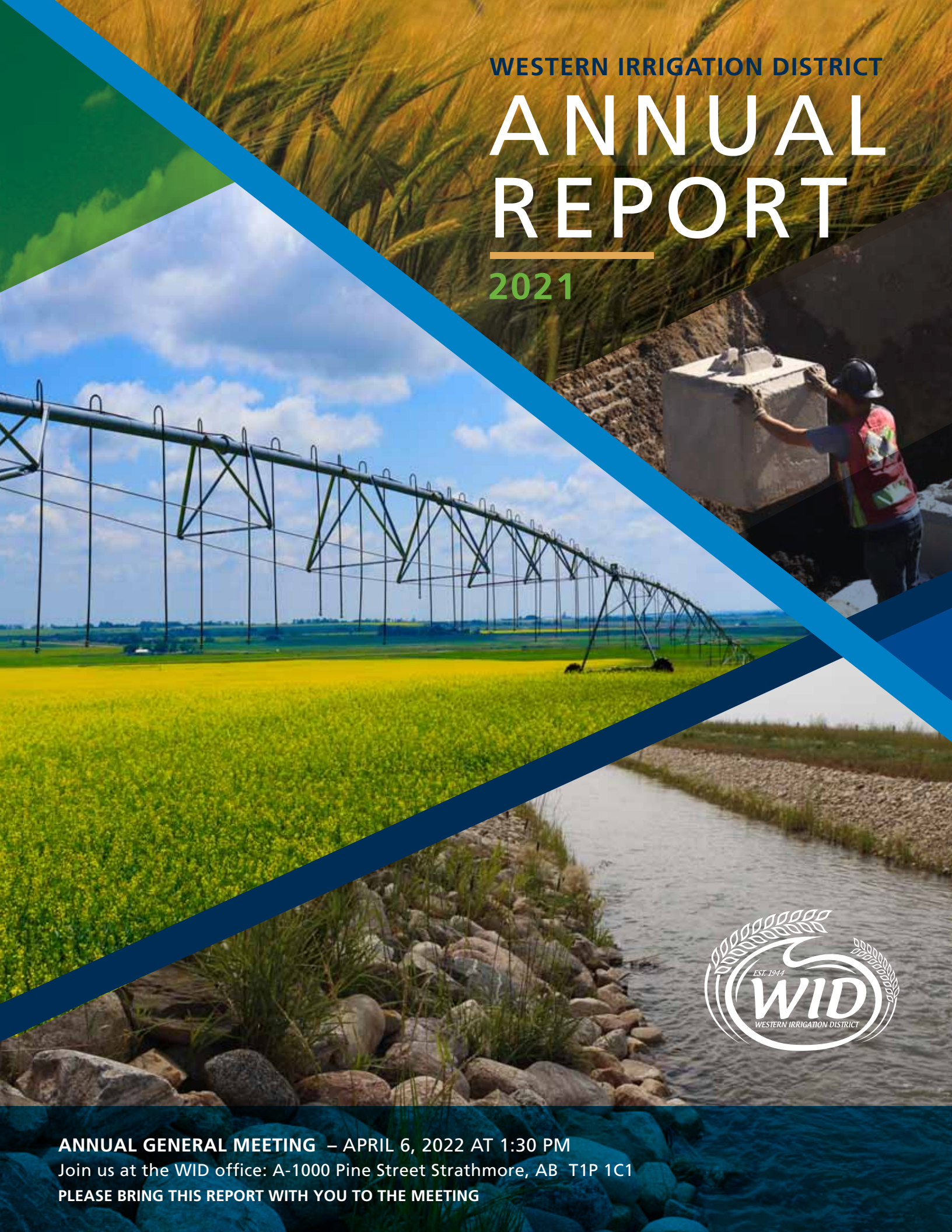


WESTERN IRRIGATION DISTRICT

ANNUAL REPORT

2021



ANNUAL GENERAL MEETING – APRIL 6, 2022 AT 1:30 PM

Join us at the WID office: A-1000 Pine Street Strathmore, AB T1P 1C1




PLEASE BRING THIS REPORT WITH YOU TO THE MEETING

MISSION STATEMENT

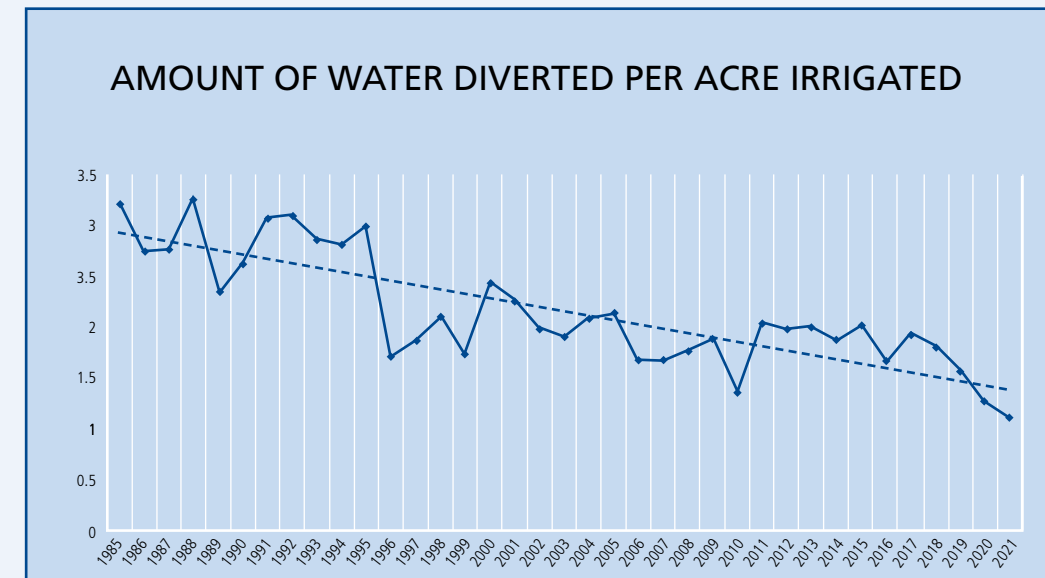
Effectively and efficiently provide water to support our industry, enhance our communities, and promote economic prosperity for the region in harmony with our natural environment.

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

2021 SUCCESS HIGHLIGHTS AT A GLANCE



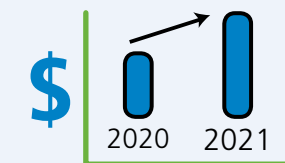
HIGHEST TOTAL ACREAGE & LOWEST WATER DIVERTED

→ MOST EFFICIENT DIVERSION IN WID HISTORY



81%

OF WID ACRES IRRIGATED USED HIGH-EFFICIENCY IRRIGATION SYSTEMS



64%

OF REVENUE FROM EXTERNAL SOURCES INCLUDING \$6.4M GRANTS



\$157M+

INVESTED IN INFRASTRUCTURE UPGRADES SINCE 2007

THE WID COMMITMENT TO MODERNIZING AND EXPANDING OUR INFRASTRUCTURE CONTINUES

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BOARD OF DIRECTORS



Chair
DAN SHUTE



Vice Chair
RAY KETTENBACH



Director
HENRY COLPOYS

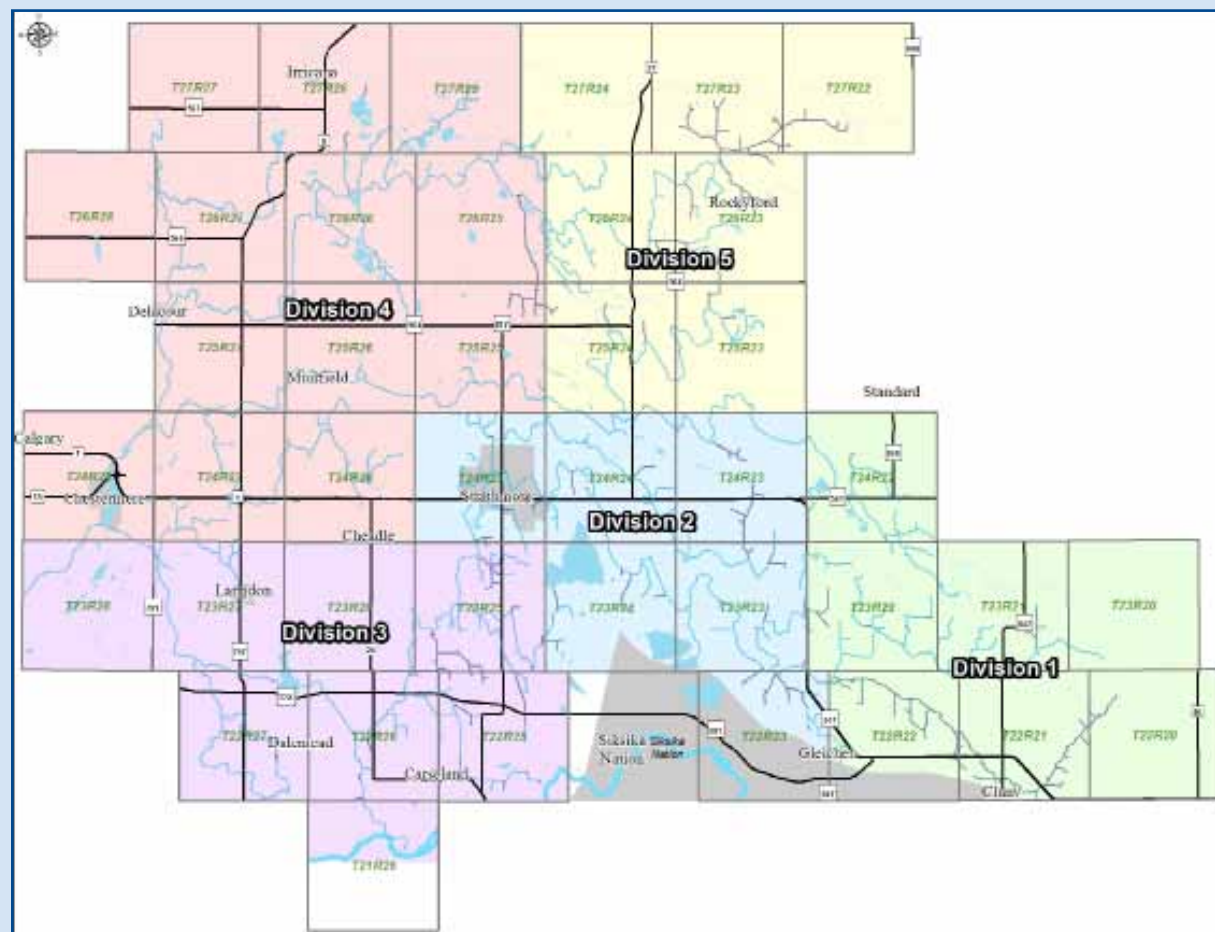


Director
DOUG BROWN



Director
RICK PAGE

DIVISIONS OF THE WESTERN IRRIGATION DISTRICT



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 2024

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

BOARD CHAIR REPORT

Irrigation in Alberta and specifically within the WID is on an exciting journey, making impressive progress thanks to strong infrastructure funding investments, advancing technology, and commitments by water users to continually evolve practices.

Interest in irrigation water continues to grow and we believe we can continue to innovate to meet the demand, within our water allocations. It takes constant and creative collaboration with community leaders and will require ongoing and increasing efficiencies from irrigators.

In so many conversations over the past year, we were proud to hear time and time again that our water users got the water they needed, when they needed it. The WID's preparations and unwavering commitment to service delivery shone through during the drought.

Our team made significant progress on our program to build, rehabilitate and modernize the WID's infrastructure. This has all been possible with accelerated funding and loan arrangements. The scale and pace are impressive, allowing the WID to expedite the benefits for irrigators and the region as a whole.

The Board and our staff continue to establish and nurture connections in our communities. This year, moving into a new facility shared with the Marigold Library Service was an important milestone. We connect regularly with decision-makers in the vicinity – the counties of Wheatland and Rocky View, Strathmore, Chestermere and Calgary – to advance their understanding of irrigated agriculture and find solutions through partnerships and collaborative ventures.

Our provincial organization, the Alberta Irrigation Districts Association, released an economic study that confirms the growing value of irrigation to the economy and to our communities. A few highlights that may be of interest –

- ▶ Irrigated land only represents 4.4% of Alberta's cultivated land base – but **generates 27% of the province's agricultural sales.**
- ▶ Irrigation districts on the whole generated **\$5.4 billion annually to the provincial GDP**, between 2011 and 2018.
- ▶ Every dollar invested by the provincial government in irrigation district activities **returned \$3.56 in added revenue** to the Government of Alberta.
- ▶ **\$50M+ was saved annually** throughout the province, by supplying water through irrigation infrastructure for **agricultural, industrial and municipal** purposes.
- ▶ **Within the WID**, our team makes every effort to **hire locally** and also to keep our **purchases within the local community**, from tires to trees to many other supplies.
- ▶ As you may be aware, more than **40 crops can be grown** in the WID, and that would only be 10-12 without irrigation – this diversification continues to grow with higher-value crops, higher yields and higher revenue.

Thank you sincerely to our hard-working and dedicated staff – everyday, they are committed to delivering a high-level of service to our water users. It is an honour to support the diverse mix of producers within the WID, we look forward to new opportunities and serving our community in the years ahead.

Dan Shute
WID Board Chair

GENERAL MANAGERS' REPORT

The WID continued to make significant progress towards achieving our key strategic priorities in 2021, within a uniquely challenging environment brought on by a season of meagre precipitation and COVID-19 pandemic. Despite the exceptional circumstances the WID and our water users encountered, we continued to support the communities we serve and contribute to their success.

WATER SECURITY

In 2021, the WID was able to irrigate the highest total acreage in our history while continuing to reduce the amount of water diverted per acre irrigated during a year of low precipitation. This is possible because the WID and our water users continued to improve the efficiency of our systems, achieving significant water savings that enhance water security for all users.

We also advanced a number of projects, prioritized in our 5-year Modernization Capital Construction Initiative and 3-year rolling Irrigation Rehabilitation Program. These efforts increase water efficiency and water savings while rehabilitating infrastructure to preserve water quality and reducing the risk of damage to our system during high-flow events.

SERVICE EFFICIENCY

81% of irrigation used either low-pressure pivot or drip systems in 2021, thanks to our water users' ongoing investment in high-efficiency systems. And, our investment of more than \$7 million dollars in infrastructure improvements included the first phases of modernization construction through the summer and winter.

81% of irrigation used either low-pressure pivot or drip systems in 2021, thanks to our water users' ongoing investment in high-efficiency systems.

FINANCIAL SUSTAINABILITY

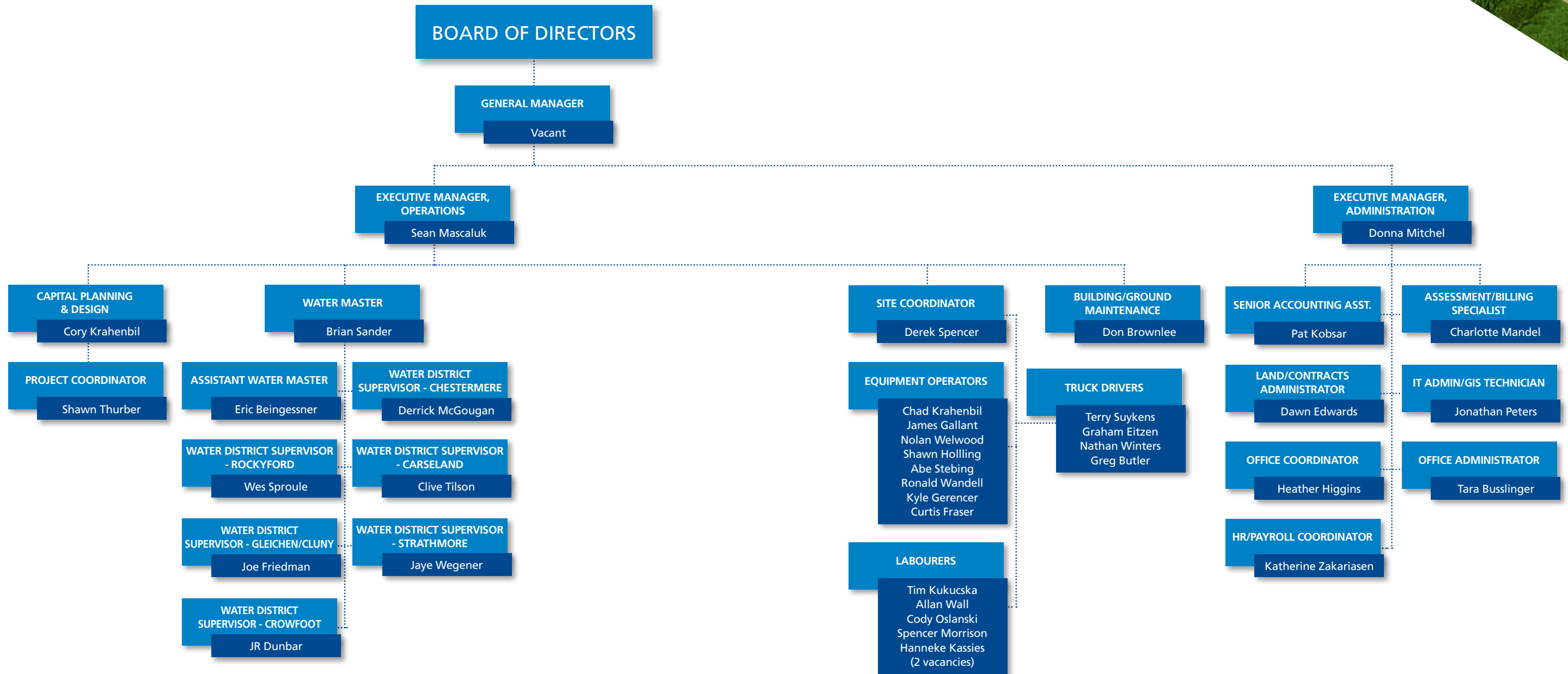
To ensure water rates remain reasonable for our users, our team balances strategic investments into our operations with a solid financial position and sufficient reserves. The WID generated \$6.4 million from external sources other than water users, including significant grant funding. In addition, in 2021, the WID began to implement funding from the Alberta government and Canada Infrastructure Bank to accelerate the modernization of our infrastructure over the next five years.

Certainly, the lack of rainfall during the water season was a challenge to our operations, leading to a high demand for irrigation. Water use increased substantially, resulting in peak flows throughout the irrigation season.

Our team is excited about the future – with the continuation of accelerated infrastructure investment, increased water savings, and improved water quality all contributing to a high-quality experience for our water users. It is our pleasure to serve you and our community.

Thank you,
Sean Mascaluk and Donna Mitchel
Interim General Managers

WID ORGANIZATIONAL CHART



As of January 1, 2022

WATER OPERATIONS

Our annual 2021 water operations started on April 21 with a diversion from the Bow River. However, unfortunately a non-toxic, hydrocarbon-based product spilled into the Western Headwork's Canal through a City of Calgary outfall infrastructure. The emergency clean-up caused a delay of a few days in the ability to divert water sooner.

- ▶ **First water withdrawal** from the WID canal system – **May 2**
- ▶ **Peak demand – June 30**
401 contracts were recorded using water that day
- ▶ **Total Bow River diversion** for the year - just under **145,500 acre feet**
This supplied all irrigation, household and domestic contract use, and conveyance agreements with water.
- ▶ **Peak diversion** from the river – **July 14**
The District recorded 839 cubic feet/second of water being drawn from the Bow River.
- ▶ **Record total land irrigated - 84,348 acres**
The average irrigation application throughout the entire WID was recorded at 11 3/4 inches.
- ▶ **Rainfall** did little to slow irrigation demand – significant accumulation did not occur until late in the month of August.
According to Environment Canada data, Strathmore recorded 207mm of total rainfall from May 1 through October 1, 2021.

SECURING WATER QUALITY FOR THE LONG TERM

The WID has strategically pursued a collective and regional solution to stormwater management – it's what we call the Collaborative Stormwater Management Initiative (CSMI). The spill in April 2021 reinforces the importance of a pragmatic approach to protect irrigation water from stormwater contaminates. CSMI is a critical strategy for the WID, to work in collaboration with the City of Calgary, Rockyview County, Wheatland County, Town of Strathmore and City of Chestermere. We are deeply committed to protecting our water resources for the long term.



CSMI was awarded the Canadian Water Summit's 2021 Water's Next Award in 2021, specific to the management of stormwater.

"This award recognizes CSMI's significant contribution to the water industry through its innovative approach to regional protection against the impacts of severe weather in southern Alberta."



WATER MAXIMUMS FOR CROP AND STOCK USE (ALLOCATION)

For the fourth year, our water allocation policy was active. This means that crop production is allowed a maximum of 18 inches of water per acre without penalty. The maximum volume allowed before a penalty for stock consumption is 5 acre/feet. There were no instances of water overuse recorded in 2021, which would be penalized for crops and stock at \$20 per acre/inch.

This policy is critical to ensure that our water use records match the producers' in the field. In 2021, our staff continued to confirm the water consumption rate of pivots, wheel moves, and various other irrigation systems using a WID-owned mobile strap on a flow meter. In conjunction with flow metering, irrigation systems continue to be monitored using GPS to confirm irrigated areas. GPS and flow metering are provided at no charge to our water users and can be arranged by calling our office.

WATER SECURITY



VARIOUS APPROACHES TO TACKLE WEEDS

The WID's use of Magnicide H to control aquatic-based weeds was adjusted in 2021 to include C Canal for the first time. The additional chemical was purchased, allowing for more frequent, scheduled herbicide applications (see more details in the Operations & Maintenance report). The increased frequency yielded a noticeable difference in the amount of aquatic vegetation in the 'A', 'B', and C Canals.

Historically, during the summer, there have always been times that weed growth interrupts irrigation operations for the water users in the WID. The adjusted application of Magnicide H in 2021 had outstanding results. With the additional treatments, the significant demand for irrigation due to the drought conditions in 2021 was not impacted – and there were no interruptions to service due to aquatic weeds blocking irrigation intakes.

Eco-socks were used for the sixth season, to also help control aquatic weeds. They have naturally-occurring biological agents that aggressively compete with aquatic plants for nutrients like nitrogen and phosphorus in the water column. Because these bacteria are naturally occurring, they pose no harm to the environment and have also been shown to benefit crop health.

Eco-socks were used on an additional, smaller lateral delivery canal in 2021 with good results. There are limitations to the size of canal that Eco-socks can be used on, however; 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 Water Operations team.



Our Water District Supervisor for Cluny clears weeds and debris from Spillway trash rack

IRRIGATION REHABILITATION PROGRAM

In 2021, the Irrigation Rehabilitation Program (IRP) continued as a significant funding source for rehabilitation work within the District. The program is funded 75% by the provincial government, with the remaining 25% contributed by the District.

The WID uses an annual, rolling three-year plan for IRP projects, based on cost sharing for construction that occurs throughout the year.

Our Board of Directors takes a strategic and long-term approach to capital planning and rehabilitation. We plan the engineering for a 10-year horizon, construction over a 5-year term, and seepage control four years at a time.

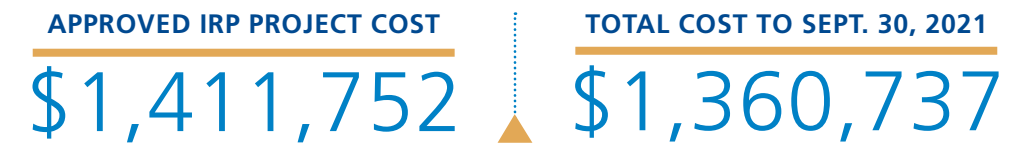
PROVINCIAL GOVERNMENT	75%
DISTRICT	25%
TOTAL	100%



Glenrose Canal Rehabilitation Phase 2 (IRP 2361)

Back in 2019, the District began a multi-year canal rehabilitation project along the eastern end of the Glenrose 'B' Canal system. Work over the first three years was possible because of IRP and WID cost-sharing. This approach optimized the WID capital budget and allowed for the use of our internal resources.

This phase is an important part of our current Seepage Control Plan, which reduces or eliminates water lost because of seepage. This rehabilitation incorporates water storage and reduces pass-by water, ultimately improving efficiency of delivery. We completed the installation of a buried synthetic liner in 2021 that is consistent with the IRP design manual. The rehabilitation of this 2.3km section included both construction and right-of-way reclamation.



WATER SECURITY



SERVICE EFFICIENCY



Strangmuir-Field Pipeline Phase 3 - North/South (IRP 2376)

This canal system is a priority for rehabilitation for several reasons:

- ▶ there are 2,880 acres currently served by the canal and much interest in additional irrigation
- ▶ there is significant future potential for expansion
- ▶ there are substantial water savings to be realized
- ▶ the deteriorated condition of the canal presents challenges for reliable service.

When fully converted into a closed pipeline, the upgraded capacity of the current canal system will substantially increase the number of acres that will be served.

This conversion will also result in substantial water savings, estimated at 900-acre feet upon completion of the entire system.

The third phase of pipeline construction began in summer 2021. Approximately 2,580m of 900mm and 100mm PVC were installed. The West and East PVC installation is scheduled to occur in summer 2022.

At full system build-out, the closed pipeline will be capable of servicing more than 8,000 acres.

This phase connects to an existing pipeline system and nearly doubles the pressure provided to users. When the Strangmuir pipeline system is finished, more than 2,880 acres will have pressure service that currently do not have it.

Landowners in the area have completed land classifications, and an additional expansion potential of 2,450 acres is being incorporated into the design of this system.

WATER
SECURITY



SERVICE
EFFICIENCY



APPROVED IRP PROJECT COST
\$2,230,000

TOTAL COST TO SEPT. 30, 2021
\$1,149,274



OTHER PROJECTS

Strangmuir-Field Pipeline Phase 2 (WID 31006)

This portion of the pipeline is integral to the full build-out of the Strangmuir pipeline system, which will be phased over the next several years.

An important decision was made by WID Board to upsize the pipe used in Phase 1 – from 1200mm to 1350mm.

With a larger pipe size and budget for future expansion, the new closed pipeline system will be capable of servicing over 8,000 acres at full build-out.

The second phase was completed in summer 2021. Approximately 4,900m of 600mm and 150mm PVC were installed.

APPROVED PROJECT COST
\$1,440,000

TOTAL COST TO SEPT. 30, 2021
\$1,291,911



**WATER
SECURITY**



**SERVICE
EFFICIENCY**



C Canal Rehabilitation Highway 21 to RR240 (WID 31004)

Work began in late summer 2021 on this 10.5km rehabilitation project, focused on improving the bank height and addressing significant losses due to seepage.

First was the stripping of topsoil, and construction began when the water season ended in the fall, to clean and reshape the banks. Gravel on poly liner method is being used.

Approximately 4km will be completed in 2022 and the remainder is scheduled for 2023. When complete, the project will result in 125-acre feet of water savings, an essential contribution to the Districts' Seepage Control Plan.

The C Canal system provides:

- ▶ approximately 25% of the irrigation in the WID
- ▶ raw water to commercial and industrial clients occupying more than 1 million square feet of space and employing 4,000 people.

**SERVICE
EFFICIENCY**



APPROVED PROJECT COST

\$6,250,000

TOTAL COST TO SEPT. 30, 2021

\$333,409

Glenrose Canal Rehabilitation and Spillway (WID 31007)

This multi-year project began in 2020 and the bulk of work happened in 2021. It will be completed in April 2022, in time for use for the upcoming water season. Overall, it involves the rehabilitation of approximately 6.3km of the existing canal plus the construction of a vitally needed emergency spillway.

Historically, the canal system has posed several operational challenges, including seepage, inadequate bank height and width, and inefficient hydraulics.

The new spillway will provide much-needed operational assistance during the water season and aid in the evacuation of natural flows.

In late summer 2021, topsoil adjacent to an unrehabilitated section was stripped off, and when water season wrapped up, construction began to clean and reshape the banks using a buried liner construction method.

This rehabilitation is an important part of the WID's Seepage Control Plan, and contributes significantly to water savings in the District.

The spillway is critical to reducing the incidence of local flooding, through installation of in-canal storage and control elements to reduce return flows.



WATER SECURITY



APPROVED PROJECT COST
\$4,420,000

TOTAL COST TO SEPT. 30, 2021
\$2,388,375

Graham Dam Spillway Inlet Structure Replacement (WID 21013)

Based on our annual assessment of WID structures, we determined it was necessary to replace the Graham Dam Spillway Inlet Structure in 2021. Located in the northwestern end of the District, it serves large-scale feedlots and domestic contracts; provides critical water conveyance; and is a storage system for Rocky View County's municipal needs.

Construction was completed before the water season began in spring 2021.

After each water season, our staff assess all District structures based on a risk-based scoring model. This work informs the WID's Capital Prioritization Plan.

APPROVED PROJECT COST
\$170,000

TOTAL COST TO SEPT. 30, 2021
\$173,710



Before and after



WATER SECURITY



Cluny Gravel Pit Operations

Since 2013, we have used gravel from a pit on WID land near Cluny to support capital and maintenance projects undertaken by the WID. In 2019, we determined that approximately 600,000 tonnes remain in the mapped sand and gravel deposit, within the initial 7.9 hectare (19.5 acre) pit area; an additional 550,000 tonnes remain in the tested sand and gravel reserves located immediately to the west.

The WID is expanding the active pit area over the next five years, to 15 hectares (37 acres). We expect this pit operation to provide gravel for the next 15-20 years of irrigation rehabilitation, construction and maintenance projects.

More than 100,000 tonnes of armour, drain rock, and road crush was produced in summer 2021 by our contracted provider, Lafarge. For 2022, we expect 120,000 tonnes to be produced, empowering the WID to complete various construction projects on schedule.

The reclamation objective for this pit is to return the disturbed land to a similar but not necessarily the same land use(s), as outlined in our Activities Plan.

SERVICE
EFFICIENCY



WRRP R4 Grant

In 2020, the WID and Wheatland County each applied for and successfully received grant dollars under the Alberta government's Watershed Resiliency and Rehabilitation Program (WRRP). Then in March 2021, the two organizations applied to combine the funding to collaborate and have a greater impact on the overall health of the Rosebud River Watershed.

The funds enable the WID and Wheatland County to work with landowners in the vicinity of this watershed, on projects to reduce the impacts of flood and drought.

The goal is to enhance the natural abilities of watercourses and wetlands to reduce the intensity, magnitude, duration and effects of flooding and drought. Specifically, the projects will protect and reduce the impact of livestock on riparian areas around creeks so the banks are better able to hold together during floods.

Working with landowners, fencing and off-site watering systems will be installed to redirect livestock away from streams. To date, thirteen projects have been approved under this collaborative watershed program, and funds remain to do more.

The watershed includes the Rosebud River, Serviceberry Creek, and many smaller un-named tributaries.

Contact Brian Sander at the WID or Sarah Schumacher at Wheatland County if you think a project would benefit the Rosebud River Watershed.

WATER
SECURITY



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
2020	Section 85 M3 Glenrose Canal	Sec 19, T25 R23 W4 Sec 24, 25 T25 R24 W4 Sec 18, T25 R 23 W4	In progress
2021	Section 84 – Secondary C Canal	Sec 11,14, 23,24, 25,26,35,36, T26 R24 W4 Sec 30, T26 R23	In progress
2022	C Canal	Sec 17, 20,21,16,15 10 T26 R24 W4	Proposed
2023	C Canal	Sec 18,19, T26 R24 W4 Sec 24, 25, 26, 27, 34 T26 R25 W4	Proposed
2024	C Canal	Sec 33, 28,29,32 30 T26 R25 W4	Proposed
2025	Thompson Ditch	Sec 20, 17, 16, 9 T26 R26 W4	Proposed



MAINTENANCE ACTIVITY SUMMARY

Ditch cleaning	37 kilometres
Bank levelling/ditch fill-in	3.2 kilometres
Tree clearing	1 kilometre
Canal fencing	1 kilometre
Delivery installations-replacements	12 units
Drop/check installations	2 units
Canal crossing installations	4 units
Dugouts	4 units
Cattail cutting	16 kilometres
Chemical spraying	560 acres
Magnacide H	19 days
Bank mowing	307 hours



EQUIPMENT FLEET

AS OF SEPTEMBER 30, 2021

2018 Komatsu 240LC-11 Excavator	2020 Peterbilt 367 Tandem with Pup
2018 Komatsu PC290LC-11 Excavator	2020 Peterbilt 367 Tandem with Pup
2020 Caterpillar 336-07 Excavator	2016 Midland TW3000 Side Dump Trailer
2019 Komatsu D61PX-24 Dozer with GPS	2016 Peerless Lowbed w/ Jeep and Booster
2019 Komatsu D-51PXi Crawler Dozer	2019 Schulte XH1500 Mower
2014 John Deere 410K Backhoe with HoePac	2018 Industrias America R2432 Offset Disc
2021 John Deere 750L Crawler Dozer	2020 Haybuster Seeder
2014 John Deere 410K Backhoe	2002 Trailtech Tip Trailer
2014 John Deere 624K Loader	2012 Dynaweld Ramp Trailer
2016 John Deere 624K Wheel Loader	2021 Load Trail Gooseneck Trailer
2020 Case TR270 CTL SkidSteer	2012 Dodge 3500 with Dump Trailer
2018 Kubota Tractor 141 HP	2018 Dodge 4500 with Gooseneck Trailer
2017 Bomag 8500 Roller Packer	2020 Spill Response Cargo Trailer
2017 Peterbilt 367 Tandem with Pup	2021 Boat Wash Trailer (for invasive species)
2018 Peterbilt 367 Tractor	



Our Water Master and Assistant Water Master with new Boat Wash at Chestermere Lake

WEED CONTROL

The aquatic vegetation management program remains a priority for the Western Irrigation District 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.

Our efforts began in the channels on May 17, 2021, with applications of Magnicide H to successfully control the early growth stages of algae and pond weeds. An increased number of total applications were used on the main A and B Canal systems, and treatment was used on C Canal for the first time in 2021. The early-season and regularly scheduled applications through to mid-August improved water delivery efficiency throughout the District.

The changes to the program yielded noticeable differences from previous years, particularly on C Canal.

Consistent high-water volumes in the canal system due to the drought conditions in 2021 posed a challenge for the revised program; however, the outcome was successful. Because of high flows at application times, more chemical was required; as a result, we were unable to complete the final scheduled late-August application.

We had consistently positive feedback from water users. The changes to the program yielded noticeable differences from previous years, particularly on C Canal.

A qualified contractor applied the Magnicide H for control of prohibited noxious; specific nuisance weeds; trees; and shrubs. We also used our own equipment and employees to mow canal banks to control grasses and weeds and perform annual cattail cutting on smaller lateral ditches.

WEED 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 metres 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 2021

NAME	LEGAL DESCRIPTION	ACTION
1748645 Alberta Ltd.	7710534;1;25 Subdivision	Removed
Robert & Wendy Voelk	9611150;1	Removed
Tyler Drake & Jamie-Lee Drake	9611379;3;9 Subdivision	Removed
Rong Zhang Zhu	2011313;1;1	Removed
Guy & Maisie Brown	SE 25-22-21 W4	Removed
Victor & Teresa Avramenko	1912040;1;1	Removed
Adam West	9711654;5;24 Subdivision	Removed
Jason & Dawn Beck	1612578;1;3	Removed
Sage Kudla & Cade Wilton	1612578;1;1	Removed
Louis Papas & Tamara O'Neill	1612578;1;2	Removed
Jason & Dawn Beck	NE 3-22-21 W4	Removed
1578030 Alberta Ltd.	SE 20-22-25 W4	Added
Praeker Farms Ltd.	SW 4-24-23 W4	Added
Blair & Glenda Rusnack	SW 34-24-27 W4	Added
Brenda Lee Hoff	1710075;2;2	Removed
Stephen Eric Selgensen	1710075;2;1	Removed
Steven Booth	2010327;1;1	Removed
Georgi & Pavlinka Nikolova	7710634;3;10 Subdivision	Removed
Muller Farms Ltd.	NE 7-23-20 W4	Added
Bruce Farms Ltd.	NW 1-23-26 W4	Added
John Waldner	1311873;3;1	Removed
Melanie Kent	9611195;1	Removed
Elviera Gertrude Sims John Walter Thiessen Mary Elizabeth Slimmon Werner Allan Thiessen Hedy Nellie Mayes Wesley Thiessen	4;25;24;11;;3,4	Removed
Fairwest Farms Ltd.	SW 35-22-23 W4	Added
Fairwest Farms Ltd.	SE 3-23-22 W4	Removed
William Kathol & Paul Anthony Kathol	0411301;1;1	Removed
Donna Lynn Bourassa	7710634;1;21 Subdivision	Removed
Sylvia A Walker	8010030;7;14 Subdivision	Removed

CROP DATA SUMMARY

NAME	TOTAL ACRES	NAME	TOTAL ACRES
ALFALFA (2nd cut)	9,668	NON CROP	570
ALFALFA (silage)	663	NURSERY	1,368
BARLEY	9,937	OATS	338
BARLEY (malt)	451	OATS (silage)	4
BARLEY (silage underseed)	994	PASTURE (native)	685
BARLEY (silage)	5,750	PASTURE (tame)	5,555
BEANS (faba)	210	PEAS (dry)	1,236
CANOLA	22,603	PEAS (fresh)	306
CARROTS	30	POTATO	190
CORN (silage)	760	POTATO (seed)	639
FLAX	130	RYE	1,321
GRASS SEED	150	SMALL FRUIT	60
GREEN FEED	1,182	TRITICALE	75
HAY (alfalfa)	2,630	TURF SOD	2,580
HAY (brome)	763	WHEAT (cps)	1,969
HAY (grass)	1,338	WHEAT (durum)	376
HAY (timothy)	1,452	WHEAT (hard spring)	10,529
MARKET GARDENS	160	WHEAT (silage)	915
MISC	165	WHEAT (soft)	1,733



ANNUAL GENERAL MEETING 2021

Minutes of the Annual Meeting of the Water Users of the Western Irrigation District held remotely via Zoom in Strathmore, Alberta on April 4, 2021

ONLINE:

DIRECTORS

Henry Colpoys
Dan Shute
Ray Kettenbach
Rick Page
Doug Brown sent regrets that he was unable to join

STAFF

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

AUDITORS

Shelly Harriman, Gregory Harriman & Associates LLP

CALL TO ORDER & INTRODUCTIONS

Ray Kettenbach called the meeting to order at 1:38 pm. He welcomed everyone to the Fiscal 2020 Annual Meeting and introduced the Board members. Everyone was asked to sign in electronically. He introduced David McAllister, Sean Mascaluk and other WID staff. He also acknowledged Amber Link, Reeve of Wheatland County; Leela Aheer, the WID's local MLA; and Martin Shields, our local MP. Ray noted that they are all great friends of irrigation. Also joining us were:

Jennifer Nitschelm, Irrigation Secretariat
Brian Bruen, Irrigation Council of Taber
Richard Jones, McMillan LLP
Shelley Harriman, Gregory Harriman & Associates LLP
Representatives of Credential and MPE

WID staff were acknowledged and thanked for their hard work over the past year.

Dan Shute greeted everyone, introduced the Board Members and said he wished we could be together in person.

ANNOUNCEMENTS An election was held for a Director of Division 3. Rick Page was acclaimed.

MEETING CHAIRMAN As the meeting was held virtually through Zoom, it was agreed prior that Ray Kettenbach would act as Chair for the meeting. Ray explained that the format would be the same as a regular, in-person meeting.
Jacquelynn Twarzynski and Sam Hindle were acknowledged for their help with this meeting.
The Agenda was shown on the screen and the Motions were explained.

RECORDING SECRETARY Ray Kettenbach appointed Heather Higgins as the Recording Secretary.

ADOPTION OF AGENDA The meeting Chair asked the audience to review the proposed agenda.
MOVED by Vern Bretin and SECONDED by Anita Heuver that the agenda be adopted.
CARRIED

ADOPTION OF MINUTES 2020 Annual Meeting The meeting Chair requested that the audience review the Minutes from 2020 Annual Meeting.
MOVED by Wayne Mikkelsen and SECONDED Vern Bretin THAT the Minutes of Annual Meeting be adopted as presented.
CARRIED

BOARD CHAIR'S REPORT Dan Shute presented the Chair's Report and summarized highlights of our year.
He thanked the special guests who joined us, remarked on the successful year we had, and how he is excited about our future.
A number of years ago the WID secured capital to invest and that continues to grow. We have both short-term and long-term plans in place.
We also continue to work on Cooperative Stormwater Management Initiative (CSMI) strategies, and construction of our new shared facility with the Marigold Library System is well underway.
We are a resilient and strategic organization and proud of each of our members to adapt and achieve our goals.

The WID is poised for significant growth and we have many reasons to be optimistic about the future.

Dan thanked the Board of Directors and all WID staff for contributing towards a successful year for the WID and that he looks forward to continued success as we take on the challenges of the future.

MOVED by Anita Heuver and SECONDED by Wayne Mikkelsen THAT the Chairman's Report be adopted as presented.
CARRIED

GENERAL MANAGER'S REPORT David McAllister presented the General Manager's Report and summarized some of the highlights of our year.

He spoke about three Strategic Priorities: Water Security, Service Efficiency and Financial Sustainability.

This year was the most efficient diversion in WID history, and both the quantity and quality of water remain high.

The CSMI initiative continues to grow. This is a joint effort with several municipalities, totally funded by those municipalities, to ensure that stormwater and irrigation water are not mixed, ensuring high quality.

This was a very strong year in all areas.

David thanked the Board of Directors for their continuing support. He also thanked the staff for their ongoing efforts to provide a high level of service to water users in the WID.

MOVED by Vern Bretin and SECONDED by David Tanner THAT the Chairman's Report be adopted as presented.
CARRIED

OPERATIONS & MAINTENANCE REPORT Sean Mascaluk was introduced as our new Executive Manager of Operations.

The 2020 season began with the divergence from the Bow River on May 2. Peak season was between May 7 and August 1 with 96,360-acre feet of water being utilized.

Weed control has also been important this year. Magnicide H has been successfully used in the control of noxious weeds, resulting in uninterrupted flow of water. Magnicide H will continue to be used on C Canal to help reduce weed growth.

Irrigation Rehabilitation Program continues, funded by the Province at 75% and WID the remaining 25%.

Sean also explained the Seepage Control Plan, the Maintenance Summary, and the Fleet Equipment listing.

MOVED by Vern Bretin and SECONDED by Ron Warrack THAT the Operations & Maintenance Report be adopted as presented

CARRIED

AUDITOR'S REPORT

Shelley Harriman of Gregory, Harriman & Associates LLP presented the Auditor's report for Fiscal 2020.

Shelley stated the Auditor's Report was clean and it was presented in accordance with Canadian Generally Accepted Auditing Standards.

She summarized the statement of operations and other earnings, highlighting the investments. She explained our growth, revenue, income, salaries and more. We are in a very good position financially due to being well managed and enjoy 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 Wayne Mikkelsen and SECONDED by Anita Heuver THAT the Auditor's Report for Fiscal 2020 be adopted as presented.

CARRIED

EXTRA ITEMS

Wheatland County Reeve Amber Link had the opportunity to address the meeting and thanked the WID for all we do for the entire agriculture sector. She commended our strategy, forward-thinking and sustainability.

MP Martin Shields also said a few words and shared the story of a constituent who is able to control his pivots via his cell phone. He said how he loves to learn about irrigation from our AGM.

The meeting Chair appreciated both of their comments and said it is important to work together and be good neighbours.

QUESTIONS

David McAllister answered questions from Vern Bretin regarding our new Stoodley-Sheep Camp solar station. We generate as much as we use, making us energy neutral. Vern also had questions about our website and indicated he would like to see more technical information available. David told him that our website is currently being revamped and improved.

Darren Tiede asked if there was any way for water season to get an earlier start. David McAllister and Dan Shute explained that while there is a Junior License in place, there are certain factors that can make it difficult to begin sooner than May 1, for example, the ice flows. Also, it is important to understand that the Headworks Canal is owned and operated by the Province, so it is not a straightforward decision by the WID to begin the season sooner.

David Tanner asked several questions about CSMI, he is concerned about the details. David McAllister provided information and agreed that they would have another conversation to address his specific questions.

In his final comments, Dan Shute thanked Ray Kettenbach for chairing the meeting.

ADJOURNMENT

MOVED by Vern Bretin, SECONDED by Westview Farms THAT the meeting be adjourned at 3:30 pm.

CARRIED



FINANCIALS

WESTERN IRRIGATION DISTRICT CONSOLIDATED FINANCIAL STATEMENTS SEPTEMBER 30, 2021

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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, 2021, 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, 2021, 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 24, 2022

Gregory, Harriman & Associates LLP
Chartered Professional Accountants

WESTERN IRRIGATION DISTRICT
Consolidated Statement of Financial Position
As at September 30, 2021

	UNRESTRICTED FUNDS		RESTRICTED FUNDS		COMBINED	
	OPERATING	CO-OPERATIVE STORMWATER MANAGEMENT INITIATIVE	DISTRICT CAPITAL	IRRIGATION WORKS	2021	2020
CURRENT ASSETS						
Cash (Note 4)	\$ 4,422,758	\$ 2,762,698	\$ -	\$ -	\$ 12,762,693	\$ 11,415,426
Accounts receivable (Note 5)	2,107,341	1,857,748	381,636	7,994,532	3,026,289	1,961,550
Accrued interest receivable	-	-	-	-	6,782	60,826
Short term investments (Note 6)	-	-	-	-	93,258	7,473,752
Inventory	155,455	328,144	-	-	534,549	690,004
Prepaid expenses	39,753	34,932	-	-	-	584,394
Deposits	-	-	251,650	-	-	39,753
Interfund receivables (payables) (Note 19)	1,354,794	1,699,892	(34,631)	(159,304)	-	251,650
	8,080,101	6,683,414	347,005	186,099	16,870,429	21,530,880
OTHER ASSETS						
Loan receivable	-	-	1,500	-	1,500	2,500
Preliminary costs pending (Notes 7, 23)	-	-	202,292	-	202,292	360,085
Water rights (Note 8)	-	-	435,050	-	435,050	435,050
Deferred development costs (Notes 9)	-	-	664,184	-	1,658,581	1,134,314
Other intangible asset	-	-	-	-	-	1,646
Investments (Notes 10, 11)	52,549	52,249	26,072,381	15,036	26,139,966	23,883,609
	52,549	52,249	27,375,407	15,036	27,913,122	26,341,471
PROPERTY AND EQUIPMENT						
Property and equipment (Note 12)	-	-	13,550,285	53,126	13,603,411	8,246,799
Irrigation works (Note 13)	-	-	94,501,468	81,866,356	176,367,804	172,293,590
	-	-	108,051,753	81,919,462	189,971,215	180,530,389
	\$ 8,132,650	\$ 6,735,663	\$ 817,135	\$ 82,534,351	\$ 234,754,766	\$ 228,402,740
CURRENT LIABILITIES						
Accounts payable and accrued liabilities	\$ 1,223,352	\$ 433,141	\$ 13,581	\$ 5,500	\$ 1,236,933	\$ 438,641
Goods and Services Tax liability	105,719	130,423	-	-	105,719	130,423
Capital levy trust (Note 14)	-	-	118,296	74,525	118,296	74,525
Current portion of deferred revenue	-	-	4,820	-	14,685	4,820
	1,329,071	563,564	146,562	84,845	1,475,633	648,409
OTHER LIABILITIES						
Deferred revenue	-	-	12,326	-	12,326	13,322
Long term debt (Note 15)	-	-	2,029,967	-	2,029,967	-
Asset retirement obligation (Note 16)	-	-	813,959	585,438	813,959	585,438
	-	-	2,856,252	598,760	2,856,252	598,760
TOTAL LIABILITIES	1,329,071	563,564	3,002,814	683,605	4,331,885	1,247,169
FUND BALANCES						
Invested in property and equipment (Note 17)	-	-	105,642,877	99,283,489	187,562,339	180,381,643
Externally restricted (Note 18)	-	-	-	201,135	201,135	1,436,197
Internally restricted (Notes 19)	-	-	35,038,693	39,061,830	35,038,693	39,061,830
Unrestricted	6,803,579	6,172,099	817,135	-	7,620,714	6,275,901
	6,803,579	6,172,099	817,135	-	230,422,881	227,155,571
	\$ 8,132,650	\$ 6,735,663	\$ 817,135	\$ 82,534,351	\$ 234,754,766	\$ 228,402,740
TOTAL LIABILITIES AND FUND BALANCES						
Economic Dependence (Note 2)						
Contingent Liabilities (Note 23)						
Environmental Contingencies (Note 25)						
Commitments (Note 27)						

APPROVED BY:  Chairman of the Board

 Acting General Manager

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

WESTERN IRRIGATION DISTRICT
Consolidated Statement of Operations and Changes in Fund Balances
Year Ended September 30, 2021

	OPERATING		CO-OPERATIVE STORMWATER MANAGEMENT INITIATIVE		DISTRICT CAPITAL		IRRIGATION WORKS		TOTAL	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
REVENUE										
Irrigation rates, net (Note 20)	\$ 1,935,585	\$ 1,925,455	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,935,585	\$ 1,925,455
Domestic and miscellaneous	1,052,725	1,022,438	-	-	-	-	-	-	1,052,725	1,022,438
Storm water	679,096	644,629	-	-	-	-	-	-	679,096	644,629
Penalties	9,494	4,813	-	-	-	-	-	-	9,494	4,813
TOTAL WATER EARNINGS	3,676,900	3,597,335	-	-	-	-	-	-	3,676,900	3,597,335
OTHER EARNINGS										
Capital asset charges	-	-	767,600	4,500	-	-	-	-	767,600	4,500
Government contributions	32,622	394,258	1,218,072	263,528	1,112,338	2,241,658	-	2,363,032	2,839,444	
Interest revenue	21,433	96,809	899,700	943,654	7,609	12,649	-	928,975	1,053,112	
Gravel revenue	-	-	234,806	388,537	-	-	-	234,806	388,537	
Farm, land and building rentals	-	-	194,599	209,888	-	-	-	194,599	209,888	
Gain on sale of land	-	-	91,000	557,523	-	-	-	91,000	557,523	
Gain/(Loss) on sale of assets	-	-	(10,771)	52,484	-	-	-	(10,771)	52,484	
Realized gain (loss) on investments (Note 11)	-	-	773,316	(130,021)	-	-	-	773,316	(130,021)	
Unrealized gain (loss) on investments	-	-	951,477	(94,983)	-	-	-	951,477	(94,983)	
Fees and other income	230,970	151,368	-	-	-	-	-	230,970	151,368	
Miscellaneous	1,857	-	-	-	-	-	-	1,857	-	
Inventory adjustment	(111,865)	25,830	45,615	(221,172)	-	-	-	(66,250)	(195,342)	
TOTAL OTHER EARNINGS	175,017	608,265	5,165,414	1,973,938	1,119,947	2,254,307	6,460,611	4,836,510		
	3,851,917	4,205,600	5,165,414	1,973,938	1,119,947	2,254,307	10,137,278	8,433,845		
EXPENSES										
Amortization of property and equipment	-	-	2,159,750	1,978,210	1,533,701	1,476,125	-	3,693,451	3,454,335	
Amortization of intangible asset	-	-	1,646	9,125	-	-	-	1,646	9,125	
Depletion of resource properties	-	-	23,129	-	-	-	-	23,129	-	
Commissions expense	-	-	58,100	39,094	-	-	-	58,100	39,094	
Bursary expense	-	-	1,000	1,000	-	-	-	1,000	1,000	
Operating and administrative (Schedule 1)	2,745,346	3,689,640	54,999	38,806	-	-	-	2,800,345	3,728,446	
Property taxes	-	-	8,115	8,116	-	-	-	8,115	8,116	
Retainage	-	-	-	-	-	-	-	-	-	
Accretion expense	-	-	284,415	(28,992)	-	-	-	284,415	(28,992)	
	2,745,346	3,689,640	2,597,154	2,045,359	1,533,701	1,476,125	6,870,201	7,211,124		
EXCESS OF REVENUE OVER EXPENSES	1,106,571	515,960	2,574,260	(71,421)	(413,754)	778,182	3,267,310	1,222,721		
Fund balances at beginning of year	6,172,099	6,978,081	138,345,319	137,897,252	82,534,351	81,008,683	227,155,571	225,932,850		
Interfund transfers (Notes 19)	(475,091)	(574,456)	(238,009)	519,488	-	-	-	-		
Irrigation provision (Notes 16, 19)	-	-	-	-	-	747,486	-	-		
FUND BALANCES AT END OF YEAR	6,803,579	6,172,099	140,681,570	138,345,319	82,120,597	82,534,351	230,422,881	227,155,571		

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, 2021

	OPERATING		CO-OPERATIVE STORMWATER MANAGEMENT INITIATIVE		DISTRICT CAPITAL		IRRIGATION WORKS		TOTALS	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES										
Cash receipts	\$ 3,580,891	\$ 4,113,737	\$ (277,834)	\$ (494,102)	\$ 1,887,634	\$ 866,683	\$ 1,112,338.00	\$ 2,241,658.00	\$ 6,580,863	\$ 7,22
Cash paid to suppliers and employees	(1,811,971)	(3,586,568)	-	-	625,302	(897,284)	-	-	(1,186,669)	(4,4E
Cash transferred to/from other funds	345,098	(1,411,384)	34,631	-	(356,357)	1,354,237	(23,372)	57,147	-	-
Interest received	21,433	96,809	233	-	953,744	1,002,176	7,609	12,649	983,019	1,11
Cash flows from operating activities	2,135,451	(787,406)	(242,970)	(494,102)	3,110,323	2,325,812	1,096,575	2,311,454	6,099,379	3,84
CASH FLOWS FROM INVESTING ACTIVITIES										
Purchases of property and equipment	-	-	(470,130)	-	(11,296,241)	(3,228,062)	(2,355,009)	(1,921,789)	(13,651,250)	(5,14
Proceeds from sale of assets	-	-	-	-	285,229	711,130	-	-	285,229	71
Proceeds from long term debt	-	-	-	-	2,029,967	-	-	-	-	-
Sales (purchase) of investments	(300)	(521)	-	-	6,853,133	2,990,603	(325)	(564)	6,852,508	2,9E
Preliminary costs pending	-	-	-	-	157,793	17,861	-	-	157,793	1
Cash flows from investing activities	(300)	(521)	(470,130)	-	(1,970,119)	491,532	(2,355,334)	(1,922,353)	(4,325,753)	(1,4E
CASH FLOWS FROM FINANCING ACTIVITIES										
Irrigation provision	-	(747,486)	-	-	-	-	-	747,486	-	-
Trust funds received	-	-	-	-	43,771	72,044	-	-	43,771	7
Cash flows from financing activities	-	(747,486)	-	-	43,771	72,044	-	747,486	43,771	7
NET CASH INCREASE (DECREASE)	2,135,151	(1,535,413)	(713,100)	(494,102)	1,183,975	2,889,387	(1,258,759)	1,136,587	1,817,397	2,4E
Cash, opening balance	2,762,698	4,872,567	-	-	7,048,566	3,639,691	1,604,162	467,575	11,415,426	8,97
Interfund balance adjustments	(475,091)	(574,456)	713,100	494,102	(238,009)	519,488	-	-	-	4E
CASH, CLOSING BALANCE	\$ 4,422,758	\$ 2,762,698	\$ -	\$ -	\$ 7,994,532	\$ 7,048,566	\$ 345,403	\$ 1,604,162	\$ 12,762,693	\$ 11,41
CASH REPRESENTED BY:										
Cash (Note 4)	4,422,758	2,762,698	-	-	7,994,532	7,048,566	345,403	1,604,162	12,762,693	11,415,426
TOTAL CASH	\$ 4,422,758	\$ 2,762,698	\$ -	\$ -	\$ 7,994,532	\$ 7,048,566	\$ 345,403	\$ 1,604,162	\$ 12,762,693	\$ 11,41

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

WESTERN IRRIGATION DISTRICT
Schedule 1 - Operating and Administrative Expenses
Year Ended September 30, 2021

	DEPARTMENTS		GENERAL AND		TOTALS	
	OPERATIONS AND MAINTENANCE	WATER DELIVERY	ADMINISTRATION		2021	2020
Advertising, publications, ratepayers meetings	\$ -	\$ -	\$ 82,255	\$	82,255	\$ 26,017
Association fees	-	-	61,654		61,654	29,986
Board of Directors expenditures	-	-	20,854		20,854	69,126
Building maintenance	58,436	-	-		58,436	58,371
Computer expense	-	-	152,519		152,519	81,340
Equipment and easement rental	564,635	-	-		564,635	283,088
Equipment maintenance, gas, oil, grease	633,502	60,097	-		693,599	429,295
Gravel pit expenses	11,597	-	-		11,597	5,184
Insurance	27,116	3,696	12,026		42,838	35,804
Interest and bank charges	-	-	798		798	1,189
Land titles charges and classification	-	-	6,836		6,836	3,427
Materials and supplies, office supplies	135,048	55,617	52,841		243,506	571,486
Payroll service charges	-	-	6,091		6,091	4,910
Postage, freight and courier	-	-	5,336		5,336	5,751
Professional fees	-	-	853,506		853,506	537,342
Public relations	-	-	28,316		28,316	27,242
Safety supplies	13,646	4,899	1,213		19,758	23,057
Salaries and wages (Note 28)	2,223,623	520,362	797,281		3,541,266	2,882,422
Small tools and equipment	8,697	-	-		8,697	7,699
Social committee	13,998	-	-		13,998	13,997
Stationary, printing, photocopies, fax	-	-	17,055		17,055	16,959
Telephone	20,926	7,308	4,224		32,458	25,469
Travel and staff training	663	194	4,602		5,459	9,101
Utilities	57,212	63,770	-		120,982	78,807
Vegetation and pest control	-	314,887	-		314,887	274,523
Welding supplies	-	1,409	-		1,409	1,602
Transfer as asset to irrigation capital (Note 22)	3,769,099	1,032,239	2,107,407		6,908,745	5,503,194
	(2,771,767)	(6,636)	(1,384,996)		(4,163,399)	(1,813,554)
TOTALS	\$ 997,332	\$ 1,025,603	\$ 722,411	\$	\$ 2,745,346	\$ 3,689,640

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, 2021

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 four cooperative members, Western Irrigation District, City of Calgary, Rocky View 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, 2021

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.

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WESTERN IRRIGATION DISTRICT
Notes to the Consolidated Financial Statements
September 30, 2021

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.

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WESTERN IRRIGATION DISTRICT
Notes to the Consolidated Financial Statements
September 30, 2021

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, 2021

Note 4 Cash

	2021	2020
<i>Operating</i>		
Petty cash	\$ 1,000	\$ 1,000
Bank account balance	4,421,758	2,761,698
	4,422,758	2,762,698
<i>District Capital</i>		
Cash held for reinvestment	128,311	157,823
Cash held by subsidiaries	245,699	501,814
Credit Union special grant account, interest rate of Prime minus 1.5%	6,480,507	3,812,887
Credit Union building bank account, interest rate Prime minus 1.5%	543,911	1,955,561
Credit Union savings account, interest rate of Prime minus 1.5%	488,179	545,995
Credit Union capital trust levy bank account, interest rate of Prime minus 1.5%	107,925	74,486
	7,994,532	7,048,566
<i>Irrigation Works</i>		
Bank account balance, interest rate of Prime minus 1.5%	345,403	1,604,162
	\$ 12,762,693	\$ 11,415,426

A portion of the cash balance for District Capital, \$107,925 (2020 - \$74,486), is restricted in accordance with the terms of the Capital Levy Trust, as documented in Note 14.

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

	2021	2020
<i>Operating</i>		
Water rates and charges	\$ 2,075,382	\$ 1,721,964
Sundry debtors	31,959	135,784
	2,107,341	1,857,748
<i>District Capital</i>		
Modernization project receivable	287,312	-
Kinniburgh investment receivable	250,000	-
	537,312	-
<i>Co-operative Stormwater Management Initiative</i>		
Conditional and development costs receivable	381,636	103,802
	\$ 3,026,289	\$ 1,961,550

WESTERN IRRIGATION DISTRICT
Notes to the Consolidated Financial Statements
September 30, 2021

Note 6 Short Term Investments

	2021	2020
<i>District Capital</i>		
Current portion of guaranteed investment certificates (Note 10)	\$ 93,258	\$ 7,473,752
	\$ 93,258	\$ 7,473,752

Note 7 Preliminary Costs Pending

The expenditures of \$202,292 (2020 - \$360,085) 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, 2021. As projects are approved, costs will be recovered from the cost shared program.

Note 8 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.

	2021	2020
<i>District Capital</i>		
565 Irrigated Acres (2020 - 565 Acres)	\$ 435,050	\$ 435,050
	\$ 435,050	\$ 435,050

Note 9 Deferred Development Costs

	2021	2020
<i>District Capital</i>		
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	52,662
Shared Office with Marigold	-	564,928
Co-operative Stormwater Management Initiative	-	429,469
	\$ 664,184	\$ 1,658,581
<i>Co-operative Stormwater Management Initiative</i>		
Conditional Period Costs	\$ 470,130	\$ -
	\$ 470,130	\$ -

WESTERN IRRIGATION DISTRICT
Notes to the Consolidated Financial Statements
September 30, 2021

Note 10 Investments

	2021	2020
<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	13,885	13,585
	52,549	52,249
<i>District Capital</i>		
Fixed income securities	14,665,585	14,619,091
Guaranteed investment certificates	100,000	7,744,539
Common shares and equities	8,559,806	6,708,196
Chinook Credit Union Ltd. common shares	13,086	12,804
Kinniburgh South Limited Partnership (Note 11)	2,827,162	2,205,771
Less: Investments maturing in the next fiscal year (Note 6)	(93,258)	(7,473,752)
	26,072,381	23,816,649
<i>Irrigation Works</i>		
Chinook Credit Union Ltd. common shares	15,036	14,711
	\$ 26,139,966	\$ 23,883,609

The guaranteed investment certificates mature between December 2021 and December 2023 with interest ranging from 3.20% to 3.50%.

WESTERN IRRIGATION DISTRICT
Notes to the Consolidated Financial Statements
September 30, 2021

Note 11 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:

	2021	2020
<i>Statement of Financial Position</i>		
Investments (Note 10)	\$ 2,827,162	\$ 2,205,771
	\$ 2,827,162	\$ 2,205,771
<i>Statement of Operations</i>		
Realized gain/(loss) on investments	\$ 871,391	\$ (146,961)
	\$ 871,391	\$ (146,961)

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

During the year, the District transferred \$153,500 to its subsidiaries to fund strategic investment initiatives and capital activities.

As at September 30, 2021, there is a balance owing from the subsidiaries to the District in the amount of \$1,672,810.

Note 12 Property and Equipment

	2021		2020	
	Cost	Accumulated Amortization	Net	Net
<i>District Capital</i>				
Land and farm property	\$ 4,850,672	\$ 81,147	\$ 4,769,525	\$ 4,661,063
Resource property (Note 16)	591,419	203,807	387,612	410,740
Computers	135,691	134,138	1,553	2,588
Trucks	1,220,045	535,592	684,453	561,057
Office equipment	106,272	20,666	85,606	3,279
Other equipment and furniture	150,774	104,416	46,358	24,568
Power equipment	4,629,518	2,126,025	2,503,493	2,284,156
Shop and office complex	5,811,832	752,518	5,059,314	235,334
Industrial subdivision costs	40,304	27,933	12,371	12,748
	17,536,527	3,986,242	13,550,285	8,195,533
<i>Irrigation Works</i>				
Land	53,126	-	53,126	51,266
	\$ 17,589,653	\$ 3,986,242	\$ 13,603,411	\$ 8,246,799

WESTERN IRRIGATION DISTRICT
Notes to the Consolidated Financial Statements
September 30, 2021

Note 13 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.

	2021		2020	
	Cost	Accumulated Amortization	Net	Net
<i>District Capital</i>				
Irrigation Works	\$ 106,633,011	\$ 12,131,543	\$ 94,501,468	\$ 91,236,702
<i>Irrigation Works</i>				
Irrigation Works	134,361,348	52,495,012	81,866,336	81,046,888
	\$ 240,994,359	\$ 64,626,555	\$ 176,367,804	\$ 172,283,590

Note 14 Capital Levy Trust

The amount of \$118,296 (2020 - \$74,525), 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, 2021

Note 15 Long Term Debt

	2021	2020
Irrigating Alberta Inc.	\$ 2,029,967	\$ -
Long term debt, end of the year	\$ 2,029,967	\$ -

Irrigating Alberta Inc. loan bearing interest at 1% per annum, repayable over a thirty five year term based on incremental revenues following project completion. The loan is secured by a general service agreement between Western Irrigation District and Irrigating Alberta Inc. Borrowing has been undertaken to assist in the funding of development and construction costs of the Modernization Project, Reservoir Project and the Phase 2 Projects to modernize infrastructure, increase off stream water storage, reduce water losses, reduce ongoing operation and maintenance costs and increase the certainty and security of such irrigation services for the existing irrigated acres as well as to create additional irrigated acres.

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:

	2021	2020
Asset retirement obligation, beginning of the year	\$ 585,438	\$ 645,432
Accretion expense	228,521	(59,994)
Asset retirement obligation, end of the year	\$ 813,959	\$ 585,438

The total undiscounted amount to settle the Asset Retirement Obligation, based on management's estimate, is \$1,098,086 (2020 - \$910,073). 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 inflation rate of 0.31% 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 2021.

WESTERN IRRIGATION DISTRICT
Notes to the Consolidated Financial Statements
September 30, 2021

Note 17 Invested in Property and Equipment

	2021	2020
<i>District Capital</i>		
Water Rights (Note 8)	\$ 435,050	\$ 435,050
Other intangible asset	-	1,642
Property and equipment (Note 12)	13,550,285	8,195,533
Irrigation works (Note 13)	94,501,468	91,236,702
Long term debt (Note 15)	(2,029,967)	-
Asset retirement obligation (Note 16)	(813,959)	(585,438)
	<u>105,642,877</u>	<u>99,283,489</u>
<i>Irrigation Works</i>		
Property and equipment (Note 12)	53,126	51,266
Irrigation Works (Note 13)	81,866,336	81,046,888
	<u>81,919,462</u>	<u>81,098,154</u>
	<u>\$187,562,339</u>	<u>\$ 180,381,643</u>

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, 2021

Note 20 Irrigation Rates

Irrigation rates, net, consist of:

Acres	2021	2020
<i>Assessment roll acres</i>		
88,268.5 Irrigation acres at \$18.40 per acre, plus additional pressure and/or screening charges where applicable	\$ 1,757,977	\$ 1,742,082
701.0 Minimum charge irrigation acres at \$460 per parcel	17,940	17,940
5,352.5 Terminable acres at \$20.20 per acre, plus additional pressure and/or screening charges where applicable	108,987	105,909
285.0 Minimum charge terminable acres at \$505 per parcel	7,070	7,575
80.0 Annual acres at \$20.20 per acre, plus additional pressure and/or screening charges where applicable	1,616	1,616
47.5 Minimum charge annual acres at \$505 per parcel	1,010	1,010
694.0 Annual acres - off creek at \$16.10 per acre plus additional pressure and/or screening charges where applicable	11,173	11,173
1,403.0 Annual acres - irrigation acres at \$20.20 per acre, plus additional pressure and/or screening charges where applicable	29,812	38,150
<u>96,831.5</u>	<u>\$ 1,935,585</u>	<u>\$ 1,925,455</u>

... continues

WESTERN IRRIGATION DISTRICT
Notes to the Consolidated Financial Statements
September 30, 2021

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 2021.

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 10.

Note 22 Transfer as Asset to Irrigation Capital

The Western Irrigation District has transferred \$4,163,399 (2020 - \$1,813,554) 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 assets.

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 one legal claim, 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, 2021, the District had expended \$202,292 (2020 - \$360,085) 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.

WESTERN IRRIGATION DISTRICT
Notes to the Consolidated Financial Statements
September 30, 2021

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 \$144,830 for the year ended September 30, 2021 (2020 - \$144,580).

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, capital levy trust and long-term debt. 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 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
Notes to the Consolidated Financial Statements
September 30, 2021

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, long term investments and long-term debt 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 24, 2022.



WESTERN IRRIGATION DISTRICT

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