



**2821 - 18TH AVENUE NORTH
LETHBRIDGE, AB T1H 6T5**

LETHBRIDGE NORTHERN IRRIGATION DISTRICT

**ONE HUNDRED AND SECOND
ANNUAL REPORT 2022**

**ANNUAL GENERAL MEETING
APRIL 18, 2023 AT 1:30PM
COALHURST COMMUNITY CENTRE**

WWW.LNID.CA

THE BOARD OF DIRECTORS

John Vandenberg
Chairman



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

Martin Van Diemen
Vice Chairman



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

Peter Bos



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

Calvin Konyenbelt



Board Member since April 28, 2020:
Division 4: Includes Range 23 East to
Park Lake and part of Keho / Barons.

Sonny Wierenga



Board Member since May 28, 2019:
Division 5: Includes Fort Macleod East
to Range 24 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 3, 2023

ADMINISTRATION

Alan Harrold
 Janet Beck
 Gary Burke
 Jennifer Dyck
 Su-Jin Huxley
 Jordan Nagy
 Maritza Suarez

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

ENGINEERING

Trent Webster, P. Eng
 Jordan Veldman
 Abubaker Sardar
 Shawn Fontaine
 Glade Roberts

District Engineer
 Engineering Technologist
 Project Design Engineer EIT
 Survey Technician
 Drafting Technologist

OPERATIONS AND MAINTENANCE

Brett Zielinski
 Darcy Smith
 Peter Peters
 Bryce Schultz
 Louie Tams

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

WATER OPERATIONS

WEST

Garth Fischer Water Master West
 Mike McCloud Assistant Water Master West
 Matthew Coster Water District Supervisor

EAST

Ryan Chogi Water Master East
 Walter Engels Assistant Water Master East
 Justin Bourk Water District Supervisor
 John Degenstein Water District Supervisor
 Tysen Sushelnitski Water District Supervisor

HOURLY SEASONAL STAFF

Seth Brown
 Chad Lysak
 Trevor Nakamura
 Adam Derksen
 Chris Newton
 Tim Sandham
 Adam Matlock
 Stuart Van Essen

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

CHAIRMAN'S REPORT

Once again it is time to write our annual report at the end of another busy year. As we noted last year, we hope to celebrate our 100th Year Anniversary on June 16, 2023 (this was postponed due to Covid-19). This celebration is planned to be held at the Prairie Tractor Club in Picture Butte. A hot lunch will be served so please remember to reply to email invitations, which have been sent out. Some games have been planned for the children, who are also welcome to attend.

The History Book for this anniversary is almost complete. Mr. Ron McMullin, past Executive Director of Alberta Irrigation Districts Association, has included many interesting photographs and much history; a job well done. Please order your History Book by email or call the Lethbridge Northern Irrigation District (LNID) Office.

Last year started off cold and dry and we were unable to start irrigating early. Concerns over the leaking main canal lasted throughout the summer, allowing only approximately one third capacity flow. We now have a contractor doing repairs which should be done before irrigation season is here.

Very timely rains came in June and early July, saving our crops as we could not deliver enough water for irrigation. A hail storm on July 18, 2022 caused a large area from Coalhurst, Diamond City, Picture Butte up to Iron Springs to be 100% wiped out. Then on August 21, 2022 an area north of Nobleford got hit hard by the same kind of storm.

The snow pack in the mountains is low, but we hope for more snow (moisture) in March and April.

It was nice to hear from Mr. Travis Toews, Finance Minister, how important agriculture is for the Alberta economy and how irrigation plays a big role in this.

Our construction crew has finished the Lateral J1 Pipeline Project north of Picture Butte and is presently working on the Lateral K1B Pipeline Project with plans for Lateral K2 Pipeline Project in the fall; both in the Turin area. Lateral 61C south of Park Lake will be delayed until larger diameter pipe is available. Thanks to Brett Zielinski, Construction and Maintenance Foreman, and his crew for the hard work they have done again in the past season.

We should get \$1.3 million IRP funds and \$1.5 million from the AIM Program.

On behalf of the LNID Board, I would like to thank Mr. Alan Harrold, General Manager, and Janet Beck, Administration and Land Manager, together with the office staff for their hard work and dedication in the jobs they perform. Also, Trent Webster, District Engineer, together with his engineering staff for a job well done. Thank you to Ryan Chogi, Water Master East – Butte, and Garth Fischer, Water Master West – Nobleford, alongside all their staff.

On behalf of the LNID, I would like to thank the Alberta Government for funding through IRP each year. Without this funding support we could not do the construction we do to improve our water distribution infrastructure. In addition, thank you to all Alberta Government departments and Irrigation Council for the support they provided to our District in 2022.

Last year was a trying year for many farmers, successful for others in our area. May the Lord bless our labors in 2023 also.

Respectfully submitted on behalf of the Board of Directors

John Vandenberg
Chairman of the Board



LETHBRIDGE NORTHERN IRRIGATION DISTRICT 100TH ANNIVERSARY CELEBRATION

PLEASE JOIN US ON FRIDAY, JUNE 16, 2023
AT THE COYOTE FLATS PIONEER VILLAGE
(Operated by Prairie Tractor & Engine Museum Society)
104071 Highway 843
FROM 11:00 A.M. TO 4:00 P.M.
SPONSORSHIPS ARE AVAILABLE

FOOD WILL BE PROVIDED FROM 11:30 A.M. TO 1:30 P.M.
REMINGTON CARRIAGE RIDES FROM 11:30 A.M. TO 1:30 P.M.
CEREMONIES FROM 1:30 P.M. TO 2:30 P.M.

PLEASE RSVP PRIOR TO JUNE 2, 2023
TO CONFIRM YOUR ATTENDANCE AT THIS EVENT
CALL: 403-327-3302
OR EMAIL: jp_lnid@telus.net

THE 100 YEAR HISTORY BOOK
WILL BE AVAILABLE TO WATER USERS
AT A DISCOUNTED PRICE OF \$25.00
PLEASE CONFIRM YOUR ORDER OF THE HISTORY BOOK
CALL: 403-327-3302
OR EMAIL: jp_lnid@telus.net

GENERAL MANAGER'S REPORT



Alan Harrold
General Manager

2022 was one of the most challenging years in recent memory for the Irrigation District and its water users. As a result of the demand for PVC pipe by all irrigation districts and municipalities, the District could not receive all the fittings required for the completion of the Lateral J1 Pipeline Project, which resulted in a delay of one (1) year to complete this project. Although the majority of the pipeline was already installed, the District and water users were forced to use the existing earthen channels for water delivery during the year. As a result of the PVC pipe demands exceeding the large pipe production capacity of IPEX Inc., the District agreed to delay the Lateral 61C Pipeline Project from Park Lake to north of Coalhurst by two (2) years. Hopefully, the District will be able to receive the pipe for this project for installation commencing after the 2024 irrigation season.

Also, the leak that was discovered in the Alberta Environment & Protected Areas Main Canal in June 2021, which restricted the amount of water diversion and canal flow for the remainder of that year, could not be repaired prior to the 2022 irrigation season. This leak, again, restricted water diversion to the District throughout the 2022 irrigation season. In Addition, Alberta Environment & Protected Areas encountered a delay in diverting water from the Oldman River, which caused stress and anxiety for water users by not being able to fill on-farm storage reservoirs and commence irrigating planted crops. Fortunately, for all of the District, Alberta Government Ministers and others were able to resolve the problem and water diversion commenced from the Oldman River on April 27, 2022.

During 2022, the District's total diversion was 75.3% of its Water Licences, which was conveyed for irrigation and other use purposes as well as landowner water licences. This amount of diversion was the District's 5th highest in the last 30 years. The average water delivery to farm turnouts during the year was 13.2" per irrigation acre, compared to 14.5" in 2021, 8.1" in 2020, 10.8" in 2019 and 12.0" in 2018.

District Expansion:

A District moratorium on adding new parcels of irrigation remained in place during 2022. There were however, 1,495 additional irrigation acres added to the Assessment Roll resulting from a program in 2021, whereby irrigation acres (water rights) were committed to applicants to convert Annual Agreements and Alternate Parcel Agreements into irrigation acres. Also, applications were accepted to add irrigation acres to existing irrigation parcels due to changes in landowner irrigation systems. In addition, after installing new District pipelines, irrigation acres were added as a result of acres reclaimed from the District backfilling earthen ditches.

Canal Bank Watering:

The District continues to incur more damage to its canal and drainage infrastructure as a result of landowners continuing to irrigate canal and drain banks. The resulting sloughing damage is adding up to be a cost to the District in the millions of dollars. The Board and Management is requesting all water users whose irrigation systems are watering canal or drain banks to make changes to their systems, to help prevent any further damage from being incurred.

On-Farm Water Storage:

The delay in water turn-on at the beginning of the 2022 irrigation season should be a reminder for all landowners to re-evaluate their on-farm water storage. Wherever possible, each landowner should consider building additional storage capacity which would be a best management practice for your farming operation. In our continuing changing climate and environment, there will always be the possibility of a water delivery delay or water shortage. The more on-farm water storage that there is in the District, the better prepared our District will be during these unpredictable times.

Automation and Control Structures:

The District continues to upgrade existing control structure automation and add more automation controls on structures wherever beneficial. This work will continue in 2023 and 2024 to help the District become more efficient with its water delivery infrastructure and reduce the District's return flow (spill).

Staffing:

Staff changes to full-time positions during 2022 were as follows:

- February 7th, Jordan Veldman, was hired as an Engineering Technologist.
- March 26th, Dan Kubik, Equipment & Weed Control Operator, left District employment.
- March 31st, Joanne Pohl, Administrative Assistant, retired. We wish Joanne and Bernie many happy years of retirement together.
- April 29th, Chris Gallagher, Executive Assistant, left District employment.
- May 1st, Jennifer Dyck, was hired as Payroll & Benefits Coordinator.
- June 20th, Trent Webster, was hired as District Engineer.
- July 21st, Jeremy Chiu, Design Engineer-In-Training, left District employment.
- September 13th, Dustin Gillies, Water District Supervisor-Turin, left District employment.
- October 11th, Justin Bourk, was hired as Water District Supervisor-Turin.
- December 5th, Abubaker Sardar, was hired as Design Engineer-In-Training.
- December 9th, Zach Liska, Water District Supervisor-Monarch/Keho, left District employment.

I would like to thank the Board of Directors for their continued commitment to improving the District and for providing support to management and staff.

On behalf of the District staff and water users, I would like to thank the staff of Alberta Agriculture & Irrigation and Alberta Environment and Protected Areas, for their assistance that they provided throughout 2022.

Respectfully submitted,

Alan Harrold
General Manager

DISTRICT ENGINEER'S REPORT



Trent Webster, P. Eng.
District Engineer

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 2022 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 2022 contribution from the Province was \$1,351,066. The District's contribution of \$450,355 brought the total contribution to the IRP Cost-Sharing account to \$1,801,421. Any funds received in 2022 in excess of that spent will be used to recover funds loaned by LNID to the IRP cost share account.

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.

The Alberta Irrigation Modernization (AIM) Program provided funding in 2021 toward acceleration of projects that LNID had already designated for rehabilitation. The AIM Program funding consists of a 30% Government of Alberta grant, a 50% long-term loan through the Canada Infrastructure Bank (CIB), and a 20% capital contribution from the irrigation district at the time of construction. In 2022, applicable project costs claimed were \$7,612,820 of which 80% or \$6,090,253 was accessed from the program funding share.

LNID accessed the Emergency Preparedness Program under the Canadian Agricultural Partnership (CAP), a joint Provincial/Federal funding program to enhance the agriculture sector. The Picture Butte Dam EPP program expended a total of \$122,775, with \$59,759 total cost sharing from CAP, and \$16,759 claimed in 2022.

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 and sustainability of the District as a whole. The District appreciates the assistance of the Provincial Government, Federal Government and landowners in the cost sharing of these projects.

2022 IRRIGATION REHABILITATION PROGRAM (IRP)

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

This two-phase project saw the completion of Phase 1 in 2021/2022, while the majority was built in 2020. The project included the construction of the inlet and screen box structures, roughly 18.1 km of PVC pipe up to 54", a 36" isolation valve, a manual drain valve and outlet structure. Phase 1 services 3,411.2 acres off this closed pipe gravity system, and the majority of the deliveries eliminated their on-farm irrigation pumping systems by using the gravity pressure generated from this pipeline. Expenditures on the project in 2022 were \$44,571, primarily for legal survey and screener improvements; for a total project cost to date of \$9,319,453 under a revised budget of \$9,500,000. Phase 2 is funded under the AIM Program.

2022 IRRIGATION WORKS RESERVE PROGRAM (IWR)

IWR #939 LATERAL 62K – STRUCTURE 52 NE 28-11-20-4

This project involved assessment and then removal and replacement of the failed lower chute walls of an existing chute drop structure. The new, thicker walls include a spreader bar and, along with replacement of the wood bridge with a steel walkway, will extend the life of the structure by approximately 20 years. The 2022 work on this structure totalled \$39,286.

IWR #940 LATERAL B9B INTAKE REPLACEMENT NW 28-10-23-4

Following landowner concerns of debris entering the Lateral B9B pipeline, the existing rotating pressure backwash screen was replaced by LNID forces with a gabion wall infiltration system. With expenditures of \$59,896 in 2022, the total project cost to date is \$94,765. 2023 expenditures will include raising the gabions.

IWR #989 LATERAL 62F REHABILITATION SECTIONS 25, 26, 27, 34-11-22-4

The Lateral 62F canal, served from Alberta Environment and Protected Areas' Keho Reservoir, is constructed mainly in cut and has experienced 14 identified sloughs, some of which are actively expanding. Tetra Tech Canada commissioned Unmanned Aerial Vehicle LiDAR scans (detailed elevation), conducted field investigation/ sampling and laboratory soils analysis, and completed slope stability modelling and analysis to identify recommended repairs. Expenditures in 2022 were \$81,129, with a total spent to date of \$105,336.



2022 ALBERTA IRRIGATION MODERNIZATION (AIM) PROGRAM

AIM #971 LATERAL H1 PHASE 2 LNID PROJECT #971-08 SECTIONS 13, 14, 15, 21, 22, 23, 27, 28-11-20-4 (Phase 2)

The Lateral H1 Phase 2 portion of this gravity pipeline services 3,186.4 acres out of the 6,597.6 acre H1 project total. This phase of the project removed deliveries from the Lateral J12 canal and backfilled the 11,935 m open canal. All deliveries off of H1 Phase 2 were able to eliminate their on-farm irrigation pumping systems. Along with manual drains, an automated valve and associated outlet structure will help manage surges in the series of canal systems that converge NW of Picture Butte. Expenditures in 2022 were \$2,166,396 of a total \$6,550,000 budget, and expenditures to date are \$6,495,411.

AIM #937 AUTOMATION CONTROLS UPGRADE PROJECT LNID PROJECT #937-01 VARIOUS LOCATIONS

This project involves upgrades to the SCADA (Supervisory Control and Data Acquisition) system that will allow for better communication and control of water throughout the District. Inefficiencies, repairs, and upgrades were identified and a scheduled plan was created for these upgrades. This will result in improved conveyance efficiencies and control of emergency and operational spill. Project Management for this project has been overseen by Gary Burke, Classification/Network Technician, in collaboration with Water Masters Ryan Chogi and Garth Fischer. Costs to date total \$463,669 of a \$900,000 budget, and 2022 allocations totalled \$246,529.

2022 CANADIAN AGRICULTURAL PROGRAM (CAP) EPP

CAP #932 PICTURE BUTTE DAM – EMERGENCY PREPAREDNESS PROGRAM SECTIONS 2, 3-11-21-4

The 2018 Dam Safety Directive under the Water Act, administered by Alberta Environment and Protected Areas' Dam Safety branch, required upgrades to the documentation and associated studies related to Picture Butte Dam. MPE Engineering Ltd. in coordination with LNID, drafted a Dam Safety Management Plan, an Emergency Response Plan, an Emergency Preparedness Plan, a Dam Breach Inundation Study, a Geotechnical Stability Analysis, and completed a review and scenario exercise with local emergency responders. The bulk of this work was completed in 2021, with finalization of documentation and submission of the final report for March of 2022. Total costs were \$122,775 of which \$29,624 was in 2022.

2022 PROPOSED ALBERTA IRRIGATION MODERNIZATION (AIM) PROGRAM

AIM #972 LATERAL J1 LNID PROJECT #972-08 SECTIONS 19, 20-11-20-4; 22, 23, 24-11-21-4

The Lateral J1 gravity pipeline project included inlet and screen box structures, approximately 16 km of PVC pipe up to 36" with a manual drain, and services approximately 2,500 acres, currently receiving water from the 62J pipeline and canal, and the J6 canal. The majority of deliveries off this pipeline will be able to eliminate their on-farm pumping systems and utilize the gravity pressure of this pipeline to run their irrigation systems. Delays in receiving PVC fittings resulted in the project being completed during the 2022/2023 construction season. The revised budget for the project is \$5,500,000, \$5,121,437 were spent in 2022, total to date is \$5,391,475; with some cleanup remaining in 2023.

AIM #936 LATERAL 61C LNID PROJECT #936-08
SECTIONS 28, 33 of 9-22-4; 4, 9-10-22-4

The Lateral 61C project replaces a combined 5.4 km of concrete-lined canal, open culvert, and earthen channel with a 9.7 km low pressure PVC pipeline. A large diameter twin PVC pipeline running south from Park Lake Reservoir will include a 3.2 km long east line to tie in with existing Lateral C12, and a 5.4 km long west line that would continue through to an outlet structure at the Kipp road. Although deliveries directly off the project are only approximately 1,000 acres total service area, the tie-ins to existing pipelines brings the total area to approximately 7,300 acres. A screen box or other weed exclusion system will collect and remove most debris coming from Park Lake. Installation is now planned for the 2024/25 construction season. \$95,000 was spent in 2022, costs to date equal \$124,203; with a current overall budget of \$9,000,000.

AIM #973 LATERAL K1B LNID PROJECT #973-08
SECTIONS 3, 4, 5, 6 of 12-19-4; 1-12-20-4

Lateral K1B pipeline will replace 7.6 km of earthen canal with a 6.5 km low pressure PVC pipeline. A combined canal inlet and screener box will be constructed to feed an existing 950 m long HDPE pipe before connection to the new PVC. \$444,291 were spent to date; with an overall budget of \$2,700,000. K1B will be operational for irrigating in the 2023 irrigation season.

AIM #974 LATERAL K2 LNID PROJECT #973-08
SECTIONS 2, 3, 4, 31, 32, 33, 34-12-19-4; 26, 35, 36-12-20-4

The Lateral K2 project will be a closed gravity low pressure PVC pipeline approximately 17 km long, replacing 17.8 km of an earthen canal to serve approximately 3,120 acres. The project funding is based on a \$7,000,000 estimated cost, with construction planned during the fall and winter of 2023/24.

The construction projects undertaken in 2022 were primarily completed by LNID labour and equipment, with assistance from local general and specialty contractors. I am grateful for the hard work and diligence that the Operations & Maintenance and Construction groups have demonstrated as we work through transitions, and the unique challenges brought in 2021.



I would like to welcome Abubaker Sardar to the Engineering Department in his upcoming role as Project Engineer. I am encouraged by the dedication of the engineering team and look forward to working with them in 2023.

IRRIGATION REHABILITATION PROGRAM

EXPENDITURES FROM IRRIGATION REHABILITATION PROGRAM (IRP)
DECEMBER 31, 2022

PROJECT NUMBER	PROJECT NAME	TOTAL TO DEC. 31/21	2022 EXPENDITURES	TOTAL TO DEC. 31/22
371-08/2335	Completed Capital Project Costs Lateral H1 - Phase 1	\$ 141,077,719 9,274,882	44,571	\$ 141,077,719 9,319,453
		\$ 150,352,601	\$ 44,571	\$ 150,397,172

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

	2018	2019	2020	2021	2022
Government Grant 75%	\$ 1,536,631	\$ 1,529,362	\$ 1,098,698	\$ 1,326,734	\$ 1,351,066
LNID 25%	512,210	509,787	366,233	442,245	450,355
TOTAL	\$ 2,048,841	\$ 2,039,149	\$ 1,464,931	\$ 1,768,979	\$ 1,801,421

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

Funding Type	2018	2019	2020	2021	2022
Alberta (IRP) Cost-Sharing	\$ 739,332	\$ 55,933	\$ 8,131,513	\$ 1,153,064	\$ 44,571
District (IWR)	3,524,268	9,316,354	6,858,125	12,514,044	8,482,089
TOTAL	\$ 4,263,600	\$ 9,372,287	\$ 14,989,638	\$ 13,667,108	\$ 8,526,660

PROPOSED IRP 3 YEAR PLAN

YEAR	PROJECT	BUDGET
2022	Lateral H1 Pipeline Phase 1 (Picture Butte)	\$ 120,000
2023	Lateral H1 Pipeline Phase 1 (Picture Butte)	\$ 30,000

IRRIGATION WORKS RESERVE

EXPENDITURES FROM IRRIGATION WORKS RESERVE (IWR) PROGRAM DECEMBER 31, 2022

PROJECT NUMBER	PROJECT NAME	TOTAL TO DEC. 31/21	2022 EXPENDITURES	TOTAL TO DEC. 31/22
	Completed Capital Project Costs	\$ 43,982,202		\$ 43,982,202
905	K1 North	0	\$ 1,190	1,190
909	Diamond City North	0	58,073	58,073
917	Keho Barons Upgrade	750,923	4,012	754,935
918	Lateral B6	6,089,088	2,939	6,092,027
919	Lateral G11 & G12	6,066,798	7,609	6,074,407
929	Barons West 2 - Pump Station	8,966,961	139,896	9,106,857
930	Lateral G8 Extension	245,528	4,940	250,468
936	Lateral 61C - Park Lake to Coalhurst	0	124,203	124,203
937	Automated Control Upgrades	217,140	246,529	463,669
938	Barons West 2 - Drain	171,792	4,370	176,162
939	Lateral 62K - Structure 52	0	39,286	39,286
940	Lateral B9B - Intake Replacement	34,869	59,896	94,765
943	H3 Effect Analysis	8,502	10,186	18,688
971	Lateral H1 Phase 2	4,350,961	2,144,450	6,495,411
972	Lateral J1	270,039	5,121,437	5,391,476
973	Lateral K1B	0	444,291	444,291
988	62F Canal Bank Failures	1,032,433	-40,075	992,358
989	Lateral 62F Rehabilitating	24,207	81,129	105,336
	Purchase of Land		4,686	4,686
	Permanent difference - Aerial Photography			32,350
		\$ 72,211,443	\$ 8,459,047	\$ 80,702,840

SEEPAGE CONTROL PLAN

A Seepage Control Plan for the years 2021-2025 (inclusive) was filed with Irrigation Secretariat on December 31, 2020, which included the following seepage control projects to be addressed over the next five (5) years:

		Scheduled	Proposed Rehabilitation	Status
Project 1	Lateral H1 Phase 1 Sections 16, 17, 18, SE 19, SE, SW & NE 20, W ½ 21-11-20-4; N ½ 13, N ½ 14, N ½ 15-11-21-4;	2020	Pipeline	Completed
Project 2	Lateral H1 Phase 2 Sections 13, 14, 15, E ½ 21, Sections 22, 23, SE, SW & NE 27, S ½ 28-11-20-4;	2021	Pipeline	Completed
Project 3	Lateral J1 Section 19, NW 20-11-20-4; Section 22, SE, SW & NW 23, Section 24-11-21-4;	2021	Pipeline	In Progress
Project 4	Lateral K1B N ½ 31-11-19-4; W ½ 03, Section 04, SE, SW & NE 05, Section 06-12-19-4; NE 01-12-20-4;	2022	Pipeline	In Progress
Project 5	Lateral 61C SW, NW & NE 28, Section 33-09-22-4; E ½ 04, SE 09-10-22-4;	2022	Pipeline	Pending
Project 6	Lateral K2 NE 27, Sections 31, 32, 33, 34-11-19-4; NW 02, SE, SW & NE 03, S ½ 04-12-19-4; N ½ 26, SE 35, Section 36 -11-20-4;	2023	Pipeline	Pending

OPERATIONS & MAINTENANCE REPORT

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

Water start-up was very different this year. The dry weather in March resulted in many calls for early water, especially for feedlots. We were then delayed in receiving water from Alberta Environment & Protected Areas (AEP) from the Oldman River Headworks until April 27, 2022 due to complications from a canal liner failure. Water was released from Keho Lake on April 22, 2022 to start flushing the system in the East. Later in the season, water was further restricted in the main canal due to the canal liner issues. This caused Keho Lake to drop to a low level.

Once again, it was an above average season for water usage, due to not receiving moisture in the form of rain. Allocation was set to 17.5" due to ample snow pack and supply of water in the Oldman River Dam.

The Lateral J1 Pipeline project was started in 2022, but due to pipe availability the project was delayed until after this water season. Lateral J1 will be ready for delivery starting in the spring of 2023. The Lateral H1 Phase 2 was completed and operational for the 2022 season.

Most of the District was seeded a second time for forage crops, and the alfalfa crops were cut multiple times. LNID Management and Water District Coordinators strongly encourage landowners and water users who plan to continue with these practices, to expand existing or construct new storage ponds, which would allow for earlier and later irrigation. Feed lot yards would benefit from having larger reservoirs as they are expanding as well.

We must remind everyone of the importance of giving 24 hours' notice to their Water District Coordinators when ordering their water on and off. We work with Alberta Agriculture & Irrigation (AAI), and our Water Masters need to give them 36 hours of notice when any additions or deductions of water is needed from the AAI Main Canal. The District strongly encourages water conservation as the demand for water increases each year.

Please go to our LNID website (www.lnid.ca) to find helpful information about the upcoming season and other related resources. This is also where you will find the contact information for the Water District Coordinator in your area and the staff of the LNID.

SYSTEM WATER DELIVERY SUMMARY FOR 2022

WATER SUPERVISOR UNITS	ASSESSED ACRES	OTHER USE AC.FT.	WATER DELIVERED AC.FT.
Albion	30,466	1,542	33,996
Battersea	23,530	1,320	25,982
Butte	7,560	750	8,311
Macleod	26,740	1,502	29,364
Monarch/Keho	27,341	4,482	29,940
Nobleford	2,913	1,175	3,191
Park Lake	31,170	2,206	33,966
Piyami	28,298	2,130	31,117
Turin	20,617	1,049	22,788
Total Assessed Acres:	198,635	Total Water Delivered:	218,655 ac.ft.
		Total Other Use Volume:	16,156 ac.ft.
		Return Flow & Losses:	20,592 ac.ft.
		Total Water Diverted:	255,403 ac.ft.
		Average Irrigation (Inches):	13.2

Maintenance

DESCRIPTION	2022
Canal Cleaning	1 km
Canal Erosion / Sloughing Repair	0 m
Canal & Access Roads Graveling	0 km
Canal & Access Roads Grading	0 km
Canal Banks Mowing	368 km
Canal Banks Weed Spraying	0 km
Aquatic Weed Control	22 km
Pipeline Repairs (Air Vents)	33
Pipeline Repairs (Valves)	23
Pipeline Repairs (Pipe Leaks)	5
Replacement of Road Crossings	0
Repairs to Gates & Hoists	3
Repairs to Pumps	4
Repairs / Maintenance to Water Meters	16
Repairs / Maintenance to Hydrometric Stations	0
Screener Rehabilitation	7

Precipitation Recorded

PRECIPITATION FOR 2022 (mm)				
MONTH	AGCM Fort Macleod Station	AGCM Barons Station	IMCIN Lethbridge Demo Farm Station	IMCIN Iron Springs Station
APRIL	5.7	4.4	4.5	4.1
MAY	15.9	14.6	6.4	7.0
JUNE	121.7	102.2	110.7	88.6
JULY	64.2	42.8	67.4	81.2
AUGUST	133.6	33.9	46.4	34.0
SEPTEMBER	19.6	16.9	17.3	15.2
OCTOBER	34.1	33.1	39.3	28.8
Total	394.8	247.9	292.0	258.9

Weed Control

TYPE	2022 (litres)	WEEDS SPRAYED
Start-Up	110	Non-Selective
Oracle Dicamba	60	Broadleaf
2,4-D Amine 600	40	Broadleaf
Magnacide H	1,775	Aquatics

CROP CLASSIFICATION INFORMATION

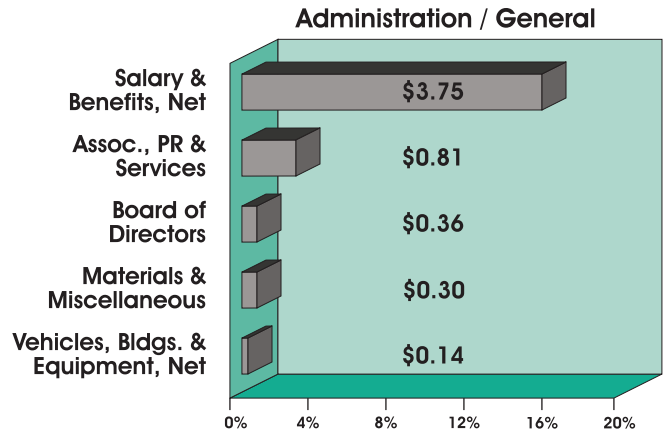
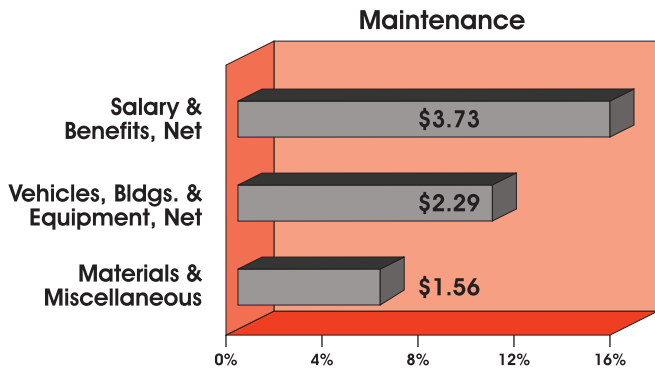
WEST

CROP TYPE	MACLEOD	MONARCH/KEHO	NOBLEFORD	PARK LAKE	PIYAMI
- CEREALS -					
Barley	2,358	1,815	517	4,768	3,501
CPS Wheat	129	140	128	236	
Durum Wheat	762	684	149	236	539
Hard Spring Wheat	191	133		544	69
Oats	270	78		225	
Rye	238		146	230	2,538
Soft Wheat	1,410	255	103		
Triticale		139		897	217
Winter Wheat					2,733
Miscellaneous					
Subtotal of Cereals	5,358	3,244	1,043	7,136	9,597
- FORAGE -					
Alfalfa Hay	1,112	2,464	378	1,756	639
Alfalfa Silage	3,210	3,526	216	2,560	2,032
Barley Silage	1,880	4,628	271	7,640	4,456
Brome Hay		100		142	
Corn Silage	542	1,728		3,414	6,092
Grass Hay	957	547		518	848
Native Pasture			4	26	
Tame Pasture	566	374	28	971	26
Timothy Hay	3,483	633	136	310	
Miscellaneous				76	
Subtotal of Forage	11,750	14,000	1,033	17,413	14,093
- OILS -					
Canola	4,629	6,924	476	4,345	3,098
Flax	291	571			153
Subtotal of Oils	4,920	7,495	476	4,345	3,251
- OTHER -					
Dry Peas	135	159		80	
Hemp	99		146	1,104	528
Market Gardens				38	
Nursery					7
Potato		226			
Sugar Beets				378	469
Turf Sod		13		262	185
Miscellaneous	4,478	2,204	215	414	168
Subtotal of Other	4,712	2,602	361	2,276	1,357
TOTAL	26,740	27,341	2,913	31,170	28,298

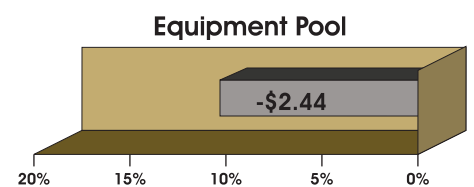
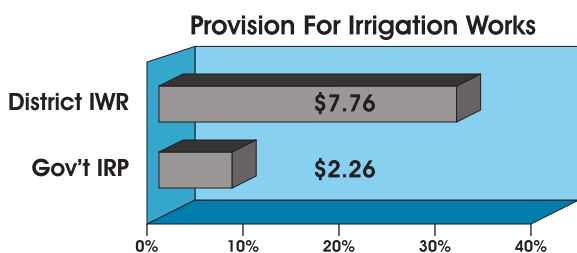
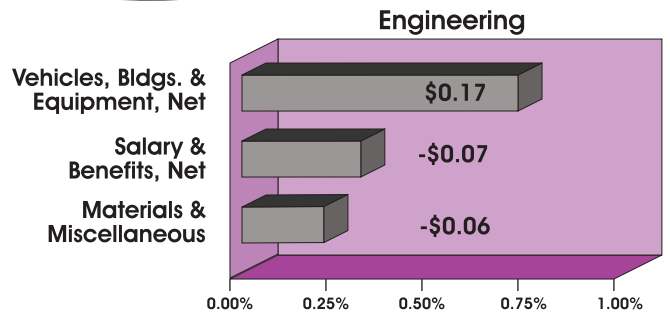
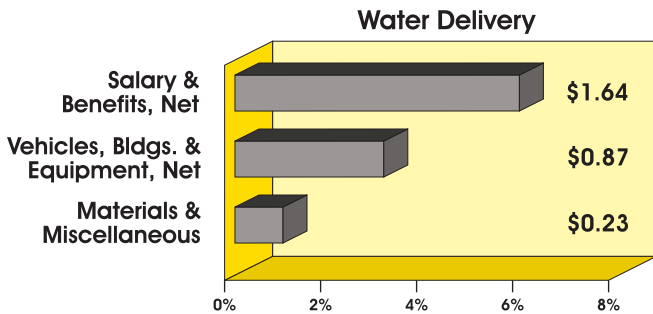
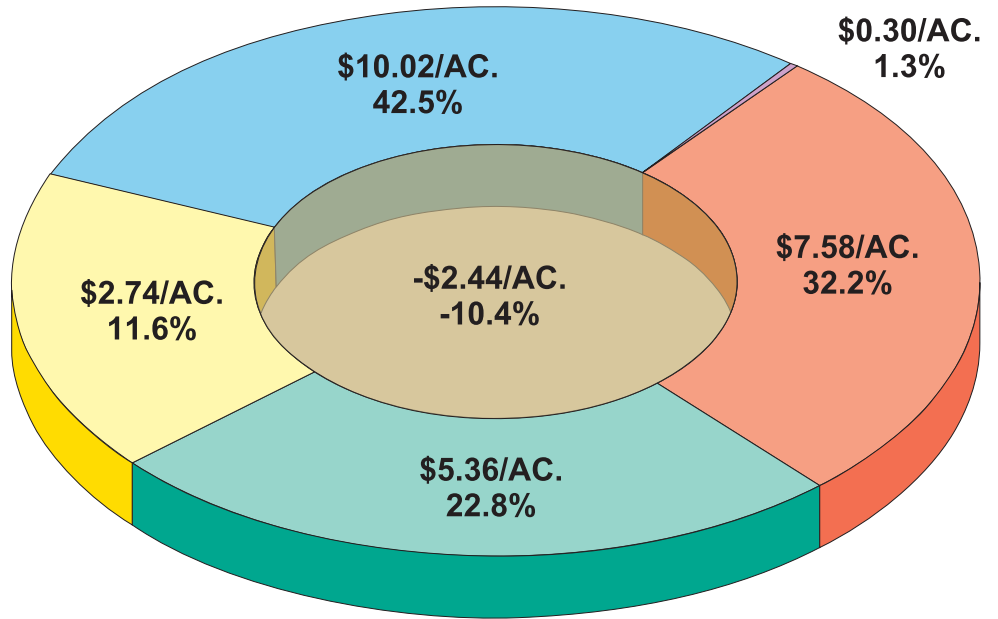
EAST

CROP TYPE	ALBION	BATTERSEA	BUTTE	TURIN	TOTAL
- CEREALS -					
Barley		316	957	1,821	16,053
CPS Wheat				116	749
Durum Wheat	2,317	375		1,268	6,330
Hard Spring Wheat		837	50		1,824
Oats	136				709
Rye		2,075			5,227
Soft Wheat	2,487	2,611	644	316	7,826
Triticale					1,253
Winter Wheat		1,364			4,097
Miscellaneous	151	562		149	862
Subtotal of Cereals	5,091	8,140	1,651	3,670	44,930
- FORAGE -					
Alfalfa Hay	1,403	524	554	1,873	10,703
Alfalfa Silage	2,897	2,002	282	1,509	18,234
Barley Silage	9,452	1,597	1,389	2,977	34,290
Brome Hay		104	68		414
Corn Silage	5,584	2,617	1,867	5,523	27,367
Grass Hay	168	1,566	159	632	5,395
Native Pasture				107	137
Tame Pasture	173	508	177	980	3,803
Timothy Hay		444		150	5,156
Miscellaneous	151	15			242
Subtotal of Forage	19,828	9,377	4,496	13,751	105,741
- OILS -					
Canola	3,534	858	1,248	2,350	27,462
Flax		292		66	1,373
Subtotal of Oils	3,534	1,150	1,248	2,416	28,835
- OTHER -					
Dry Peas					374
Hemp				148	2,025
Market Gardens	10				48
Nursery					7
Potato		1,427		156	1,809
Sugar Beets	1,200	305		157	2,509
Turf Sod		289			749
Miscellaneous	803	2,842	165	319	11,608
Subtotal of Other	2,013	4,863	165	780	19,129
TOTAL	30,466	23,530	7,560	20,617	198,635

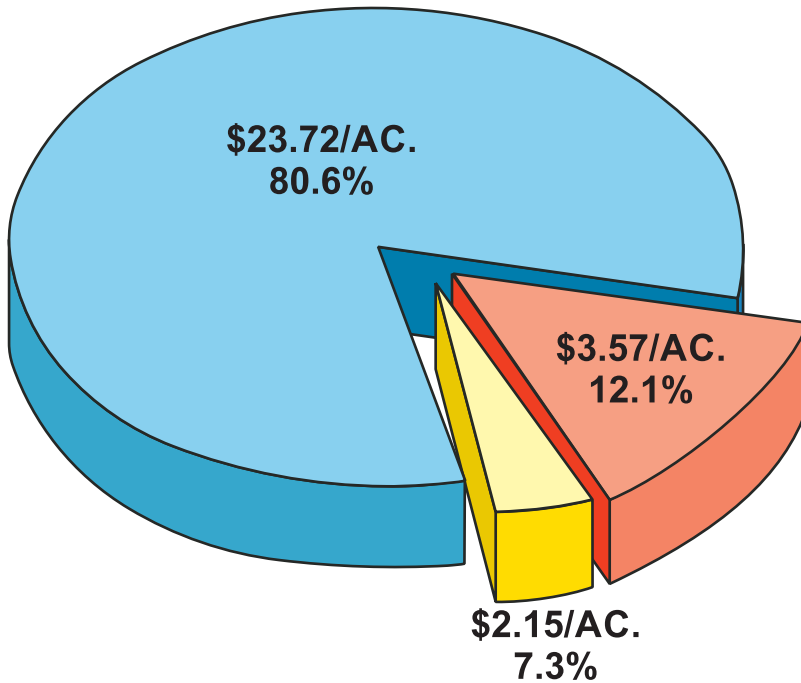
OPERATIONAL COST / ACRE



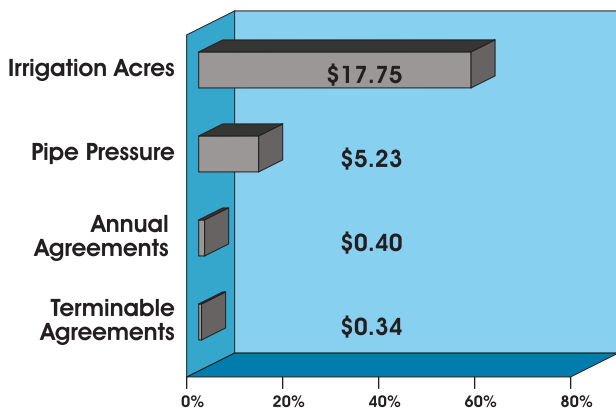
Provision	\$10.02
Maintenance	7.58
Admin. / General	5.36
Water Delivery	2.74
Engineering	0.30
Equipment Pool	-2.44
Cost / Acre	<u>\$23.56</u>



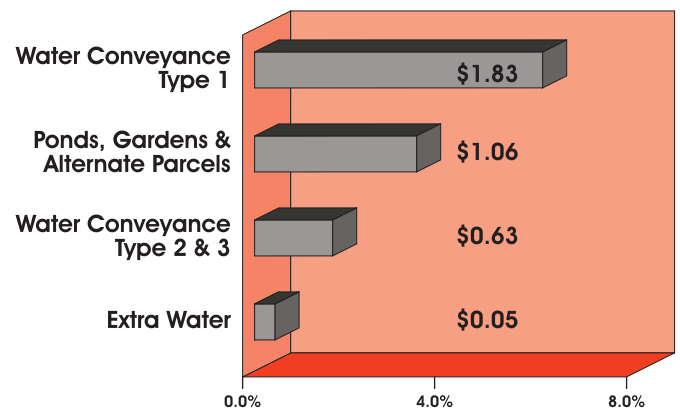
NET REVENUE / ACRE



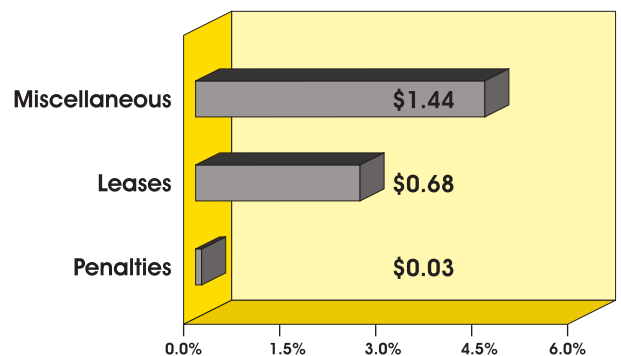
Irrigation Rates, Net



Water Agreements



Miscellaneous Income



Irrigation Rates, Net of Discounts	\$23.72
Water Agreements	3.57
Miscellaneous Income	<u>2.15</u>
Operating Revenue	29.44
Less: District Expense	<u>-23.56</u>
Surplus	<u><u>\$5.88</u></u>

ASSESSED ACRES	2021	2022
Irrigation Acres	194,946.4	196,441.8
Terminable Water Agreements - Dryland Parcels	228.0	228.0
Terminable Water Agreements - Restricted	1,965.4	1,965.4
Subtotal	197,139.8	198,635.2
Annual Irrigation	1,017.9	961.0
TOTAL ASSESSED ACRES	198,157.7	199,596.2

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
2020	6,037.0	6,037.0	3,890.0	3,384.5
2021	0.0	0.0	0.0	3,025.0
2022	1,468.9	1,468.9	29.0	1,284.1
TOTAL	45,344.2	31,982.7	9,645.0	22,857.7

PARCELS ADDED TO THE DISTRICT IN 2022			
SW	29-10-23-4	NE	36-11-24-4
NW	36-11-24-4	NW	12-11-25-4

FINANCIAL STATEMENTS

DECEMBER 31, 2022

Independent Auditors' Report

Statement of Financial Position

Statement of Operations

Statement of Fund Balances

Statement of Cash Flows

Notes to the Financial Statements

Schedule of Operating Expenses

Schedule of Irrigation Works Capital Expenditures

Schedule of Pump Fund



KPMG LLP
3410 Fairway Plaza Road South
Lethbridge AB T1K 7T5
Canada
Tel 403-380-5700
Fax 403-380-5760

INDEPENDENT AUDITOR'S 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, 2022
- the statement of operations for the year then ended
- the statement of 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, 2022, and its results of operations, changes in fund balances 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 Financial Statements***" section of our auditor's 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.

KPMG LLP, an Ontario limited liability partnership and member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Canada provides services to KPMG LLP.



Other Information

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

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

Auditor's 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 auditor's report that includes our opinion.

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

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of 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 auditor's 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 auditor's 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 23, 2023

**LETHBRIDGE NORTHERN IRRIGATION DISTRICT
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022**

	GENERAL OPERATIONS	IRRIGATION WORKS	2022 TOTAL	2021 TOTAL
CURRENT ASSETS				
Cash	\$ 11,467,900	\$ 164,640	\$ 11,632,540	\$ 7,070,341
Short term investments (Note 3)	4,163,153	528,586	4,691,739	4,575,803
Accounts receivable (Note 4)	264,225	119,004	383,229	1,187,393
Prepaid expenses and deposits	179,654	-	179,654	175,132
Inventory	870,125	-	870,125	684,014
Due from general operations	-	14,794,732	14,794,732	8,055,582
	<u>16,945,057</u>	<u>15,606,962</u>	<u>32,552,019</u>	<u>21,748,265</u>
Long term investments (Note 5)	-	27,043,569	27,043,569	29,778,266
Capital assets (Note 8)	3,480,343	137,266,510	140,746,853	136,502,469
	<u>\$ 20,425,400</u>	<u>\$ 179,917,041</u>	<u>\$ 200,342,441</u>	<u>\$ 188,029,000</u>
CURRENT LIABILITIES				
Accounts payable and accrued liabilities (Note 6)	\$ 391,056	\$ 165,654	\$ 556,710	\$ 1,901,693
Deferred revenue (Note 11)	34,705	283,475	318,180	52,705
Construction costs and holdbacks payable (Note 14)	-	-	-	21,946
Water right deposits (Note 15)	-	159,548	159,548	401,235
Construction contributions (Note 15)	-	112,866	112,866	677,134
Current portion of long-term debt (Note 7)	-	1,169,381	1,169,381	-
Due to irrigation works	14,794,732	-	14,794,732	8,055,582
	<u>15,220,493</u>	<u>1,890,924</u>	<u>17,111,417</u>	<u>11,110,295</u>
Long-term debt (Note 7)	-	3,232,814	3,232,814	595,786
	<u>15,220,493</u>	<u>5,123,738</u>	<u>20,344,231</u>	<u>11,706,081</u>
FUND BALANCES				
Capital (Note 8)	3,480,343	132,864,315	136,344,658	135,906,683
General Fund operating (Note 10)	1,724,564	-	1,724,564	2,441,260
Irrigation Works Fund: (Note 9)				
District Irrigation Works fund	-	50,559,444	50,559,444	48,390,021
Alberta (IRP) Cost-Sharing	-	(9,237,146)	(9,237,146)	(10,994,146)
District pump fund (Schedule 3)	-	606,690	606,690	579,101
	<u>5,204,907</u>	<u>174,793,303</u>	<u>179,998,210</u>	<u>176,322,919</u>
	<u>\$ 20,425,400</u>	<u>\$ 179,917,041</u>	<u>\$ 200,342,441</u>	<u>\$ 188,029,000</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
FOR THE YEAR ENDED DECEMBER 31, 2022**

	GENERAL OPERATIONS	IRRIGATION WORKS	2022 TOTAL	2021 TOTAL
REVENUE				
Water earnings:				
Irrigation rates (Note 12)	\$ 4,847,729	\$ -	\$ 4,847,729	\$ 4,611,142
Conveyance of excess and domestic water	713,088	-	713,088	683,688
Penalties	6,735	-	6,735	2,326
	<u>5,567,552</u>	<u>-</u>	<u>5,567,552</u>	<u>5,297,156</u>
Less: Discounts	112,824	-	112,824	107,779
	<u>5,454,728</u>	<u>-</u>	<u>5,454,728</u>	<u>5,189,377</u>
Lease revenue, net	135,888	-	135,888	67,559
Interest earnings	277,321	-	277,321	52,433
Miscellaneous	9,905	-	9,905	14,134
Pump fund revenues (Schedule 3)	-	759,143	759,143	812,121
Irrigation works fund revenues (Note 9)	-	9,639,680	9,639,680	22,006,728
Unrealized (loss) on financial instruments	-	(3,686,527)	(3,686,527)	(220,317)
	<u>5,877,842</u>	<u>6,712,296</u>	<u>12,590,138</u>	<u>27,922,035</u>
EXPENSES				
Operating expenses (Schedule 1)	2,701,589	-	2,701,589	2,687,817
Pump fund expenses (Schedule 3)	-	731,554	731,554	766,120
Consulting fees (recovered), net (Note 9)	-	(3,931)	(3,931)	(227,687)
Cost of land and buildings sold (Note 8)	-	-	-	2,580
Amortization of irrigation works (Note 8)	-	5,375,225	5,375,225	5,230,590
Non-capital irrigation works expenses (Note 9)	-	110,410	110,410	185,522
	<u>2,701,589</u>	<u>6,213,258</u>	<u>8,914,847</u>	<u>8,644,942</u>
Excess of revenue over expenses	3,176,253	499,038	3,675,291	19,277,093
Interfund transfer - Provision for irrigation works	(2,000,000)	2,000,000	-	-
Fund surplus	<u>\$ 1,176,253</u>	<u>\$ 2,499,038</u>	<u>\$ 3,675,291</u>	<u>\$ 19,277,093</u>

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

**LETHBRIDGE NORTHERN IRRIGATION DISTRICT
STATEMENT OF FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>GENERAL OPERATIONS</u>	<u>IRRIGATION WORKS</u>	<u>2022 TOTAL</u>	<u>2021 TOTAL</u>
Fund balances, beginning of year	4,828,654	171,494,265	176,322,919	157,045,826
Fund surplus for the year	1,176,253	2,499,038	3,675,291	19,277,093
Interfund transfer to irrigation works	<u>(800,000)</u>	<u>800,000</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ 5,204,907</u>	<u>\$ 174,793,303</u>	<u>\$ 179,998,210</u>	<u>\$ 176,322,919</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, 2022**

	GENERAL OPERATIONS	IRRIGATION WORKS	2022 TOTAL	2021 TOTAL
Cash provided by (used for) the following activities:				
Operating activities:				
Excess of revenue over expenses	\$ 3,176,253	\$ 499,038	\$ 3,675,291	\$ 19,277,093
Items not involving cash:				
Unrealized loss on financial instruments	-	3,686,527	3,686,527	220,317
Amortization (Note 8, Schedule 1)	457,985	5,375,225	5,833,210	5,682,979
(Gain) on disposal of capital assets	(32,697)	-	(32,697)	(5,865)
Loss on disposal of land and building	-	-	-	2,580
	<u>3,601,541</u>	<u>9,560,790</u>	<u>13,162,331</u>	<u>25,177,104</u>
Change in non-cash working capital balances:				
Accounts receivable	(166,664)	970,827	804,163	(1,056,848)
Prepaid expenses and deposits	(4,522)	-	(4,522)	46,902
Inventory	(186,111)	-	(186,111)	(288,756)
Accounts payable and accrued liabilities	(34,556)	(1,310,427)	(1,344,983)	(2,049,000)
Construction costs and holdbacks payable	-	(21,946)	(21,946)	(64,167)
Deferred revenue	3,935	261,540	265,475	(27,345)
Water right deposits	-	(241,687)	(241,687)	(2,510,075)
Construction contributions	-	(564,268)	(564,268)	(4,180,395)
Due to irrigation works / from general operations	6,739,150	(6,739,150)	-	-
	<u>6,351,232</u>	<u>(7,645,111)</u>	<u>(1,293,879)</u>	<u>(10,129,684)</u>
Investing activities:				
Purchase of capital assets	(1,653,227)	-	(1,653,227)	(75,246)
Proceeds from disposal of capital assets	134,990	-	134,990	11,588
Additions to irrigation works	-	(8,526,660)	(8,526,660)	(13,667,108)
(Increase) in investments	-	(951,829)	(951,829)	(3,391,561)
	<u>(1,518,237)</u>	<u>(9,478,489)</u>	<u>(10,996,726)</u>	<u>(17,122,327)</u>
Financing activities:				
Proceeds from long-term debt (Note 7)	-	3,806,409	3,806,409	595,786
Interfund transfers:				
Provision for irrigation works	(2,000,000)	2,000,000	-	-
Allocation for irrigation works	(800,000)	800,000	-	-
	<u>(2,800,000)</u>	<u>2,800,000</u>	<u>-</u>	<u>-</u>
Increase (decrease) in cash and cash equivalents	5,634,536	(956,401)	4,678,135	(1,479,121)
Cash and cash equivalents, beginning of year	9,996,517	1,649,627	11,646,144	13,125,265
Cash and cash equivalents, end of year	<u>\$ 15,631,053</u>	<u>\$ 693,226</u>	<u>\$ 16,324,279</u>	<u>\$ 11,646,144</u>
Cash and cash equivalents comprise:				
Cash	\$ 11,467,900	\$ 164,640	\$ 11,632,540	\$ 7,070,341
Short term investments	4,163,153	528,586	4,691,739	4,575,803
	<u>\$ 15,631,053</u>	<u>\$ 693,226</u>	<u>\$ 16,324,279</u>	<u>\$ 11,646,144</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, 2022

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 elected to carry fixed income securities including bonds and similar financial instruments at fair value. Changes in fair value are recognized in the statement of operations and changes in fund balances in the period incurred.

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.

i) Fixed Income Securities:

The District carries fixed income securities including bonds and similar financial instruments at fair value. There was no effect on the carrying value of these financial instruments on the statement of financial position and this has not resulted in any change to opening fund balances or excess of revenue over expenses for 2022.

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:	2022	2021
ATB Notice Demand Accounts		
31 days @ 4.60% (2021 @ 0.80%)	\$ 527,172	\$ 515,116
60 days @ 4.72% (2021 @ 0.90%)	724,426	707,046
90 days @ 4.85% (2021 @ 1.00%)	2,911,555	2,838,230
	4,163,153	4,060,392
 Irrigation Works:		
ATB Notice Demand Accounts (Pump Fund)		
90 days @ 4.85% (2021 @ 1.00%)	507,575	494,793
 ATB High Interest Savings		
Dec. 31, 2022 @ 1.90% (2021 @ 0.55%)	21,011	20,618
	528,586	515,411
 Total Short Term Investments	\$ 4,691,739	\$ 4,575,803

Note 4 Accounts Receivable

General Operations:	2022	2021
Water rates and charges	\$ 209,235	\$ 97,555
Other	54,990	6
	264,225	97,561
 Irrigation Works:		
Construction contribution charges	3,507	1,088,707
Water rights charges	73,012	-
Pump surcharges	42,485	1,125
	119,004	1,089,832
Total Accounts Receivable	\$ 383,229	\$ 1,187,393

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:

	2022	2021
Equity Investments:		
RBC Dominion Securities, at fair value	\$ 4,391,039	\$ 5,129,605
ATB Investor Services, at fair value	19,666,320	21,657,617
Fixed Income:		
RBC Dominion Securities, 1.75% to 5.85% bonds, maturities from 2024 to 2051, at fair value	2,986,210	2,991,044
Total Long Term Investments	\$ 27,043,569	\$ 29,778,266

Note 6 Accounts Payable and Accrued Liabilities

Included in accounts payable are outstanding government remittances payable of \$61,866 (2021 - \$49,177).

Note 7 Long-Term Debt & Operating Loan

The District has a credit facility with ATB Financial to help finance operations and Canada Infrastructure Bank (CIB) to help finance modernization projects. In accordance with By-Law #616-2020, the prevailing rate of interest is set by ATB Financial and is authorized to a maximum of \$5,000,000 (2021 - \$5,000,000) and CIB is authorized to a maximum of \$12,650,000. The ATB Financial actual interest rate floats at 1.00% above the bank prime interest rate and the amount outstanding as at December 31, 2022 was \$ Nil (2021 - \$ Nil). The ATB Financial prime interest rate was 6.45% on December 31, 2022 (2021 - 2.45%).

On December 18, 2020, the District entered into a Funding Agreement with Irrigating Alberta Inc., (the "SPV"- Special Purpose Vehicle) a related party of which the District has a pro-rata value of common shares. The SPV is a joint vehicle that has negotiated sources of funds to be made available to ten Irrigation Districts. The District funds negotiated by the SPV for projects amounting to \$25,300,000 will be funded as follows: 30% (\$7,590,000) of the funding is from a grant from the Province of Alberta; and 50% (\$12,650,000) of the funding is from a loan from Canadian Infrastructure Bank ("CIB"); and the remaining 20% (\$5,060,000) of the funding is from contributions by the District made by way of direct satisfaction of Applicable Project Costs.

The maximum amount of funds available to be borrowed by the District from SPV is \$12,650,000 at 1.0% per annum, to be repaid with Incremental Revenues. The outstanding balance as at December 31, 2022 was \$4,402,195 (2021 - \$595,786).

Security on the SPV loan is a General Security Agreement on Incremental Revenues which includes the annual amount from capital asset charges levied on additional irrigation acres added to the District as a result of the New Assets ("Additional Acres"), the irrigation rates received on Additional Acres plus all other rates, charges, surcharges, fees or other operating revenues collected from Additional Acres, projects construction contributions, and pipeline pressure (PSI) charges for existing acres for the applicable Projects ("Incremental Revenues").

The current portion of the long term debt will be paid from Incremental Revenue that will be transferred to Irrigation Alberta Inc. on January 31, 2023 in the amount of \$1,169,381.

Note 8 Capital Assets

a) General Operations:	2022			2021
	Cost	Amortization	Net	Net
Computer	\$ 335,847	\$ 269,513	\$ 66,334	\$ 82,983
Automotive	1,756,428	1,039,297	717,131	645,418
Power	4,874,779	2,513,055	2,361,724	1,315,151
Other	898,186	563,032	335,154	343,842
	<u>7,865,240</u>	<u>4,384,897</u>	<u>3,480,343</u>	<u>2,387,394</u>
b) Irrigation Works:				
Completed irrigation works	226,602,685	92,723,245	133,879,440	130,646,790
Buildings	3,590,177	1,077,904	2,512,273	2,598,174
Land	874,797	-	874,797	870,111
	<u>231,067,659</u>	<u>93,801,149</u>	<u>137,266,510</u>	<u>134,115,075</u>
Total Capital Assets	<u>\$ 238,932,899</u>	<u>\$ 98,186,046</u>	<u>\$ 140,746,853</u>	<u>\$ 136,502,469</u>

Irrigation Works:	2022	2021
Irrigation works, beginning of year	\$ 222,540,999	\$ 208,876,471
Additions to irrigation works	8,526,660	13,667,108
	<u>231,067,659</u>	<u>222,543,579</u>
Deduct:		
Cost of land and building sold	-	2,580
	<u>-</u>	<u>2,580</u>
Irrigation works, end of year	<u>231,067,659</u>	<u>222,540,999</u>
Amortization of irrigation works, beginning of year	<u>88,425,924</u>	<u>83,195,334</u>
Add:		
Amortization of irrigation works	<u>5,375,225</u>	<u>5,230,590</u>
Amortization of irrigation works, end of year	<u>93,801,149</u>	<u>88,425,924</u>
Irrigation Works, net book value	<u>137,266,510</u>	<u>134,115,075</u>
Deduct:		
Funding by Long-Term Debt	<u>4,402,195</u>	<u>595,786</u>
	<u>\$ 132,864,315</u>	<u>\$ 133,519,289</u>

The changes in the fund balance, invested in capital assets, reflects the changes as above less the funding by long-term debt. Irrigation works that were not available for use were not amortized in 2022 and amount to \$5,646,856 (2021 - \$4,688,578).

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 Irrigation are externally restricted, must be used for specific cost-shared irrigation projects, and are included in the Alberta (IRP) Cost-Sharing fund.

Irrigation Works Fund:

	2022		2021	
	District	Alberta (IRP) Cost-Sharing	Total	Total
Fund balance, beginning of year	\$ 48,390,021	\$ (10,994,146)	\$ 37,395,875	\$ 26,338,621
Add:				
Contributions received from Alberta Agriculture and Irrigation	2,300,605	1,351,066	3,651,671	1,692,735
Interest earnings and realized gains	936,608	150	936,758	3,397,052
Contributions for new parcels and irrigation works	1,457,595	-	1,457,595	10,267,161
Proceeds from sale of irrigation works	3,593,656	-	3,593,656	6,649,780
Transfer from District to Province of Alberta Cost-Sharing	(450,355)	450,355	-	-
Total Irrigation Works Fund revenues	7,838,109	1,801,571	9,639,680	22,006,728
Unrealized (loss) on investments	(3,686,527)	-	(3,686,527)	(220,317)
Interfund transfers	2,800,000	-	2,800,000	2,300,000
Proceeds from debt funding	3,806,409	-	3,806,409	595,786
Total additions	10,757,991	1,801,571	12,559,562	24,682,197
	59,148,012	(9,192,575)	49,955,437	51,020,818
Deduct:				
Additions to irrigation works, Schedule 2	8,482,089	44,571	8,526,660	13,667,108
Consulting fees (recovered), net	(3,931)	-	(3,931)	(227,687)
Other expenses from Irrigation Works Fund	110,410	-	110,410	185,522
Total deductions	8,588,568	44,571	8,633,139	13,624,943
Fund balance, end of year	\$ 50,559,444	\$ (9,237,146)	\$ 41,322,298	\$ 37,395,875

Note 10 General Operations Fund

a) General Fund operating:	<u>2022</u>	<u>2021</u>
General Fund operating, beginning of year	\$ 2,441,260	\$ 1,722,708
Adjustments to capital assets, net	(1,092,949)	382,866
Revenue over expenses allocated	3,176,253	2,635,686
Transfer to irrigation works fund from general operations	<u>(2,800,000)</u>	<u>(2,300,000)</u>
General Fund operating, end of year	<u>\$ 1,724,564</u>	<u>\$ 2,441,260</u>

b) The General Operations Fund is comprised of:

	<u>2022</u>	<u>2021</u>
General Fund operating	\$ 1,724,564	\$ 2,441,260
General Fund capital	<u>3,480,343</u>	<u>2,387,394</u>
Total	<u>\$ 5,204,907</u>	<u>\$ 4,828,654</u>

Note 11 Deferred Revenue

General Operations:	<u>2022</u>	<u>2021</u>
Prepaid lease	\$ 6,120	\$ -
Prepaid water fees	<u>28,585</u>	<u>30,770</u>
	<u>34,705</u>	<u>30,770</u>
Irrigation Works:		
Sale of Land	14,945	10,535
Water Access Fee	<u>268,530</u>	<u>11,400</u>
	<u>283,475</u>	<u>21,935</u>
Total Deferred Revenue	<u>\$ 318,180</u>	<u>\$ 52,705</u>

Note 12 Irrigation Rates

		2022	2021
195,469.3	irrigation acres @ \$18.50/acre (2021 – 193,918.9 ac. @ \$18.00)	\$ 3,616,182	\$ 3,490,540
972.5	irrigation acres – 72 parcels @ \$555.00/parcel minimum (2021– 1,027.5 ac. – 76 parcels @ \$540.00)	39,960	41,040
173.0	dryland terminable acres @ \$30.00/acre (2021 – 173.0 ac. @ \$28.00)	5,190	4,844
55.0	dryland terminable acres – 4 parcels @ \$600.00/parcel minimum (2021 – 55.0 ac. – 4 parcels @ \$540.00)	2,400	2,160
1,941.8	restricted terminable acres @ \$30.00/acre (2021 – 1,941.8 ac. @ \$28.00)	58,254	54,369
23.6	restricted terminable acres – 2 parcels @ \$600.00/parcel minimum (2021 – 23.6 ac. – 2 parcels @ \$540.00)	1,200	1,080
-	pipeline pressure delivery charge	1,044,851	944,162
<u>198,635.2</u>	(2021 – 197,139.9)	4,768,037	4,538,195
	Less: reclassification credits & rebates	106	102
		<u>4,767,931</u>	<u>4,538,093</u>
	Add: Annual Agreements		
727.5	annual acres @ \$75.00/acre (2021 – 797.6 ac. @ \$65.00)	54,563	51,844
233.5	annual acres – 32 parcels @ \$750.00/parcel minimum (2021 – 220.3 ac. – 31 parcels @ \$650.00)	24,000	20,150
-	pipeline pressure delivery charge	1,235	1,055
<u>961.0</u>	(2021 – 1,017.9)	<u>79,798</u>	<u>73,049</u>
<u>199,596.2</u>	(2021 – 198,157.7)	<u>\$ 4,847,729</u>	<u>\$ 4,611,142</u>

Note 13 Local Authorities Pension Plan (LAPP)

The District is required to make current service contributions to the LAPP of 8.45% (2021 - 9.39%) of pensionable earnings up to the Canada Pension Plan Years' Maximum Pensionable Earnings and 12.80% (2021 - 13.84%) for the excess. The employee contributions are based on rates of 7.45% (2021 - 8.39%) and 11.80% (2021 - 12.84%) respectively.

Total current service contributions by the District to the LAPP in 2022 were \$172,402 (2021 - \$180,951). Total current service contributions by the District employees in 2022 were \$153,464 (2021 - \$164,676).

At December 31, 2021, the LAPP served about 281,764 people (2020 - 275,863) and 435 employers (2020 - 433) and it disclosed an actuarial surplus of \$11.9 billion (2020 - surplus of \$5.0 billion).

Note 14 Construction Costs and Holdbacks Payable

At December 31, 2022, the District had no liability for 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 Contributions

During 2022, the District received deposits related to capital assets (water rights) for the Type "D", Applications, converting some Annual Irrigation Agreements to permanent irrigation acres, for parcels that currently have water rights. The deposits are recognized as revenue in the Irrigation Works Fund, as proceeds from sale of irrigation works. In addition, the District received deposits during 2022 related to construction contributions for capital projects scheduled to commence in subsequent years. Included in the 2022 deposits are construction contributions for the Lateral H1 Phase 2 and Lateral J1 Pipeline Projects.

Note 16 Commitments

The District has commitments as at December 31, 2022 of \$Nil (2021 - \$414,534), in respect of uncompleted work and supply of materials under contract.

Note 17 Comparative Information

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.

Note 18 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). There has been no change to the risk exposure from 2021.

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 2021.

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 2021.

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 2021.

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, 2022**

Schedule 1

	2022				2021	
	EQUIPMENT POOL	MAINTENANCE OF IRRIGATION WORKS	WATER DELIVERY	ENGINEERING	ADMINISTRATION AND GENERAL	TOTAL
Salaries and wages	\$ 516,272	\$ 856,914	\$ 228,867	\$ 336,396	\$ 736,621	\$ 2,592,434
Equipment expense	156,404	366,259	156,233	9,292	6,689	694,877
Employee benefits	76,697	126,734	97,549	69,425	115,862	486,267
Amortization of equipment	333,731	92,189	1,149	19,107	11,809	457,985
Materials and supplies	13,072	284,080	2,382	4,565	14,405	318,504
Buildings and grounds	14,676	14,692	(549)	40,762	42,798	112,379
Association fees and dues	-	-	-	993	74,598	75,591
Board of Directors fees and expenses	-	-	-	-	59,146	59,146
Professional fees	-	-	-	7,532	48,047	55,579
Contracted services	-	-	645	13,039	23,844	37,528
Vegetation, weed and pest control	-	2,233	32,337	-	-	34,570
Equipment rental	3,678	15,652	10,531	572	3,074	33,507
Telephone	2,041	3,576	6,123	6,648	6,795	25,183
Pumps and control structures	-	8,701	14,383	-	-	23,084
Advertising and public relations	15	97	-	5,211	15,433	20,756
Crop and flood damage	-	12,174	-	-	-	12,174
Staff training and conferences	780	4,249	1,297	240	1,096	7,662
Insurance	-	-	-	-	5,804	5,804
Interest and bank charges	-	-	-	-	4,123	4,123
Travel	180	795	233	676	1,294	3,178
Easement rental	-	504	-	-	-	504
(Gain) loss on disposal of equipment	(19,336)	(14,277)	-	346	570	(32,697)
Miscellaneous	63	536	63	682	3,442	4,786
	<u>1,098,273</u>	<u>1,775,108</u>	<u>551,243</u>	<u>515,486</u>	<u>1,175,450</u>	<u>5,115,560</u>
Recoveries:						
Equipment	(1,518,869)	(22,922)	-	(64,693)	(848)	(1,607,332)
Labour (including benefits)	(55,537)	(237,222)	-	(391,197)	(72,768)	(736,532)
Custom work	(11,457)	(2,623)	-	(198)	(31,312)	(46,921)
Pumps	-	-	(4,325)	-	-	(4,325)
	<u>(1,585,863)</u>	<u>(262,767)</u>	<u>(4,325)</u>	<u>(456,088)</u>	<u>(104,928)</u>	<u>(2,413,971)</u>
Total 2022	<u>\$ (487,590)</u>	<u>\$ 1,512,341</u>	<u>\$ 546,918</u>	<u>\$ 59,398</u>	<u>\$ 1,070,522</u>	<u>\$ 2,701,589</u>
Total 2021	<u>\$ (516,448)</u>	<u>\$ 1,557,987</u>	<u>\$ 630,845</u>	<u>\$ 19,243</u>	<u>\$ 996,190</u>	<u>\$ 2,687,817</u>

**LETHBRIDGE NORTHERN IRRIGATION DISTRICT
SCHEDULE OF IRRIGATION WORKS CAPITAL EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2022**

	DISTRICT	ALBERTA (IRP) COST-SHARING	2022 TOTAL	2021 TOTAL
External Goods and Services				
Materials and supplies	\$ 4,129,827	\$ 6,768	\$ 4,136,595	\$ 5,438,362
Contract services				
Construction	1,912,590	1,979	1,914,569	5,257,351
Engineering	60,564	-	60,564	559,988
Land acquisition costs	32,249	33,902	66,151	53,596
Internal (District) Goods and Services				
Labour recoveries (including benefits)				
Engineering	390,153	503	390,656	491,539
Construction	288,861	135	288,996	259,792
Right-of-way	66,969	432	67,401	120,800
Equipment recoveries	1,600,876	852	1,601,728	1,485,680
Totals 2022	\$ 8,482,089	\$ 44,571	\$ 8,526,660	
Totals 2021	\$ 12,514,044	\$ 1,153,064		\$ 13,667,108

Schedule 3

LETHBRIDGE NORTHERN IRRIGATION DISTRICT
 SCHEDULE OF PUMP FUND
 FOR THE YEAR ENDED DECEMBER 31, 2022

	Keho/Barons	Piyami	Keho East	Barons West 2	2022 TOTAL	2021 TOTAL
Fund balance, beginning of year	\$ 381,456	\$ 99,679	\$ 83,157	\$ 14,809	\$ 579,101	\$ 533,100
Add:						
Assessments - pump and electrical	319,515	121,372	190,525	114,859	746,271	804,094
Investment income	8,104	2,288	1,879	511	12,782	3,427
Penalties	18	-	-	72	90	4,600
Total additions	327,637	123,660	192,404	115,442	759,143	812,121
Deduct:						
Electrical	310,755	114,864	182,591	106,135	714,345	738,684
Maintenance	13,259	34	3,910	6	17,209	27,436
Total deductions	324,014	114,898	186,501	106,141	731,554	766,120
Fund balance, end of year	\$ 385,079	\$ 108,441	\$ 89,060	\$ 24,110	\$ 606,690	\$ 579,101

LETHBRIDGE NORTHERN IRRIGATION DISTRICT

2022 ANNUAL GENERAL MEETING

Coalhurst Community Centre

April 18, 2023

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 2021 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 ATB Financial & ATB Wealth Inc.)



THURSDAY, APRIL 21, 2022

The 2022 Annual General Meeting was held on Thursday, April 21, 2022 at the Picture Butte Community Center, commencing at 1:30 p.m.

PRESENT

48 Water Users, **4** Board members representing the Water Users and **15** LNID staff. In addition, the following attended: **Irrigation Secretariat:** Jennifer Nitschelm and Annemarie Phillipsen; **A.I.D.A.:** Margo Redelback; **KPMG LLP:** Yvonne Barthel; **MPE Engineering Ltd.:** Jeff Hust; **Alberta Environment and Parks:** Paul Elser; **Alberta Agriculture:** Andrea Gonzalez; **Real Agriculture:** Kara Oosterhuis; **Wood Environment and Infrastructure:** Shane Eyre.

CALL TO ORDER:

John Vandenberg, Chairman of the Board, called the meeting to order at 1:31 p.m. and introduced the Board of Directors and guests in attendance.

MOMENT OF SILENCE:

John Vandenberg, Chairman, asked that all in attendance observe a moment of silence for those who have passed away.

AGENDA APPROVAL:

John Vandenberg asked for any additions/deletions/changes to the agenda. There were none.

Motion by Edward Van Essen, seconded by Klaas Slomp to adopt the agenda as presented. **CARRIED**

MINUTES OF 2021 ANNUAL GENERAL MEETING:

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

Motion by Morris Zeinstra, seconded by Brian Nauta to approve the Minutes of the 2021 Annual General Meeting as presented. **CARRIED**

BUSINESS ARISING OUT OF MINUTES

John Vandenberg called for any business arising out of 2021 Minutes: No items were raised.

CHAIRMAN'S REPORT

John Vandenberg, Chairman of the Board of Directors, presented the Chairman's Report which included information on completed projects, future projects and IRP Financing. He thanked the Alberta Government departments and Irrigation Council for all the support they provide to the District.

J. Vandenberg asked for questions arising from the Chairman's report.

Discussion and questions regarding the current water issue were brought up. Landowners were informed that Alberta Government Ministers and the Piikani Nation were meeting to try to resolve the issue. District vehicles are not allowed on the land and all staff must be in an Alberta Environment and Parks vehicle. Paul Elser, Alberta Environment and Parks (AEP), stated the situation is at the highest level of communication between Ministers and AEP to get the issue resolved. Contingency plans are being looked at and landowners are encouraged to forward their email addresses to the LNID for updated daily news emails.

J. Vandenberg stated that pipelines in the east were being flushed and the Lateral H1 Phase 2 pipeline was being checked for leaks. Everything is in the process of preparing for when the water is turned on. The Lateral J1 pipeline will be ready for spring of 2023.

Motion by Jack Purveen, seconded by Stephan Van Essen to adopt the Chairman's Report as presented. **CARRIED**

GENERAL MANAGER'S REPORT

Alan Harrold, General Manager, presented the General Manager's Report.

A.L. Harrold presented details on the following items: District Expansion, Automation and Control Structures, Canal Bank Watering, Climate Change and On-Farm Water Storage, Staffing and the outlook for the future.

A.L. Harrold, asked for questions arising from the General Manager's Report. There were none.

Motion by Everett Van Essen, seconded by Jack Purveen to adopt the General Manager's Report as presented. **CARRIED**

DISTRICT ENGINEER'S REPORT

Chris Gallagher, Executive Assistant, presented the District Engineer's Report.

C. Gallagher asked for any questions arising from the report.

- ❖ Adrian Sinke asked if maps of project locations could be available in the Annual General Report.

C. Gallagher stated that maps of project locations would be made available on the LNID Website.

Motion by Klaas Slomp, seconded by Ed Schuld to adopt the District Engineer's Report as presented. **CARRIED**

OPERATIONS & MAINTENANCE REPORT

Garth Fischer, Water Master West–Nobleford, presented the Operations and Maintenance Report.

G. Fischer asked for any questions arising from the report. There were none.

Motion by Everett Van Essen, seconded by Jack Purveen to adopt the Operations & Maintenance Report as presented. **CARRIED**

FINANCIAL REPORT

John Vandenberg welcomed Yvonne Barthel, KPMG LLP, to the Meeting. Y. Barthel presented the Financial Statements.

Any questions arising from the report were referred to A.L. Harrold for answers.

- ❖ Stephen Van Essen inquired about the write-off of irrigation works and no write-off in 2021.

A.L. Harrold stated irrigation works that were no longer required and not fully amortized are written off. None were identified in 2021.

- ❖ Arnie Bergen-Henengouwen inquired about water rights being set this year.

A.L. Harrold stated the capital asset charge for water rights is still set for \$2,500/acre and will be reviewed in the fall this year.

Motion by Everett Van Essen, seconded by Ed Schuld to adopt the Financial Statements as presented.

CARRIED

OTHER BUSINESS ARISING FROM THE REPORTS

John Vandenberg, asked if there was any other business arising from the reports presented. There were none.

NEW BUSINESS

John Vandenberg, asked if there was any new business.

- ❖ John Kolk acknowledged the support for the volunteer community as well as the Town of Picture Butte and the Walk On The Wild Side (WOWS). He stated there are benches and trees for everyone to enjoy and gave thanks that we can show water is for communities, businesses and wildlife.
- ❖ Everett Van Essen inquired about the water allocation.

J. Vandenberg stated the water allocation this year has been set at 17.5 inches but that is subject to change.

- ❖ Stephen Vandervalk inquired if the LNID is measuring the amount of water being used and if there is an Incentive Program.

J. Vandenberg stated there are meters on all turnouts delivered water through pumpstations as well as flow meters installed on every new pipeline. As of right now there is no Incentive Program. The District records all water deliveries and the type of irrigation system on each parcel of land and keeps an eye on how much water is used. Landowners are able to request a chart from Gary Burke on how much water is being used per quarter.

LOCATION FOR NEXT MEETING

John Vandenberg requested feedback for the location of the next meeting.

Motion by Ed Schuld, seconded by Everett Van Essen that the location for the next Annual General Meeting be held at Coalhurst Community Centre.

CARRIED

ADJOURNMENT

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

Motion by Jack Purveen that the meeting be adjourned.

Meeting called adjourned at 3:08 p.m.