingent Liabilities**

The District is involved in litigation, regulatory and environmental matters in the ordinary course of business. The District has been named in two legal claims, which are outstanding at year end. As of year end these matters are unresolved and the outcomes are not determinable, and therefore have not been accounted for.

At September 30, 2020, the District had expended \$360,085 (2019 - \$377,946) 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 21 and 22.



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**Note 24 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 \$144,580 for the year ended September 30, 2020 (2019 - \$141,396).

**Note 25 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 26 Financial Instruments**

The District, as part of its operations, carries a number of financial instruments. These financial instruments consist of cash, 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.

... continues

**WESTERN IRRIGATION DISTRICT**  
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**Note 26 Financial Instruments ... continued**

Fair Value

The fair value of cash, 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 27 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, 2020, 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 at an earlier date.

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 28 Comparative Figures**

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

**Note 29 Approval of Financial Statements**

The management of the Western Irrigation District approved these financial statements on January 20, 2021.





**WESTERN IRRIGATION DISTRICT**

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