

2022

ANNUAL REPORT

WESTERN IRRIGATION DISTRICT



ANNUAL GENERAL MEETING – WEDNESDAY, APRIL 5, 2023 AT 1:30 PM

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

PLEASE BRING THIS REPORT WITH YOU TO THE MEETING

NOTES

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 Wednesday, April 5, 2023, at 1:30 pm. It will be held at the WID office, A-1000 Pine Street, in the WID/MLS Community Room. The meeting is to:

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

Donna Mitchel
Interim 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):

Office(s)	Number of Vacancies	Division Number
Director	1	2
Director	1	5

Director of Division 2 (Electoral Division 2, which comprises Townships 22, 23 and 24 in Ranges 23 and 24, and Township 24 in Range 25)

Director of Division 5 (Electoral Division 5, which comprises Townships 25, 26 and 27 in Ranges 21, 22, 23 and 24)

Voting will take place on the 5th day of April, 2023 between the hours of 10:00 am and 8:00 pm. The voting station will be located at the Western Irrigation District office at A-1000 Pine Street in Strathmore, Alberta.

Donna Mitchel
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

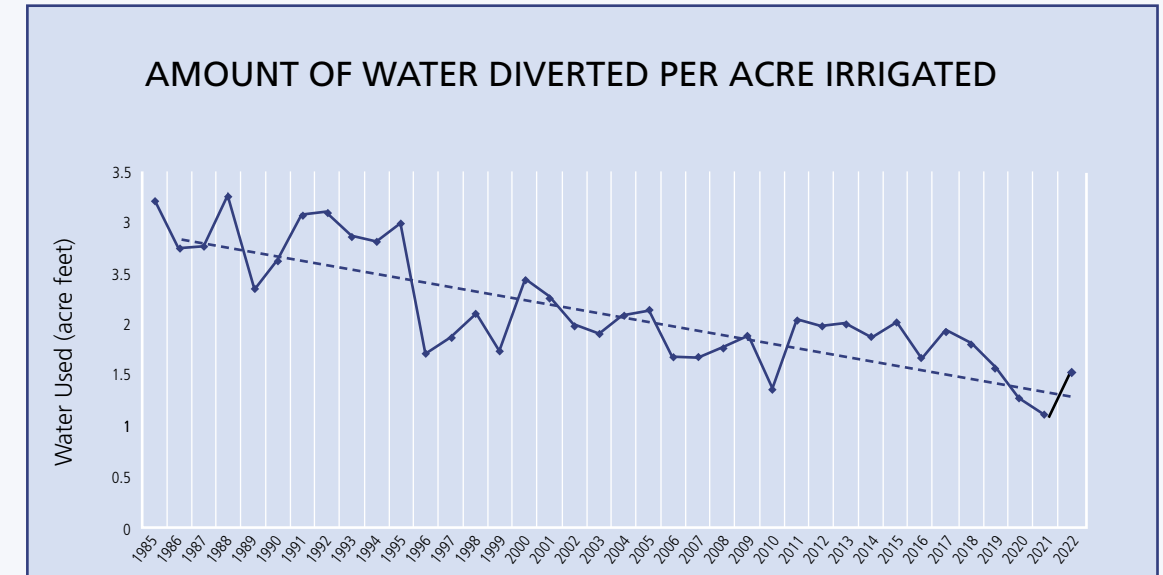
Effectively and efficiently provide water to support our industry, enhance our communities, and promote economic prosperity for the region in harmony with our natural environment.

WID STRATEGIC PRIORITIES

Our Board and General Manager regularly 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

2022 SUCCESS HIGHLIGHTS AT A GLANCE



56%

OF REVENUE CAME FROM SOURCES OTHER THAN WATER RATES

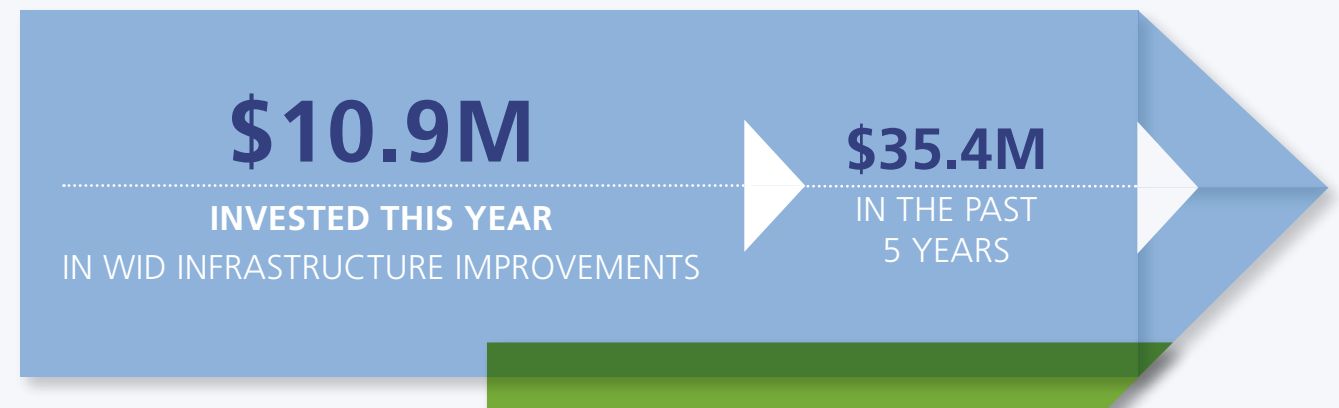


\$10.9M

INVESTED THIS YEAR
IN WID INFRASTRUCTURE IMPROVEMENTS

\$35.4M

IN THE PAST
5 YEARS



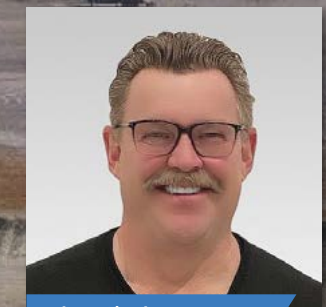
BOARD OF DIRECTORS

TABLE OF CONTENTS

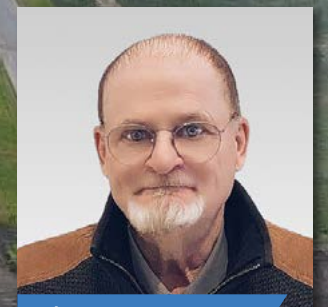
- 1 DIVISIONS OF THE WESTERN IRRIGATION DISTRICT
- 2 BOARD OF DIRECTORS
- 3 BOARD CHAIR REPORT
- 4 GENERAL MANAGER REPORT
- 5 ORGANIZATIONAL CHART
- 7 WATER OPERATIONS
- 9 IRRIGATION REHABILITATION PROGRAM
- 12 ALBERTA IRRIGATION MODERNIZATION PROGRAM
- 18 OTHER PROJECTS
- 20 SEEPAGE CONTROL PLAN
- 21 MAINTENANCE ACTIVITY SUMMARY
- 22 EQUIPMENT FLEET
- 23 WEED CONTROL PLAN
- 24 PARCELS ADDED & REMOVED
- 25 CROP DATA SUMMARY
- 27 MINUTES OF ANNUAL GENERAL MEETING
- 34 FINANCIALS



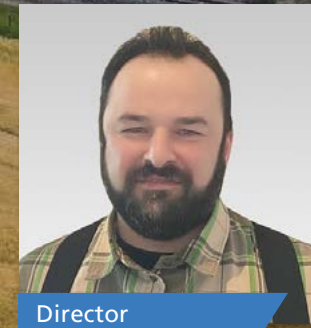
Chair
DAN SHUTE



Vice Chair
RAY KETTENBACH



Director
HENRY COLPOYS

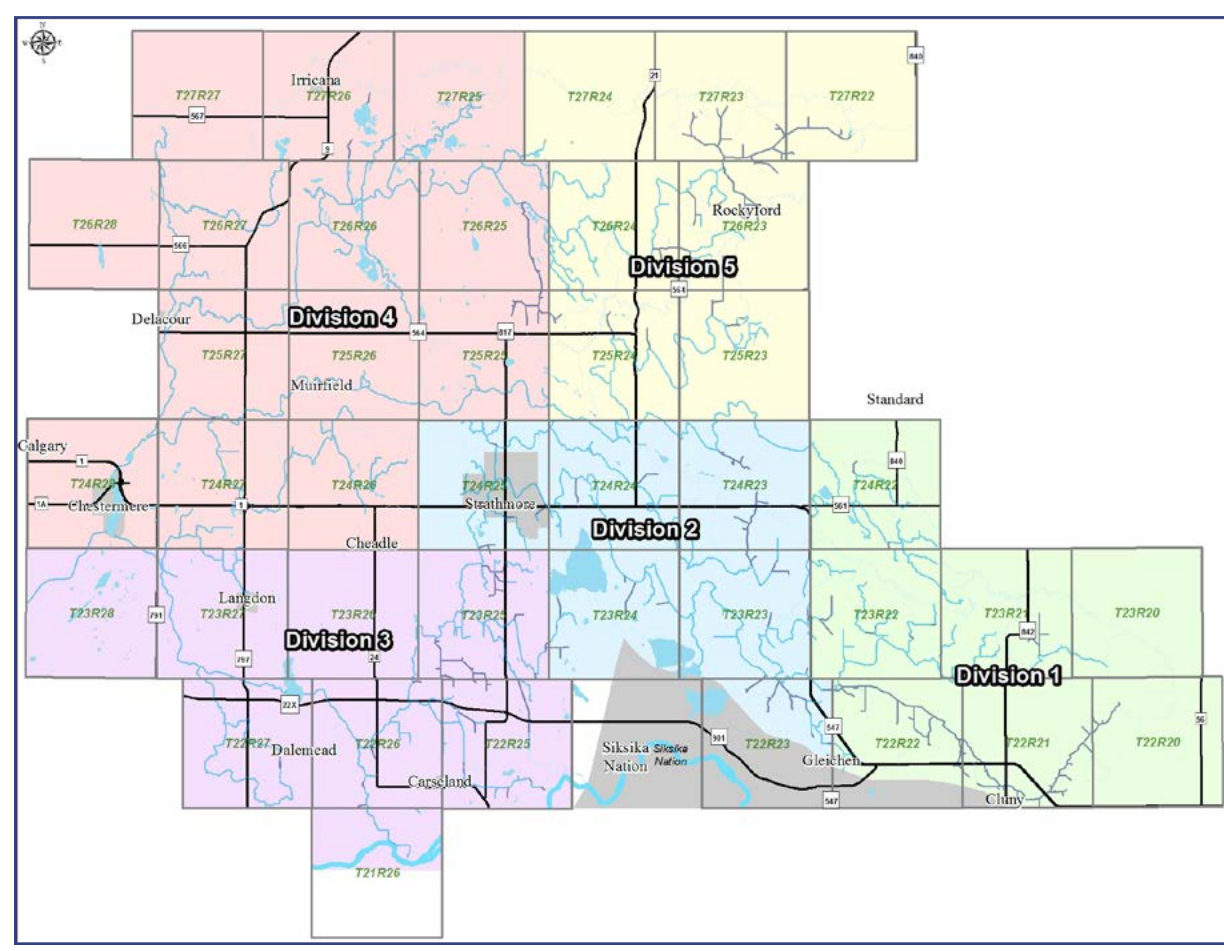


Director
JOEL TSCHETTER



Director
RICK PAGE

DIVISIONS OF THE WESTERN IRRIGATION DISTRICT



ELECTORAL DIVISIONS

- Division 1:** Joel Tschetter – Term expires 2025
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 2025 (Chair)
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 (Vice Chair)
Townships 25, 26 and 27 in Ranges 21, 22, 23 and 24

BOARD CHAIR REPORT

I am honoured to share this update on behalf of our Board of Directors. It seems like every year we could say, 'what a year!' but during 2021-2022, the bar was set very high in terms of progress at the WID.

You will see a lot about improvements to our infrastructure in this report - again. This past season the activity ramped up dramatically. With generous grants and loans from government, we are on track to condense 25+ years of modernization into just ten years. Each season that we can increase the number of pipelines and the efficiency of canals, irrigators reap the benefits.

It remains a priority for our Board and leadership to keep our water rates to a minimum, while being prudent and managing increasing expenses. At the time of writing, our expansion plebiscite is around the corner, a substantial undertaking that if approved will allow for more acres to be irrigated by 2024. With the anticipated additional revenue, the WID has more flexibility to manage costs which continue to grow, along with inflation.

Strong irrigator demand and dry conditions existed in 2022. One way that the WID responded to this was to introduce and make available a quantity of Annual Expansion Acres. This was designed primarily as a bridging mechanism toward more availability of irrigation acres.

Our Board is always looking at opportunities to diversify and add new income sources. Excellent headway was made this year, with an impressive 56% of revenue from opportunities beyond water rates. Continually working on improvements and effective and efficient delivery of water, the food producers within the WID are our top priority. Efforts at building further alliances and partnerships, and delivery of additional revenue streams continue as important support to our core business.

It remains a priority to keep our water rates to a minimum, while being prudent and managing increasing expenses.

We are incredibly blessed to have an experienced team of staff who deliver results year after year. These employees bring amazing creativity and problem solving to work every day and we are grateful for their ongoing commitment.

Thank you for the many conversations in this past year, our Board enjoys engaging and learning from our water users and finding new ways to serve your needs. We are looking ahead to another blockbuster year of modernization and increased acres for efficient water delivery to our food producers, acreages, wetlands and municipal partners.

Dan Shute
WID Board Chair

GENERAL MANAGER REPORT

Your irrigation district made many strides toward our strategic priorities in 2021-2022, in tangible ways that directly impact our irrigators and our communities.

Along with irrigation, early season moisture helped the agriculture industry reach average or above-average yields, a relief after the prior dry season.

WATER SECURITY

With decent rainfall in June and July, the number of acres irrigated was more typical in the 2021 growing season, a little less than the prior year, at 80,811 acres.

We made significant progress on modernization in the second year using the investment and funding arrangement with the provincial and federal governments. With nearly 15 kilometres of additional pipeline installed this year, the water lost to seepage and evaporation continues to decline.

We're pleased to see continued interest from irrigators in the grants available to help fund their conversion to high-efficiency systems. The proportion of acres now covered by modernized systems is 86%, up from 83% last year and 81% the year prior.

SERVICE EFFICIENCY

Our team continued to work hard on improvements to our existing canals, with almost 7 kilometres of rehabilitation. We removed 1.6 kilometres of original CPR canals, and by working closely with irrigators, replaced them with pipelines to serve their properties, allowing more land to be used for agriculture.

FINANCIAL SUSTAINABILITY

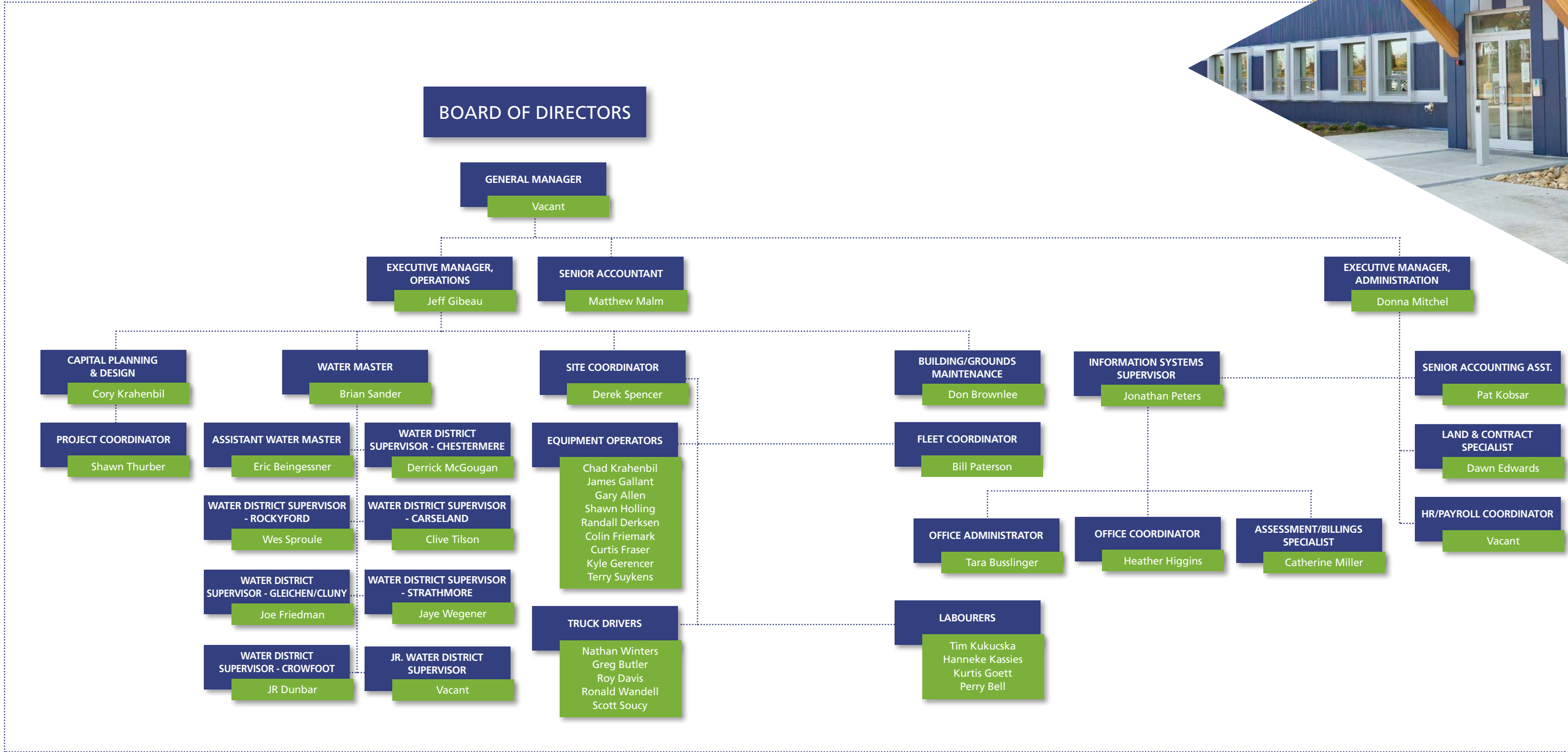
This is another area where our staff made some extraordinary strides this past year, from pursuing new revenue sources and grant funding to strategic purchasing.

- ▶ More than \$4M in government grants are secured for infrastructure modernization – these are payments rather than loans and do not need to be repaid.
- ▶ We received an additional \$135K in grants specifically to reclaim out-of-service ditches.
- ▶ We are charging eligible expenses back to projects to maximize capitalization.
- ▶ Our prior head office building is now leased to a small local business.
- ▶ We continue to pursue local vendors and secure best pricing by bulk purchasing when possible.
- ▶ We've invested in IT security to protect our data, including that of all our water users, with a strong firewall and other critical hardware and software.

We couldn't make all this happen without the ongoing support of our water users and the diligent efforts of each of our staff. There is so much to come as we look forward to this next water and construction season. Thank you for the opportunity to serve this community.

Donna Mitchel
Interim General Manager

WID ORGANIZATIONAL CHART



As of January 1, 2023

WATER OPERATIONS

Our annual 2022 water operations started on April 24 with a diversion from the Bow River.

- ▶ **First water withdrawal** from the WID canal system – May 2, 2022
- ▶ **Peak demand – June 2, 2022**, with 220 systems using water
- ▶ **Total land irrigated** – 80,668 acres. The average irrigation application through the entire WID was recorded at 8-2/3 inches.
- ▶ **Rainfall was back up** to typical levels this year, with 288mm recorded for Strathmore, AB (May to October) according to Environment Canada.

WATER MAXIMUMS FOR CROP AND STOCK USE (ALLOCATION)

This was the fifth consecutive year implementing our water allocation policy, and 2022 saw no incidents of excessive water use. To avoid penalties, a maximum of 18 inches of water per acre is allowed for crop production, and five acre/feet for stock consumption. The fine for overuse is \$20 per acre/inch.

Ensuring our records match the producers', our team monitors pivots, wheel moves, and other irrigation systems using a mobile flow meter to measure water consumption rates. In addition, GPS technology is used to confirm irrigation area activity. Both methods are services provided by the District at no extra cost to our water users. Irrigators are encouraged to call our office to arrange a time during the water season.

WATER
SECURITY



This was the fifth consecutive year implementing our water allocation policy, and 2022 saw no incidents of excessive water use.

TACKLING AQUATIC INVASIVE SPECIES

The WID actively watches canals, reservoirs and irrigation infrastructure for aquatic invasive species that impact and pose threats to the quality and delivery of water. Flowering rush, Prussian carp, zebra and quagga mussels, Chinese mystery snails, and Northern crayfish are several invasive species we monitor. Strategic multifarious efforts – prevention, removal, water testing, education, and awareness – are essential in addressing the issue.

Activities and results from 2022:

- ▶ Nearly 100 watercraft used the boat cleaning station at the Chestermere Lake public boat launch to reduce the risk of invasive species.
- ▶ We made bi-weekly visits to Chestermere and Langdon reservoirs to monitor for mussels in veliger tubes.
- ▶ Water samples were taken and submitted on behalf of Alberta Agriculture and Irrigation for laboratory testing of mussels.
- ▶ Prussian carp have been found in all three major conveyance canals (A, B and C) and live in many off-stream storage ponds and dugouts.
- ▶ We discovered no signs of Chinese mystery snails or Northern crayfish in any WID infrastructure.

NEW TACTIC TO CONTROL FLOWERING RUSH

Focusing on more long-term success in maintaining the spread of flowering rush, our approach in 2022 was to remove the plants from the roots. With guidance from municipal weed inspectors in identifying key areas, our team removed approximately 350 individual plants by hand, most growing in rocky banks. Much of the work took place in August and September 2022.



IRRIGATION REHABILITATION PROGRAM

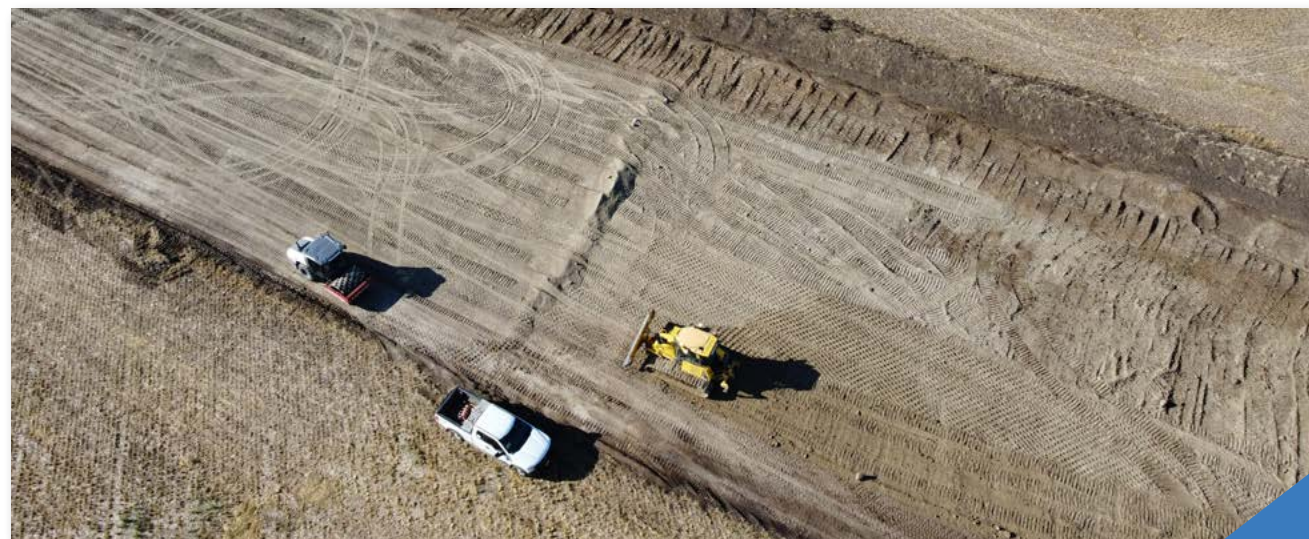
In 2022, the Irrigation Rehabilitation Program (IRP) continued as a significant funding source for rehabilitation work within the District. The program is funded 75% by the provincial government, with the remaining 25% contributed by the District.

The WID uses an annual, rolling Three-Year-Plan for IRP projects, based on cost-sharing for construction that occurs through the spring, summer and fall of each year.

Our Board of Directors take 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 five years at a time.

The Western Irrigation District is grateful to the Province of Alberta for the ongoing support and financial contributions to the IRP program throughout its more than half-century existence.

PROVINCIAL GOVERNMENT	75%	\$1,112,338
DISTRICT	25%	\$370,779
TOTAL	100%	\$1,483,117



Strangmuir-Field Pipeline Phase 3 – East/West (IRP 2376)

The East/West portion of Phase 3 construction commenced in April 2022, building on the project installed in 2021 by WID crews (North/South).

The pipe installed consisted of 256m of 1200mm, 640m of 900mm and 1258m of 400mm PVC.

This phase connects to the existing Wutzke pipeline system and nearly doubles the pressure provided to users while allowing irrigation expansion on several historical dryland parcels.

Once the entire Strangmuir-Field closed pressure pipeline system is built, there will be capacity available for 8,400 acres of irrigation in total, a significant increase from the existing 3,200 acres serviced from the Field-Strangmuir open canal. This conversion will also result in substantial water savings, estimated at 900-acre feet upon completion of the entire system.



WATER SECURITY



SERVICE EFFICIENCY



APPROVED IRP PROJECT COST

\$2,334,000

TOTAL COST TO SEPT. 30, 2022

\$2,216,386

Glenrose Canal Rehabilitation Phase 2 (IRP 2361)

The 2022 construction season marked the completion of this multi-year canal rehabilitation project along the eastern end of the Glenrose 'B' Canal system. This project was made possible through IRP and WID cost-sharing funding, an approach that optimized the WID capital budget and allowed us to use our internal resources.

This phase was an important part of our current Seepage Control Plan, which reduces or eliminates water lost due to seepage. This rehabilitation incorporated water storage and reduced pass-by water, ultimately improving the efficiency of delivery.

APPROVED IRP PROJECT COST
\$1,411,752 → **TOTAL COST TO SEPT. 30, 2022**
\$1,376,971



ALBERTA IRRIGATION MODERNIZATION PROGRAM

In 2020 and 2021, the Canadian Infrastructure Bank and Government of Alberta pledged support for the modernization of Alberta's irrigation infrastructure through two funding announcements. The projects across all irrigation districts tally nearly \$1B and are expediting the improvement and efficiency of irrigation in support of our agricultural industry.

Overall, the program is intended to –

- ▶ modernize infrastructure
- ▶ increase off-stream water storage
- ▶ reduce water losses
- ▶ reduce ongoing operational and maintenance costs
- ▶ increase security of irrigation services.



The WID is immensely grateful for this partnership, which is enabling more than 25-years worth of infrastructure projects to now be completed in ten years.

PROVINCIAL GOVERNMENT	30% in the form of grant funds
CANADIAN INFRASTRUCTURE BANK	50% in the form of low-interest loans
IRRIGATION DISTRICTS	20% of costs to be paid from district budgets

As of September 30, 2022, the WID incurred \$13.9M in modernization project costs specific to this program, receiving \$4M in grants and \$7M in low-interest loans.

Irrigation districts including the WID will repay loans within 25 years once the modernization program is complete, using revenues realized through savings made possible by the modernization improvements.

\$159M
 PROJECTED TOTAL INVESTMENT THROUGH THE AIM PROGRAM

'C' Canal Rehabilitation Highway 21 to RR 240 (WID 31004)

Rehabilitation efforts from 2021 re-started in the summer of 2022 on the final 6.5km reach, focused on improving the bank height and width and addressing significant losses due to seepage while creating irrigation expansion opportunities.

Several willing adjacent landowners contributed to the project with borrow areas and canal shifts, enabling efficient transport of bank-building materials.

Cooperative fall weather allowed WID crews to be well-positioned for an early onset of winter. Completing the 10.5km project will result in 125 acre-feet of water savings, an essential contribution to the District's Seepage Control Plan.

WATER SECURITY



SERVICE EFFICIENCY



APPROVED PROJECT COST

\$6,250,000

TOTAL COST TO SEPT. 30, 2022

\$3,774,736

'C' Canal Rehabilitation RR 245 to Highway 21 (WID 31003)

This project was initiated in the summer of 2022, with preliminary site work being tree and fence removal, along with stockpiling armour. Approximately 20,000 tonnes of armour was hauled in advance of the fall construction startup on this 7.8km reach southwest of Rockyford. Top soil removal and earthworks for the gravel-on-poly rehabilitation method commenced in fall 2022 and continues into 2023.

This project is also included in the District's current Seepage Control Plan.

APPROVED PROJECT COST

\$4,920,000

TOTAL COST TO SEPT. 30, 2022

\$670,536

WATER SECURITY



SERVICE EFFICIENCY



'E' Canal Pipeline Conversion (WID 31011)

Building onto a previously installed system, this canal-to-pipe conversion project was constructed in late summer 2022, with final reclamation activities scheduled for spring 2023.

Expansion capacity for future irrigation was allocated during the design and construction of the existing pipeline in 2005.

When the full build-out of this line is completed, an additional 750 acres of irrigation expansion will be available on the 2.7km closed pressure pipeline. As a result, excess return flows will be eliminated, resulting in significant water savings for years to come.



WATER SECURITY



SERVICE EFFICIENCY



APPROVED PROJECT COST

\$738,000

TOTAL COST TO SEPT. 30, 2022

\$356,540

Glenrose Canal Phase 3 and Spillway (WID 31007)

The final season of another multi-year project wrapped up in the summer of 2022. Historically, the previously unrehabilitated canal system posed several operational challenges, including seepage, inadequate bank height and width, inefficient hydraulics and lack of proper tail-out.

The construction of a vitally needed operational and emergency spillway was a component of the 6.3km buried liner rehabilitation. The new spillway will provide much-needed operational assistance during the water season and aid in the evacuation of natural flows.

APPROVED PROJECT COST

\$4,420,000

TOTAL COST TO SEPT. 30, 2022

\$4,061,248



WATER SECURITY



SERVICE EFFICIENCY



Strangmuir-Field Pipeline Phase 4 (WID 31008)

The fourth phase of this pipeline project broke ground in May 2022 and was a priority focus for WID crews over the summer months. By the end of the water season, we had achieved substantial completion.

A total of 9km of PVC and HDPE pipe was installed, consisting of 6km of mainline and 3km of branch lines.

Pipe sizes ranged from 750mm diameter to 150mm diameter.

The pipeline alignment required a significant new crossing beneath the Canadian Pacific Railway mainline east of Carseland and under secondary Highways #24 and #817. Coordination was vital due to an extensive highway project occurring in the immediate vicinity.

In addition to servicing existing and new domestic users and the area golf course, this phase alone will create 1,200 acres of irrigation expansion opportunities for smaller irrigators and large-scale feedlot operations.

After designing the final phases, construction will continue in spring 2023.

SERVICE
EFFICIENCY



OTHER PROJECTS

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 hectares (19.5 acres) 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.

Over 100,000 tonnes of armour, drain rock, and road crush was produced in the summer of 2022 by our contracted provider, Lafarge, equipping 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



APPROVED PROJECT COST
\$5,930,000

TOTAL COST TO SEPT. 30, 2022
\$3,464,959



Watershed Resiliency and Restoration Program (WRRP) and Natural Hydrology Restoration Program (NHRP)

Since March 2021, the WID has partnered with Wheatland County using grants from the Government of Alberta's WRRP to improve the health and sustainability of the Rosebud River Watershed. With the project funds wrapping up in the fall of 2022, our efforts included ten off-site watering systems, ten riparian health assessments and 9,600m of riparian fencing, 1,200m of that within the District boundaries.

In addition to the WRRP, the NHRP has brought considerable benefits to both the environment and the irrigators. The project involved the reclamation of CPR legacy channels. With the program grant funds, we've been able to restore surface water movement and positively affect the sustainability of natural aquifers. An added value is farmers can expand their crops with the canal no longer severing the area.

In restoring the natural hydrology of the landscape, trees that had grown along the canals were removed. The next phase of the program commits to replanting twice the number of trees at a safer and more suitable location.



SEEPAGE CONTROL PLAN

The WID's approved Seepage Control Plan for 2021 through 2025 in accordance with Section 164(1) of the Irrigation Districts Act.

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



MAINTENANCE ACTIVITY SUMMARY

Ditch cleaning	26 km
Bank levelling/ditch fill-in	1.5 km
Tree clearing	0.5 km
Canal fencing	3 km
Delivery installations/replacements	7 units
Drop/check installations	3 units
Canal crossing installations	3 units
Dugouts	3 units
Cattail cutting	12 km
Chemical spraying	497 acres
Magnicide H	27 days
Bank mowing	358 hours



EQUIPMENT FLEET

2018 Komatsu 240LC-11 Excavator	2017 Peterbilt 367 Tandem with Pup
2018 Komatsu PC290LC-11 Excavator	2020 International HX260 Tractor (new)
2020 Caterpillar 336-07 Excavator	2018 Peterbilt 367 Tractor
2021 John Deere 350GLC Excavator (new)	2020 Peterbilt 367 Tandem with Pup
2019 Komatsu D61PX-24 Dozer with GPS	2020 Peterbilt 367 Tandem with Pup
2022 Komatsu D61PXI-24 Dozer	2016 Midland TW3000 Side Dump Trailer
2014 John Deere 750K Crawler Dozer (new)	2016 Peerless Lowbed with Jeep and Booster
2014 John Deere 410K Backhoe with HoePac	2019 Schulte XH1500 Mower
2021 John Deere 750L Crawler Dozer	2018 Industrias America R2432 Offset Disc
2014 John Deere 410K Backhoe	2020 Haybuster Seeder
2014 John Deere 624K Loader	2002 Trailtech Tip Trailer
2016 John Deere 624K Wheel Loader	2012 Dynaweld Ramp Trailer
2018 John Deere 470G LC Excavator	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
2020 Dynapac Padfoot Packer (new)	2021 Boat Wash Trailer (for invasive species)



WEED CONTROL

Managing aquatic vegetation is an important and ongoing initiative in the District, to provide efficient water delivery to our users. Crews worked diligently over the spring and summer months, using a combination of chemical and more laborious efforts to control unwanted vegetation in and along canals and waterways.

The first application of Magnicide H was applied to Canals A, B and C on May 16, 2022, in an attempt to curb the early presence of algae and pond weed. Continuing on a bi-weekly schedule throughout the summer months, the treatments wrapped up on September 23, 2022. Performed by qualified contractors, the spray program has proven successful in hindering the growth of harmful and nuisance plants and prevents shutdowns of plugged irrigation systems.

Similar to prior years, 'eco socks' were strategically placed in low-flowing lateral ditches. Non-toxic and completely bio-degradable, the socks are a safe and effective aid for weed control and water quality.

In addition, our employees were regularly mowing canal banks, cleaning ditches, and cutting cattails during the water season. We surpassed our efforts from the previous year with a fleet of well-maintained equipment, a rigorous maintenance schedule, and a hardworking team.

Managing aquatic vegetation is an important and ongoing initiative in the District, to provide efficient water delivery to our users.

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 WID office.

PARCELS ADDED & REMOVED

NAME	LEGAL DESCRIPTION	ACTION
Casey & Nikki Whitworth	2111258-2-5 Subdivision	Removed
JME Land Corporation	SW 4-25-22-4	Removed
AG Venture Farms Ltd.	SE 4-23-25-2	Added
Mary Andruskievicz	SE 4-21-22-13	Removed
Heatherglen Development Company Ltd.	1812235-11-1	Removed
Howard Roppel Farms Ltd.	NW 4-23-26-28	Added
Howard Roppel Farms Ltd.	SW 4-23-27-10	Removed
Bradley Fredric Munchrath	NE 4-23-25-32	Removed
Robert & Richard Page	0811322-1-5	Added
Gary Garnett	NW 4-26-22-14	Removed
Gary Garnett	NE 4-26-22-14	Removed
Gary Garnett	SW 4-25-22-31	Removed
Truick Farms Ltd.	NW 4-26-22-15	Added
Appleyard Investments Ltd.	SE 4-25-23-11	Added
Robert Page & Alison Page	SW 4-26-22-36	Added
Gary Garnett	NW 4-25-22-30	Added
Guy Brown & Maisie Brown	SE 4-21-22-14	Added
Crocus Hill Farms Ltd.	NW 4-23-26-36	Added
Okee Dokee Farms Ltd.	NW 4-21-23-12	Added
Hutterian Brethren Church of Cluny	SW 4-21-22-1	Added
Joyce, Dale & Michelle Walker	SE 4-24-26-30	Added
Eileen Verweire	4-24-25-3-11,12	Removed
Eileen Verweire	NW 4-25-25-9	Removed
Eileen Verweire	SW 4-24-25-10	Added
Thomas & Tara Mordy	2010728-1-1 Subdivision	Removed
Crocus Hill Farms Ltd.	NE 4-23-26-36	Added
Robert & Alison Page	SW 4-26-22-36	Removed
Donald Dougan	NW 4-24-25-22	Removed
Bryce & Irene Dougan	SW 4-25-25-2	Removed

CROP DATA SUMMARY

Crop data is for irrigated acres only.

NAME	TOTAL ACRES	NAME	TOTAL ACRES
ALFALFA (2nd cut)	10,739	NON CROP	572
ALFALFA (silage)	548	NURSERY	1,172
BARLEY	8,643	OATS	597
BARLEY (malt)	3,299	OATS (silage)	60
BARLEY (silage underseed)	432	PASTURE (native)	3,132
BARLEY (silage)	6,909	PASTURE (tame)	3,245
BEANS (faba)	639	PEAS (dry)	2,307
CANOLA	18,867	POTATO	260
CARROTS	30	POTATO (seed)	312
CORN (grain)	158	RYE	786
CORN (silage)	841	SMALL FRUIT	60
FLAX	1,354	SUMMER FALLOW	60
GREEN FEED	445	TRITICALE	203
GRASS SEED	150	TURF SOD	2,166
HAY (alfalfa)	1,187	WHEAT (cps)	1,451
HAY (brome)	867	WHEAT (durum)	893
HAY (grass)	2,229	WHEAT (hard spring)	9,823
HAY (timothy)	1,851	WHEAT (silage)	1,209
MARKET GARDENS	185	WHEAT (soft)	2,324
MISC	124		



ANNUAL GENERAL MEETING
2022



**Held on April 6, 2022 at the Western Irrigation District & Marigold Library
Services building, Community Room in Strathmore, AB**

PRESENT:

DIRECTORS

Doug Brown
Henry Colpoys
Ray Kettenbach (online)
Rick Page
Dan Shute

STAFF

Sean Mascaluk, Executive Manager, Operations & Interim General Manager
Donna Mitchel, Executive Manager, Administration & Interim General Manager
Katherine Zakariasen, HR/Payroll Coordinator & Recording Secretary

AUDITORS

Shelley Harriman, Gregory Harriman & Associates LLP

**CALL TO ORDER &
INTRODUCTIONS**

Dan Shute called the meeting to order at 1:44 pm.
He welcomed everyone to the Fiscal 2021 Annual Meeting.
He commented how grateful he was for the chance to meet in-person again, and to have a room full of irrigators attending.
They were reminded to sign in upon arriving if they hadn't already.
Irrigators were asked to raise their hand and 28 were counted, noting that only the irrigators may raise a hand to vote for motions.
Dan mentioned that an election for a new Director of Division 1 was also taking place on this date, to replace Doug Brown.
He introduced the Board members, noting Ray was online due to being a close COVID contact and isolation requirement.
The speakers were also introduced - Donna Mitchel and Sean Mascaluk as Interim General Managers, and the formal announcement of Sean being appointed as new General Manager by the Board; also Shelley Harriman of Gregory, Harriman & Associates LLP to present a financial report.
Thank you to WID staff, noting some were in attendance.

Acknowledgement of the following attendees:
Mike McCutcheon and Shelley Harriman from Gregory, Harriman & Associates LLP
Margo Redelback, Executive Director, AIDA
Richard Jones, WID legal counsel, Brownlee LLP
Jennifer Nitschelm, Director, Alberta Agriculture & Irrigation
Engineering consultants from MPE
Scott Klassen, Wheatland County Deputy Reeve
Leela Aheer, MLA, Chestermere-Rocky View
Martin Shields, MP, Bow River (online)

ANNOUNCEMENTS

An election was held for Directors of Divisions 1 and 4. Doug Brown did not pursue another term and Joel Tschetter was elected for Division 1. Dan Shute acclaimed the position for Division 4.

MEETING CHAIRPERSON

Grant Klaiber was nominated as Meeting Chair by Rod Vergouwen.

**RECORDING
SECRETARY**

Katherine Zakariasen was appointed as the Recording Secretary..

**ADOPTION OF
AGENDA**

The meeting Chair requested that the audience review the proposed agenda.

Moved by Jay Anderson, seconded by Vern Hoff that the agenda be adopted.

CARRIED

**ADOPTION OF MINUTES
2021 Annual Meeting**

The meeting Chair asked that the audience review the Minutes from the 2022 Annual Meeting.

Moved by Dave Tanner, seconded by Joel Tschetter that the Minutes of 2022 Annual Meeting be adopted as presented.

CARRIED

BOARD CHAIR'S REPORT

Dan Shute presented the Board Chair's report, summarizing some noteworthy pieces from the year.

Thanks to strong infrastructure funding investments, advancing technology, and commitments by you, our water users, the WID has made impressive progress in 2021.

Water when you need it – Water users have got the water they need, when they needed it because of the preparation and unwavering commitment of the WID team.

Accelerated schedule for building & modernization – Well-planned project management, using funding and loan arrangements, expedited several modernization and rehabilitation efforts within the District.

Partnerships & collaboration – Last fall, we moved into this new building that we share with Marigold Library Service. We value our relationship with the MLS and the Strathmore community. It is a privilege to gather in this beautiful space.

We make regular intentional connections with decision-makers in the vicinity through tours and conversations to advance their understanding of irrigated agriculture.

Irrigation & economic growth – The AIDA's 2021 Economic Study reinforced the significance of irrigation in our province and country.

Three notable points:

- 1). Only 4.4% of land in Alberta is irrigated, yet generates 27% of sales.
- 2). Agricultural industry in irrigation districts generate \$5.4 billion annually to provincial GDP.
- 3). 40+ crops can be grown in the WID with irrigation, compared to 10-12 without.

Thank you for the opportunity to serve. A sincere thank you to our hard-working and dedicated staff, delivering a high-level of service to our water users. It's an honour to support the diverse producers within the WID.

Moved by Joyce Bazant, seconded by Dale Dolphin that the Board Chair's Report be adopted as presented.

CARRIED

Sean Mascaluk and Donna Mitchel, our interim General Managers, provided an overview of 2021 highlights.

Strategic Plan – We continued to make progress towards achieving our key strategic priorities, within a uniquely challenging environment brought on by a season of meagre precipitation and COVID-19 pandemic.

Water Security – Last season, we irrigated 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. We also advanced a number of projects in our 5-year Modernization Capital Construction Initiative and 3-year rolling Irrigation Rehabilitation Program.

Service Efficiency – All these efforts increase water efficiency and water savings while rehabilitating infrastructure – to preserve water quality and reduce the risk of damage to our system during high-flow events.

Financial Sustainability – 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 last year, including grant funding. Irrigators will see the benefits of infrastructure investments each year.

It is a pleasure to serve you and our community.

Moved by Gail Cleeve, seconded by Gordon Koester that the General Manager's Report be adopted as presented.

CARRIED

OPERATIONS &
MAINTENANCE REPORT

Sean Mascaluk reported on the operations and maintenance activities from the year.

Water operations – Our annual water operation began diverting water April 21, 2021 from the Bow River. The first withdrawal for irrigation was on May 2, with peak demand on June 30. Just under 145,500 acres/feet of water was diverted to supply water users in 2021, with a record of 84,348 acres of land irrigated.

Invasive species monitoring & control – Weeds were treated with Magnicide H, which lead to a noticeable decrease of aquatic vegetation in canals A, B, and C, and did not interrupt irrigation operations. The WID is permitted to implement a herbicide spray program in or within 30 meters of District-owned irrigation canals, laterals and drains in an attempt to control broadleaf weeds and brush, aquatic and semi-aquatic vegetation and noxious weeds.

Irrigation Rehabilitation Program – The IRP continued work within the District this year. The program receives 75% funding from the province, with 25% covered by the WID.

Glenrose Canal Rehab Phase 2 – This multi-year canal rehabilitation project is along the eastern end of the Glenrose 'B' Canal system. The current phase involves seepage control and a synthetic liner was installed in 2021 along the 2.3 km section to eliminate or at least reduce water loss.

Strangmuir-Field Pipeline Phase 3 – Approximately 2,580m of 900mm and 100mm PVC were installed. Upon completion, more than 2,880 acres will have pressure service.

Strangmuir-Field Pipeline Phase 2 – An important decision was made by the WID Board to upsize the pipe used in Phase 1 from 1,200mm to 1,350mm. With the change, the closed pipeline system will be capable of servicing over 8,000 acres at full build-out. Approximately 4,900m of 600mm and 150mm PVC were installed in summer 2021.

Canal 'C' Rehab – Construction was focused on improving the bank height and addressing seepage concerns. The 10.5km rehabilitation project will result in 125-acre feet of water savings with a 2023 completion.

Glenrose Canal Rehab Spillway – With the expected completion in Spring 2022, the 6.3km canal rehabilitation includes the construction of a vitally

GENERAL MANAGER'S
REPORT

needed emergency spillway. The upgrades and spillway addition address operational challenges, inadequate bank height and width, and inefficient hydraulics.

Watershed Resiliency & Rehab – R4 Grant – The WID and Wheatland County applied and successfully received grant dollars under the Province’s Watershed Resiliency and Rehabilitation Program in 2020. Through this collaboration, we’ve diversely invested in the overall health of the Rosebud River Watershed.

Maintenance activity summary – This year we did 37km of ditch cleaning – the highest ever recorded.

Equipment fleet – Our fleet expanded a bit this year, allowing our teams to work efficiently and effectively through all four seasons.

Seepage control plan for 2020-2025 – The plan has been approved in accordance with the Irrigation Districts Act.

Moved by Jay Anderson, seconded by Brian Laprise 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 2021.

There were no questions for the Auditors, and Shelley thanked the WID team for their cooperation in performing the audit.

Moved by Diane Brown, seconded by Gail Cleeve that the Auditor’s Report for Fiscal 2022 be adopted as presented.

EXTRA ITEMS

Looking ahead – Sean Mascaluk spoke about what the next year holds for the WID. He emphasized the continued demand for irrigation, critical infrastructure improvements and development, and what to expect in the 2022 season and beyond.

Expansion acres plebiscite – Sean announced an upcoming plebiscite to expand the WID’s ability to irrigate more acres. Expect more about this in the coming months.

QUESTIONS

Q. What percentage would you attribute to inflation for the cost of pipe and materials?

A: (Sean Mascaluk) Pipe cost went up 33% in January, and another 30% in June. The WID, AIDA and other irrigation districts are in discussion with suppliers. All options are being considered to keep within budget and timelines. The cost of fuel is another concern.

Q. Do you expect a rate increase for water users due to the rising rate of inflation?

A: (Dan Shute) The rising costs that everyone is experiencing are felt at the WID too – that is the reality. The leadership team and Board work closely, considering all factors to best serve our irrigators.

Q. Is there a relationship between the amount of grant money in proportion to the amount that comes from water users?

A: (Dan Shute and Sean Mascaluk) Not directly. The Province initiated the funding to improve economic growth in ag industry. The funding is about expansion, efficiency and modernization. Despite our expenses increasing with rising inflation, the funding amount does not change.

Q. In regard to idle acres – irrigators not using their allotted water – how many acres aren’t being used? How does that compare with other districts? How can we contact these owners or arrange to use them?

A: We make an effort to contact idle users and have been more successful getting those acres used with our Alternate Acres program. We encourage you to inquire about the program to learn more about the process.

Q. What’s the plan for reservoirs in the future?

A: We’re currently working on a couple of sites, and the subject is definitely part of the expansion discussion.

**There were other comments and questions from the floor in addition to these, unfortunately, technical difficulties prevented the recording.*

FINAL WORDS

Martin Shields, MP-Bow River, joined the meeting online, as he was in Ottawa for parliamentary duties. He spoke about the importance of our local agricultural community and the value they have on a national level. He takes great pride in touring people through the District and showing them the benefits of irrigation.

AJOURNMENT

Moved by Cam Beard, seconded by Jay Anderson that the meeting be adjourned at 3:45 pm.

CARRIED



FINANCIALS

WESTERN IRRIGATION DISTRICT CONSOLIDATED FINANCIAL STATEMENTS SEPTEMBER 30, 2022

	Page
INDEPENDENT AUDITORS' REPORT	35 - 36
CONSOLIDATED FINANCIAL STATEMENTS	
Consolidated Statement of Financial Position	37
Consolidated Statement of Operations and Changes in Fund Balances	38
Consolidated Statement of Cash Flows	39
Schedule 1 – Operating and Administrative Expenses	40
Notes to the Consolidated Financial Statements	41 - 55

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, 2022, 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, 2022, the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Western Irrigation District in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Western Irrigation District's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Western Irrigation District's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Western Irrigation District's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Western Irrigation District to cease to continue as a going concern; and,
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Gregory, Harriman & Associates LLP

Strathmore, Alberta
January 18, 2023

Gregory, Harriman & Associates LLP
Chartered Professional Accountants

WESTERN IRRIGATION DISTRICT
Consolidated Statement of Financial Position
As at September 30, 2022

	UNRESTRICTED FUNDS		RESTRICTED FUNDS		COMBINED	
	2022	2021	2022	2021	2022	2021
CURRENT ASSETS						
Cash (Note 3)	3,048,428	4,422,758	\$	2,575,170	\$	7,994,532
Accounts receivable (Note 4)	2,084,183	2,107,341		1,691,320		537,312
Accrued interest receivable	-	-		12,415		6,782
Short term investments (Note 5)	1,536	155,455		2,085,000		93,258
Inventory	26,253	35,753		592,093		593,629
Prepaid expenses	-	-		14,205		40,458
Deposits	-	-		251,650		251,650
Interfund receivables (payables) (Note 18)	2,431,368	1,354,794		(2,040,534)		(159,304)
	7,591,798	8,080,101		4,832,669		6,257,224
OTHER ASSETS						
Loan receivable	-	-		500		1,500
Preliminary costs pending (Notes 6, 22)	(28,634)	-		164,456		202,292
Water rights (Note 7)	-	-		467,390		435,050
Deferred development costs (Note 8)	-	-		664,184		1,134,314
Other intangible asset	-	-		-		-
Investments (Notes 9, 10)	52,973	52,549		25,109,109		25,177,569
	24,339	52,549		26,405,639		27,375,407
PROPERTY AND EQUIPMENT						
Property and equipment (Note 11)	-	-		16,376,363		13,550,265
irrigation works (Note 12)	-	-		102,730,208		94,501,468
	-	-		119,106,571		108,051,753
TOTAL ASSETS	\$ 7,616,137	\$ 8,132,650	\$ 451,070	\$ 143,684,384	\$ 82,113,436	\$ 234,754,766
CURRENT LIABILITIES						
Accounts payable and accrued liabilities	\$ 377,180	\$ 1,223,352	\$	15,872	\$	13,581
Goods and Services Tax liability	139,098	105,719		122,048		118,286
Capital levy trust (Note 13)	130,416	-		42,581		14,685
Current portion of deferred revenue	646,694	1,329,071		180,501		146,562
OTHER LIABILITIES						
Deferred revenue	-	-		100,770		12,326
Long term debt (Note 14)	-	-		6,937,948		2,029,967
Asset retirement obligation (Note 15)	-	-		1,184,840		813,959
Unrestricted	-	-		8,223,558		2,856,252
TOTAL LIABILITIES	\$ 1,243,688	\$ 2,658,130	\$ 111,451,173	\$ 105,642,877	\$ 81,510,458	\$ 107,522,881
FUND BALANCES						
Invested in property and equipment (Note 16)	-	-		30,589,647		35,038,693
Externally restricted (Note 17)	-	-		142,040,820		140,681,570
Internally restricted (Note 18)	-	-		451,070		817,135
Unrestricted	6,969,443	6,803,579		451,070		817,135
	6,969,443	6,803,579		150,444,879		143,684,384
TOTAL LIABILITIES AND FUND BALANCES	\$ 7,616,137	\$ 8,132,650	\$ 451,070	\$ 143,684,384	\$ 82,113,436	\$ 234,754,766

Contingent Liabilities (Note 22)
Environmental Contingencies (Note 24)
Commitments (Note 26)

APPROVED BY:  Chairwoman of the Board  General Manager

The accompanying notes form an integral part of these financial statements.

WESTERN IRRIGATION DISTRICT
Consolidated Statement of Operations and Changes in Fund Balances
Year Ended September 30, 2022

	OPERATING		CO-OPERATIVE STORMWATER MANAGEMENT INITIATIVE		DISTRICT CAPITAL		IRRIGATION WORKS		TOTAL	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
REVENUE										
Irrigation rates, net (Note 19)	\$ 2,109,611	\$ 1,935,585	\$	\$	\$	\$	\$	\$	\$ 2,109,611	\$ 1,935,585
Domestic and miscellaneous	1,134,270	1,062,725							1,134,270	1,052,725
Storm water	393,874	679,096							393,874	679,096
Penalties	3,881	9,494							3,881	9,494
TOTAL WATER EARNINGS	3,641,636	3,676,900							3,641,636	3,676,900
OTHER EARNINGS										
Capital asset charges	-	-			326,590	767,600			326,590	767,600
Government contributions	135,340	32,622			2,919,023	1,218,072			4,162,674	2,363,032
Interest revenue	99,287	21,433		68	766,269	899,700		8,066	873,690	928,975
Gravel revenue	-	-		233	813,684	234,806			813,684	234,806
Farm, land and building rentals	-	-		-	233,290	194,599			233,290	194,599
Gain on sale of land	-	-		-	(40,381)	91,000			(40,381)	91,000
Gain (loss) on sale of assets	-	-		-	2,735	(10,771)			2,735	(10,771)
Realized gain (loss) on investments (Note 10)	-	-		-	1,085,939	773,316			1,085,939	773,316
Unrealized gain (loss) on investments	-	-		-	(2,631,695)	951,477			(2,631,695)	951,477
Fees and other income	109,685	230,970			-	-			109,685	230,970
Miscellaneous	10,212	1,857			-	-			10,212	1,857
Inventory adjustment	(153,883)	(111,865)			(65,597)	45,615			(219,480)	(66,250)
	200,641	175,017		68	3,409,857	5,165,414			4,726,943	6,460,611
TOTAL OTHER EARNINGS	3,842,277	3,851,917	68	233	3,409,857	5,165,414	1,116,377	1,119,947	8,368,511	10,137,278
EXPENSES										
Amortization of property and equipment	-	-			2,699,305	2,159,750		1,492,974	4,192,279	3,693,451
Amortization of intangible asset	-	-			-	1,646			-	1,646
Depletion of resource properties	-	-			(67,711)	23,129			(67,711)	23,129
Commissions expense	-	-			54,951	58,100			54,951	58,100
Long term interest expense	-	-			43,810	-			43,810	-
Bursary expense	-	-			1,000	1,000			1,000	1,000
Operating and administrative (Schedule 1)	2,506,570	2,745,346			57,083	54,999			2,563,653	2,800,345
Property taxes	-	-			12,568	8,115			12,568	8,115
Retainage	-	-			-	-			-	-
Accretion expense	-	-			416,141	284,415			416,141	284,415
	2,506,570	2,745,346			3,217,147	2,591,154		1,492,974	7,216,691	6,870,201
EXCESS OF REVENUE OVER EXPENSES	1,335,707	1,106,571	68	233	192,710	2,574,260	(376,697)	(413,754)	1,151,888	3,267,310
Fund balances at beginning of year	6,803,579	6,172,099		817,135	140,681,570	138,345,319		82,120,597	230,422,881	227,155,571
Interfund transfers (Note 16)	(800,407)	(475,091)		(366,133)	1,166,540	(238,009)		369,436	-	-
Irrigation provision (Notes 17, 18)	(369,436)	-		-	-	-		-	-	-
FUND BALANCES AT END OF YEAR	\$ 6,969,443	\$ 6,803,579	\$ 451,070	\$ 817,135	\$ 142,040,820	\$ 140,681,570	\$ 82,113,436	\$ 82,120,597	\$ 231,574,769	\$ 230,422,881

The accompanying notes form an integral part of these financial statements.

WESTERN IRRIGATION DISTRICT
Consolidated Statement of Cash Flows
Year Ended September 30, 2022

	OPERATING		CO-OPERATIVE STORMWATER MANAGEMENT INITIATIVE		DISTRICT CAPITAL		IRRIGATION WORKS		TOTALS	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES										
Cash receipts	\$ 3,896,564	\$ 3,303,057	\$ 381,636	\$ (277,834)	\$ 3,255,919	\$ 1,887,635	\$ 1,108,311	\$ 1,112,338	\$ 8,642,430	\$ 6,025,116
Cash paid to suppliers and employees	(3,151,944)	(1,811,971)	-	-	3,279	625,302	-	-	(3,148,665)	(1,186,666)
Cash transferred to/from other funds	(1,076,604)	379,729	(15,505)	34,631	879,675	(356,357)	212,434	(23,372)	-	34,631
Interest received	99,287	21,666	68	233	760,636	953,744	8,066	7,609	868,057	983,221
Cash flows from operating activities	(232,697)	1,892,481	366,199	(242,970)	4,899,509	3,110,324	1,328,811	1,096,575	6,361,822	5,956,414
CASH FLOWS FROM INVESTING ACTIVITIES										
Purchases of property and equipment	-	(470,130)	-	(470,130)	(13,780,561)	(11,296,241)	(1,083,970)	(2,355,009)	(14,864,531)	(14,591,571)
Proceeds from sale of assets	(424)	(300)	-	-	(30,646)	285,229	-	-	(30,646)	285,229
Sales (purchase) of investments	28,634	-	-	-	(2,579,962)	6,853,133	(451)	(325)	(2,580,837)	6,852,511
Preliminary costs pending	28,210	(470,430)	-	(470,130)	37,836	157,793	-	-	66,470	157,793
Cash flows from investing activities	28,210	(470,430)	-	(470,130)	(16,353,333)	(4,000,086)	(1,084,421)	(2,355,334)	(17,409,544)	(6,825,811)
CASH FLOWS FROM FINANCING ACTIVITIES										
Proceeds of long term debt	-	-	-	-	4,907,980	2,029,967	-	-	4,907,980	2,029,967
Interest paid on long term debt	-	-	-	-	(43,810)	-	-	-	(43,810)	-
Irrigation provision	(369,436)	-	-	-	-	-	369,436	-	-	-
Trust funds received	-	-	-	-	3,752	43,771	-	-	3,752	43,771
Cash flows from financing activities	(369,436)	-	-	-	4,867,922	2,073,738	369,436	-	4,867,922	2,073,771
NET CASH INCREASE (DECREASE)	(573,923)	1,422,051	366,199	(713,100)	(6,585,902)	1,183,975	613,826	(1,258,759)	(6,179,800)	1,104,221
Cash, opening balance	4,422,758	2,762,698	-	-	7,994,532	7,048,566	345,403	1,604,162	12,762,693	11,415,442
Interfund balance adjustments	(800,407)	238,009	(366,133)	713,100	1,166,540	(238,009)	-	-	6,582,893	12,762,661
CASH, CLOSING BALANCE	\$ 3,048,428	\$ 4,422,758	\$ 66	\$ -	\$ 2,575,170	\$ 7,994,532	\$ 959,229	\$ 345,403	\$ 6,582,893	\$ 12,762,661
CASH REPRESENTED BY:										
Cash (Note 3)	3,048,428	4,422,758	66	-	2,575,170	7,994,532	959,229	345,403	6,582,893	12,762,661
TOTAL CASH	\$ 3,048,428	\$ 4,422,758	\$ 66	\$ -	\$ 2,575,170	\$ 7,994,532	\$ 959,229	\$ 345,403	\$ 6,582,893	\$ 12,762,661

The accompanying notes form an integral part of these financial statements.

WESTERN IRRIGATION DISTRICT
Schedule 1 - Operating and Administrative Expenses
Year Ended September 30, 2022

	DEPARTMENTS		GENERAL AND		TOTALS	
	OPERATIONS AND MAINTENANCE	WATER DELIVERY	ADMINISTRATION	ADMINISTRATION	2022	2021
Advertising, publications, ratepayers meetings	\$ -	\$ -	\$ 29,335	\$ -	\$ 29,335	\$ 82,255
Association fees	-	-	37,327	-	37,327	61,654
Board of Directors expenditures	-	-	49,603	-	49,603	20,854
Building maintenance	63,462	-	-	-	63,462	58,436
Computer expense	-	-	137,379	-	137,379	152,519
Equipment and easement rental	505,132	-	-	-	505,132	564,635
Equipment maintenance, gas, oil, grease	1,277,793	74,462	-	-	1,352,255	693,599
Gravel pit expenses	18,499	-	-	-	18,499	11,597
Insurance	30,187	3,546	-	-	54,135	42,838
Interest and bank charges	-	-	20,402	-	807	798
Land titles charges and classification	-	-	5,891	-	5,891	6,836
Materials and supplies, office supplies	188,007	103,499	35,660	-	327,166	243,506
Payroll service charges	-	-	7,608	-	7,608	6,091
Postage, freight and courier	-	-	6,078	-	6,078	5,336
Professional fees	-	-	607,443	-	607,443	853,506
Public relations	-	-	24,720	-	24,720	28,316
Safety supplies	20,084	1,605	1,709	-	23,398	19,758
Salaries and wages (Note 23)	2,578,966	556,930	764,054	-	3,899,950	3,541,266
Small tools and equipment	25,558	-	-	-	25,558	8,697
Social committee	13,885	-	-	-	13,885	13,998
Stationary, printing, photocopies, fax	-	-	17,558	-	17,558	17,055
Telephone	17,479	9,022	25,830	-	52,331	32,458
Travel and staff training	1,218	1,529	707	-	3,454	5,459
Utilities	101,177	31,274	-	-	132,451	120,982
Vegetation and pest control	-	417,533	-	-	417,533	314,887
Welding supplies	-	297	-	-	297	1,409
Transfer as asset to irrigation capital (Note 21)	4,841,447	1,199,697	1,772,111	-	7,813,255	6,908,745
	(4,822,978)	(7,011)	(476,696)	-	(5,306,685)	(4,163,399)
TOTAL	\$ 18,469	\$ 1,192,686	\$ 1,295,415	\$ -	\$ 2,506,570	\$ 2,745,346

The accompanying notes form an integral part of these financial statements.

WESTERN IRRIGATION DISTRICT
Notes to the Consolidated Financial Statements
September 30, 2022

WESTERN IRRIGATION DISTRICT
Notes to the Consolidated Financial Statements
September 30, 2022

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 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 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%.

..... continues

Note 2 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, 2022

Note 2 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, 2022

Note 2 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 5.45% (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, 2022

Note 3 Cash

	2022	2021
<i>Operating</i>		
Petty cash	\$ 1,000	\$ 1,000
Bank account balance	3,047,428	4,421,758
	3,048,428	4,422,758
<i>Co-operative Stormwater Management Initiative</i>		
Bank account balance	66	-
<i>District Capital</i>		
Cash held for reinvestment	181,892	128,311
Cash held by subsidiaries	213,709	245,699
Credit Union special grant account, interest rate of Prime minus 1.5%	1,579,139	6,480,507
Credit Union building bank account, interest rate Prime minus 1.5%	1	543,911
Credit Union savings account, interest rate of Prime minus 1.5%	496,729	488,179
Credit Union capital trust levy bank account, interest rate of Prime minus 1.5%	103,700	107,925
	2,575,170	7,994,532
<i>Irrigation Works</i>		
Bank account balance, interest rate of Prime minus 1.5%	959,229	345,403
	\$ 6,582,893	\$ 12,762,693

A portion of the cash balance for District Capital, \$103,700 (2021 - \$107,925), is restricted in accordance with the terms of the Capital Levy Trust, as documented in *Note 13*.

The District has approval for access to a bank overdraft with a limit of \$1,000,000, secured by a general security agreement over all 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% with an effective rate of 4.95%. At this time, no funds have been utilized.

Note 4 Accounts Receivable

	2022	2021
<i>Operating</i>		
Water rates and charges	\$ 1,966,170	\$ 2,075,382
Sundry debtors	118,013	31,959
	2,084,183	2,107,341
<i>District Capital</i>		
Modernization project receivable	1,688,834	287,312
Rental receivable	2,486	-
Kinniburgh investment receivable	-	250,000
	1,691,320	537,312
<i>Co-operative Stormwater Management Initiative</i>		
Conditional and development costs receivable	-	381,636
	\$ 3,775,503	\$ 3,026,289

WESTERN IRRIGATION DISTRICT
Notes to the Consolidated Financial Statements
September 30, 2022

Note 5 Short Term Investments

	2022	2021
<i>District Capital</i>		
Current portion of guaranteed investment certificates (<i>Note 10</i>)	\$ 2,088,000	\$ 93,258
	\$ 2,088,000	\$ 93,258

Note 6 Preliminary Costs Pending

The expenditures of \$164,456 (2021 - \$202,292) 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, 2022. As projects are approved, costs will be recovered from the cost shared program.

Note 7 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.

	2022	2021
<i>District Capital</i>		
607 Irrigated Acres (2021 - 565 Acres)	\$ 467,390	\$ 435,050
	\$ 467,390	\$ 435,050

Note 8 Deferred Development Costs

	2022	2021
<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	-	-
Co-operative Stormwater Management Initiative	-	-
	\$ 664,184	\$ 664,184
<i>Co-operative Stormwater Management Initiative - Operating</i>		
Conditional Period Costs	\$ 470,130	\$ 470,130
	\$ 470,130	\$ 470,130

WESTERN IRRIGATION DISTRICT
Notes to the Consolidated Financial Statements
September 30, 2022

Note 9 Investments

	2022	2021
<i>Operating</i>		
Calgary Co-operative Association equity	\$ 1,161	\$ 1,153
United Farmers of Alberta equity	37,511	37,511
Chinook Credit Union Ltd. common shares	14,301	13,885
	<u>52,973</u>	<u>52,549</u>
<i>District Capital</i>		
Fixed income securities	15,076,134	14,665,585
Guaranteed investment certificates	100,000	100,000
Common shares and equities	8,238,979	8,559,806
Chinook Credit Union Ltd. common shares	13,479	13,086
Kinniburgh South Limited Partnership (Note 10)	3,768,517	2,827,162
Less: Investments maturing in the next fiscal year (Note 5)	(2,088,000)	(93,258)
	<u>25,109,109</u>	<u>26,072,381</u>
<i>Irrigation Works</i>		
Chinook Credit Union Ltd. common shares	15,487	15,036
	<u>\$ 25,177,569</u>	<u>\$ 26,139,966</u>

The guaranteed investment certificates mature between December 2022 and December 2023 with interest ranging from 3.25% to 4.50%.

WESTERN IRRIGATION DISTRICT
Notes to the Consolidated Financial Statements
September 30, 2022

Note 10 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:

	2022	2021
<i>Statement of Financial Position</i>		
Investments (Note 9)	\$ 3,768,517	\$ 2,827,162
	<u>\$ 3,768,517</u>	<u>\$ 2,827,162</u>
<i>Statement of Operations</i>		
Realized gain/(loss) on investments	\$ 941,355	\$ 871,391
	<u>\$ 941,355</u>	<u>\$ 871,391</u>

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

During the year, the District transferred \$2,001,453 to its subsidiaries to fund strategic investment initiatives and capital activities.

As at September 30, 2022, there is a balance owing from the subsidiaries to the District in the amount of \$3,674,263.

Note 11 Property and Equipment

	2022		2021	
	Cost	Accumulated Amortization	Net	Net
<i>District Capital</i>				
Land and farm property	\$ 7,121,722	\$ 126,002	\$ 6,995,720	\$ 4,769,525
Resource property (Note 15)	591,419	136,096	455,323	387,612
Computers	45,231	44,475	756	1,553
Trucks	1,293,908	616,296	677,612	684,453
Office equipment	160,079	44,785	115,294	85,606
Other equipment and furniture	151,105	103,560	47,545	46,358
Power equipment	5,882,840	2,790,994	3,091,846	2,503,493
Shop and office complex	5,983,765	1,003,503	4,980,262	5,059,314
Industrial subdivision costs	40,304	28,299	12,005	12,371
	<u>21,270,373</u>	<u>4,894,010</u>	<u>16,376,363</u>	<u>13,550,285</u>
<i>Irrigation Works</i>				
Land	53,126	-	53,126	53,126
	<u>\$ 21,323,499</u>	<u>\$ 4,894,010</u>	<u>\$ 16,429,489</u>	<u>\$ 13,603,411</u>

WESTERN IRRIGATION DISTRICT
Notes to the Consolidated Financial Statements
September 30, 2022

Note 12 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.

	2022		2021	
	Cost	Accumulated Amortization	Net	Net
<i>District Capital</i>				
Irrigation Works	\$ 116,413,479	\$ 13,683,271	\$ 102,730,208	\$ 94,501,468
<i>Irrigation Works</i>				
Irrigation Works	135,445,319	53,987,987	81,457,332	81,866,336
	\$ 251,858,798	\$ 67,671,258	\$ 184,187,540	\$ 176,367,804

Note 13 Capital Levy Trust

The amount of \$122,048 (2021 - \$118,296), 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, 2022

Note 14 Long Term Debt

	2022	2021
Irrigating Alberta Inc.	\$ 6,937,948	\$ 2,029,967
Long term debt, end of the year	\$ 6,937,948	\$ 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 maturity date is January 2056. The funds negotiated by Irrigating Alberta Inc. is a loan from the Canada Infrastructure Bank ("CIB") which has a general security agreement and limited recourse guarantee in favour of the CIB equity to the district's share of the loan. 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 15 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:

	2022	2021
Asset retirement obligation, beginning of the year	\$ 813,959	\$ 585,435
Accretion expense	370,881	228,524
Asset retirement obligation, end of the year	\$ 1,184,840	\$ 813,959

The total undiscounted amount to settle the Asset Retirement Obligation, based on management's estimate, is \$734,920 (2021 - \$672,152). 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 3.36% a credit-adjusted risk-free discount rate of 5.45%, and a weighted average useful life of production facilities and equipment of 12 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 2022.

WESTERN IRRIGATION DISTRICT
Notes to the Consolidated Financial Statements
September 30, 2022

Note 16 Invested in Property and Equipment

	2022	2021
<i>District Capital</i>		
Water Rights (Note 7)	\$ 467,390	\$ 435,050
Property and equipment (Note 11)	16,376,363	13,550,285
Irrigation works (Note 12)	102,730,208	94,501,468
Long term debt (Note 14)	(6,937,948)	(2,029,967)
Asset retirement obligation (Note 15)	(1,184,840)	(813,959)
	111,451,173	105,642,877
<i>Irrigation Works</i>		
Property and equipment (Note 11)	53,126	53,126
Irrigation Works (Note 12)	81,457,332	81,866,336
	81,510,458	81,919,462
	\$192,961,631	\$ 187,562,339

Note 17 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 18 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 17.

WESTERN IRRIGATION DISTRICT
Notes to the Consolidated Financial Statements
September 30, 2022

Note 19 Irrigation Rates

Irrigation rates, net, consist of:

	2022	2021
<i>Assessment roll acres</i>		
89,440.5 Irrigation acres at \$19.00 per acre, plus additional pressure and/or screening charges where applicable	\$ 1,850,929	\$ 1,757,977
40.0 Minimum charge irrigation contracts at \$475 per parcel	19,000	17,940
5,242.5 Terminable acres at \$20.80 per acre, plus additional pressure and/or screening charges where applicable	110,527	108,987
14.0 Minimum charge terminable contracts at \$520 per parcel	7,280	7,070
80.0 Annual acres at \$22.00 per acre, plus additional pressure and/or screening charges where applicable	1,760	1,616
47.5 Minimum charge annual acres at \$550 per parcel	1,100	1,010
694.0 Annual acres - off creek at \$17.50 per acre plus additional pressure and/or screening charges where applicable	12,145	11,173
1,403.0 Annual acres - irrigation acres at \$22.00 per acre, plus additional pressure and/or screening charges where applicable	32,158	29,812
3,359.0 Annual expansion acres at \$30.00 per acre plus additional pressure and/or screening charges where applicable	74,712	-
	\$ 2,109,611	\$ 1,935,585

... continues

WESTERN IRRIGATION DISTRICT
Notes to the Consolidated Financial Statements
September 30, 2022

Note 19 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 \$0.35 per PSI as designed.

Where water is supplied by way of a system accommodated with a functioning automatic screen cleaner, the charge is \$1.00 per irrigation, terminable and annual acre.

Annual acres – sleeping acre annual agreement at \$22.00 per acre plus additional pressure and/or screening charge where applicable. This type of agreement ends December 2022.

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 20 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 9*.

Note 21 Transfer as Asset to Irrigation Capital

The Western Irrigation District has transferred \$5,306,685 (2021 - \$4,163,399) 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 22 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, 2022, the District had expended \$164,456 (2021 - \$202,292) 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 20 and 21*.

WESTERN IRRIGATION DISTRICT
Notes to the Consolidated Financial Statements
September 30, 2022

Note 23 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 \$165,008 for the year ended September 30, 2022 (2021 - \$144,830).

Note 24 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 25 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, 2022

Note 25 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 26 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. Water has been allocated to the County but none has been used by September 30, 2022, 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 27 Comparative Figures

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

Note 28 Approval of Financial Statements

The management of the Western Irrigation District approved these financial statements on January 18, 2023.



WESTERN IRRIGATION DISTRICT

A-1000 Pine Street
Strathmore, AB T1P 1C1

www.wid.net

