



ANNUAL REPORT

WESTERN IRRIGATION DISTRICT **2023**






ANNUAL GENERAL MEETING –
WEDNESDAY, APRIL 10, 2024 AT 1:30 PM
Join us at the WID office:
A-1000 Pine Street Strathmore, AB T1P 1C1
PLEASE BRING THIS REPORT WITH YOU TO THE MEETING

MISSION STATEMENT

Effectively and efficiently provide water to support our irrigators and water users, while supporting 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
<div>WATER SECURITY</div> 	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
<div>SERVICE EFFICIENCY</div> 	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
<div>FINANCIAL SUSTAINABILITY</div> 	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

2023 SUCCESS HIGHLIGHTS AT A GLANCE

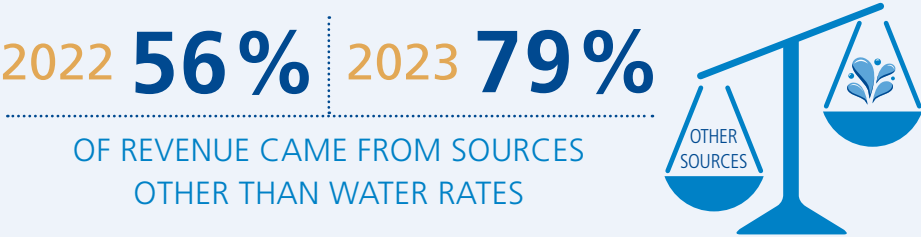
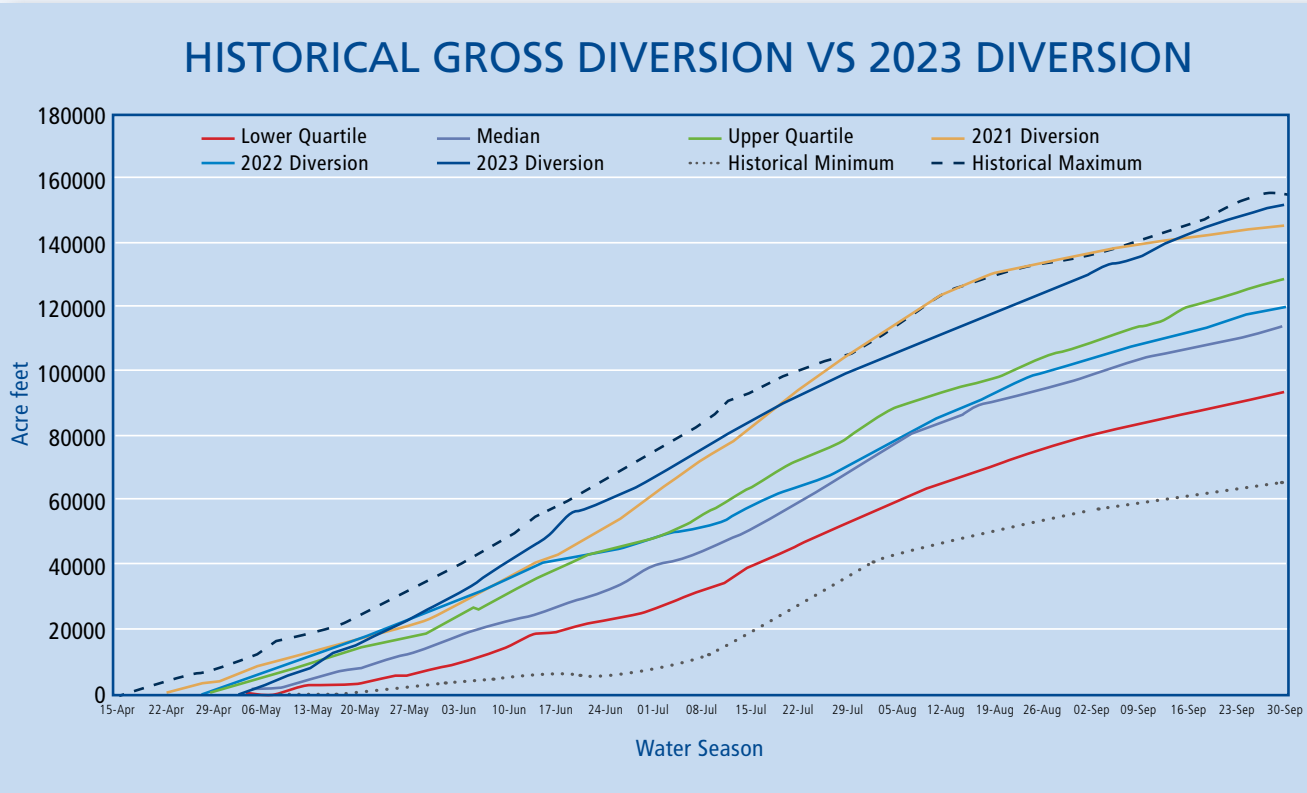
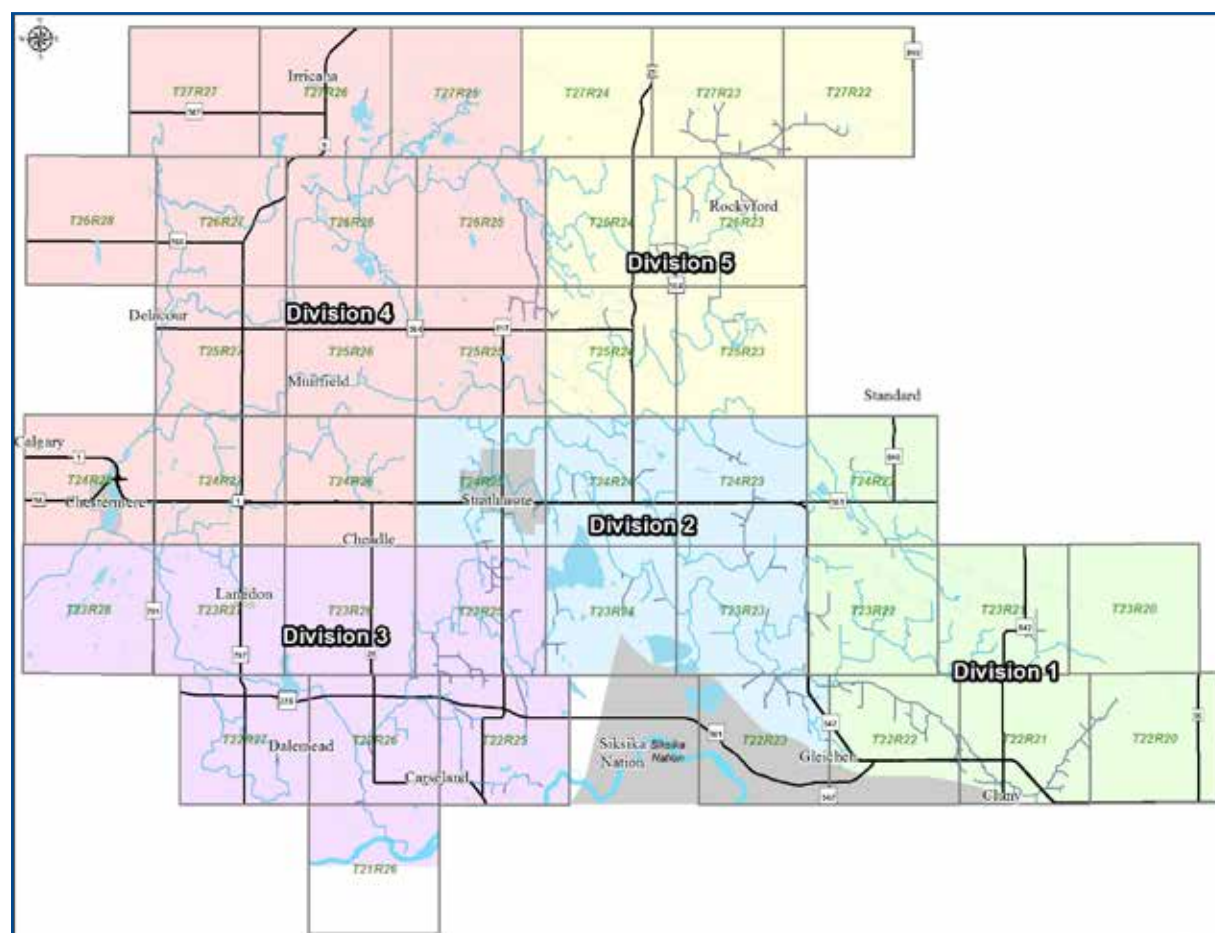


TABLE OF CONTENTS

1	DIVISIONS OF THE WESTERN IRRIGATION DISTRICT	11	ENGINEERING & CAPITAL PROJECTS
2	BOARD OF DIRECTORS	20	LAND & BUSINESS DEVELOPMENT
3	BOARD CHAIR REPORT	23	HEALTH & SAFETY
4	GENERAL MANAGER REPORT	25	CROP DATA SUMMARY
5	ORGANIZATIONAL CHART	26	MINUTES OF ANNUAL GENERAL MEETING
7	COMMUNICATIONS	37	FINANCIALS
8	OPERATIONS & MAINTENANCE		

DIVISIONS OF THE WESTERN IRRIGATION DISTRICT



BOARD OF DIRECTORS



Chair
DAN SHUTE



Vice Chair
HENRY COLPOYS



Director
JOEL TSCHETTER



Director
RICK PAGE



Director
JUSTIN GEERAERT

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 2026 (Vice Chair)

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: Justin Geeraert – Term expires 2026

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

BOARD CHAIR REPORT

As we close another year of progress and change, I am pleased to share this update on behalf of our Board of Directors. Every year is remarkable in its own way, and 2023 was no different.

We held our first expansion plebiscite in more than 25 years, with a great turnout of 163 voters. The vote passed with a resounding majority of 138 in favour. It's an understatement to say this was an important decision for the direction of the WID, and I thank all our irrigators for being part of this process. This excellent participation helps to solidify our mandate as a Board. We have successfully completed Round 1 of the initial 7,500 released acres and at the time of this writing are preparing to release the second round of the initial 7,500 acres.

In 2023, we welcomed our new General Manager, Troy Tangedal. As many may already be aware, Troy is charting a fresh direction for the WID - and with that has come change. It's natural and understandable to have apprehension towards change, but our Board fully supports Troy in his efforts, and we are all excited to see how the WID is transformed in the years to come.

After a below average snowpack and an unusually hot and dry spring with snow melt arriving five weeks earlier than on average, we faced conditions we haven't seen since 2001. Irrigation demand was strong, and the WID responded by quickly implementing water sharing amongst irrigators early in the water season. We truly appreciate the efforts of our irrigators and staff, to implement the approach of providing water for one of every three pivots, allowing irrigators to move water amongst their individual pivots as they chose, and working amongst groups of irrigators to share available water.

The WID continues to look for opportunities to diversify and add new income sources, to support our core business. It remains a priority for the Board and leadership team to build further alliances and partnerships to help minimize increases to our water rates, while being prudent in managing our operating expenses.

Our Board is appreciative to the entire team of staff for their hard work and efforts throughout 2023, which had all the makings of a terrible year; but with your efforts, creativity and trouble shooting we would consider the season to be successful overall. Thank you for your ongoing commitment to our water users, our community, and our organization.

And thank you, to our water users and irrigators, for the many conversations and insights you have provided this past year. This is how we continue to learn and implement improvements to our ever-changing business needs. We look forward to another year of modernization and rehabilitation projects to support our expanding district, with increased water delivery efficiency and security in conjunction with our neighboring stakeholders.

Dan Shute
WID Board Chair

The WID continues to look for opportunities to diversify and add new income sources, to support our core business.

GENERAL MANAGER REPORT

First, I would like to formally acknowledge and thank our Board of Directors for their effort and dedication to the WID in 2023. You bring a wealth of knowledge, passion, and informative opinions to our informal conversations and our Board meetings. Thank you for your support and guidance to myself and our senior leadership group throughout the year.

Indeed, my first year with the WID has been exciting! I'm told that this was a difficult year to come aboard, and that 2023 is not the norm. My response is, "I am glad to have started in a tough year, as it enabled me to see what works well and what we can improve." Truly we learn much more when times are challenging than when things are easy, and for that, I am thankful.

That said, what a year! The 2023 water season kicked off under worrisome conditions with a snow water equivalent of 480 mm which is approximately 80% of normal conditions. We then faced extremely warm temperatures in the first six weeks of the season, averaging approximately 10 degrees warmer over this period, causing an early snowpack melt, and kicking off the entire farming season early. To go along with the warm weather, we only received an average 1.06 inches of precipitation over the district, with our eastern parcels much drier than the west. Thankfully, we received a good rainfall halfway through June which allowed us to fill our reservoirs and help manage through the rest of the irrigation season.

We continue to focus on strategies to improve and support our three business pillars: Water Security, Service Efficiency, and Financial Sustainability. It was quite clear during our plebiscite meetings and AGM last year that water storage was a prevalent topic. The WID has made a significant investment in researching possible large reservoir locations over the last 40 years, however, has not moved significantly forward due to numerous factors. In 2023, we started the process, kicking off construction on both small and large-scale projects, and we will see immediate impact to support water security and efficiency in our 2024 season!

We are aware the macro economy continues to put strain on our water users, primarily through inflation, and it similarly affects the WID's operating costs. We are constantly on the lookout for business opportunities to ensure long term sustainability of our business, while maintaining premium service delivery to our users without increasing rates beyond annual inflation (approximately 5% CPI).

I am glad to have started in a tough year, as it enabled me to see what works well and what we can improve.

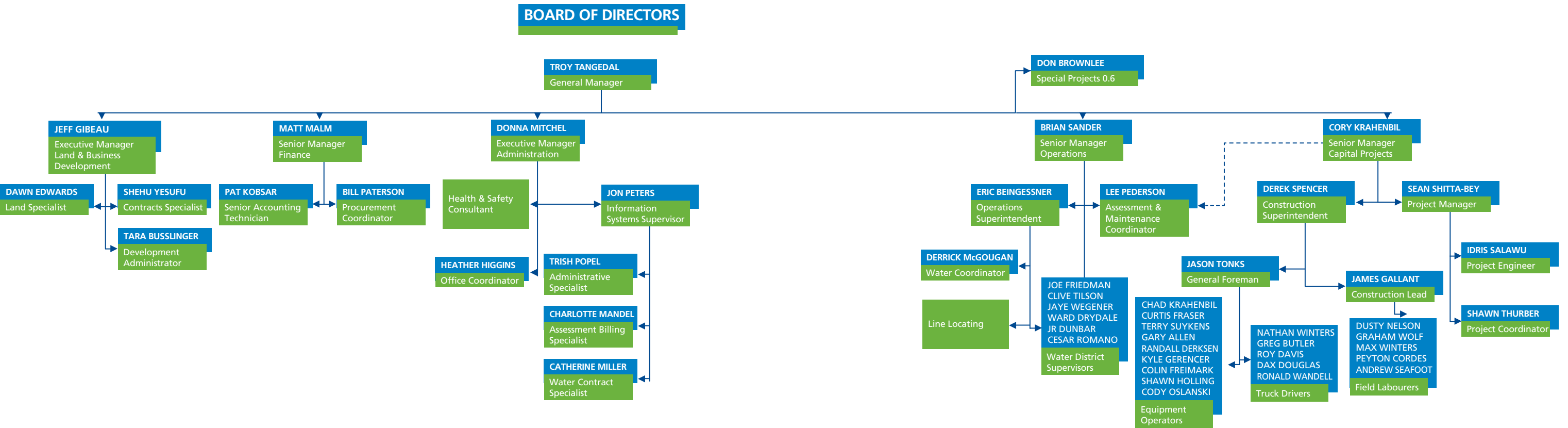
I would like to say thank you to our WID staff for all their effort and support this year. Their passion to complete projects, manage water, improve investments, optimize assets, work safely, and hold themselves accountable, is greatly appreciated.

Finally, I would like to thank all our water users, many of whom I met this year. Thank you for sharing your knowledge and the patience you have shown myself and our staff throughout 2023. Your willingness to help find solutions has not gone unnoticed and is greatly appreciated. It is a pleasure to serve and work with you.

Troy Tangedal
General Manager



ORGANIZATIONAL CHART



As of January 1, 2024

COMMUNICATIONS

One of the accomplishments of the past year was the WID's dedicated efforts to enhance communication with all water users and engage stakeholders.

The goal is to foster transparency and build a stronger community through establishing a system of regular correspondence to keep water users informed about important updates, changes, and relevant information. A structured communication plan included email updates, official notices, and personalized phone calls, to keep users in the loop and encourage continuous dialogue. The team strived to address concerns and demonstrate a commitment to open and honest communication.

External communication was equally important, with regular notices to the City of Chestermere through the season and advising of the eventual drawdown of the reservoir and close of the season.

Last season, the WID website was also rebuilt to serve as a more comprehensive and user-friendly hub for information. With timely news and announcements, and easily-accessible resources, guidelines, and frequently asked questions, the site empowers water users with information at their fingertips.

The WID team is committed to ongoing regular correspondence with all water users. And, in the spirit of continuous improvement, any further suggestions and feedback are welcome, to grow our engagement with valued water users and stakeholders.



OPERATIONS & MAINTENANCE

Water operations for 2023 started on May 1 with diversion from the Bow River:

- ▲ **First water withdrawal** from the WID canal system - May 8, 2023
- ▲ **Peak demand** – July 1, 2023, with 331 systems using water
- ▲ **Total land irrigated** – 86,377 acres. The average irrigation application through the entire WID was recorded at 11.97 inches.
- ▲ **Rainfall recorded** – This year, 193mm was recorded for Strathmore from May 1 to October 1, according to Environment Canada.



The early snowmelt resulted from daily average temperatures in the mountains of fifteen degrees above normal in April. Snowmelt recorded at Sunshine Mountain was complete five weeks earlier than the average year. This put pressure on the Bow River water supply from the initial start-up of the canal system.

The WID's junior water license allowed the District to divert an additional 200 to 300 CFS of water in excess of its senior license limit of 400 CFS for all of May and June and the first two weeks of July.

Reservoir storage was used for the remainder of July and August to supplement lower river diversion volumes, once the junior license was no longer applicable. Langdon reservoir storage fell to 25% of capacity at its lowest point. Chestermere reservoir storage was also used, where the water level dropped 18 inches from August to early September, approximately 1,500 acre/feet used of an available 4,500 acre/feet.

Both reservoir levels were able to recover in September as demand for water decreased. Internal storage volumes were brought back to normal operating levels before the system was shut down for the season on September 30.

WATER MAXIMUMS FOR CROP AND STOCK USE (ALLOCATION)

This was the sixth consecutive year implementing our Water Allocation policy, and 2023 saw no incidents of excessive water use. To avoid penalties, a maximum of 18 inches of water per acre is allowed for crop production. The fine for overuse is \$20 per acre/inch.

To ensure the WID's records match the producers', the team monitors pivots, wheel moves, and other irrigation systems using a mobile flow metre 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.

TACKLING AQUATIC INVASIVE SPECIES

The WID continues to monitor canals, reservoirs, and irrigation infrastructure for aquatic invasive species that impact and pose threats to water quality and delivery. Flowering Rush, Prussian Carp, Zebra and Quagga mussels, Chinese Mystery Snails and Northern Crayfish are the ones of most interest. Prevention, removal, water testing, education and awareness are essential to address this ongoing issue.

During 2023, many watercraft used the boat cleaning station at Chestermere Reservoir public boat launch, as part of our preventative inspection program.

Activities and results from 2023:

- ▲ Close to 100 watercraft used the boat cleaning station at the Chestermere Reservoir public boat launch to reduce the risk of invasive species.
- ▲ The WID team made biweekly visits to Chestermere and Langdon reservoirs to monitor for mussels, in addition to water sampling and laboratory analysis by the Province.
- ▲ Water samples were taken and submitted to 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.



CONTINUING CONTROL OF FLOWERING RUSH

Limiting and maintaining the spread of flowering rush continued as a priority in 2023. Hand removal of this invasive aquatic plant from canals and reservoirs by carefully removing the entire root mass has proven to be the most effective method of control. The WID removed approximately 80 plants, found primarily along the shoreline and in shallow water. Left uncontrolled, Flowering Rush can choke off waterways and severely limit water movement.

VEGETATION MANAGEMENT

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 15, 2023, to curb the early presence of algae and pond weed. Treatments continued bi-weekly throughout the summer months and wrapped up on September 21, 2023. The spray program has proven successful in hindering the growth of harmful and nuisance plants and prevents disruption to irrigation supply.

The WID continues to use EcoSocks in strategic locations as a safe and effective aid for vegetation management.

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.

ENVIRONMENTAL & REGULATORY

As in previous years, the WID is permitted to implement an herbicide spray program, under specific government terms and license, on 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.

ENGINEERING & CAPITAL PROJECTS

IRRIGATION REHABILITATION PROGRAM

In 2023, the Irrigation Rehabilitation Program (IRP) continued as a significant funding source for rehabilitation work within the District. The program is funded 75% by the provincial government, with the remaining 25% contributed by the District.

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

With a strategic and long-term approach to Capital Planning and rehabilitation, the WID plans engineering for a 10-year horizon, construction over a 5-year term, and seepage control for five years at a time.

The WID is grateful to the Province of Alberta for the ongoing support and financial investments.

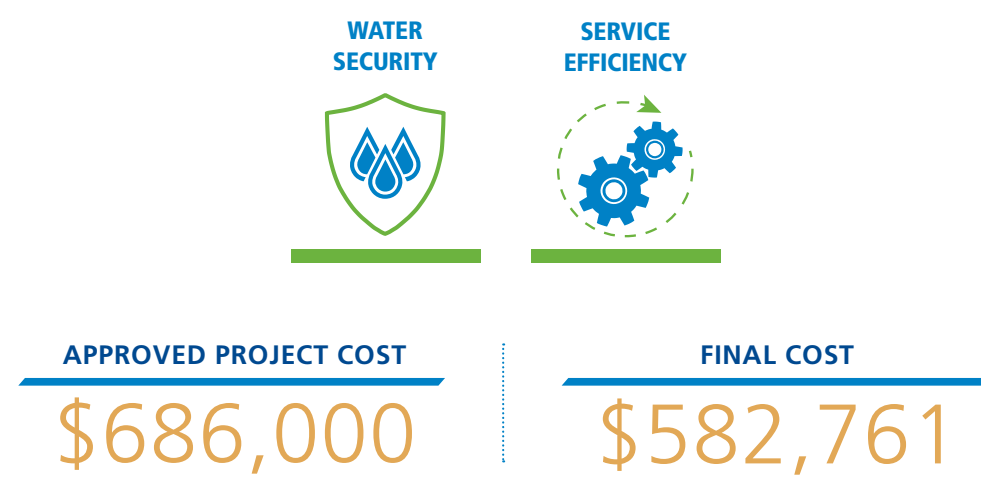


PROGRAM CONTRIBUTORS	FUNDING PERCENTAGE	2023 FUNDING AGREEMENT	2022 FUNDING AGREEMENT
PROVINCIAL GOVERNMENT	75%	\$1,253,172	\$1,112,328
WESTERN IRRIGATION DISTRICT	25%	\$417,724	\$370,779
TOTAL	100%	\$1,670,896	\$1,483,117

Strangmuir Pipeline Phase 6 (IRP 2401)

The Strangmuir Pipeline project, which began in 2020, entered its 6th phase in 2023. Construction began in April 2023 and is now complete.

This closed, pressure pipeline services ultimately more than 8,400 acres of irrigation. As a result, excess return flows have been eliminated, resulting in significant water savings for years to come.



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 investments across all irrigation districts are estimated to be \$933M, 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.

WATER
SECURITY



SERVICE
EFFICIENCY



FINANCIAL
SUSTAINABILITY



PROVINCIAL GOVERNMENT	30% in the form of grant funds
CANADIAN INFRASTRUCTURE BANK	50% in the form of low-interest loans
WESTERN IRRIGATION DISTRICT	20% of costs to be paid by the WID

As of September 30, 2023 the WID has incurred \$23.2M in modernization project costs specific to this program, receiving \$6.96M in provincial government investment and \$11.6M in low-interest loan principal.

As part of the program's terms and conditions, the WID will repay debt advanced through the Canadian Infrastructure Bank, using revenues realized through savings made possible by these investments.

\$159M

WID MODERNIZATION
INVESTMENT



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

This project began in summer 2022, with the construction of 1.4 km of gravel on poly. Canal rehabilitation was completed prior to the 2023 water season.

Site work continued with topsoil removal, temporary fencing and tree removal in summer/fall 2023 on the remaining 9.3 km reach.

Substantial completion is on schedule for April 2024.

WATER
SECURITY



SERVICE
EFFICIENCY



APPROVED PROJECT COST

\$4,920,000

TOTAL COST TO SEPT. 30, 2023

\$3,282,241

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

This 10.5 km reach focused on improving canal bank height and width and addressed significant losses and damage to adjacent lands due to seepage, while creating irrigation expansion opportunities. This project was included in the District's current Seepage Control Plan. Substantial completion was achieved on schedule in April 2023.

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

APPROVED PROJECT COST	FINAL COST
\$6,250,000	\$6,555,153



WATER
SECURITY



SERVICE
EFFICIENCY



'C' Canal Rehabilitation RR 262 to RR 250 (WID 31001-31002)

Preliminary work for this 19.5 km canal rehabilitation began in summer 2023.

Consisting mainly of hauling and stockpiling gravel armor from the WID Cluny pit, these last two reaches will complete the 40.5 km overall canal rehabilitation program that commenced in summer 2021.

Final canal design will be completed in 2024 with substantial completion scheduled for April 2026.

WATER
SECURITY



SERVICE
EFFICIENCY



APPROVED PROJECT COST	TOTAL COST TO SEPT. 30, 2023
\$14,430,000	\$1,648,603



'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 substantially completed in summer 2023.

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

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

APPROVED PROJECT COST

\$738,000

FINAL COST

\$754,283



WATER
SECURITY



SERVICE
EFFICIENCY



Strangmuir-Field Pipeline Phase 5 (WID 31008)

The fifth phase of this pipeline project broke ground in April 2023 and was a priority focus over the spring and summer months. By the end of the water season, substantial completion had been achieved.

A total of 3.8km of PVC pipe was installed, including branch lines. Pipe sizes ranged from 600 mm to 400mm diameter.

Coordination with cooperative landowners was vital due to active irrigation required along the pipeline alignment during the water season.

SERVICE
EFFICIENCY



APPROVED PROJECT COST

\$5,930,000

TOTAL COST TO SEPT. 30, 2023

\$5,186,715



OTHER PROJECTS

West Branch C (WBC) Storage Facility Phase 1

In summer 2023, the District initiated Phase 1 of this multi-phase strategic storage facility project. Work consisted of the installation of a 36" gated control pipe structure and earthworks to upgrade the containment berm. A proper access road was also constructed.

Phase 2 will advance in 2024 with additional landowner discussions and preliminary design work to determine the project scope, phasing, and potential overall storage capacity.

SERVICE
EFFICIENCY



APPROVED PROJECT COST

\$67,000

FINAL PHASE 1 COST

\$65,325



LAND & BUSINESS DEVELOPMENT

LAND REGISTRY

In 2023, the WID undertook a comprehensive land inventory effort to create a Land Registry. The registry gives the WID a full understanding of what land the WID owns, where it is located, and its value, for example:

- ▲ More than 14,400 acres of land are owned by the WID
- ▲ 2,400 acres are leased for grazing
- ▲ 520 acres are excess rights-of-way, specifically inactive and old canals
- ▲ 1,550 acres are separate titled parcels.

The Registry will be the foundation for future planning and development initiatives, along with an overall Land Policy to ensure WID lands continue to grow in acreage and value.

CO-OPERATIVE STORMWATER MANAGEMENT INITIATIVE (CSMI)

A large tract of land spans the eastern edge of Calgary, Strathmore, and Rocky View County, adjacent to the WID's irrigation system, with limited natural drainage to effectively handle stormwater. Ongoing development in these communities accelerated stormwater management complexities, including ongoing maintenance and water quality challenges for the WID and limited options for developers to safely move runoff away from new properties.

The WID spearheaded an effort to bring the three municipalities together more than ten years ago, and agreements were signed in 2018 and 2020 to formalize and incorporate a partnership. CSMI is a long-term, sustainable solution for regional stormwater management that facilitates municipality growth and development, while maintaining water quality in the irrigation system.

After several years of collaborating, innovating, and completing engineering assessments to determine how to collect and treat stormwater before it returns to rivers, it was decided that an 'out of canal' option was best. Water is kept out of the WID irrigation main canals and reservoirs, flowing through an independent system of new and existing infrastructure. This keeps stormwater away from the main irrigation delivery system, where it's treated as necessary before eventually being released to a natural water course.

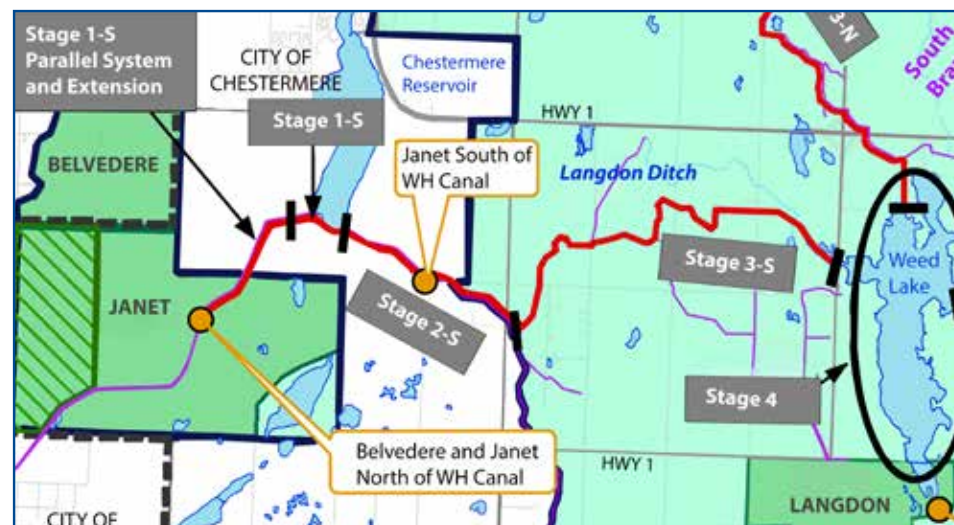
Through development and implementation of this system, stormwater is managed in a way that:

- ▲ Meets or exceeds regulatory standards for water quality and quantity
- ▲ Meets outlet standards for eventual release to the South Saskatchewan River Basin
- ▲ Ensures new and existing infrastructure are thoughtfully integrated into a regional system
- ▲ Adopts a collaborative and fair approach to management and funding based on relative use of the system.
- ▲ Is developed in phases, using a transparent and fact-based process.

The CSMI also provides a process for ongoing collaboration between municipalities and the WID for decades to come. Water flows across political boundaries, bringing people and organizations together to manage one of our most valuable resources. The relationships built also support continued economic growth through a vibrant agricultural economy, and the long-term health of regional water resources.

Up to the end of 2023, significant progress has been made in the design and construction of CSMI infrastructure, from west to east:

- ▲ Detailed design of Stage 1-S Extension (Parallel) is near completion with land acquisition activities forecasted for 2024 and construction starting in 2025.
- ▲ Construction of Stage 1-S is complete.
- ▲ Land acquisition is underway for Stage 2-S, with construction ready to proceed.
- ▲ Routing of Stage 3-S is being solidified and preliminary system design for both the stormwater system and the replacement irrigation system (Langdon Ditch) has begun and is forecasted to be substantially complete in early 2024.



Stormwater, also called runoff, is water that flows overland during rainfall and snowmelt. It's important to store, move, and treat stormwater to minimize negative effects to irrigation works and cropland. With development, the risk of flooding can increase, and water quality downstream can deteriorate.

CLUNY GRAVEL PIT

Since 2013, the WID has used gravel from a WID-owned pit near Cluny to support capital and maintenance projects. In 2019, it was 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 in the unmined section of the pit.

The WID is expanding the active pit area over the next five years to 15 hectares (37 acres). This expansion is expected to provide gravel for an estimated 10 years of irrigation rehabilitation, construction, and maintenance projects.

In 2023, approximately 125,000 tonnes of armour, drain rock, and road crush was produced by our contracted provider, Lafarge. This stockpile will provide material for the completion of various construction projects in 2024 and beyond.



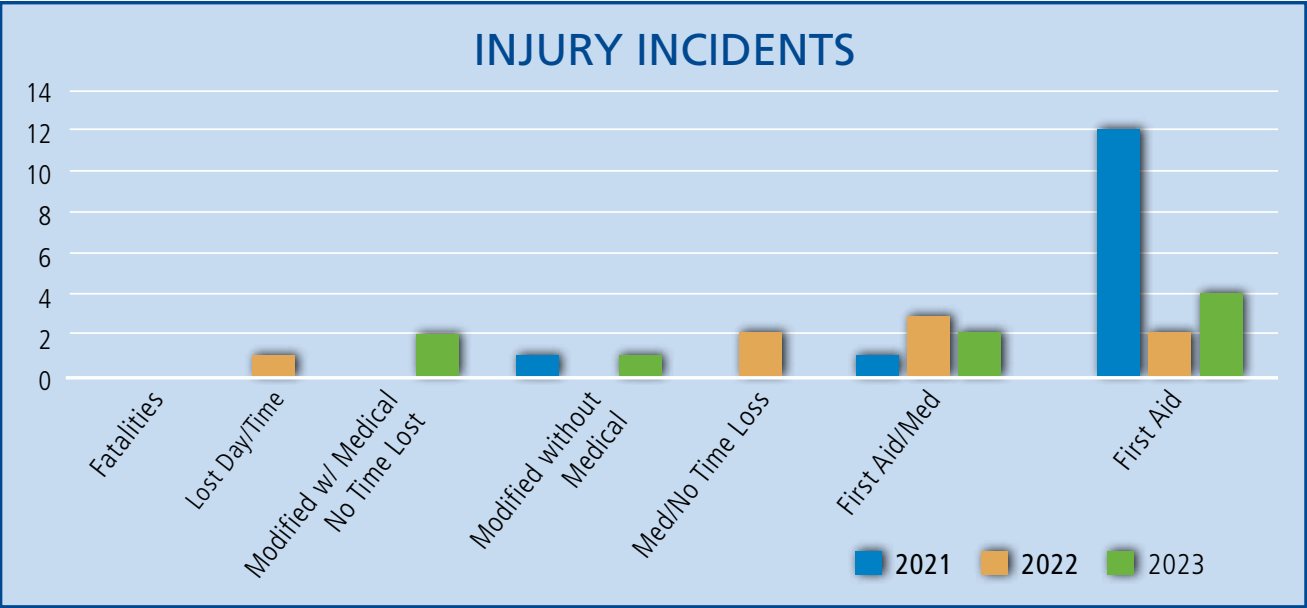
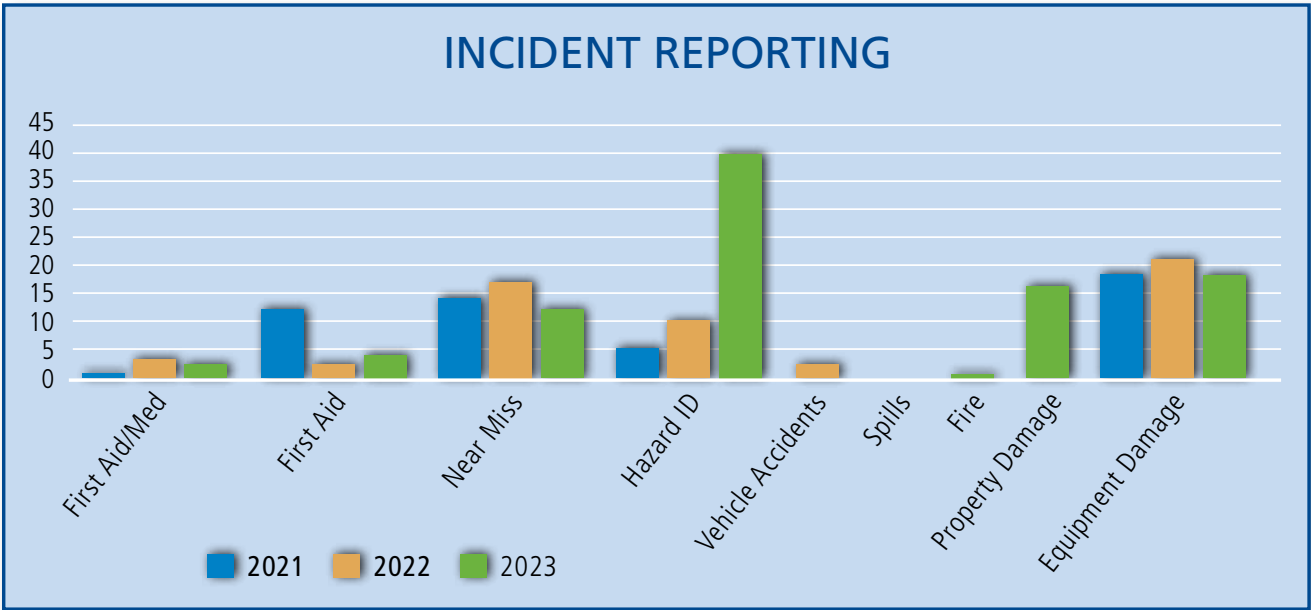
HEALTH & SAFETY

The WID is committed to providing a safe working environment to ensure the safety of employees, contractors, the public and the environment. Each employee has a responsibility to eliminate or reduce hazards protecting the interests of both the organization and customers. To achieve this goal, employees develop and adhere to the principles of a strong health and safety program.

In 2023, the team prioritized prevention, reviewing and reinforcing these safety opportunities:

- ▲ Ground Disturbance training for most of the construction staff to prevent utility line hits
- ▲ Daily equipment inspections to prevent equipment downtime
- ▲ Personal Protective Equipment inspections to prevent personal injury
- ▲ Enhanced task training to prevent personal injury and equipment/property damage
- ▲ Completion of hazard identification forms to prevent potentially dangerous incidents
- ▲ Immediate injury reporting to prevent costly WCB claims and help workers avoid loss of wages by participating in the modified work program.

With policies and procedures contained in an HSE Manual, the WID is focused on protecting and maintaining the physical, psychological and social well-being of employees, contractors and the public.



As a diligent employer, compliance with applicable OH&S Legislation and Regulations in the regions where the WID conducts business is mandatory. All workers have the following legal obligations and rights:

- ✓ Right to Know – about the hazards at work and how to control or mitigate them
- ✓ Right to Participate – in workplace-related health and safety matters
- ✓ Right to Refuse – any work if they reasonably believe there is an undue hazard.

The organization ensures these legal rights are observed and respected at all times, and no disciplinary action is taken against a worker concerning the exercising of their rights.

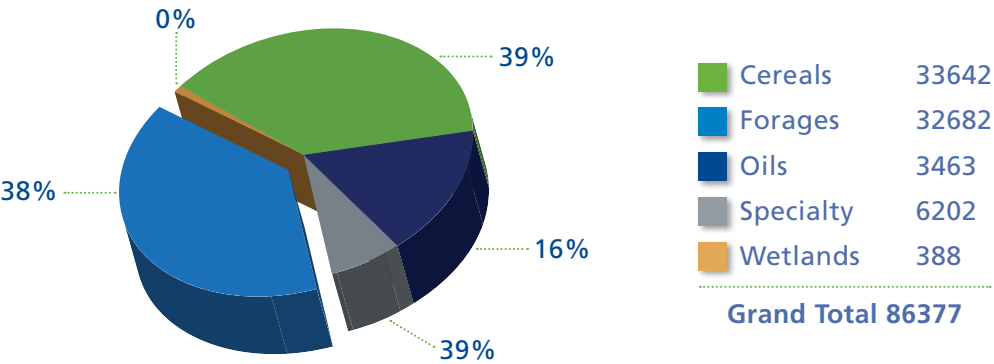


CROP DATA SUMMARY

These are the irrigated crops produced in the WID in 2023.

CROP	TOTAL ACRES	CROP	TOTAL ACRES
Alfalfa (2nd cut)	11780	Non-crop	388
Alfalfa (3rd cut)	134	Nursery	936
Alfalfa (silage)	240	OATS (silage)	376
Barley	8176	Oats (silage)	798
Barley (malt)	1442	Pasture (native)	1752
Barley (silage underseed)	823	Pasture (tame)	1438
Barley (silage)	6870	Peas (dry)	1613
Beans (faba)	691	Potato	260
Canola	13405	Potato (seed)	512
Carrots	58	Rye	1359
Corn (grain)	622	Summer fallow	30
Corn (silage)	340	Turf sod	2641
Grass seed	150	Wheat (cps)	1908
Green feed	1429	Wheat (durum)	292
Hay (alfalfa)	2031	Wheat (hard spring)	16037
Hay (brome)	161	Wheat (silage)	1382
Hay (grass)	1074	Wheat (soft)	3300
Hay (timothy)	1739	Wheat (winter)	130
Market gardens	60		

2023 IRRIGATED CROP SUMMARY



ANNUAL GENERAL MEETING

FOR FISCAL YEAR
OCTOBER 1, 2021 TO SEPTEMBER 30, 2022

**Held on April 5, 2023, at the Western Irrigation District & Marigold Library
Services building, Community Room in Strathmore, AB.**

PRESENT:

DIRECTORS

Henry Colpoys
Ray Kettenbach
Rick Page
Dan Shute
Joel Tschetter

Management

Troy Tangedal, General Manager
Jeff Gibeau, Executive Manager of Operations
Matt Malm, Senior Accountant
Donna Mitchel, Executive Manager of Administration
Tara Busslinger, Office Administrator & Recording Secretary
Brian Sander, Water Master
Cory Krahenbil, Capital Planning & Design

AUDITORS

Shelley Harriman, Gregory Harriman & Associates LLP

**CALL TO ORDER &
INTRODUCTIONS**

Dan Shute called the meeting to order at 1:42 PM, welcoming all to the Annual Meeting for the fiscal year ending September 30, 2022, and reminded everyone to sign in and please include an email address.

All irrigators present were counted by raising of a hand, 49 were in attendance. It was noted that only irrigators may vote for motions.

Board Members and WID staff were introduced. Troy Tangedal was formally announced as the new General Manager, appointed by the Board.

Speakers for the meeting were introduced: Troy Tangedal, Donna Mitchel, Jeff Gibeau, and Matt Malm from WID; Shelley Harriman, Auditor.

Guests were welcomed: Jamie Wuite with GoA Irrigation Council and Agriculture & Irrigation; and Martin Shields, Member of Parliament for Bow River.

ANNOUNCEMENTS

An election for Director of Division 5 occurred on the same day so those with irrigation acres in that division asked to vote prior to leaving. Henry Colpoys of Division 2 retained his position, uncontested.

MEETING CHAIRPERSON

Grant Klaiber was nominated as Meeting Chair by Cam Beard. Grant accepted the nomination.

Moved by Cam Beard, Seconded by Jeff Page. Nominations cease by Gail Cleeve.

CARRIED

**ADOPTION OF MINUTES
2022 Annual Meeting**

Chair requested the irrigators review the Minutes from the 2022 Annual Meeting.

Moved by Vern Bretin, Seconded by Gail Cleeve that the Minutes of the April 6, 2022 Annual Meeting be adopted as presented.

CARRIED

ADOPTION OF AGENDA

Chair asked irrigators to review the proposed agenda.

Moved by Vern Bretin, Seconded by Andy Bushfield that the agenda be adopted as read.

CARRIED

**RECORDING
SECRETARY**

Tara Busslinger was appointed as the Recording Secretary.

Moved by Peter Hoff, Seconded by Gordon Koester.

CARRIED

BOARD CHAIR REPORT

Dan Shute presented the Board Chair Report and summarized highlights of the WID’s year.

Modernization funds are allowing WID to fast forward this work; it is about making our system more efficient.

Diversifying income sources is more important than ever. Inflation, just like you are experiencing, is impacting the WID with ever-increasing costs.

The last two years have been dry, and the Board was challenged to find

more ways to address the significant water demand. The Board introduced the availability of Annual Expansion Acres, designed as a transition solution for irrigators until additional irrigation acres are available.

He spoke about the importance of the expansion of acres and the capital projects being completed to support the additional acres.

The WID continues to build and lean on our relationships for potential collaboration and revenue stream diversification with local businesses, municipalities, and government leaders.

None of what we do is possible without our dedicated staff.

Moved by Barry Clayton, Seconded by Johnny Kalbhen that the Board Chair's Report be adopted as presented.

CARRIED

**GENERAL MANAGER
REPORT**

Troy Tangedal presented the General Manager Report and summarized the WID's 2022 year.

He thanked Dan and the Board for supporting him and the team, and spoke about their commitment to our irrigators.

Troy spoke about his exciting first month, especially everything happening with the plebiscite, and was glad to have the opportunity to meet with irrigators at town hall meetings.

He spoke about the WID's Strategic Priorities, that continue to be the focus:

- 1). Retain – This is about Water Security: We have a legacy, and we never want to lose what others before us have worked hard to create and build.
- 2). Maintain – Our Service Efficiency: This is our ability to supply water to our irrigators; we will not lose sight of our key stakeholders' needs.
- 3). Sustain – Our Financial Sustainability: To accomplish all of this, we must continue to grow. Through expansion, technology, development, efficiency and partnerships, we must be willing to learn and implement new ideas. If we aren't moving forward, we are moving backward.

Troy thanked our irrigators who came to the plebiscite meetings and cast their vote. It was such an important step for our District, and for you and your businesses.

It connects to each of our Strategic Priorities:

- We increase the number of acres that can be served and the reliability of continuous acres for more irrigators.
- It's possible because of the increased operational efficiencies in recent years, along with the ongoing infrastructure projects being completed.
- The overwhelming majority of votes supporting the plebiscite is a vote for our future and enables us to move forward. We appreciate it.

A recurring topic raised at the town halls was reservoirs. Troy shared a few important messages:

- Every project goes through a rigorous process, with engineering and environmental considerations, stakeholder discussions, and financial planning.
- Every project must align with our Strategic Priorities; it must make sense and we use these as a filter for our decision-making.
- There has been much work put into this over the years. The WID's decision will be based on facts and what's best for the WID.
- At this point we are considering several projects including expansion of existing reservoirs and/or new reservoirs.
- When there is a decision, it will be shared with water users. In the meantime, we cannot speculate.

Troy spoke briefly about his background, starting with his family farm operation in southern Saskatchewan, through 30 years working in the energy industry.

As Troy was not involved in the past year, he asked Donna Mitchel who was instrumental in leading the WID as interim General Manager before Troy's arrival, to address.

Donna spoke about the year of early moisture resulting in above-average yields, along with increased efficiency of systems within the District.

Excellent progress was made on the modernization projects, with the installation of almost 15 kms of new pipeline.

Irrigators continued to show a keen interest in the grants offered to support their conversion to high-efficiency systems.

Significant headway was made on our long-term financial health by actively seeking out new revenue streams and grant money, and we continue to be prudent with purchasing:

- Secured \$4M in government grants for infrastructure modernization
- Applied for and received \$135K in provincial grants to reclaim ditches and restore natural hydrology
- Maximized capital by charging eligible expenses back to projects
- Collaborated with our community to lease part of our former office building to small businesses
- Worked with local suppliers to secure the best pricing where we can
- Invested in IT security to protect ourselves and our clients' information.

Moved by Vern Bretin, Seconded by Doug Brown that the General Manager's Report be adopted as presented.

CARRIED

Jeff Gibeau shared that the WID delivered 120,372 acre-feet of water last year for all users, supporting irrigation of 80,668 acres of land.

The WID continues to be highly vigilant in monitoring invasive species, taking action to change the approach to monitoring and removal of flowering rush. The team identified key focus areas and removed more than 150 plants by hand and looks forward to seeing the result this season and plans to continue these efforts.

Within the WID's Capital Program is the Irrigation Rehabilitation Program (IRP), where the province contributed \$1.1M this year, and the WID added nearly \$400K, for a total of \$1.5M.

Strangmuir-Field Pipeline Conversion Phase 3 East/West (budget: \$2.3M) - This project is substantially complete and operational with some reclamation work to happen in 2023.

'B' Canal System, the Glenrose Canal Rehabilitation Phase 2 (budget \$1.4M) – This effort is near completion but we will inspect to ensure remediation work is holding up and there was no winter damage before officially closing out.

The second funding source fueling our Capital Program is the **Alberta Irrigation Modernization Program (AIM)**, Overall, this could result in \$159M of investment, with 30% from the Province, 20% from the WID, and 50% from the Canadian Infrastructure Bank via a low-interest loan.

'C' Canal modernization Hwy 21 to RR 240 (budget: \$6.25M) - The in-stream work was completed on schedule and in time for water season this year.

'E' Canal Pipeline Conversion (budget: \$738K) - This is the final leg of a previously designed and constructed A Canal project from the early 2000's. Since our official year end in September 2022, crews have substantially completed this project and it is now fully operational for 2023, with reclamation activities ongoing.

'C' Canal modernization, RR 245 to HWY 21 (budget: \$5M) - Crews worked diligently to finish the in-stream construction under some tough winter conditions, and it will continue after this water season.

Glenrose Canal Modernization Phase 3 and New Spillway (budget: \$.4M) - This substantially completed project was operational in 2022, with a small amount of reclamation work in 2023.

'A' Canal with the Strangmuir-Field Pipeline Conversion Phases 4 & 5 (budget: \$6M) - Phase 4 is operational, Phase 5, along with the remaining phases, will be constructed during spring and summer 2023.

We have worked with the **Watershed Resiliency and Restoration Program**, in partnership with Wheatland County. The project focused on the assessment of riparian areas and the installation of riparian fencing and off-site watering systems. This initiative kicked off in 2021 and carried through to completion in 2022.

The **Natural Hydrology Restoration Program** involves the restoration of old legacy CPR channels. Trees and vegetation that no longer had a source of water were removed to prevent a fire hazard. The areas were backfilled and graded, restoring the surface water movement and allowing the land to be put back into cropland rotation.

Water quality continues to be an important part of our operations. The WID hires 2-4 **summer students** to take water samples. These are often local youths who are future environmental technicians and scientists and we are honored to be a part of their educational experience.

Our **Seepage Control** is a legislated plan put together through public process backed by technical documents and background through the Irrigation District Act. We are about halfway through our current cycle. A few years ago we ran a public process and used some interesting hydrological LiDAR to map areas of greatest seepage. This plan will continue over the next couple of years.

Moved by Barry Hilton, Seconded by Doug Thurston, that the Operations and Maintenance Report for 2022 be adopted and presented.

CARRIED

AUDITOR'S REPORT

Shelley Harriman of Gregory, Harriman & Associates (GHA) LLP presented the Auditor's report for the fiscal year.

The audit focused on the risks specific to the business of the WID and its key accounts such as revenue recognition, management override of controls, and financial instruments.

GHA advised that their review of these areas upon completion of the audit did not determine any areas of concern or deficiencies. They issued an unqualified audit report which reflects that, in their opinion, the financial statements present fairly in all material aspects, the financial position of the WID as of September 30, 2022, is in accordance with Canadian Generally Accepted Auditing Standards.

Moved by Justin Geereart, Seconded by Vern Bretin, that the Auditor's Report for Fiscal 2022 be adopted as presented.

CARRIED

FINANCIALS

Matt Malm, CPA, and WID’s Senior Accountant since June 2022, thanked GHA for their presentation. Highlights from the Financial Statements were presented.

- Cash Receipts: differences between Total Revenue and Cash Revenue, and the material sources of revenue from 2022
- Total Expenses incurred: select input costs have risen year-over-year, explanation of operating expenses
- Explained where most of the change to underlying total expenses was incurred and the proportion of expenses that related to operating costs and how much of total expenses were capitalized in Irrigation Works
- Major classifications of Assets and Liabilities: explanation of what makes up these balances

The presentation concluded with a look at the major irrigation works investments from 2022.

Moved by Anita Heuver, Seconded by Vern Bretin, that the Financial Report for 2022 be adopted as presented.

CARRIED

Martin Shields thanked the Board for the invitation to the AGM and explained how irrigation has played a huge part in his family history. He congratulated the Board on their forward-thinking because water is such a critical resource.

QUESTIONS
AND ANSWERS

Q: There has been lots of talk about the future of magnicide and weed control. Can you comment on government regulations - where that is today and where it may be going?

A: The WID has recently built a new Magnicide H facility due to the volume of Magnicide required. To our knowledge, there is no immediate threat to losing Magnicide H. We are very diligent in following the requirements, regulations and rules for storage and usage because it is such an important operational requirement for the District to help maintain our water systems.

Another solution we use is a live liquid micro-organism which comes in the form of an Eco Sock, an organic bacterium that is enacted by the water when it heats up. The bacteria compete with aquatic weeds for nitrogen and phosphorus in the water, quite aggressively, and keep aquatic weeds from establishing. This product has been used on the Strangmuir-Field ditch, which was just converted to pipeline, and recently on D ditch, a small lateral off of A Canal. The WID has seen very positive results over the last seven years.

Q: What is the state of the snowpack this spring?

A: It is lower than normal for this time of the year, about 60% of usual, still hoping for good snow. Important to note that once water season begins, the WID, Bow River and Eastern Irrigation Districts have weekly conversations between Alberta Environment, City of Calgary, and TransAlta, where water needs are discussed for the coming week, and everyone works very well in cooperation to meet the needs.

Q: Could you tell us about CSMI?

A: The Cooperative Stormwater Management Initiative is a collective effort with Rocky View County, City of Calgary, Town of Strathmore and the WID. Fifteen years in the making, the purpose is to collect and divert stormwater in large quantities in the development in the east side of Calgary to keep it out of the irrigation system and divert to a natural drainage point.

The WID will become the owner and operator of this system and is constructing most of the system, which is funded by the municipal partners.

The focus is on the southern branch: 1S extension is from the City of Calgary and Rocky View County to the edge of Chestermere; 1S is through most of Chestermere; 2S is Chestermere down into Rocky View County; 3S is down Weed Lake. 1S has been constructed, 1S extension and 2S are in the design stage, and plans are to construct that phase this year. By the end of this year, a little more than half of the south branch should be complete.

Q: When the CSMI projects are complete, is it a good source of revenue for WID?

A: Yes, the WID will be the paid operator for the system. Equally important is that the WID is being paid to construct on behalf of the Cooperative.

Two irrigators spoke up about concerns that they are not seeing the attention they’d like for improvements to the canals in their areas. For both, Troy asked them to contact him directly to discuss.

Q: We understand there is going to be a public walkway or bike path along S2 or S3, is this correct?

A: In the newspaper, there was mention of an idea or concept from Chestermere Council but there was no discussion or consultation with the WID prior to that article.

We’ve talked about possibly improving the WID’s signage along canals with both a notification and emergency phone number, and what areas can and cannot be used for. We appreciate feedback on this.

Q: There was a Western Producer article about the Irrigation Council and some legislation about putting more teeth into people stealing water, do you know about this?

A: (Jamie Wuite from Province, and representing the Irrigation Council addressed) Several amendments to the Irrigation Districts Act (IDA) have been in the works, with cooperation of all the districts, for more than a decade - and a good chunk of the previously developed amendments received assent two weeks ago.

There are several items around making business easier for the districts, for example what types of notifications must be given for elections, plebiscites, and new parcels. The districts will also have more leverage in terms of unauthorized water users. Previously the only option the districts had if they couldn't get cooperation from the irrigator was to go through the courts; now they'll be able to stop delivery and force the conversation.

The WID Board enacted a policy to deal with this as well. If you have any questions, please contact the WID office.

Q: I've heard rumors about rationing, if there is a shortage of water. What rights does the Board have to do that?

A: If you have permanent irrigation acres, the WID's job is to provide water, which is what we will do. There could be exceptional circumstances or an emergency situation where we would need to ration but this would not be done without serious consideration and discussion.

Q: How does the WID justify doing construction directly, instead of contracting, which could be less expensive?

A: It all depends on the project, specifically cost metrics and project billing. The team has looked at costs including 3rd party versus internal trucking, and there are pros and cons to both. We are always looking at options to improve the way we do business and opportunities to be more efficient with our expenses.

Q: Is there a formula to use for inflation or land values, to help to determine what expansion acre pricing would be?

A: During the plebiscite, we ran some metrics to understand the value of irrigation acres. At \$1,450 per acre, WID acres are reasonably priced, as Farm Credit values our irrigation rights at approximately \$2500 per acre.

Moved by Cam Beard, Seconded by Robert Damen, that the meeting be adjourned at 3:19 PM.

CARRIED

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ADJOURNMENT



FINANCIALS

**WESTERN IRRIGATION DISTRICT
CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

	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

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements are the responsibility of the management of the Western Irrigation District (the District).


These financial statements have been prepared from information provided by management. The financial statements include certain amounts based on estimates and judgments. Such amounts have been determined on a reasonable basis to ensure that the consolidated financial statements are presented fairly in all material respects.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, management has designed and maintains a system of internal controls to produce reliable information and to meet reporting requirements on a timely basis. The system is designed to provide management with reasonable assurance that transactions are properly authorized and assets are properly accounted for and safeguarded.

These systems are monitored and evaluated by management and reliable financial information is available for preparation of the financial statements.

The elected Board of Directors (the Board) of the District is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board meets annually with management and external auditors to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, and to satisfy itself that each party is properly discharging its responsibilities. Following its review of the financial statements and discussing with auditors, the Board approves the financial statements. The Board is also responsible for the engagement or re-appointment of the external auditor's.

The financial statements have been audited by Gregory, Harriman & Associates LLP, Chartered Professional Accountants, and independent external auditors appointed by the Association. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Association's financial statements.


General Manager
January 24, 2024

INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITOR'S 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, 2023, 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, 2023, 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.



Strathmore, Alberta
January 24, 2024


Chartered Professional Accountants

WESTERN IRRIGATION DISTRICT
Consolidated Statement of Financial Position
As at September 30, 2023

	UNRESTRICTED FUNDS				RESTRICTED FUNDS				COMBINED	
	OPERATING		CO-OPERATIVE STORMWATER MANAGEMENT INITIATIVE		DISTRICT CAPITAL		IRRIGATION WORKS			
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
CURRENT ASSETS										
Cash (Note 3)	\$ 25,750,885	\$ 3,048,428	\$ -	\$ 66	\$ 8,261,570	\$ 2,575,170	\$ 2,096,865	\$ 959,229	\$ 36,109,320	\$ 6,582,893
Accounts receivable (Note 4)	6,295,506	2,084,183	23,102	-	1,111,248	1,691,320	-	-	7,429,856	3,775,503
Accrued interest receivable	-	-	-	-	2,307	12,415	-	-	2,307	12,415
Short term investments (Note 5)	-	-	-	-	85,000	2,088,000	-	-	85,000	2,088,000
Inventory	-	1,536	-	-	431,856	592,093	-	-	431,856	593,629
Prepaid expenses	57,819	26,253	-	-	12,543	14,205	-	-	70,362	40,458
Interfund receivables (payables) (Note 18)	(23,929,502)	2,431,398	(23,102)	(19,126)	24,344,831	(2,040,534)	(392,227)	(371,738)	-	-
	8,174,708	7,591,798	-	(19,060)	34,249,355	4,932,669	1,704,638	587,491	44,128,701	13,092,898
OTHER ASSETS										
Loan receivable	-	-	-	-	-	500	-	-	-	500
Preliminary costs pending (Notes 6, 22)	142,859	(28,634)	-	-	-	164,456	-	-	142,859	135,822
Water rights (Note 7)	-	-	-	-	32,340	467,390	-	-	32,340	467,390
Deferred development costs (Note 8)	-	-	470,130	470,130	611,522	664,184	-	-	1,081,652	1,134,314
Investments (Notes 9, 10)	53,683	52,973	-	-	6,336,788	25,109,109	16,254	15,487	6,406,725	25,177,569
	196,542	24,339	470,130	470,130	6,980,650	26,405,639	16,254	15,487	7,563,576	26,915,595
PROPERTY AND EQUIPMENT										
Property and equipment (Note 11)	-	-	-	-	16,214,657	16,376,363	53,126	53,126	16,267,783	16,429,489
Irriation works (Note 12)	-	-	-	-	110,442,059	102,730,208	80,559,869	81,457,332	191,001,928	184,187,540
	-	-	-	-	126,656,716	119,106,571	80,612,985	81,510,458	207,269,711	200,617,029
TOTAL ASSETS	\$ 8,371,250	\$ 7,616,137	\$ 470,130	\$ 451,070	\$ 167,886,721	\$ 150,444,879	\$ 82,333,887	\$ 82,113,436	\$ 259,061,988	\$ 240,625,522
CURRENT LIABILITIES										
Accounts payable and accrued liabilities	\$ 309,517	\$ 377,180	\$ -	\$ -	\$ 6,617	\$ 15,872	\$ -	\$ -	\$ 316,134	\$ 393,052
Goods and Services Tax liability	336,147	139,098	-	-	-	-	-	-	336,147	139,098
Capital levy trust (Note 13)	-	-	-	-	125,314	122,048	-	-	125,314	122,048
Current portion of deferred revenue	131,673	130,416	-	-	67,228	42,581	-	-	198,901	172,997
	777,337	646,694	-	-	199,159	180,501	-	-	976,496	827,195
OTHER LIABILITIES										
Deferred revenue	-	-	-	-	136,525	100,770	-	-	136,525	100,770
Long term debt (Note 14)	-	-	-	-	11,484,856	6,937,948	-	-	11,484,856	6,937,948
Asset retirement obligation (Note 15)	-	-	-	-	1,472,951	1,184,840	-	-	1,472,951	1,184,840
	-	-	-	-	13,094,332	8,223,558	-	-	13,094,332	8,223,558
TOTAL LIABILITIES	777,337	646,694	-	-	13,293,491	8,404,059	-	-	14,070,828	9,050,753
FUND BALANCES										
Invested in property and equipment (Note 16)	-	-	-	-	113,731,249	111,451,173	80,612,985	81,510,458	194,344,244	192,961,631
Externally restricted (Note 17)	-	-	-	-	-	-	1,720,892	602,978	1,720,892	602,978
Internally restricted (Note 18)	-	-	-	-	40,861,981	30,589,647	-	-	40,861,981	30,589,647
Unrestricted	7,593,913	6,969,443	470,130	451,070	-	-	-	-	8,064,043	7,420,513
	7,593,913	6,969,443	470,130	451,070	154,593,230	142,040,820	82,333,887	82,113,436	244,981,160	231,574,769
TOTAL LIABILITIES AND FUND BALANCES	\$ 8,371,250	\$ 7,616,137	\$ 470,130	\$ 451,070	\$ 167,886,721	\$ 150,444,879	\$ 82,333,887	\$ 82,113,436	\$ 259,061,988	\$ 240,625,522

Contingent Liabilities (Note 22)
Environmental Contingencies (Note 24)
Commitments (Note 27)

APPROVED BY:  Chairman 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, 2023

	CO-OPERATIVE STORMWATER MANAGEMENT INITIATIVE				DISTRICT CAPITAL				IRRIGATION WORKS				TOTAL	
	OPERATING		CO-OPERATIVE STORMWATER MANAGEMENT INITIATIVE		2023		2022		2023		2022		2023	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
REVENUE														
Irrigation rates, net (Note 19)	\$ 2,548,351	\$ 2,109,611	\$ -	\$ -	\$ -	\$ -	-	-	-	-	-	-	\$ 2,548,351	\$ 2,109,611
Domestic and miscellaneous	1,180,343	1,134,270	-	-	-	-	-	-	-	-	-	-	1,180,343	1,134,270
Storm water	622,558	393,874	-	-	-	-	-	-	-	-	-	-	622,558	393,874
Penalties	7,925	3,881	-	-	-	-	-	-	-	-	-	-	7,925	3,881
TOTAL WATER EARNINGS	4,359,177	3,641,636	-	-	-	-	-	-	-	-	-	-	4,359,177	3,641,636
OTHER EARNINGS														
Capital asset charges	-	-	-	-	4,522,050	326,590	-	-	-	-	-	-	4,522,050	326,590
Government contributions	118,500	135,340	-	-	2,675,271	2,919,023	1,253,172	1,108,311	1,253,172	1,108,311	4,046,943	4,162,674	4,046,943	4,162,674
Interest revenue	476,787	99,287	-	68	819,279	766,269	80,260	8,066	-	-	1,376,326	873,690	1,376,326	873,690
Gravel revenue	-	-	-	-	876,859	813,684	-	-	-	-	876,859	813,684	-	-
Farm, land and building rentals	132,357	-	-	-	383,361	233,290	-	-	-	-	515,718	233,290	-	-
Gain on sale of land	-	-	-	-	11,401	(40,381)	-	-	-	-	11,401	(40,381)	-	-
Gain (loss) on sale of assets	-	-	-	-	(1,894)	2,735	-	-	-	-	(1,894)	2,735	-	-
Realized gain (loss) on investments (Note 10)	-	-	-	-	3,469,093	1,085,939	-	-	-	-	3,469,093	1,085,939	-	-
Unrealized gain (loss) on investments	-	-	-	-	1,060,404	(2,631,695)	-	-	-	-	1,060,404	(2,631,695)	-	-
Fees and other income	377,965	109,685	-	-	-	-	-	-	-	-	377,965	109,685	-	-
Miscellaneous	-	10,212	-	-	-	-	-	-	-	-	-	10,212	-	-
Inventory adjustment	(1,537)	(153,883)	-	-	(2,005)	(65,597)	-	-	-	-	(3,542)	(219,480)	-	-
TOTAL OTHER EARNINGS	1,104,072	200,641	-	68	13,813,819	3,409,857	1,333,432	1,116,377	1,333,432	1,116,377	16,251,323	4,726,943	16,251,323	4,726,943
	5,463,249	3,842,277	-	68	13,813,819	3,409,857	1,333,432	1,116,377	1,333,432	1,116,377	20,610,500	8,368,511	20,610,500	8,368,511
EXPENSES														
Amortization of property and equipment	-	-	-	-	2,847,533	2,699,305	1,530,705	1,492,974	1,530,705	1,492,974	4,378,238	4,192,279	4,378,238	4,192,279
Amortization of intangible asset	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depletion of resource properties	-	-	-	-	-	(67,711)	-	-	-	-	-	(67,711)	-	-
Commissions expense	-	-	-	-	25,046	54,951	-	-	-	-	25,046	54,951	-	-
Long term interest expense	-	-	-	-	88,378	43,810	-	-	-	-	88,378	43,810	-	-
Bursary expense	-	-	-	-	500	1,000	-	-	-	-	500	1,000	-	-
Operating and administrative (Schedule 1)	2,355,510	2,506,570	-	-	46,110	57,083	-	-	-	-	2,401,620	2,563,653	-	-
Property taxes	-	-	-	-	12,216	12,568	-	-	-	-	12,216	12,568	-	-
Retainage	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accretion expense	-	-	-	-	288,111	416,141	-	-	-	-	288,111	416,141	-	-
	2,355,510	2,506,570	-	-	3,307,894	3,217,147	1,530,705	1,492,974	1,530,705	1,492,974	7,194,109	7,216,691	7,194,109	7,216,691
EXCESS OF REVENUE OVER EXPENSES	3,107,739	1,335,707	-	68	10,505,925	192,710	(197,273)	(376,597)	(197,273)	(376,597)	13,416,391	1,151,888	13,416,391	1,151,888
Fund balances at beginning of year	6,969,443	6,803,579	451,070	817,135	142,040,820	140,681,570	82,113,436	82,120,597	82,113,436	82,120,597	231,574,769	230,422,881	231,574,769	230,422,881
Interfund transfers (Note 18)	(2,065,545)	(800,407)	19,060	(366,133)	2,046,485	1,166,540	-	-	-	-	-	-	-	-
Irrigation provision (Notes 17, 18)	(417,724)	(369,436)	-	-	-	-	417,724	369,436	-	-	-	-	-	-
FUND BALANCES AT END OF YEAR	\$ 7,593,913	\$ 6,969,443	\$ 470,130	\$ 451,070	\$ 154,593,230	\$ 142,040,820	\$ 82,333,887	\$ 82,113,436	\$ 82,333,887	\$ 82,113,436	\$ 244,981,160	\$ 231,574,769	\$ 244,981,160	\$ 231,574,769

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

WESTERN IRRIGATION DISTRICT
Consolidated Statement of Cash Flows
Year Ended September 30, 2023

	OPERATING		CO-OPERATIVE STORMWATER MANAGEMENT INITIATIVE		DISTRICT CAPITAL		IRRIGATION WORKS		TOTALS	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES										
Cash receipts	\$ 776,396	\$ 3,896,564	\$ (23,102)	\$ 381,636	\$ 9,098,515	\$ 3,255,919	\$ 1,253,172	\$ 1,108,311	\$ 11,104,981	\$ 8,642,430
Cash paid to suppliers and employees	(2,256,154)	(3,151,944)	-	-	(42,073)	3,279	-	-	(2,298,227)	(3,148,665)
Cash transferred to/from other funds	26,360,900	(1,076,604)	3,976	(15,505)	(26,385,365)	879,675	20,489	212,434	-	-
Interest received	476,787	99,287	-	68	829,387	760,636	80,260	8,066	1,386,434	888,057
	25,357,929	(232,697)	(19,126)	366,199	(16,499,536)	4,899,509	1,353,921	1,328,811	10,193,188	6,361,822
CASH FLOWS FROM INVESTING ACTIVITIES										
Purchases of property and equipment	-	-	-	-	(10,404,335)	(13,780,561)	(633,242)	(1,083,970)	(11,037,577)	(14,864,531)
Proceeds from sale of assets	-	-	-	-	609,557	(30,646)	-	-	609,557	(30,646)
Sales (purchase) of investments	(710)	(424)	-	-	25,307,977	(2,579,962)	(767)	(451)	25,306,500	(2,580,837)
Preliminary costs pending	(171,493)	28,634	-	-	164,456	37,836	-	-	(7,037)	66,470
	(172,203)	28,210	-	-	15,677,655	(16,353,335)	(634,009)	(1,084,421)	14,871,443	(17,409,544)
Cash flows from investing activities										
Proceeds of long term debt	-	-	-	-	4,546,908	4,907,981	-	-	4,546,908	4,907,981
Interest paid on long term debt	-	-	-	-	(88,378)	(43,810)	-	-	(88,378)	(43,810)
Irrigation provision	(417,724)	(369,436)	-	-	-	-	417,724	369,436	-	-
Trust funds received	-	-	-	-	3,266	3,752	-	-	3,266	3,752
	(417,724)	(369,436)	-	-	4,461,796	4,867,923	417,724	369,436	4,461,796	4,867,923
NET CASH INCREASE (DECREASE)	24,768,002	(573,923)	(19,126)	366,199	3,639,915	(6,585,902)	1,137,636	613,826	29,526,427	(6,179,799)
Cash, opening balance	3,048,428	4,422,758	66	-	2,575,170	7,994,532	959,229	345,403	6,582,893	12,762,693
Interfund balance adjustments	(2,065,545)	(800,407)	19,060	(366,133)	2,046,485	1,166,540	-	-	-	-
	25,750,885	\$ 3,048,428	-	\$ 66	\$ 8,261,570	\$ 2,575,170	\$ 2,096,865	\$ 959,229	\$ 36,109,320	\$ 6,582,893
CASH, CLOSING BALANCE										
	\$ 25,750,885	\$ 3,048,428	\$ -	\$ -	\$ 8,261,570	\$ 2,575,170	\$ 2,096,865	\$ 959,229	\$ 36,109,320	\$ 6,582,893
CASH REPRESENTED BY:										
Cash (Note 3)	25,750,885	3,048,428	-	66	8,261,570	2,575,170	2,096,865	959,229	36,109,320	6,582,893
TOTAL CASH	\$ 25,750,885	\$ 3,048,428	\$ -	\$ 66	\$ 8,261,570	\$ 2,575,170	\$ 2,096,865	\$ 959,229	\$ 36,109,320	\$ 6,582,893

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

WESTERN IRRIGATION DISTRICT
Schedule 1 - Operating and Administrative Expenses
Year Ended September 30, 2023

	DEPARTMENTS		TOTALS	
	OPERATIONS AND MAINTENANCE	WATER DELIVERY	GENERAL AND ADMINISTRATION	
Advertising, publications, ratepayers meetings	\$ -	\$ -	\$ 44,344	\$ 29,335
Association fees	-	-	47,221	37,327
Board of Directors expenditures	-	-	68,022	49,603
Building maintenance	10,948	-	120,780	63,462
Computer expense	-	-	181,805	137,379
Equipment and easement rental	736,034	-	736,034	505,132
Equipment maintenance, gas, oil, grease	1,599,740	76,468	-	1,352,255
Gravel pit expenses	24,328	-	24,328	18,499
Insurance	35,667	2,990	60,166	54,135
Interest and bank charges	-	-	1,576	807
Land titles charges and classification	-	-	2,050	5,891
Materials and supplies, office supplies	252,667	84,700	466,893	327,166
Payroll service charges	-	-	8,059	7,608
Postage, freight and courier	-	-	5,087	6,078
Professional fees	-	-	511,906	607,443
Public relations	-	-	11,149	24,720
Safety supplies	20,035	3,739	26,920	23,398
Salaries and wages (Note 23)	2,331,560	935,034	4,434,030	3,899,950
Small tools and equipment	16,403	-	16,403	29,558
Social committee	14,991	-	14,991	13,885
Stationary, printing, photocopies, fax	-	-	19,944	17,558
Telephone	15,424	6,658	25,274	52,331
Travel and staff training	2,491	3,074	47,356	3,454
Utilities	50,508	47,849	22,317	132,451
Vegetation and pest control	-	439,376	98,357	417,533
Welding supplies	-	2,530	439,376	297
	5,110,796	1,602,418	2,385,586	7,813,255
	(6,426,724)	(6,902)	(309,664)	(5,306,685)
	\$ (1,315,928)	\$ 1,595,516	\$ 2,075,922	\$ 2,506,570
Transfer as asset to irrigation capital (Note 21)				

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

WESTERN IRRIGATION DISTRICT
Notes to the Consolidated Financial Statements
September 30, 2023

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 it's 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 (ASNFPO).

Basis of Accounting

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

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

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

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

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

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WESTERN IRRIGATION DISTRICT
Notes to the Consolidated Financial Statements
September 30, 2023

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.

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WESTERN IRRIGATION DISTRICT
Notes to the Consolidated Financial Statements
September 30, 2023

Note 3 Cash

	2023	2022
<i>Operating</i>		
Petty cash	\$ 1,000	\$ 1,000
Bank account balance	25,749,885	3,047,428
	25,750,885	3,048,428
<i>Co-operative Stormwater Management Initiative</i>		
Bank account balance	-	66
<i>District Capital</i>		
Cash held for reinvestment	29,868	181,892
Cash held by subsidiaries	327,266	213,709
Credit Union special grant account, interest rate of Prime minus 1.45%	7,279,324	1,579,139
Credit Union building bank account, interest rate Prime minus 1.45%	-	1
Credit Union savings account, interest rate of Prime minus 1.45%	522,798	496,729
Credit Union capital trust levy bank account, interest rate of Prime minus 1.45%	102,314	103,700
	8,261,570	2,575,170
<i>Irrigation Works</i>		
Bank account balance, interest rate of Prime minus 1.45%	2,096,865	959,229
	\$ 36,109,320	\$ 6,582,893

A portion of the cash balance for District Capital, \$102,314 (2022 - \$103,700), 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 6.70%. At this time, no funds have been utilized.

Note 4 Accounts Receivable

	2023	2022
<i>Operating</i>		
Water rates and charges	\$ 6,277,898	\$ 1,966,170
Sundry debtors	17,608	118,013
	6,295,506	2,084,183
<i>District Capital</i>		
Modernization project receivable	1,111,248	1,688,834
Rental receivable	-	2,486
	1,111,248	1,691,320
<i>Co-operative Stormwater Management Initiative</i>		
Conditional and development costs receivable	23,102	-
	\$ 7,429,856	\$ 3,775,503

WESTERN IRRIGATION DISTRICT
Notes to the Consolidated Financial Statements
September 30, 2023

Note 5 Short Term Investments

	2023	2022
<i>District Capital</i>		
Current portion of guaranteed investment certificates (<i>Note 9</i>)	\$ 85,000	\$ 2,088,000
	\$ 85,000	\$ 2,088,000

Note 6 Preliminary Costs Pending

The expenditures of \$142,859 (2022 - \$164,456) 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, 2023. 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.

	2023	2022
<i>District Capital</i>		
42 irrigated acres (2022 - 607 Acres)	\$ 32,340	\$ 467,390
	\$ 32,340	\$ 467,390

Note 8 Deferred Development Costs

	2023	2022
<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
	\$ 611,522	\$ 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, 2023

Note 9 Investments

	2023	2022
<i>Operating</i>		
Calgary Co-operative Association equity	\$ 1,164	\$ 1,161
United Farmers of Alberta equity	37,511	37,511
Chinook Credit Union Ltd. common shares	15,008	14,301
	53,683	52,973
<i>District Capital</i>		
Fixed income securities	-	15,076,134
Guaranteed investment certificates	85,000	100,000
Common shares and equities	-	8,238,979
Chinook Credit Union Ltd. common shares	7,866	13,479
Kinniburgh South Limited Partnership (<i>Note 10</i>)	6,328,922	3,768,517
Less: Investments maturing in the next fiscal year (<i>Note 5</i>)	(85,000)	(2,088,000)
	6,336,788	25,109,109
<i>Irrigation Works</i>		
Chinook Credit Union Ltd. common shares	16,254	15,487
	\$ 6,406,725	\$ 25,177,569

The guaranteed investment certificates mature December 2023 with an interest rate of 3.50%.

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:

	2023	2022
<i>Statement of Financial Position</i>		
Investments (<i>Note 9</i>)	\$ 6,328,922	\$ 3,768,517
	\$ 6,328,922	\$ 3,768,517
<i>Statement of Operations</i>		
Realized gain/(loss) on investments	\$ 4,060,405	\$ 941,355
	\$ 4,060,405	\$ 941,355

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

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

As at September 30, 2023, there is a balance owing from the subsidiaries to the District in the amount of \$3,674,263.

WESTERN IRRIGATION DISTRICT
Notes to the Consolidated Financial Statements
September 30, 2023

Note 11 Property and Equipment

		2023	2022
	Cost	Accumulated Amortization	Net
<i>District Capital</i>			
Land and farm property	\$ 7,121,722	\$ 183,645	\$ 6,938,077
Resource property (<i>Note 15</i>)	591,419	136,096	455,323
Computers	86,528	57,919	28,609
Trucks	1,406,566	741,938	664,628
Office equipment	151,463	58,323	93,140
Other equipment and furniture	160,225	110,584	49,641
Power equipment	6,597,868	3,373,318	3,224,550
Shop and office complex	5,997,885	1,248,846	4,749,039
Industrial subdivision costs	40,304	28,654	11,650
	22,153,980	5,939,323	16,214,657
<i>Irrigation Works</i>			
Land	53,126	-	53,126
	\$ 22,207,106	\$ 5,939,323	\$ 16,267,783
			\$ 16,429,489

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.

	2023	2022
	Cost	Accumulated Amortization
<i>District Capital</i>		
Irrigation Works	\$ 125,802,241	\$ 15,360,182
	\$ 110,442,059	\$ 102,730,208
<i>Irrigation Works</i>		
Irrigation works	136,078,561	55,518,692
	\$ 261,880,802	\$ 70,878,874
		\$ 191,001,928
		\$ 184,187,540

Note 13 Capital Levy Trust

The amount of \$125,314 (2022 - \$122,048), 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, 2023

Note 14 Long Term Debt

	2023	2022
Irrigating Alberta Inc.	\$ 11,484,856	\$ 6,937,948
Long term debt, end of the year	\$ 11,484,856	\$ 6,937,948

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:

	2023	2022
Asset retirement obligation, beginning of the year	\$ 1,184,840	\$ 813,959
Accretion expense	288,111	370,881
Asset retirement obligation, end of the year	\$ 1,472,951	\$ 1,184,840

The total undiscounted amount to settle the Asset Retirement Obligation, based on management's estimate, is \$734,920 (2022 - \$734,920). 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 18.07% a credit-adjusted risk-free discount rate of 7.20%, 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 2023.

WESTERN IRRIGATION DISTRICT
Notes to the Consolidated Financial Statements
September 30, 2023

Note 16 Invested in Property and Equipment

	2023	2022
<i>District Capital</i>		
Water rights (Note 7)	\$ 32,340	\$ 467,390
Property and equipment (Note 11)	16,214,657	16,376,363
Irrigation works (Note 12)	110,442,059	102,730,208
Long term debt (Note 14)	(11,484,856)	(6,937,948)
Asset retirement obligation (Note 15)	(1,472,951)	(1,184,840)
	113,731,249	111,451,173
<i>Irrigation Works</i>		
Property and equipment (Note 11)	53,126	53,126
Irrigation works (Note 12)	80,559,869	81,457,332
	80,612,995	81,510,458
	\$194,344,244	\$ 192,961,631

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, 2023

Note 19 Irrigation Rates

Irrigation rates, net, consist of:

	2023	2022
<u>Assessment roll acres</u>		
89,460.5 Irrigation acres at \$22.80 per acre, plus additional pressure and/or screening charges where applicable	\$ 2,230,312	\$ 1,850,929
40.0 Minimum charge irrigation contracts at \$650 per parcel	53,300	19,000
5,232.5 Terminable acres at \$24.96 per acre, plus additional pressure and/or screening charges where applicable	134,152	110,527
13.0 Minimum charge terminable contracts at \$650 per parcel	8,450	7,280
95.0 Annual acres at \$28.00 per acre, plus additional pressure and/or screening charges where applicable	2,660	1,760
2.0 Minimum charge annual acres at \$650 per parcel	1,300	1,100
694.0 Annual acres - off creek at \$21 per acre plus additional pressure and/or screening charges where applicable	15,391	12,145
1,403.0 Annual acres - irrigation acres at \$28 per acre, plus additional pressure and/or screening charges where applicable	40,151	32,158
2,192.0 Annual expansion acres at \$28 per acre plus additional pressure and/or screening charges where applicable	62,635	74,712
	\$ 2,548,351	\$ 2,109,611

... continues

WESTERN IRRIGATION DISTRICT
Notes to the Consolidated Financial Statements
September 30, 2023

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 \$0.45 per PSI as designed.

Where water is supplied by way of a system accommodated with a functioning automatic screen cleaner, the charge is \$2.00 per irrigation, terminable and annual acre.

Annual acres – sleeping acre annual agreement at \$28.00 per acre plus additional pressure and/or screening charge where applicable. This type of agreement ends December 2023.

Note 20 Government Grants

In 2008, the District received \$85,000,000 in a legal settlement with Her Majesty Queen Elizabeth 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 3 and 9*.

Note 21 Transfer as Asset to Irrigation Capital

The Western Irrigation District has transferred \$6,743,290 (2022 - \$5,306,685) 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

At September 30, 2023, the District had expended \$142,859 (2022 - \$164,456) 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, 2023

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 \$156,463 for the year ended September 30, 2023 (2022 - \$165,008).

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 Significantly Influenced Not-For-Profit Organization

During the year Western Irrigation District and Marigold Library System formed Pine Street Condo Corporation. Western irrigation District exercises significant influence over Pine Street Condo Corporation (The Condo Corporation) by its ability to participate in policy making process and its representation on the Board of Directors. The Condo Corporation has been formed to serve as the condominium association for the jointly owned building between Marigold Library System and Western Irrigation District. The Condo Corporation is a standalone type of corporation, not a non-profit nor society.

WESTERN IRRIGATION DISTRICT
Notes to the Consolidated Financial Statements
September 30, 2023

Note 26 Financial Instruments

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

Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the District manages exposure through its normal operating and financing activities. The District's interest rate risk is reduced due to the return on its investments and a diversified portfolio in which the investments are held.

Credit Risk

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

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.

WESTERN IRRIGATION DISTRICT
Notes to the Consolidated Financial Statements
September 30, 2023

Note 27 Commitments

In consideration of entering into an agreement with Rocky View County (the County) for the supply and conveyance of water in 2011, the District has received a commitment fee in the amount of \$750,000 from the County. The agreement is for the District to allocate 2,500 acre-feet of raw water to the County and to convey up to 2,500 acre-feet of raw water as required by the County as and when permitted. Water has been allocated to the County but none has be used by September 30, 2023, however the commitment fee was required to satisfy the terms of the agreement to reserve the water allocation for the County. The agreement term is from November 1, 2011 to December 31, 2035 unless terminated at an earlier date.

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

Note 28 Comparative Figures

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

Note 29 Approval of Financial Statements

The management of the Western Irrigation District approved these financial statements on January 24, 2024.



WESTERN IRRIGATION DISTRICT

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