

LNID
2821 - 18th Avenue North
Lethbridge, AB T1H 6T5



**LETHBRIDGE NORTHERN
IRRIGATION DISTRICT**

**Ninety - Ninth
Annual Report 2019**

www.lnid.ca

**Annual General Meeting
April 22, 2020 at 1:30pm
Picture Butte Community Centre**

The Board of Directors

Klaas Slomp
Chairman



Board Member since April 19, 2011:
Chairman since 2017.
Division 4: Includes East of Hwy. 23 to
Park Lake & Coalhurst and part of
Keho / Barons.

John Vandenberg
Vice Chairman



Board Member since May 4, 1993:
Division 3: Includes East of Park Lake
& Coalhurst / West Lethbridge to
Shaughnessy & Diamond City.

Martin Van Diemen



Board Member since June 10, 2008:
Division 2: Includes East of Piyami
Coulee / Picture Butte & East of Iron
Springs.

Peter Bos



Board Member since April 20, 2015:
Division 1: Includes Iron Springs East
to Turin.

Sonny Wierenga



Board Member since May 28, 2019:
Division 5: Includes Fort Macleod
East to Hwy. 23 and part of Keho/
Barons.

Mission Statement

To provide the best, most efficient water delivery system at the lowest possible cost to the water users, while ensuring good stewardship for the environment and our natural resources.

Water Quality Disclaimer

The District advises that the water in the irrigation system of the District may not be potable or may not be suitable for irrigation or other purposes, and the District makes no representation, warranty or guarantee, express or implied that the water delivered through its irrigation system is potable and fit for human consumption or suitable for irrigation purposes, livestock watering, recreational use or other purposes.

The District advises the Owners that the water delivered is in the condition in which it may be found in the irrigation system from time to time and the Owner is to provide such additional treatment or filtering as the Owner considers necessary, to ensure that the water is of usable quality.

The irrigation system of the District is an open ditch system subjecting the water therein to contamination from all manner of environmental, human and animal factors beyond the control of the District and the District does not regulate, control or monitor the quality of the water in its system.



Lethbridge Northern Irrigation District Organization
Effective January 2, 2020

ADMINISTRATION

Alan Harrold
 Anita Wickersham, CPA, CMA
 Janet Beck
 Gary Burke
 Jennifer Dyck
 Su-Jin Huxley
 Joanne Pohl
 Maritza Suarez

General Manager
 Manager – Finance & Administration
 Land Agent
 Classification / Network Technician
 Payroll & Benefits Administrator
 Accounting Technician
 Administrative Assistant
 Accountant

ENGINEERING

Trent Webster, P. Eng.
 Gary Cook
 Shane Eyre, P. Eng.
 Glade Roberts

District Engineer
 Survey Technician
 Project Engineer
 Drafting Technologist

OPERATIONS AND MAINTENANCE

Brett Schafer
 Dan Kubik
 Peter Peters
 Bryce Schultz
 Darcy Smith
 Louie Tams

Construction & Maintenance Foreman
 Equipment / Weed Control Operator
 Equipment Operator
 Equipment Operator
 Equipment Operator / Lead Hand
 Inventory / Purchasing & Safety Coordinator

WATER OPERATIONS

WEST

Garth Fischer Water Master West
 Mike McCloud Assistant Water Master West
 Shawn Graham Water District Supervisor

EAST

Ryan Chogi Water Master East
 Walter Engels Assistant Water Master East
 John Degenstein Water District Supervisor
 Dustin Gillies Water District Supervisor
 Tysen Sushelnitski Water District Supervisor

HOURLY SEASONAL STAFF

Connor Butler
 Jarryd Butler
 Ken Cooper
 Liam Damen
 Zachary Liska
 Tim Sandham
 Stuart Van Essen
 Peter Wipf

Labourer
 Labourer
 Tandem Driver
 Labourer
 Labourer
 Tandem Driver
 Equipment Operator
 Tandem Driver

CHAIRMAN'S REPORT

Every year in the irrigation world is different and brings new challenges. The snow levels on March 1, 2019 were low to average. The level of the Oldman River Dam on April 12, 2019 was 50%. The Board of Directors receives various statistics and reports on snow pillow and reservoir levels during the year from Alberta Environment & Parks (AEP).

Based on the best information we had in mid-April, the Board wanted to advise the ratepayers on where water allocation would be set. The decision was to set the initial allocation at 12.0 inches/irrigation acre.

Fortunately, in early June 2019 the foothills of Alberta received significant amounts of rainfall. Subsequently, on review of all the current data received, the Board was confident in raising the water allocation to 17.5 inches on June 25, 2019.

In August, a severe storm with strong winds and hail cut a considerable path in the northeast portion of the District. The storm caused significant damage to crops and property. Power failure from the storm created some flooding problems for the District. District operations staff worked extremely hard to manage the flooding and minimize damage.

Presently, the District is completing projects in the Barrhill/Albion area. Automated control gates are being installed on some structures on the Albion Canal and 16.0 kilometres of pipe on the Lateral G11 & G12 projects will replace a portion of the Lateral 62G Canal and water delivery out of the Albion Drain.

In addition to new construction, maintenance and repairs to existing infrastructure continues. The Barons West pump station/pipeline proposal to adjoin the District is in progress. However, after several proposals the final plan is to add approximately 3,000 acres for the 2021 irrigation season.

Patience is a virtue, I am pleased to state to the water users that after years of dialogue, the Lethbridge Northern Irrigation District has signed a tripartite Collaborative Framework Agreement effective February 1, 2020 with the Lethbridge County and St. Mary River Irrigation District (SMRID).

To reiterate previous themes, I will remind the rate payers that there is increasing public awareness and concern with water management in the District. We must collectively as water users continue to be efficient, innovative and responsible stewards of this resource.

Water is a commodity that has increasing value. There continues to be demand for new water rights. The Board will be reassessing the current Moratorium on new irrigation acres in March 2020.

The costs of Rehabilitation and maintaining infrastructure continues to increase. Everyone understands the fiscal situation of the Province of Alberta. We will need to incrementally consider the possibility of financing future capital expenditures internally.

The current snow pillows are above average and the Oldman River Dam has more water stored in it than at the same time last year. Water availability for the 2020 irrigation season is looking positive for a full allocation.

The District continues to partner with other irrigation districts and Alberta Agriculture & Forestry (AAF) in monitoring and testing water for aquatic invasive species.

The District thanks the Alberta Government for the IRP funding and also acknowledges the Alberta Irrigation Districts Association (AIDA), Irrigation Council and Irrigation Secretariat, Alberta Agriculture & Forestry, Alberta Environment & Parks and all other government departments that it works with.

In District 5, Sonny Wierenga was elected to serve as Director to replace Brian Nauta who retired from the Board after 27 years of service.

My sincere thanks to the Staff and Board for continued support in fulfilling our mandate to the District.

Respectfully submitted on behalf of the Board of Directors,

Klaas Slomp
Chairman of the Board

GENERAL MANAGER'S REPORT



Alan Harrold
General Manager

For the third consecutive year, precipitation in the District averaged 9" or less for the period of April to October. This combined with water storage in the Oldman River Dam of only 50% of full in April, the Board of Directors set the water allocation per irrigation acre for the commencement of the irrigation season at 12", this being only the 2nd time since 2002 that the District started the irrigation season with less than a full 17.5"/irrigation acre water allocation. The last time this happened was in 2002 when the irrigation season commenced with a 15" allocation. The total District water diversion in 2019 was the 7th highest in the last 40 years. It should be noted that the last 3 years have all been within the top 7 water diversion years. The 2019 average water delivery to the farm turnout was 10.8" per irrigation acre compared to 12" in 2018 and 14.7" in 2017.

District Expansion:

In November 2018 the Board placed a Moratorium on the District accepting any more applications for irrigation acres (water rights) so that an assessment could be completed of the received application locations and the District infrastructure capability of water delivery to those areas. The Board has completed this review and letters of denial or approval with conditions have been issued. In consideration of the 2010 Plebiscite expansion approval, and District's improved efficiency with less amount of return flow, the Board will now determine how many expansion irrigation acres may be available at this time.

In 2019, the District had a net addition of 3,518.6 irrigation acres to the Assessment Roll with an expected increase of approximately 4,300 irrigation acres in 2020.

Automation & Control Structures:

During 2019, the District hired consultants to review the status of most of the concrete control structures and the state of automation on various structures. The resulting information is being used to plan maintenance or replacement of these structures and automation upgrades, as required to be completed over the coming years. Some of this work is planned to be completed in time for the 2020 irrigation season.

Water Conservation:

It is imperative that the District and all water users evaluate and make improvements to systems and infrastructure in a continuing effort to conserve water and use it as efficiently as possible. To help achieve improvement to our water conservation, it is extremely important that all water users cooperate by placing water orders for turn-ons and turn-offs at least 24 hours in advance, which will assist your Water District Supervisor with better control and management of water within the District.

On-Farm Water Storage:

Each year the District is receiving more requests to commence water delivery earlier and to leave the water on longer. When attempting to accommodate these requests, the District must monitor the weather forecasts and consider the costly effects to District infrastructure with sudden cold temperature changes and possible snowfall. All water users must appreciate the time it takes to start-up by flushing the District water delivery system and likewise the time that is required to drain the system at the end of each water season. These processes are not achieved in only a couple of days.

Additional on-farm water storage could help the individual water user and the District, thereby permitting the water user to start irrigation sooner or irrigate longer each season, as required. Likewise, feedlot operators that increase their feeding capacity in the off-season, must consider the additional water supply that will be required, especially if we have a warmer, drier and windy winter season, thereby increasing evaporation losses.

Staffing:

During 2019, the District encountered a few staff changes:

- On March 1st, Garth Fischer was promoted to the position of Water Master West as well as becoming the Water District Supervisor for the newly formed Nobleford Unit.
- Adam Turuk was the Water District Supervisor-Macleod during the period of March 25th to September 25th.
- On April 1st, Mike McCloud was promoted to Assistant Water Master – West and transferred from the Turin Unit to become the Water District Supervisor for the Park Lake Unit.
- On April 1st, Dustin Gillies was transferred from the Park Lake Unit to become the Water District Supervisor of the Turin Unit.
- On July 2nd, Anita Wickersham was hired as Manager – Finance & Administration to replace Lawrence McCune who retired on July 31st. We wish Lawrence and Lori many happy years of retirement together.
- On July 18th, Jenna Waters, Payroll & Benefits left employment. On September 17th, Jennifer Dyck was hired on a reduced hourly wage basis to fulfill the responsibilities of this position.
- On October 18th, Stephen Van Essen, District Engineer left employment and was replaced by Trent Webster on December 2nd.
- On October 28th, Brent Smith, Manager – Engineering & Operations left employment. A replacement for this position has not been hired.

I would like to thank the Board of Directors for their continued commitment to improving the District and for the support that they provide for management and staff. I would also like to thank all staff for their continued commitment to improving the operations and efficiency of the District.

On behalf of the District water users and staff, I would like to also thank the staff of Alberta Environment & Parks and Alberta Agriculture & Forestry for their assistance that they provided to the District during 2019.

Respectfully submitted

Alan Harrold
General Manager

DISTRICT ENGINEER'S REPORT



**Trent Webster, P. Eng.
District Engineer**

I started with the Lethbridge Northern Irrigation District (LNID) December 2, 2019, therefore missed most (11/12^{ths}) of the 2019 year. This report was based on a review of the LNID's project file records, and discussions with those who were involved directly with the project activities. Just happy to be here.

The Engineering Department is tasked with designing and monitoring construction projects. This includes rehabilitation of existing irrigation works, expansion projects, future planning, and providing technical support for operations and maintenance.

The Alberta Government provided funding for infrastructure rehabilitation in 2019 through the Irrigation Rehabilitation Program (IRP). Under this program the Provincial Government funds 75% of the cost of approved projects, with the remaining 25% contributed from the District. The 2019 contribution (received in 2020) from the Province was \$1,529,362. The District's contribution (made in 2020) of \$509,787 brought the total contribution to the IRP Cost-Sharing account to \$2,039,149.

The LNID maintains an Irrigation Works Reserve (IWR), which is used to fund the majority of construction projects. This account is funded primarily from District capital assessments and budget allocations. Contributions from the landowners benefitting from projects also help extend the amount of capital work that can be accomplished in the District.

Thank you to all who have been involved in the implementation of District projects. Each project improves water delivery to District water users and increases the efficiency of the District as a whole. The District appreciates the assistance of the Provincial Government and landowners in the cost sharing of these works.

2019 IRRIGATION WORKS RESERVE PROGRAM (IWR)

IWR #916 KEHO BARONS UPGRADE SECTIONS 25 of 12-24-4; 30, 31, 32 of 12-23-4

This multi-year project is intended to improve the reliability of the Keho Barons pipeline system through upgraded cross drains, new isolation valves and replacement of turnout risers. The 2019 (second project year) expenditures equaled \$155,561, with \$532,592 spent to date from an overall \$1,100,000 budget.

IWR #912 LATERAL 61C (Meadowscape – Subdivision)
SW15-9-22-4

This water conveyance project involved the installation of a 54 inch “Weholite” open piping to replace an existing portion of Lateral 61C canal, for a new subdivision development. This work was substantially completed in December 2019, for a total project cost to date of \$504,908. Inlet trash rack, handrails and site harrowing remain to be completed for 2020.



IWR #905 LATERAL K1 North
SECTIONS 7, 18, 19, 30 of 12-19-4; 12, 13, of 12-20-4

This project had two (2) major components; one (1) was a return-flow open pipeline to the Little Bow River, and the other was a gravity closed pipeline servicing seven (7) parcels consisting of 756 acres near Turin. The final reach of the Lateral K1 canal was piped, and spill capacity was upgraded. Contractors and LNID crews completed the work in the spring of 2019. The 2019 Lateral K1 North expenditure was \$927,585 for a total project cost of \$1,818,204. Below is the Lateral K1 pond and pipe inlet screener, with some gravel to spread, taken February 28, 2020.



IWR #918 LATERAL B6

SECTIONS 34, 35, 36 of 9-23-4; 2, 3, 4, 5, 7, 8, 9, 18 of 10-23-4; 12, 13 of 10-24-4

This project services 2,551 acres surrounding Monarch by a buried PVC pipeline. The inlet is in the Monarch Branch Canal in NE 13-10-24-4, and the pipeline incorporates the system previously serviced by the Lateral B6 pump station in SE 03-10-23-4. Substantial completion was obtained in the spring of 2019, with expenditures to date equaling \$5,949,704, with a revised \$6,000,000 budget. Some project cleanup activities will continue into 2020.



IWR #919 LATERAL G11 / G12

SECTIONS 14, 20, 21, 22, 23, 24, 25, 27, 28, 33, 34 of 12-21-4; 3, 4 of 13-21-4

This project grew from the previously proposed IWR #925 Lateral G11 into the combined IWR #919 Lateral G11/G12 project; which will deliver water to 2,859 irrigated acres (up from 953 acres in the Lateral G11 project alone) in 2020 with a closed pipeline. The Lateral G11 irrigation acres were previously serviced by the Albion Drain. The Lateral G12 portion of the project was mostly installed prior to December 31, 2019, with the Lateral G11 portion being completed in 2020. Expenditures on the project in 2019 were \$3,211,719, with a total 2019/2020 project budget of \$7,000,000.

The new Larsen Reservoir outlet structure is shown below, photo taken March 5, 2020.

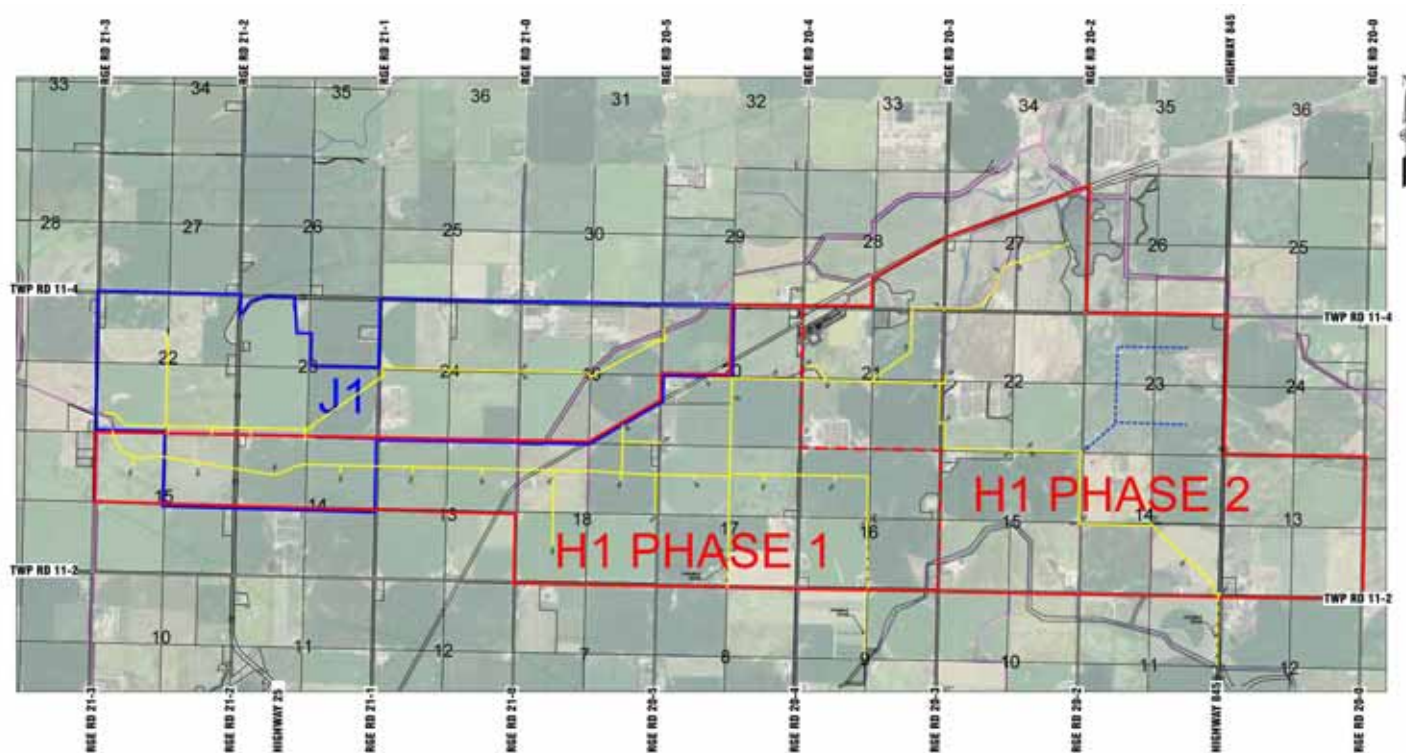


2020 PROPOSED IRRIGATION REHABILITATION PROGRAM (IRP)

IRP #2335 LATERAL H1 LNID PROJECT #371-08 SECTIONS 17, 18, 19, 20-11-20-4; 13, 14, 15-11-21-4 (Phase 1) SECTIONS 13, 14, 15, 16, 21, 22, 23, 27, 28-11-20-4 (Phase 2)

Planning is under way for the Lateral H1 gravity pipeline, with 3,178 acres out of 5,938 total acres to be installed in 2020, shown below. The acreage is expected to increase somewhat following initial landowner consultations with the Land Agent and District Engineer. This project will remove deliveries from the Lateral 62J (Turin Dropline) including the existing Laterals J6, J7, J9A, J9B and J12 concrete and earthen channels. The currently proposed Lateral J1 is also shown, however it will not be built until 2021 or later. The budget for Lateral H1 is \$16,000,000 spread over two (2) construction seasons.

There are 15,690 metres of concrete ditches and 9,942 metres of earthen ditches within the Lateral H1 project area to be removed. The canal removal is anticipated to free up 64 acres of future irrigated lands, when assuming 10 metres of canal width as typical.



The construction projects undertaken in 2019 were primarily completed by LNID labour and equipment. The District wishes to acknowledge the contractors who assisted the LNID as well. The District appreciates everyone's efforts this past year and looks forward to another construction season.

Trent Webster, P. Eng.
District Engineer

IRRIGATION REHABILITATION PROGRAM

EXPENDITURES FROM IRRIGATION REHABILITATION PROGRAM (IRP)
DECEMBER 31, 2019

PROJECT NUMBER	PROJECT NAME	TOTAL TO DEC. 31/18	2019 EXPENDITURES	TOTAL TO DEC. 31/19
369-08/2302 370-08/2330	Completed Capital Project Costs	\$ 133,112,652		\$ 133,112,652
	Lateral H9	7,474,034	39,352	7,513,386
	Lateral B9	2,380,029	16,582	2,396,611
Write-Off of Irrigation Works			(1,954,625)	(1,954,625)
		\$ 142,966,715	\$ (1,898,691)	\$ 141,068,024

The following is a summary of the Alberta Government and District contributions to the IRP over the past five (5) years:

	2015	2016	2017	2018	2019*
Government Grant 75%	\$ 2,067,418	\$ 2,076,151	\$ 2,082,255	\$ 1,536,631	\$ 1,529,362
LNID 25%	689,139	692,050	694,085	512,210	509,787
TOTAL	\$ 2,756,557	\$ 2,768,201	\$ 2,776,340	\$ 2,048,841	\$ 2,039,149

* For the 2019 year, the Alberta Government funds were received subsequent to year end at which time the District contributions were made.

PROPOSED IRP 3 YEAR PLAN

YEAR	PROJECT	BUDGET
2020	Lateral B9 Pipeline (Nobleford)	\$ 104,000
	Lateral H1 Pipeline Phase 1 (Picture Butte)	8,000,000
	Lateral J1 Pipeline (Picture Butte)	400,000
2021	Lateral H1 Pipeline Phase 1 (Picture Butte)	\$ 4,000,000
	Lateral H1 Pipeline Phase 2 (Picture Butte)	3,500,000
	Lateral J1 Pipeline (Picture Butte)	3,000,000
2022	Lateral H1 Pipeline Phase 2 (Picture Butte)	\$ 500,000
	Lateral J1 Pipeline (Picture Butte)	500,000

IRRIGATION WORKS RESERVE

EXPENDITURES FROM IRRIGATION WORKS RESERVE (IWR) PROGRAM DECEMBER 31, 2019

PROJECT NUMBER	PROJECT NAME	TOTAL TO DEC. 31/18	2019 EXPENDITURES	TOTAL TO DEC. 31/19
	Completed Capital Project Costs	\$ 39,244,787		\$ 39,244,787
905-08	Lateral K1 North	890,619	\$ 927,585	1,818,204
907-04	Lateral C2	328,081	1,721	329,802
912-08	Lateral 61C Meadowscares		504,908	504,908
916-08	Keho Barons Upgrade	377,031	155,561	532,592
918-08	Lateral B6	1,456,297	4,493,407	5,949,704
919-08	Lateral G11 & G12		3,211,719	3,211,719
986-08	Lateral B1/B3	1,577,359	21,454	1,598,813
	Sale of Land		(35)	(35)
	Write-Off of Irrigation Works		(131,685)	(131,685)
		\$ 43,874,174	\$ 9,184,635	\$ 53,058,809

The following is a summary of IRP and IWR Expenditures over the past five (5) years:

Funding Type	2015	2016	2017	2018	2019
Alberta (IRP) Cost-Sharing	\$ 4,983,136	\$ 4,347,718	\$ 6,349,404	\$ 739,332	\$ 55,933
District (IWR)	4,505,437	2,364,373	735,633	3,524,268	9,316,354
TOTAL	\$ 9,488,573	\$ 6,712,091	\$ 7,085,037	\$ 4,263,600	\$ 9,372,287

SEEPAGE CONTROL PLAN

A Seepage Control Plan for the years 2019-2024 (inclusive) was filed with Irrigation Secretariat on December 31, 2018, which included the following seepage control projects to be addressed over the next five (5) years:

Project	Scheduled	Proposed Rehabilitation	Status
Project 1 Lateral B9 NE 9, Section 16, NE 17, SE, NW & NE 20, Section 21, SW 22, SW 28 of 10-23-4;	2017	Pipeline	Complete
Project 2 Lateral B6 N ½ 34-9-23-4, S ½ 3, Sections 4, 5, SE & NW 7, S ½ 8, SW 9, S ½ 18 of 10-23-4; NE 12, E ½ 13 of 10-24-4;	2018	Pipeline	Complete
Project 3 Lateral K1 North Sections 17, 18, 19, S ½ 30 of 12-19-4;	2018	Pipeline	Complete
Project 4 Lateral H1 Phase 1 Section 18, SE, SW & NW 19 of 11-20-4; N ½ 13, N ½ 14, NE 15, SE, NW & NE 22, S ½ 23, Section 24 of 11-21-4;	2019	Pipeline	Pending
Project 5 Lateral H1 Phase 2 Sections 13, 14, 15, 16, 17, SE, SW & NE 20, Sections 21, 22, 23, SE, SW & NE 27, SE 28 of 11-20-4;	2020	Pipeline	Pending

OPERATIONS & MAINTENANCE REPORT

Ryan Chogi, Water Master East
Garth Fischer, Water Master West
Brett Schafer, Construction & Maintenance Foreman

Alberta Environment & Parks began water diversion from the Oldman River Headworks on April 29, 2019. The main gates were closed on October 10, 2019.

The Board of Directors allocated 12.0" of water for the 2019 water season. This was re-evaluated in June 2019 and was raised to 17.5" for the remainder of the season.

New infrastructure was added to the District's system, Lateral B6 pipeline, Lateral K1 pipeline, and the Keho Barons upgrade project which included the replacement of twenty-two (22) risers and the enlargement of a Keho Barons drain line which will reduce the amount of time it will take to drain the main lines. All of this work should help with the added water demands in these project areas.

Rainfall in July 2019, resulted in Alberta Environment & Parks decreasing the flow of water. On August 6, 2019 a wind and hail storm moved through the far east part of the District which decreased flow even more. The District was running 750 cfs, down to 200 cfs within a 48 hour time frame. That was very challenging because half the District in the east was devastated by the storm and other parts of the District did not experience any storm event. There were numerous pivots toppled over and many water users were unable to get their systems up and running again for the remainder of the season. This storm brought severe hail, there was damage to buildings and infrastructure. Lethbridge Northern Irrigation District (LNID) staff controlled the water well and the District did not sustain any major damage.

A lot of the District was seeded a second time for forage crops and some alfalfa crops were cut multiple times. LNID Management and staff strongly encourage landowners who plan these practices to expand their water storage or construct new storage ponds in strategic locations allowing for early and late irrigation. Those water users with specialty crops should also consider this as well. Feed yards could benefit from having larger reservoirs as they expand their operations. A cold late spring may delay the start-up of the District and these practices will help.

In order to control water flow through-out the District it is important to order water on and off with plenty of lead time especially with ditches being replaced by pipelines. The District is encouraging water conservation, as the level of water fluctuates yearly, this is becoming increasingly important.

Please go to the LNID Website (www.lnid.ca) to confirm the name of the Water District Supervisor and contact information for each of the District Units.

SYSTEM WATER DELIVERY SUMMARY FOR 2019

WATER SUPERVISOR UNITS	ASSESSED ACRES	OTHER USE AC.FT.	WATER DELIVERED AC.FT.
Albion	27,692	1,535	24,152
Battersea	22,153	1,154	21,049
Butte	6,351	730	6,619
Macleod	20,257	1,147	18,098
Monarch/Keho	27,052	3,639	23,164
Nobleford	12,413	1,109	11,052
Park Lake	25,869	2,014	22,450
Piyami	29,451	2,061	30,257
Turin	19,520	1,046	14,445
Total Assessed Acres:	190,758	Total Water Delivered:	171,286 ac.ft.
		Total Other Use Volume:	14,435 ac.ft.
		Return Flow & Losses:	21,365 ac.ft.
		Total Water Diverted:	207,086 ac.ft.
		Average Irrigation (Inches):	10.8

Maintenance

DESCRIPTION	2019
Canal Cleaning	10 km
Canal Erosion / Sloughing Repair	500 m
Canal & Access Roads Graveling	7 km
Canal & Access Roads Grading	89 km
Canal Banks Mowing	95 km
Canal Banks Weed Spraying	90 km
Aquatic Weed Control	20 km
Pipeline Repairs (Air Vents)	22
Pipeline Repairs (Valves)	8
Pipeline Repairs (Pipe Leaks)	4
Replacement of Road Crossings	1
Repairs to Gates & Hoists	3
Repairs to Pumps	2
Repairs / Maintenance to Water Meters	10
Repairs / Maintenance to Hydrometric Stations	1
Screener Rehabilitation	1

Precipitation Recorded

PRECIPITATION FOR 2019 (mm)				
MONTH	AGCM Fort Macleod Station	AGCM Barons Station	IMCIN Lethbridge Demo Farm Station	IMCIN Iron Springs Station
APRIL	4.5	2.9	3.4	15.0
MAY	47.0	51.5	51.4	51.0
JUNE	52.7	19.7	19.4	25.6
JULY	19.1	54.1	44.7	33.5
AUGUST	41.6	53.8	27.0	47.1
SEPTEMBER	40.7	47.3	49.3	55.0
OCTOBER	17.8	9.4	14.2	12.7
Total	223.4	238.7	209.4	239.9

Weed Control

TYPE	2019 (litres)	WEEDS SPRAYED
Start-Up	720	Non-Selective
Oracle	520	Broadleaf
MCPA	740	Broadleaf
Magnacide H	2,206	Aquatics

CROP CLASSIFICATION INFORMATION

WEST

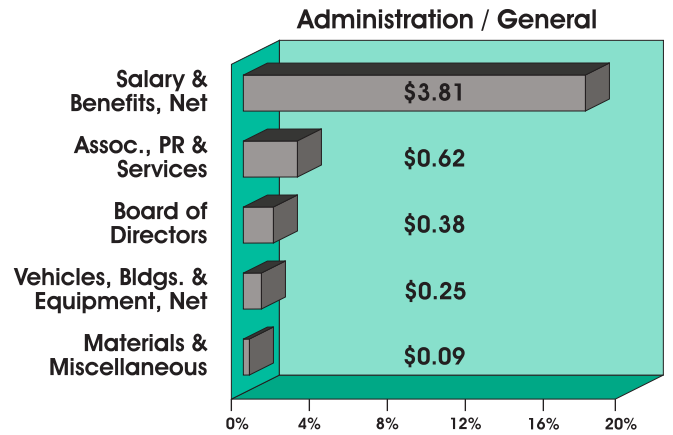
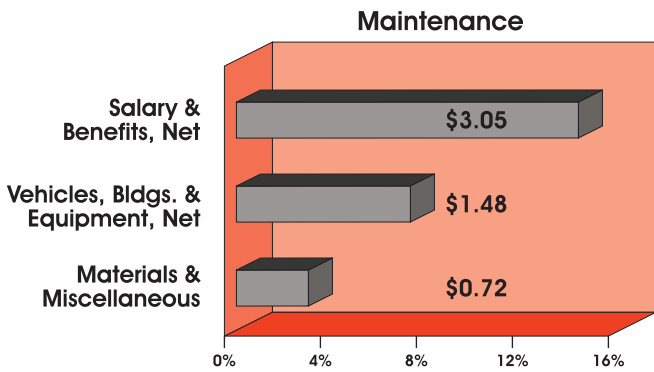
CROP TYPE	MACLEOD	MONARCH/KEHO	NOBLEFORD	PARK LAKE	PIYAMI
- CEREALS -					
Barley	2,143	1,965	2,441	2,959	4,808
CPS Wheat	129	140		236	
Durum Wheat	385	930	273	99	3,237
Hard Spring Wheat	86	133	279	544	
Oats	250	78		225	
Soft Wheat	1,324	255	103		
Triticale		139		1,189	
Miscellaneous	238			230	
Subtotal of Cereals	4,555	3,640	3,096	5,482	8,045
- FORAGE -					
Alfalfa Hay	1,100	2,049	1,863	705	1,304
Alfalfa Silage	2,317	3,832	397	2,429	2,822
Barley Silage	2,555	3,979	2,458	6,743	5,945
Brome Hay		100		142	
Corn Silage	645	979	1,216	2,970	6,227
Grass Hay	1,078	478	335	518	1,215
Native Pasture			30		
Tame Pasture	621	371	90	920	165
Timothy Hay	3,688	501	357	116	
Miscellaneous				76	
Subtotal of Forage	12,004	12,289	6,746	14,619	17,678
- OILS -					
Canola	2,751	6,773	2,084	3,605	2,440
Flax	221	571			
Hyola					
Mustard					
Subtotal of Oils	2,972	7,344	2,084	3,605	2,440
- OTHER -					
Dry Peas	135	159		80	308
Hemp				1,037	756
Market Gardens				38	
Nursery					7
Potato		302			
Sugar Beets				378	
Turf Sod		13		262	185
Miscellaneous	591	3,305	487	368	32
Subtotal of Other	726	3,779	487	2,163	1,288
TOTAL	20,257	27,052	12,413	25,869	29,451

EAST

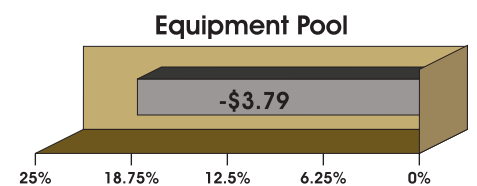
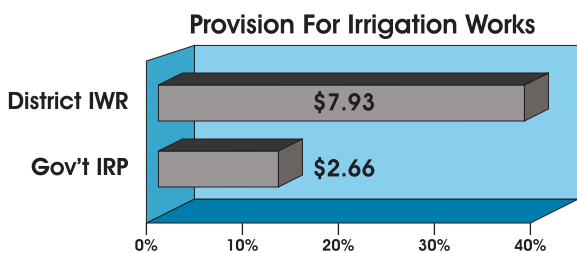
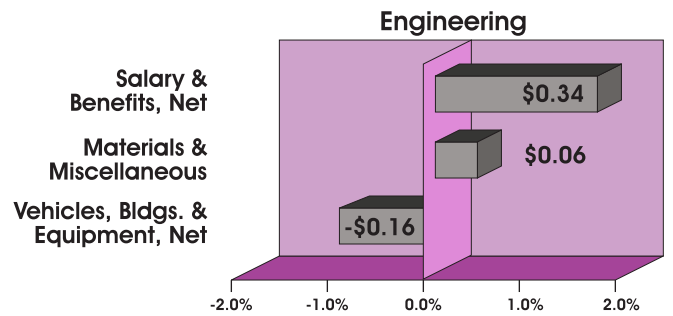
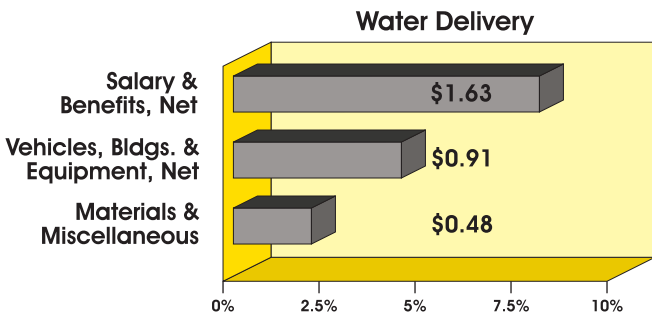
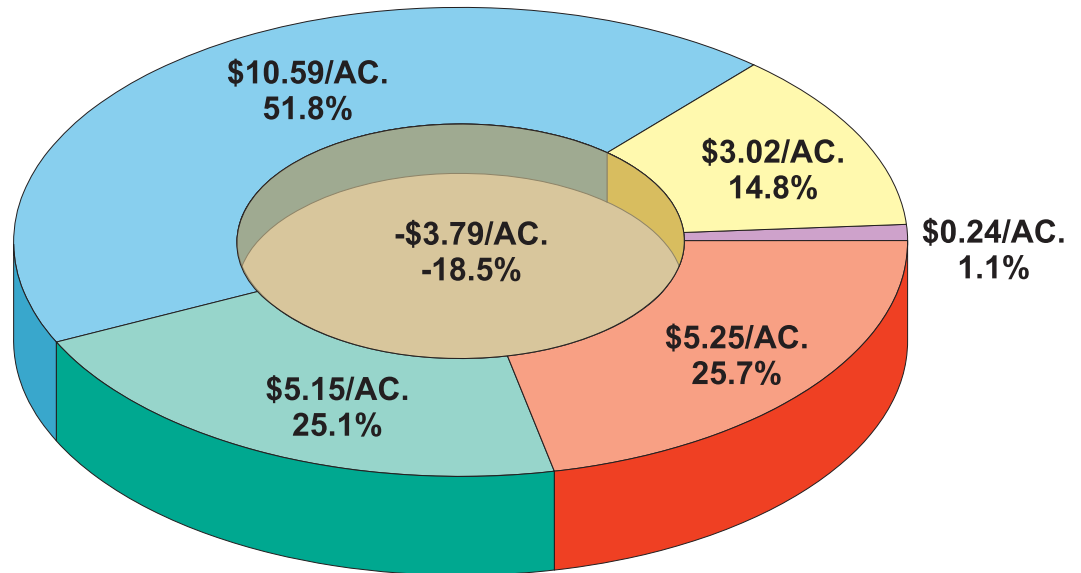
CROP TYPE	ALBION	BATTERSEA	BUTTE	TURIN	TOTAL
- CEREALS -					
Barley	954	409	700	1,783	18,162
CPS Wheat					505
Durum Wheat	2,872	287		1,268	9,351
Hard Spring Wheat	314	1,541	101		2,998
Oats					553
Soft Wheat	3,847	3,326	154	316	9,325
Triticale		153			1,481
Miscellaneous		1,608	145	149	2,370
Subtotal of Cereals	7,987	7,324	1,100	3,516	44,745
- FORAGE -					
Alfalfa Hay	1,385	659	309	1,599	10,973
Alfalfa Silage	2,609	2,260	349	1,509	18,524
Barley Silage	5,756	1,865	475	2,845	32,621
Brome Hay		92	68		402
Corn Silage	5,524	3,575	1,751	5,259	28,146
Grass Hay	394	1,644		651	6,313
Native Pasture				214	244
Tame Pasture	173	658		980	3,978
Timothy Hay	75	152		150	5,039
Miscellaneous					76
Subtotal of Forage	15,916	10,905	2,952	13,207	106,316
- OILS -					
Canola	2,477	1,944	2,000	2,086	26,160
Flax				66	858
Hyola					0
Mustard					0
Subtotal of Oils	2,477	1,944	2,000	2,152	27,018
- OTHER -					
Dry Peas	132				814
Hemp				148	1,941
Market Gardens	10				48
Nursery					7
Potato		888		156	1,346
Sugar Beets	1,040	576	259	157	2,410
Turf Sod		361			821
Miscellaneous	130	155	40	184	5,292
Subtotal of Other	1,312	1,980	299	645	12,679
TOTAL	27,692	22,153	6,351	19,520	190,758

OPERATIONAL COST / ACRE

Based on Total of Classified, Terminable, and Annual Agreement Acres Assessed (191,546.3 Acres)

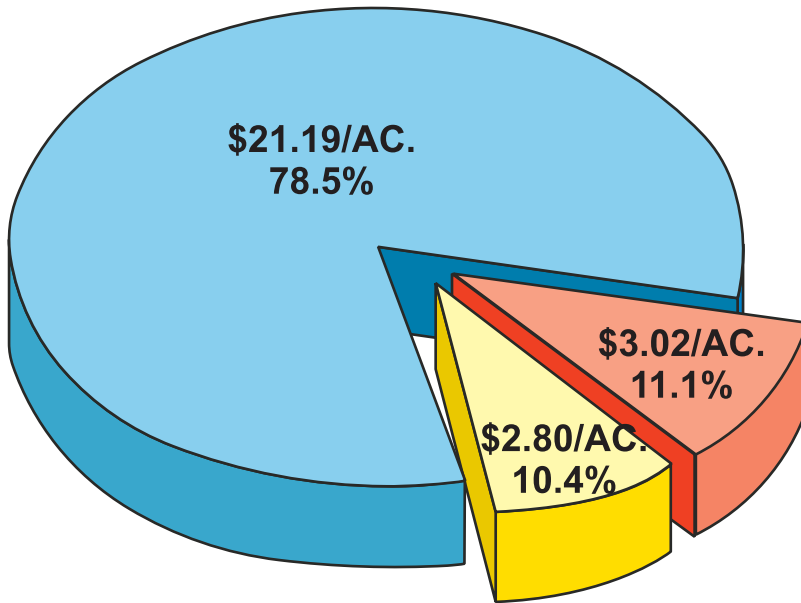


Provision	\$10.59
Maintenance	5.25
Admin. / General	5.15
Water Delivery	3.02
Engineering	0.24
Equipment Pool	-3.79
Cost / Acre	<u>\$20.46</u>

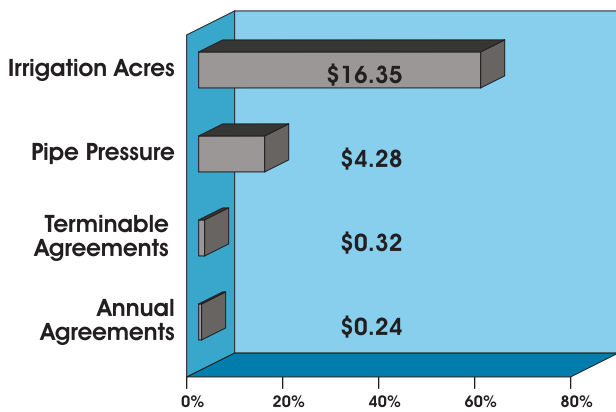


NET REVENUE / ACRE

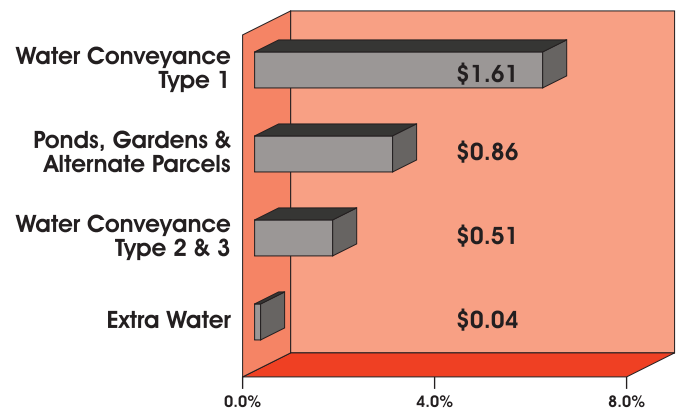
Based on Total of Classified, Terminable, and Annual Agreement Acres Assessed (191,546.3 Acres)



Irrigation Rates, Net

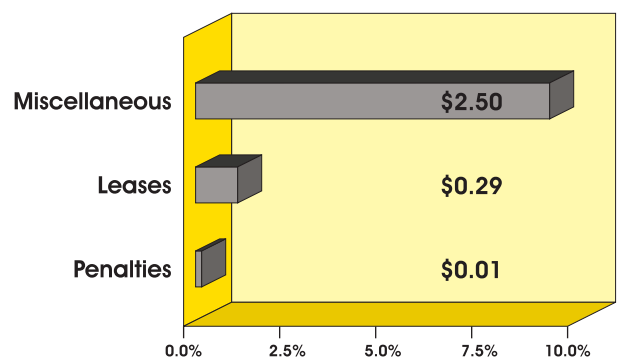


Water Agreements



Irrigation Rates, Net of Discounts	\$21.19
Water Agreements	3.02
Miscellaneous Income	<u>2.80</u>
Operating Revenue	27.01
Less: District Expense	<u>-20.46</u>
Surplus	<u>\$6.55</u>

Miscellaneous Income



ASSESSED ACRES	2018	2019
Irrigation Acres	184,863.8	188,465.0
Terminable Water Agreements - Dryland Parcels	400.0	328.0
Terminable Water Agreements - Restricted	2,005.4	1,965.4
Subtotal	187,269.2	190,758.4
Annual Irrigation	715.4	787.9
TOTAL ASSESSED ACRES	187,984.6	191,546.3

IRRIGATION ACRE EXPANSION				
YEAR	ACRES APPLIED	ACRES APPROVED	ACRES WITHDRAWN	ADDED TO THE DISTRICT
2010	2,534.5	1,729.5	1,121.0	143.5
2011	1,866.8	1,478.8	311.0	37.6
2012	4,442.5	1,771.5	2,573.9	1,544.9
2013	428.1	415.6	0.0	1,514.8
2014	731.0	731.0	0.0	721.5
2015	259.8	259.8	0.0	259.8
2016	2,667.9	2,667.9	0.0	2,569.9
2017	2,095.4	2,095.4	25.1	2,070.3
2018	9,495.9	4,965.9	0.0	2,783.2
2019	13,316.4	8,361.4	1,695.0	3,518.6
TOTAL	37,838.3	24,476.8	5,726.0	15,164.1

PARCELS ADDED TO THE DISTRICT IN 2019							
SW	20-12-19-4	SW	23-10-24-4	SE	18-11-24-4	NE	11-10-26-4
NW	19-10-23-4	NW	24-10-24-4	SW	18-11-24-4	SE	11-10-26-4
SE	30-10-23-4	NE	34-10-24-4	SW	01-11-25-4		
SW	30-10-23-4	SE	34-10-24-4	SW	12-11-25-4		

Year	Water Sent Through LNID Diversion by Alberta Environment (ac.ft.) *(includes other licences)	Percent of Total Licences	Return Flow Vol (ac.ft.)
1980	133,767	38.7%	
1981	132,956	38.5%	
1982	142,685	41.3%	
1983	153,224	44.4%	
1984	177,545	51.4%	
1985	184,031	53.3%	
1986	182,159	52.7%	
1987	181,934	52.7%	
1988	222,936	64.5%	
1989	198,789	57.5%	
1990	191,899	55.6%	
1991	184,737	53.5%	
1992	136,925	39.6%	
1993	61,753	17.9%	
1994	179,663	52.0%	
1995	110,114	31.9%	
1996	206,206	59.7%	
1997	188,378	54.5%	
1998	157,758	45.7%	
1999	196,906	57.0%	
2000	263,413	76.3%	
2001	308,236	89.2%	
2002	112,143	32.5%	
2003	201,812	58.4%	
2004	166,276	48.1%	~ 49,000
2005	134,088	38.8%	~ 45,000
2006	165,752	48.0%	~ 54,000
2007	238,332	69.0%	~ 52,000
2008	175,412	50.8%	~ 44,000
2009	179,945	52.1%	~ 44,000
2010	71,950	20.8%	~ 24,000
2011	132,388	38.3%	28,500
2012	176,683	51.1%	23,050
2013	135,613	39.3%	25,017
2014	120,097	34.8%	22,225
2015	197,000	57.0%	27,220
2016	206,730	59.8%	28,640
2017	266,723	77.2%	26,370
2018	223,918	64.8%	20,040
2019	207,086	59.9%	21,365
Total of LNID Licences	334,450.0 ac.ft.		
Total of Private Licences	10,988.8 ac.ft.		
Total of All Licences	345,438.8 ac.ft.		

CLEAN + DRAIN + DRY YOUR BOAT



motor prop bilge live-wells axle bunks trailer rollers hull dock-lines bait bucket anchor prop

Props, boats and natural ecosystems can be ruined by zebra mussels and other aquatic invasive species. Take a few simple steps to preserve our lakes and fisheries: **CLEAN** off the plants and debris, **DRAIN** bilges and ballast, and **DRY** any wet areas of your boat.



ZEBRA MUSSELS



2.0 cm

QUAGGA MUSSELS



2.5 cm

EURASIAN WATERMILFOIL



DON'T LET THEM CATCH A RIDE

STOP AQUATIC HITCHHIKERS

TO REPORT INVASIVE SPECIES:
1-855-336-BOAT (2628)
esrd.alberta.ca



FINANCIAL STATEMENTS

**Anita Wickersham, CPA, CMA
Manager - Finance & Administration**



DECEMBER 31, 2019

Independent Auditors' Report

Statement of Financial Position

Statement of Operations and Fund Balances

Statement of Cash Flows

Notes to the Financial Statements

Schedule of Operating Expenses

Schedule of Irrigation Works Capital Expenditures



KPMG LLP
500, 400-4th Avenue South
Lethbridge AB T1J 4E1
Canada
Tel 403-380-5700
Fax 403-380-5760

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Lethbridge Northern Irrigation District

Opinion

We have audited the accompanying financial statements of Lethbridge Northern Irrigation District (the "District"), which comprise:

- the statement of financial position as at December 31, 2019
- the statement of operations and fund balances for the year then ended
- the statement of cash flows for the year then ended
- and notes and schedules to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the District as at December 31, 2019, and its results of operations, and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the District in accordance with the ethical requirements that are relevant to our audit of the 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.



Other Information

Management is responsible for the other information. Other information comprises:

- the information, other than the financial statements and the auditors' report thereon, included in the *Annual Report*. The *Annual Report* is expected to be made available to us after the date of the auditors' report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

When we read the *Annual Report*, if we conclude that there is a material misstatement of this other information, we are required to report the matter to those charged with governance.

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.



As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the District's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the District to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represents the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants

Lethbridge, Canada

March 5, 2020

**LETHBRIDGE NORTHERN IRRIGATION DISTRICT
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2019**

	GENERAL OPERATIONS	IRRIGATION WORKS	2019 TOTAL	2018 TOTAL
CURRENT ASSETS				
Cash	\$ 4,413,188	\$ 228,329	\$ 4,641,517	\$ 1,278,716
Short term investments (Note 3)	5,497,124	452,616	5,949,740	9,091,796
Short term accrued interest receivables	-	-	-	282,203
Accounts receivable (Note 4)	53,122	1,616,613	1,669,735	90,376
Prepaid expenses and deposits	246,252	-	246,252	243,095
Inventory	515,782	-	515,782	618,564
Due from general operations	-	7,811,760	7,811,760	8,465,853
	<u>10,725,468</u>	<u>10,109,318</u>	<u>20,834,786</u>	<u>20,070,603</u>
Long term investments (Note 5)	-	23,950,703	23,950,703	18,292,587
Capital assets (Note 8)	2,591,796	115,704,730	118,296,526	114,459,765
	<u>\$ 13,317,264</u>	<u>\$ 149,764,751</u>	<u>\$ 163,082,015</u>	<u>\$ 152,822,955</u>
CURRENT LIABILITIES				
Accounts payable and accrued liabilities (Note 7)	\$ 390,240	\$ 400,567	\$ 790,807	\$ 660,389
Deferred revenue (Note 13)	102,584	-	102,584	217,110
Construction costs and holdbacks payable (Note 14)	-	32,847	32,847	16,070
Water right deposits (Note 15)	-	6,167,454	6,167,454	4,075,971
Construction contributions and other deposits (Note 15)	-	721,640	721,640	219,442
Due to irrigation works	7,811,760	-	7,811,760	8,465,853
	<u>8,304,584</u>	<u>7,322,508</u>	<u>15,627,092</u>	<u>13,654,835</u>
FUND BALANCES				
Capital (Note 8)	2,591,796	115,704,730	118,296,526	114,459,765
General Fund operating (Note 10)	2,420,884	-	2,420,884	940,155
Irrigation Works Fund: (Note 9)				
District Irrigation Works fund	-	31,691,030	31,691,030	30,235,670
Alberta (IRP) Cost-Sharing	-	(5,453,532)	(5,453,532)	(6,927,032)
District pump fund	-	500,015	500,015	459,562
	<u>5,012,680</u>	<u>142,442,243</u>	<u>147,454,923</u>	<u>139,168,120</u>
	<u>\$ 13,317,264</u>	<u>\$ 149,764,751</u>	<u>\$ 163,082,015</u>	<u>\$ 152,822,955</u>

The accompanying notes and supporting schedules are an integral part of these financial statements.

COMMITMENTS (Note 16)

**LETHBRIDGE NORTHERN IRRIGATION DISTRICT
STATEMENT OF OPERATIONS AND FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2019**

	GENERAL OPERATIONS	IRRIGATION WORKS	2019 TOTAL	2018 TOTAL
REVENUE				
Water earnings:				
Irrigation rates (Note 11)	\$ 4,153,253	\$ -	\$ 4,153,253	\$ 3,865,301
Conveyance of excess and domestic water	578,277	-	578,277	531,441
Penalties	2,136	-	2,136	5,642
	<u>4,733,666</u>	<u>-</u>	<u>4,733,666</u>	<u>4,402,384</u>
Less: Discounts	95,095	-	95,095	90,154
	<u>4,638,571</u>	<u>-</u>	<u>4,638,571</u>	<u>4,312,230</u>
Lease revenue, net	55,889	-	55,889	58,738
Interest earnings	134,095	-	134,095	102,463
Miscellaneous	344,837	-	344,837	335,964
Pump fund revenues (Note 9)	-	448,742	448,742	578,647
Irrigation works fund revenues (Note 9)	-	8,624,369	8,624,369	7,183,976
Unrealized gain (loss) on financial instruments	-	1,787,483	1,787,483	(1,242,369)
	<u>5,173,392</u>	<u>10,860,594</u>	<u>16,033,986</u>	<u>11,329,649</u>
EXPENSES				
Operating expenses (Schedule 1)	1,888,740	-	1,888,740	2,591,103
Pump fund expenses (Note 9)	-	408,289	408,289	532,173
Consulting fees (recovered), net (Note 9)	-	(17,681)	(17,681)	(234,686)
Cost of land and buildings sold (Note 8)	-	35	35	4,813
Amortization of irrigation works (Note 8)	-	4,612,316	4,612,316	4,500,813
Write off of irrigation works (Note 8)	-	698,144	698,144	214,221
Non-capital irrigation works expenses (Note 9)	-	157,340	157,340	240,411
	<u>1,888,740</u>	<u>5,858,443</u>	<u>7,747,183</u>	<u>7,848,848</u>
Excess of revenue over expenses	3,284,652	5,002,151	8,286,803	3,480,801
Interfund transfer - Provision for irrigation works	(2,028,954)	2,028,954	-	-
Fund surplus	1,255,698	7,031,105	8,286,803	3,480,801
Fund balances, beginning of year	3,756,982	135,411,138	139,168,120	135,687,319
Fund balances, end of year	<u>\$ 5,012,680</u>	<u>\$ 142,442,243</u>	<u>\$ 147,454,923</u>	<u>\$ 139,168,120</u>

The accompanying notes and supporting schedules are an integral part of these financial statements.

**LETHBRIDGE NORTHERN IRRIGATION DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>GENERAL OPERATIONS</u>	<u>IRRIGATION WORKS</u>	<u>2019 TOTAL</u>	<u>2018 TOTAL</u>
Cash provided by (used for) the following activities:				
Operating activities:				
Excess of revenue over expenses	\$ 3,284,652	\$ 5,002,151	\$ 8,286,803	\$ 3,480,801
Items not involving cash:				
Unrealized (gain) loss on financial instruments	-	(1,787,483)	(1,787,483)	1,242,369
Amortization (Note 8, Schedule 1)	469,613	4,612,316	5,081,929	4,972,307
Loss (gain) on disposal of capital assets	13,731	-	13,731	(1,438)
Loss (gain) on disposal of land and building	-	35	35	4,813
Write off of irrigation works (Note 8)	-	698,144	698,144	214,221
	<u>3,767,996</u>	<u>8,525,163</u>	<u>12,293,159</u>	<u>9,913,073</u>
Change in non-cash working capital balances:				
Accounts receivable	(20,520)	(1,558,839)	(1,579,359)	125,680
Prepaid expenses and deposits	(3,157)	-	(3,157)	(3,248)
Inventory	(116,084)	218,866	102,782	(218,105)
Accounts payable and accrued liabilities	(20,812)	151,230	130,418	(21,115)
Construction costs and holdbacks payable	-	16,777	16,777	(118,230)
Deferred revenue	(31,726)	(82,800)	(114,526)	107,556
Water right deposits	-	2,091,483	2,091,483	4,068,821
Construction contributions and other deposits	-	502,197	502,197	143,787
Due to irrigation works / from general operations	(654,093)	654,093	-	-
	<u>(846,392)</u>	<u>1,993,007</u>	<u>1,146,615</u>	<u>4,085,146</u>
Investing activities:				
Accrued interest receivable	-	282,203	282,203	39,339
Purchase of capital assets	(272,525)	-	(272,525)	(422,042)
Proceeds from disposal of capital assets	14,212	-	14,212	121,821
Additions to irrigation works	-	(9,372,287)	(9,372,287)	(4,263,600)
Decrease in investments	-	(3,870,632)	(3,870,632)	(7,958,526)
	<u>(258,313)</u>	<u>(12,960,716)</u>	<u>(13,219,029)</u>	<u>(12,483,008)</u>
Interfund transfers:				
Provision for irrigation works	(2,028,954)	2,028,954	-	-
Increase (decrease) in cash and cash equivalents	634,337	(413,592)	220,745	1,515,211
Cash and cash equivalents, beginning of year	9,275,975	1,094,537	10,370,512	8,855,301
Cash and cash equivalents, end of year	<u>\$ 9,910,312</u>	<u>\$ 680,945</u>	<u>\$ 10,591,257</u>	<u>\$ 10,370,512</u>
Cash and cash equivalents comprise:				
Cash	\$ 4,413,188	\$ 228,329	\$ 4,641,517	\$ 1,278,716
Short term investments	5,497,124	452,616	5,949,740	9,091,796
	<u>\$ 9,910,312</u>	<u>\$ 680,945</u>	<u>\$ 10,591,257</u>	<u>\$ 10,370,512</u>

The accompanying notes and supporting schedules are an integral part of these financial statements.

LETHBRIDGE NORTHERN IRRIGATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

Note 1 Purpose of the Organization

The Lethbridge Northern Irrigation District (hereinafter referred to as the "District") is charged with the responsibility of efficient and economical distribution of water to users in the District and operates as a Not-for-Profit Organization under the Irrigation Districts Act, Chapter I-11, Revised Statutes of Alberta 2000.

The District is part of the Alberta Crown, listed as a tax-exempt Government of Alberta agency, and included in the Province's constitutional tax immunity. As a result, the District pays no income taxes or goods and services tax on purchases, but is still required to collect and remit goods and services tax on services provided.

Note 2 Significant Accounting Policies and Reporting Practices

The financial statements have been prepared using Canadian Accounting Standards for Not-for-Profit Organizations and follow the restricted fund method of accounting for contributions. Significant accounting policies include:

a) Fund Accounting:

The activities of the District have been disclosed as two distinct funds - the General Operations Fund and the Irrigation Works Fund:

General Operations Fund - Discloses the water management and delivery operations of the District, as well as certain special projects as designated by the Board of Directors from time to time. The General Operations Fund includes management of equipment and personnel, the costs of which are billed to the Irrigation Works Fund to the extent they relate to construction activities.

Irrigation Works Fund - Discloses receipts and expenses for new irrigation works and interest earned on such monies. Costs incurred in constructing new irrigation works and in replacing and rehabilitating existing structures are provided for from this fund. The Province of Alberta contributes to Irrigation Rehabilitation Program (IRP) projects 75% of the expenses and the District contributes 25%.

b) Cash and Cash Equivalents:

Cash and cash equivalents include cash on hand and short-term deposits which are highly liquid with original maturities of less than three months at the date of acquisition.

c) Inventory:

Materials and supplies are valued at the lower of cost and replacement cost with cost determined by the first-in, first-out method.

d) Revenue Recognition:

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

All other revenue is recognized in the appropriate fund when earned.

e) Capital Assets:

Property and equipment are recorded at cost. Amortization of equipment is provided using the declining balance method at rates intended to amortize the cost of these assets over their estimated useful lives. The annual rates are as follows:

Computer	25%	Power	15%
Automotive	20%	Other	10%

Irrigation works assets are recorded at cost to the District. Items capitalized include the cost of easements and right-of-ways purchased. Irrigation works and buildings are amortized on a straight-line basis over their estimated average useful lives of 40 years.

f) Financial Instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently measured at cost or amortized cost, unless management has elected to carry the instruments at fair value. The District has not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs. These costs are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the District determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the District expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial impairment charge.

g) Use of Estimates:

The preparation of the financial statements in conformity with Canadian Accounting Standards for Not-For-Profit Organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include the carrying amounts of capital assets and provisions for impairment of trade accounts receivable. Actual results could differ from those estimates.

h) Pension:

The District participates in the Local Authorities Pension Plan (LAPP). This pension plan is a multi-employer defined benefit pension plan that provides pensions for the District's participating employees, based on years of service and earnings.

The District does not have sufficient plan information on the LAPP to follow the standards for defined benefit accounting, and therefore follows the standards for defined contribution accounting. Accordingly, pension expenses recorded for the LAPP are comprised of employer contributions to the plan that are required for its employees during the year, which are calculated based on actuarially predetermined amounts that are expected to provide the plan's future benefits.

Note 3 Short Term Investments

Short term investments are held in Notice Demand Accounts (funds are available with 31, 60 and 90 days notice) and high interest savings accounts:

General Operations:	2019	2018
ATB Notice Demand Accounts		
31 days @ 2.30% (2018 @ 2.30%)	\$ 1,282,655	\$ 1,014,270
60 days @ 2.40% (2018 @ 2.40%)	1,078,168	3,058,238
90 days @ 2.50% (2018 @ 2.50%)	3,136,301	4,077,707
	5,497,124	8,150,215
 Irrigation Works:		
ATB Notice Demand Accounts (Pump Fund)		
90 days @ 2.50% (2018 @ 2.50%)	432,297	421,634
 ATB High Interest Savings		
Dec. 31, 2019 @ 1.85% (2018 @ 1.75%)	20,319	19,948
 RBC Dominion Securities provincial bonds matured in 2019.	-	499,999
	452,616	941,581
 Total Short Term Investments	\$ 5,949,740	\$ 9,091,796

Note 4 Accounts Receivable

General Operations:	<u>2019</u>	<u>2018</u>
Water rates and charges	\$ 50,503	\$ 30,796
Other	2,619	1,806
	<u>53,122</u>	<u>32,602</u>
Irrigation Works:		
Construction contribution charges	4,375	43,914
Water rights charges	57,552	13,860
Pump surcharges	25,324	-
Contributions - Alberta Agriculture & Forestry	1,529,362	-
	<u>1,616,613</u>	<u>57,774</u>
Total Accounts Receivable	<u>\$ 1,669,735</u>	<u>\$ 90,376</u>

Note 5 Long Term Investments

Long term investments are comprised of fixed income investments including government-backed provincial issue strip bonds and other bonds and equity investments that trade in active markets. The fair value of investments is determined by the published price quotations.

Investments consist of the following:

	<u>2019</u>	<u>2018</u>
Equity Investments:		
RBC Dominion Securities, at fair value	\$ 4,733,355	\$ 3,066,455
ATB Investor Services, at fair value	17,165,554	13,843,503
Fixed Income:		
RBC Dominion Securities, 1.74% to 6.40% bonds, maturities from 2020 to 2041, at amortized cost	2,051,794	1,382,629
Total Long Term Investments	<u>\$ 23,950,703</u>	<u>\$ 18,292,587</u>

Note 6 Loan

The District has a credit facility with ATB Financial to help finance operations. In accordance with By-Law #575-2018, the prevailing rate of interest is set by ATB Financial and is authorized to a maximum of \$5,000,000 (2018 - \$5,000,000). The actual interest rate floats at 0.25% below the bank prime interest rate and the amount outstanding as at December 31, 2019 was \$ Nil (2018 - \$ Nil). The ATB Financial prime interest rate was 3.95% on December 31, 2019 (2018 - 3.95%).

Note 7 Accounts Payable and Accrued Liabilities

Included in accounts payable are outstanding government remittances payable of \$57,716 (2018 - \$47,375).

Note 8 Capital Assets

a) General Operations:	2019			2018
	Cost	Amortization	Net	Net
Computer	\$ 302,875	\$ 216,101	\$ 86,774	\$ 26,293
Automotive	1,500,539	971,565	528,974	513,405
Power	3,470,149	1,766,221	1,703,928	2,001,294
Other	759,063	486,943	272,120	275,835
	<u>6,032,626</u>	<u>3,440,830</u>	<u>2,591,796</u>	<u>2,816,827</u>
b) Irrigation Works:				
Completed irrigation works	189,663,816	77,604,868	112,058,948	107,909,571
Buildings	3,590,177	817,233	2,772,944	2,860,494
Land	872,838	-	872,838	872,873
	<u>194,126,831</u>	<u>78,422,101</u>	<u>115,704,730</u>	<u>111,642,938</u>
Total Capital Assets	<u>\$ 200,159,457</u>	<u>\$ 81,862,931</u>	<u>\$ 118,296,526</u>	<u>\$ 114,459,765</u>

Irrigation Works:	2019	2018
Irrigation works, beginning of year	\$ 186,840,888	\$ 184,001,802
Additions to irrigation works	<u>9,372,287</u>	<u>4,263,600</u>
	<u>196,213,175</u>	<u>188,265,402</u>
Deduct:		
Cost of land and building sold	35	4,813
Cost of irrigation works written off	<u>2,086,309</u>	<u>1,419,701</u>
	<u>2,086,344</u>	<u>1,424,514</u>
Irrigation works, end of year	<u>194,126,831</u>	<u>186,840,888</u>
Amortization of irrigation works, beginning year	<u>75,197,950</u>	<u>71,902,616</u>
Current year amortization	<u>4,612,316</u>	<u>4,500,813</u>
Deduct:		
Amortization on projects written off	<u>1,388,165</u>	<u>1,205,479</u>
Amortization of irrigation works	<u>3,224,151</u>	<u>3,295,334</u>
Amortization of irrigation works, end of year	<u>78,422,101</u>	<u>75,197,950</u>
Irrigation Works, net book value	<u>\$ 115,704,730</u>	<u>\$ 111,642,938</u>

The changes in the fund balance, invested in capital assets, reflects the same changes as above. Irrigation works that were not available for use were not amortized in 2019 and amount to \$3,716,627 (2018 - \$2,346,916). In 2019, various projects that have since been replaced with new works were written off. The net book value of \$56,720 for IRP projects and \$641,424 for IWR projects were written off, for a total of \$698,144 (2018 - \$214,221).

Note 9 Fund Balances

- a) The future use of a portion of the District's funds has been allocated to the following areas by restrictions made by the Board of Directors:

District Irrigation Works fund – Monies to be used for irrigation works additions and rehabilitation are internally restricted and include the District's 25% commitment to Province of Alberta Cost-Sharing projects.

Pump fund – Monies collected annually from the Keho East and Keho/Barons Irrigation Projects water users and the Piyami Canal Rehabilitation Project water users, for pump maintenance and future pump replacement.

- b) Funds received from Alberta Agriculture and Forestry are externally restricted, must be used for specific cost-shared irrigation projects, and are included in the Alberta (IRP) Cost-Sharing fund. The amount for the 2019 funding agreement has been included in accounts receivable at December 31, 2019. The 2019 agreement requires the District to deposit \$509,787 into the District's cost sharing account upon receipt of notification of the deposit of the Provincial contribution. The notification was received on February 19, 2020.

Irrigation Works Fund:

	2019			2018
	District	Alberta (IRP) Cost-Sharing	Total	Total
Fund balance, beginning of year	\$ 30,235,670	\$ (6,927,032)	\$ 23,308,638	\$ 18,407,579
Add:				
Contributions received from Alberta Agriculture and Forestry	48,750	1,529,362	1,578,112	1,538,622
Interest earnings and realized gains	668,871	71	668,942	892,192
Contributions for new parcels and irrigation works	711,840	-	711,840	689,755
Proceeds from sale of irrigation works	5,665,475	-	5,665,475	4,063,407
Total Irrigation Works Fund revenues	7,094,936	1,529,433	8,624,369	7,183,976
Unrealized gain (loss) on investments	1,787,483	-	1,787,483	(1,242,369)
Interfund transfers	2,028,954	-	2,028,954	3,228,777
Total additions	10,911,373	1,529,433	12,440,806	9,170,384
	41,147,043	(5,397,599)	35,749,444	27,577,963
Deduct:				
Additions to irrigation works, Schedule 2	9,316,354	55,933	9,372,287	4,263,600
Consulting fees (recovered), net	(17,681)	-	(17,681)	(234,686)
Other expenses from Irrigation Works Fund	157,340	-	157,340	240,411
Total deductions	9,456,013	55,933	9,511,946	4,269,325
Fund balance, end of year	\$ 31,691,030	\$ (5,453,532)	\$ 26,237,498	\$ 23,308,638

Pump Fund:

	2019				2018
	Keho East	Keho/Barons	Piyami	Total	Total
Fund balance, beginning of year	\$ 48,171	\$ 325,858	\$ 85,533	\$ 459,562	\$ 413,088
Add:					
Assessments - pump and electrical	147,165	212,502	80,105	439,772	566,407
Investment income	324	6,915	1,731	8,970	7,437
Penalties	-	-	-	-	4,803
Total additions	147,489	219,417	81,836	448,742	578,647
	195,660	545,275	167,369	908,304	991,735
Deduct:					
Electrical	131,322	201,263	68,918	401,503	528,325
Maintenance	4,999	1,679	108	6,786	3,848
Total deductions	136,321	202,942	69,026	408,289	532,173
Fund balance, end of year	\$ 59,339	\$ 342,333	\$ 98,343	\$ 500,015	\$ 459,562

Note 10 General Operations Fund

a) General Fund operating:	2019	2018
General Fund operating, beginning of year	\$ 940,155	\$ 1,780,806
Adjustments to capital assets, net	225,031	169,834
Revenue over expenses allocated	3,284,652	2,218,292
Transfer to irrigation works fund from general operations	(2,028,954)	(3,228,777)
General Fund operating, end of year	\$ 2,420,884	\$ 940,155
b) The General Operations Fund is comprised of:	2019	2018
General Fund operating	\$ 2,420,884	\$ 940,155
General Fund capital	2,591,796	2,816,827
Total	\$ 5,012,680	\$ 3,756,982

Note 11 Irrigation Rates

		<u>2019</u>	<u>2018</u>
187,403.6	irrigation acres @ \$17.00/acre (2018 – 183,778.4 ac. @ \$16.00)	\$ 3,185,861	\$ 2,940,454
1,061.4	irrigation acres – 78 parcels @ \$510.00/parcel minimum (2018 – 1,085.4 ac. – 79 parcels @ \$480.00)	39,780	37,920
273.0	dryland terminable acres @ \$26.00/acre (2018 – 345.0 ac. @ \$25.00)	7,098	8,625
55.0	dryland terminable acres – 4 parcels @ \$510.00/parcel minimum (2018 – 55.0 ac. – 4 parcels @ \$480.00)	2,040	1,920
1,941.8	restricted terminable acres @ \$26.00/acre (2018 – 1,981.8 ac. @ \$25.00)	50,486	49,545
23.6	restricted terminable acres – 2 parcels @ \$510.00/parcel minimum (2018 – 23.6 ac. – 2 parcels @ \$480.00)	1,020	960
-	pipeline pressure delivery charge	<u>821,043</u>	<u>785,819</u>
<u>190,758.4</u>	(2018 – 187,269.2)	4,107,328	3,825,243
	Less: reclassification credits & rebates	<u>170</u>	<u>164</u>
		<u>4,107,158</u>	<u>3,825,079</u>
	Add: annual agreements		
580.0	annual acres @ \$52.50/acre (2018 – 489.7 ac. @ \$50.00)	30,450	24,485
207.9	annual acres – 28 parcels @ \$525.00/parcel minimum (2018 – 225.7 ac. – 30 parcels @ \$500.00)	14,700	15,000
-	pipeline pressure delivery charge	<u>945</u>	<u>737</u>
<u>787.9</u>	(2018 – 715.4)	<u>46,095</u>	<u>40,222</u>
<u><u>191,546.3</u></u>	(2018 – 187,984.6)	<u><u>\$ 4,153,253</u></u>	<u><u>\$ 3,865,301</u></u>

Note 12 Local Authorities Pension Plan (LAPP)

The District is required to make current service contributions to the LAPP of 9.39% (2018 - 10.39%) of pensionable earnings up to the Canada Pension Plan Years' Maximum Pensionable Earnings and 13.84% (2018 - 14.84%) for the excess. The employee contributions are based on rates of 8.39% (2018 - 9.39%) and 12.84% (2018 - 13.84%) respectively.

Total current service contributions by the District to the LAPP in 2019 were \$195,590 (2018 - \$210,974). Total current service contributions by the District employees in 2019 were \$176,868 (2018 - \$192,508).

At December 31, 2018, the LAPP served about 265,813 people (2017 - 259,714) and 421 employers (2017 - 420) and it disclosed an actuarial surplus of \$3.47 billion (2017 - surplus of \$4.84 billion).

Note 13 Deferred Revenue

General Operations:	<u>2019</u>	<u>2018</u>
Prepaid water fees	<u>\$ 102,584</u>	<u>\$ 134,310</u>
	<u>102,584</u>	<u>134,310</u>
Irrigation Works:		
Sale of Land	-	13,500
Water Access Fee	-	<u>69,300</u>
	-	<u>82,800</u>
Total Deferred Revenue	<u>\$ 102,584</u>	<u>\$ 217,110</u>

Note 14 Construction Costs and Holdbacks Payable

This liability consists of accounts and holdbacks payable for work undertaken pursuant to the cost-sharing agreement with the Province of Alberta and for District Irrigation Works projects.

Note 15 Water Right Deposits and Construction Contribution and Other Deposits

During 2019, the District received deposits related to capital assets (water rights) for the Barons West 2 Pump Station and for expansion acres (2018 - deposits related to expansion acres). The deposits will be recognized as revenue in the Irrigation Works Fund, as proceeds from sale of irrigation works, when all the conditions are met and the parcels are added to the assessment rolls. In addition, the District received deposits during 2019 and 2018 related to construction contributions and other deposits for capital projects scheduled to commence in subsequent years.

Note 16 Commitments

The District has no commitments as at December 31, 2019 (2018 - \$460,114), in respect of uncompleted work and supply of materials under contract.

Note 17 Financial Risks and Concentration of Risks

a) Credit Risk:

Credit risk associated with cash and short term deposits is minimized substantially by ensuring that these financial assets are placed with government-backed instruments and well-capitalized financial institutions.

The District does not have significant exposure to risk from any individual customer. The Irrigation Districts Act provides a mechanism to recover non-payment of capital construction contributions, irrigation rates, surcharges and capital assets (water rights). The amounts receivable from Alberta Agriculture and Forestry as at December 31, 2019 in the amount of \$1,529,362 were received subsequent to year end. There has been no change to the risk exposure from 2018.

b) Currency Risk:

The District is exposed to currency risk as its investment portfolio includes investments in foreign equities. The risk associated is reduced as the District invests in foreign content according to its investment policy. There has been no change to the risk exposure from 2018.

c) 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. Changes in market interest rates may have an effect on the cash flows associated with some financial assets, known as cash flow risk, and on the fair value of other financial assets, known as price risk.

The District is exposed to interest rate risk on its fixed interest rate financial instruments as a result of investments in bonds. Fixed interest instruments subject the District to a fair value risk, however the risk associated is reduced to a minimum since these assets are mainly in government securities.

The fair value risk of the long term investments is managed and mitigated in the Board's opinion by investing in a variety of risk based investments. Provincial issue strip bonds and high interest savings accounts are used to reduce the risk of the overall portfolio. Marketable securities are also invested in an attempt to increase the portfolio's overall return. There has been no change to the risk exposure from 2018.

d) Liquidity Risk:

Liquidity risk is the risk that the District will not be able to meet its obligations as they become due. The District's approach to managing liquidity risk is to ensure that it always has sufficient cash and credit facilities to meet its operating requirements. There has been no change to the risk exposure from 2018.

Note 18 Comparative Information

Certain comparative information has been reclassified to conform with the financial statement presentation adopted in the current year.

Note 19 Approval of Financial Statements

These financial statements were prepared and approved by management.

**LETHBRIDGE NORTHERN IRRIGATION DISTRICT
SCHEDULE OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019**

Schedule 1

	2019					2018
	EQUIPMENT POOL	MAINTENANCE OF IRRIGATION WORKS	WATER DELIVERY	ENGINEERING	ADMINISTRATION AND GENERAL	TOTAL
Salaries and wages	\$ 498,070	\$ 748,300	\$ 231,276	\$ 439,394	\$ 716,526	\$ 2,408,511
Equipment expense	235,531	200,631	162,046	10,613	5,746	609,972
Employee benefits	77,746	118,115	81,557	85,538	134,066	487,542
Amortization of equipment	360,531	67,976	1,680	23,847	15,579	471,494
Materials and supplies	3,757	104,332	2,173	2,282	8,675	256,029
Vegetation, weed and pest control	-	18,589	78,512	-	-	97,101
Board of Directors fees and expenses	-	-	-	-	73,584	77,132
Association fees and dues	-	-	-	784	58,903	55,887
Buildings and grounds	9,246	9,238	2,413	18,224	18,224	63,439
Equipment rental	928	50,733	844	286	1,167	90,211
Contracted services	-	-	580	9,842	21,104	25,220
Telephone	959	3,834	5,989	7,227	5,715	23,334
Pumps and control structures	-	8,662	12,233	-	-	69,290
Professional fees	-	-	-	-	20,786	39,860
Advertising and public relations	-	119	-	199	14,375	14,770
Staff training and conferences	1,536	1,578	-	490	2,359	6,570
Travel	9	727	50	1,602	2,673	4,437
Insurance	-	-	-	-	3,881	20,050
Crop and flood damage	-	3,690	-	-	-	3,930
Interest and bank charges	-	-	-	-	1,035	1,357
Easement rental	-	586	-	-	-	586
(Gain) loss on disposal of equipment	3,639	6,965	466	1,993	668	(1,438)
Miscellaneous	1,136	160	44	260	3,837	4,241
Recoveries:						
Equipment	(1,836,944)	(56,400)	-	(97,198)	(1,890)	(1,391,592)
Labour (including benefits)	(61,610)	(269,597)	-	(451,698)	(80,319)	(786,041)
Custom work	(21,019)	(13,046)	-	(8,409)	(39,940)	(65,771)
Pumps	-	-	(1,860)	-	-	(32,766)
Total 2019	\$ (726,485)	\$ 1,005,192	\$ 578,003	\$ 45,276	\$ 986,754	\$ 1,888,740
Total 2018	\$ (327,552)	\$ 1,276,867	\$ 674,987	\$ (2,720)	\$ 969,521	\$ 2,591,103

**LETHBRIDGE NORTHERN IRRIGATION DISTRICT
SCHEDULE OF IRRIGATION WORKS CAPITAL EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>DISTRICT</u>	<u>ALBERTA (IRP) COST-SHARING</u>	<u>2019 TOTAL</u>	<u>2018 TOTAL</u>
External Goods and Services				
Materials and supplies	\$ 4,841,938	\$ 4,549	\$ 4,846,487	\$ 1,614,436
Contract services			-	
Construction	1,568,831	17,428	1,586,259	277,384
Engineering	80,632	-	80,632	24,853
Land acquisition costs	14,743	7,438	22,181	55,087
Internal (District) Goods and Services				
Labour recoveries (including benefits)				
Engineering	446,308	2,073	448,381	529,800
Construction	325,919	4,990	330,909	276,449
Right-of-way	60,672	10,302	70,974	83,547
Equipment recoveries	1,977,311	9,153	1,986,464	1,402,044
Totals 2019	<u>\$ 9,316,354</u>	<u>\$ 55,933</u>	<u>\$ 9,372,287</u>	
Totals 2018	<u>\$ 3,524,268</u>	<u>\$ 739,332</u>		<u>\$ 4,263,600</u>

LETHBRIDGE NORTHERN IRRIGATION DISTRICT

2019 ANNUAL GENERAL MEETING

PICTURE BUTTE COMMUNITY CENTRE

APRIL 22, 2020

1:30 P.M.

A G E N D A

1. Call to Order
2. Introduction of Guests
3. Moment of Silence
4. Agenda Approval
5. Minutes of the 2018 Annual General Meeting
6. Business Arising from the Minutes
7. Chairman's Report
8. General Manager's Report
9. District Engineer's Report
10. Operations & Maintenance Report
11. Financial Report
12. Other Business Arising from the Reports
13. New Business
14. Location for Next Meeting
15. Adjournment
16. Coffee and Doughnuts
(Courtesy of RBC Dominion Securities Inc.)

FRIDAY, APRIL 12, 2019

The 2018 Annual General Meeting was held on Friday, April 12, 2019 at the Picture Butte Elks Hall, Picture Butte, Alberta, commencing at 1:30 p.m.

PRESENT

25 Water Users, **5** Board members representing the Water Users and **12** LNID staff. In addition, the following attended: **Irrigation Council:** Anne Marie Philipsen; **Irrigation Secretariat:** Jennifer Nitschelm; **Alberta Irrigation Districts Association (AIDA):** Vicky Kress; **Alberta Agriculture & Forestry:** Charmaine Bonifacio; **ATB Financial:** Deb Chapman; **ATB Wealth Inc.:** Sherry Davis; **KPMG LLP:** Dan Bosters; **MPE Engineering Ltd.:** Kevin Whittmire; **RBC Dominion Securities:** Leroy Pavan.

CALL TO ORDER

Klaas Slomp, Chairman of the Board, called the meeting to order at 1:35 p.m. and introduced the Board of Directors and guests in attendance.

MOMENT OF SILENCE

Klaas Slomp asked that all in attendance observe a moment of silence for those who have passed away.

AGENDA APPROVAL

John Vandenberg, Vice Chairman of the Board, asked for any additions/deletions/changes to the agenda. There were none.

Motion by Evert Van Essen, seconded by Wilfred Scholten to adopt the agenda as presented.

CARRIED

MINUTES OF 2017 ANNUAL GENERAL MEETING

John Vandenberg asked if there were any errors or omissions. There were none.

Motion by Ed Schuld, seconded by Evert Van Essen to approve the Minutes of the 2017 - 97th, Annual General Meeting as presented.

CARRIED

BUSINESS ARISING OUT OF MINUTES

John Vandenberg called for any business arising out of 2017 Minutes: No items were raised.

CHAIRMAN'S REPORT

John Vandenberg introduced Klaas Slomp, Chairman of the Board. K. Slomp presented the Chairman's Report, which included information on Snow Levels, Storage Reservoirs, Aquatic Invasive Species, Alberta Irrigation Districts Association (AIDA) and Board Elections, etc.

K. Slomp, asked for questions arising from the Chairman's report. There were none.

Motion by Klaas Slomp, seconded by Wilfred Scholten to adopt the Chairman's Report as presented. **CARRIED**

GENERAL MANAGER'S REPORT

Brian Nauta, Board Member Division 5, introduced A.L. Harrold, General Manager. A.L. Harrold, presented the General Manager's Report.

A.L. Harrold presented details of Water Conservation, District Expansion, Automation & Control Structures, Storage, Staffing and the outlook for the future.

A.L. Harrold asked for questions arising from the General Manager's Report.

- ❖ Evert Van Essen stated that the Board has a Moratorium on water right applications. He asked how many acres are available and can landowners add acres to existing irrigation acre parcels.

A.L. Harrold stated that the Board placed a Moratorium on accepting new applications for water rights on November 6, 2018. Since then District staff and consultants have reviewed infrastructure capacity limitations in specific areas of the District. The District cleaned the silt out of the Albion Canal to determine how many expansion acres could be added before the Canal reached the Full Supply Level (FSL). He stated that the majority of expansion has been along the Alberta Environment & Parks (AEP) Main Canal. A.L. Harrold stated that the majority of the District's pipelines were built using the District's Pipeline Design Flow Rate of 80% of water users on at one time. In the past two (2) years dry conditions have made it very taxing for the District to supply the demand of greater than 80% of water users wanting to irrigate out of pipeline at the same time. He stated that landowners have had to utilize the District's practice of being able to transfer portions of water allotments to other parcels. To help alleviate this shortage the Board increased the Pipeline Design Flow Rate when designing pipelines on September 18, 2018 to 90% of water users irrigating at one time.

- ❖ E. Van Essen asked how many expansion acres are available for a Water Licence.

A.L. Harrold stated that there are no irrigation acres (water rights) available. Prior to the Moratorium, the Board approved *Water Right Applications* for expansion acres to be added in 2019 and 2020. In consideration of the irrigation acres status of the District, the Board has denied all remaining *Water Right Applications* in the District that have not received an approval commitment from the Board.

A.L. Harrold stated that in the near future, *Conditional Approval Letters of Offer* will be sent to landowners of specific parcels of land on the Albion Canal where the Board has determined that a limited infrastructure capacity for expansion does exist. The only parcels of land that will be issued these letters will be a select few parcels that were sent a *Letter of Denial*. These landowners will be provided with a *Letter of Approval* stating various conditions to accept and comply with in order to purchase water rights within a specified time line.

A.L. Harrold stated that the District plebiscite in 2010, allowed for two (2) phases of 25,000 acres expansion. The first phase brings the irrigation acres to a total of 202,000. The second, which will be in increments of 5,000 acres, would bring the total irrigation acres on the District's Assessment Roll to 227,000. To add all of the already approved *Water Right Applications* will bring the total on the Assessment Roll near, if not over, the Phase 1, 202,000 acre limit.

A.L. Harrold stated that the approval of each block of 5,000 acre expansion in Phase 2 is dependent on the District achieving, as set by By-Law, a specified five (5) year rolling average of recorded return flow totals for the entire District.

A.L. Harrold stated that the Board has yet to make the decision as to setting aside a quantity of irrigation acres for rehabilitation, seepage reclamation and existing irrigation parcel intensification.

- ❖ Ed Schuld asked if a landowner has an existing parcel with 110 irrigation acres, is it possible to increase those acres to 150.

A.L. Harrold stated the Moratorium applies to these acres. The Board has yet to decide if it will set aside acres for that purpose. The only expansion not covered by the Moratorium, is a volume of water set aside for expanding a feedlot, or access to the District's Water Licence for other use purpose.

- ❖ Evert Van Essen asked how long the Moratorium would be in place.

A.L. Harrold stated that the Board is reviewing the situation on an on-going basis. There is a lot of information to review and consider, but the hope is that a decision about the Moratorium will be made some time this year 2019.

Water Turn-On Date:

A.L. Harrold stated that the District has received inquiries as to the water turn-on date. He stated that the District is working with Alberta Environment & Parks (AEP) to divert water for the District in order that water will be available for the majority of landowners on May 1, 2019.

A.L. Harrold stated that as of yesterday, April 11, 2019, the Oldman River Dam storage was at 50%. The Board has looked at the worst case scenario and has decided that the Allocation for 2019 will be set initially at 12.0 inches per acre of irrigation. The Board will review the Allocation on a monthly basis and amend the Resolution as conditions warrant.

A.L. Harrold stated that landowners can trade Allocation inches from parcel to parcel and also between neighbours. There is no charge for this trade, but all landowners involved must attend the office to sign the necessary documents for the trade. The District then adjusts its District Data Information Tool (DDIT) records for Water District Supervisor use in the control of water allocation for each parcel of land.

- ❖ Ed Schuld asked if a water user is renting land, is it possible to transfer Allocation inches from their own land.

A.L. Harrold stated if both landowners agree, they must attend the District Office to sign the necessary documents.

- ❖ Hank Bergen-Henengouwen asked how accurate the DDIT system is to recording how much water is used.

A.L. Harrold stated that the District has done its best to keep track of system flow and how much is allowed on each parcel of land. The District is starting to be confronted with landowners trying to irrigate with multiple systems, (e.g. primary system and wheel moves) which the District infrastructure was not designed to handle. This is taking water away from someone else on the system.

A.L. Harrold stated that the District is talking to landowners concerning this practice.

Rate Increases:

A.L. Harrold stated that the Board has approved an increase of \$1 per acre to the *Annual Irrigation Water Rate* bringing it to \$17 per acre. The *Pressure Rate* has been increased from \$0.30/psi/acre to \$0.31/psi/acre.

A.L. Harrold stated that *Domestic Water Agreements* and *Household Purposes-Garden Agreements* have increased due to the benefits of water being delivered. *Domestic Water Agreements* are now at \$425 for 3 acre-feet, and *Household Purposes-Garden Agreements* are \$300 for 1 acre-foot.

A.L. Harrold stated for those individuals purchasing water rights the *Capital Assets Charge/Addition of Land* is now set at \$2,000 per acre. The *Capital Charge/Access Fee* (Water Conveyance Agreements - Type 3) has been set at \$1,900 per acre-foot of water. This is a one-time fee.

- ❖ Wilfred Scholten asked how much these fees were before the increase.

A.L. Harrold stated that the *Addition of Land* fee was \$1,600 per acre and the *Access Fee* was \$1,500 per acre-foot.

A.L. Harrold stated that it is time to realize that the District is dealing with a limited number of irrigation acres available. There is a marked difference between dryland and irrigated land values. He stated that the Board reviewed what other irrigation districts are charging. All monies received from the sale of irrigation acres (water rights) are put into the District *Irrigation Works Reserve (IWR)* to invest into upgrading its infrastructure. A.L. Harrold stated that the IRP funding is continuing to decrease and there may not be any Government funding in the future.

Motion by A.L. Harrold, seconded by Evert Van Essen to adopt the General Manager's Report as presented. **CARRIED**

DISTRICT ENGINEER'S REPORT

Brain Nauta introduced Stephen Van Essen, District Engineer. S. Van Essen thanked B. Nauta for the introduction. S. Van Essen, presented the District Engineer's Report.

S. Van Essen asked for any questions arising from the report. There were none.

Motion by S. Van Essen, seconded by Evert Van Essen to adopt the District Engineer's Report as presented. **CARRIED**

OPERATIONS & MAINTENANCE REPORT

Martin Van Diemen, Board Member Division 2, introduced Ryan Chogi, Water Master East – Butte, who presented the Operations and Maintenance Report.

R. Chogi asked for any questions arising from the Report. There were none.

Motion by R. Chogi, seconded by Ed Schuld to adopt the Operations & Maintenance Report as presented. **CARRIED**

FINANCIAL REPORT

Peter Bos, Board Member Division 1, introduced Lawrence McCune, Finance Manager, who presented the Financial Statements. L. McCune stated that KPMG LLP have audited the District's Financial Statements and found them to present fairly, in all material respects, the financial position of the District as at December 31, 2018 and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

L. McCune asked if there were any questions arising from the report. There were none.

Motion by L. McCune, seconded by Hank Bergen-Henengouwen to adopt the Financial Statements as presented. **CARRIED**

OTHER BUSINESS ARISING FROM THE REPORTS

Klaas Slomp asked if there was any other business arising from the reports presented.

- ❖ Ed Schuld stated that on the District's Website there is a notice stating that there is no hunting allowed on District property. He stated that there are District ditches inundated with gophers.

K. Slomp stated that the District is not going to stop landowners from ridding ditches of gophers. He stated that the District is trying to discourage unlawful entry on to water users' and District land.

NEW BUSINESS

Klaas Slomp asked if there was any new business.

- ❖ Evert Van Essen stated that he understands that Lethbridge County is trying to charge the District for bridges & other projects. He asked the status of the relationship between Lethbridge County and the District.

K. Slomp stated that Alberta Transportation (ATRANS) transferred ownership of the Alberta bridges to Counties in the late 1960s and 1970s. The Lethbridge County has a funding deficit for maintenance or replacement on its bridges. The County has approached the District to pay for bridge maintenance. The District is governed by the *Irrigation Districts Act* and this is not part of an irrigation district's mandate.

K. Slomp stated that the Lethbridge County is also attempting to make drainage the responsibility of the irrigation districts. He stated that it is District Policy to backfill any canal/ditch in an effort to return the canal/ditch to as close as possible to the adjacent land contour as not to effect overland drainage.

The County has engaged mediators to facilitate meetings between the Rural Municipalities of Alberta (RMA) and the irrigation districts. The LNID and County staff are cooperating on smaller issues such as road crossing approvals, etc.

- ❖ Evert Van Essen asked if the Lethbridge County can force the District to pay for replacement and maintenance of bridges.

K. Slomp stated that Lethbridge County attended the RMA Meeting and the motion came off the floor to lobby the Alberta Government to change the *Water Act* to mandate bridges and drainage be the responsibility of the irrigation districts.

K. Slomp stated that the District Board has met with Lethbridge County Council on various occasions and discussions appear to be productive. But no changes have been instituted.

- ❖ Evert Van Essen asked if the difficulties are between all counties and irrigation districts or just with the LNID.

K. Slomp stated that the LNID is unique in the number of intensive livestock operations in the District. St. Mary River Irrigation District (SMRID) has the same concerns with the Lethbridge County as does the LNID.

John Vandenberg stated that none of the other irrigation districts are experiencing troubles with their respective counties.

K. Slomp stated that the District is continuing in dialogue with the Lethbridge County to improve cooperation and communication.

- ❖ Alan Van Zeggelaar asked when the District has scheduled projects on the Albion Canal.

S. Van Essen stated that the Lateral G11 & G12 Pipeline projects are scheduled for construction in the Fall 2019/Spring 2020.

New Water District Supervisor Districts:

Brent Smith stated that the District has reconfigured Water District Supervisor areas. A map has been placed at the back of the room outlining the changes. He stated that with the retirement of Billy Smith, Garth Fischer has been promoted to Water Mater West – Nobleford. Mike McCloud is now the Assistant Water Master West and has moved to the Park Lake Area, formally Dustin Gillies. D. Gillies has moved to the Turin area and Shawn Graham is now Monarch/Kebo area. Adam Turuk is newly hired for the Macleod area.

LOCATION FOR NEXT MEETING

Klaas Slomp requested feedback for the location of the next Annual General Meeting.

Motion by Evert Van Essen, seconded by Leighton Kolk that the location for the next Annual General Meeting be Picture Butte. **CARRIED**

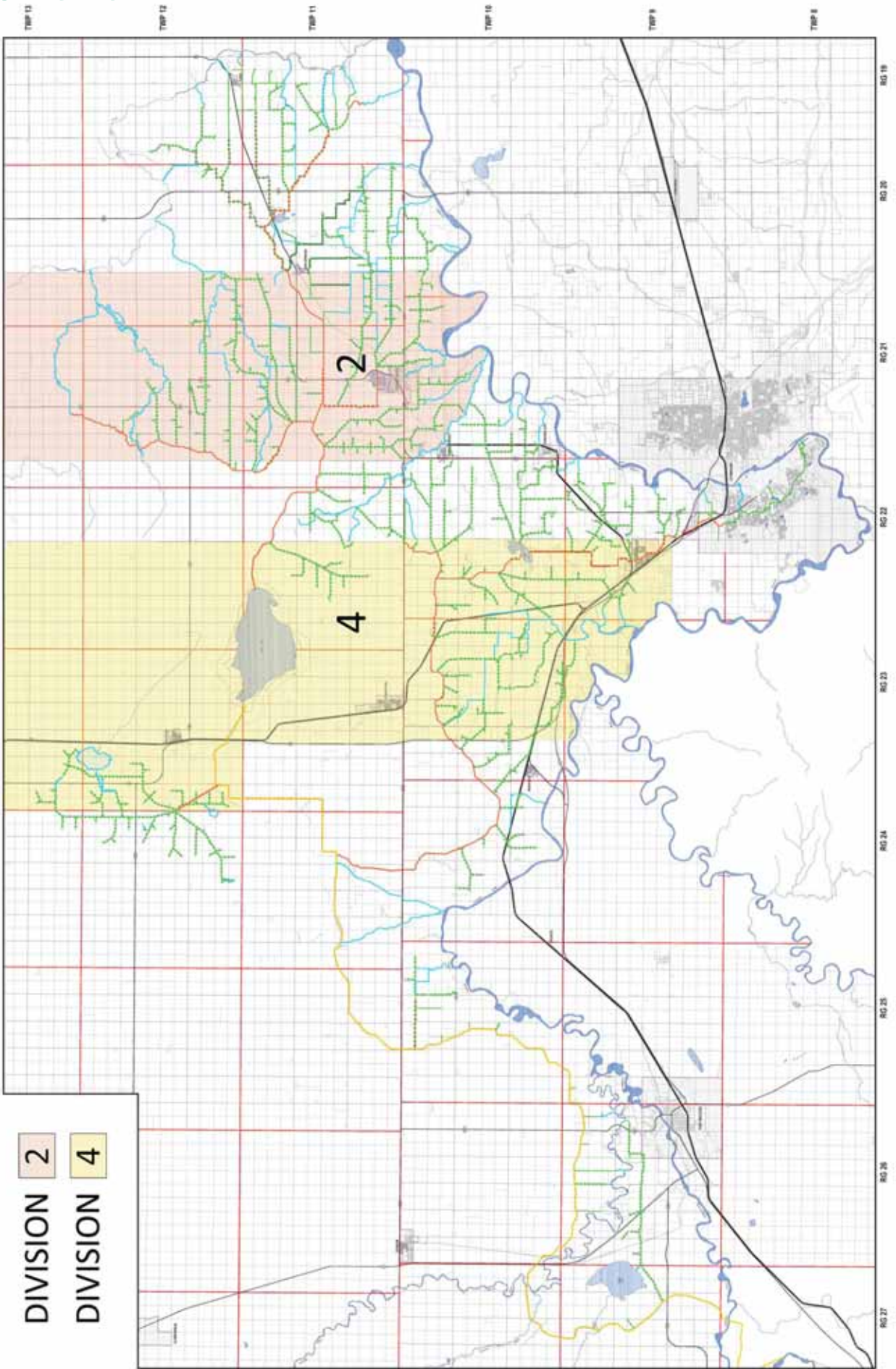
ADJOURNMENT

Klaas Slomp, on behalf of the water users, thanked the Board and staff for a job well done. Accepted by a round of applause.

Motion by Gerald Slomp that the meeting be adjourned.

Meeting called adjourned at 2:47 p.m.

LNID Board Member Divisions





NOMINATION FORM FOR DIRECTOR

We, the undersigned Irrigators in the Lethbridge Northern Irrigation District, hereby nominate:

Name (Please Print)

Resident Land Location

as a candidate for the election to be held on Thursday, May 21, 2020 for Electoral Division # ____.

WITNESSED by our hands this _____ day of _____, A.D. 2020.

To be signed by at least two (2))	_____
Irrigators of the Lethbridge Northern)	Signature of Irrigator
Irrigation District who are eligible)	_____
to vote as described by Section 56)	Printed name of Irrigator
of the Irrigation Districts Act,)	_____
Chapter I-11, RSA 2000.)	Signature of Irrigator
)	_____
)	Printed name of Irrigator

I hereby agree, if elected, to serve as a member of the Board of Directors of the Lethbridge Northern Irrigation District for the three (3) year term for which I am elected.

Candidate's Signature