



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

LETHBRIDGE NORTHERN IRRIGATION DISTRICT

103RD ANNUAL REPORT 2023

**ANNUAL GENERAL MEETING
APRIL 18, 2024 AT 1:30PM
PICTURE BUTTE 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 Konynenbelt



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 2, 2024**

ADMINISTRATION

Alan Harrold
Janet Beck
Gary Burke
Matthew Coster
Jennifer Dyck
Su-Jin Huxley
Maritza Suarez
Katrina Holoboff
Caitlyn Bernhart

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

ENGINEERING

Trent Webster
Shawn Fontaine
Muhammad Haris
Abubaker Sardar
Glade Roberts

District Engineer
Survey Technician
Engineering Technologist
Project Design Engineer
Drafting Technologist

WATER OPERATIONS

WEST

Garth Fischer
Mike McCloud
Tyson Sushelnitski

Water Master West
Assistant Water Master West
Water District Coordinator

EAST

Ryan Chogi
Walter Engels
Justin Bourk
John Degenstein
Patrick Pavka

Water Master East
Assistant Water Master East
Water District Coordinator
Water District Coordinator
Water District Coordinator

OPERATIONS AND MAINTENANCE

Brett Zielinski
Darcy Smith
Adam Matlock
Peter Peters
Bryce Schultz
Louie Tams
David Webster
Ken Frank
Tyson Gates
Detton Hawkins
Adam Derksen
Tim Sandham
Jeremy Lane
Cornell Overeem

Construction & Maintenance Manager
Construction & Maintenance Foreman
Heavy Truck Hauler / Equipment Operator
Equipment Operator
Equipment Operator / Lead Hand
Inventory / Purchasing Coordinator
Pesticide / Herbicide / Magnicide H Applicator
Labourer
Labourer / Spare Ditchrider
Labourer
Tandem Driver
Tandem Driver
Tandem Driver
Equipment Operator

CHAIRMAN'S REPORT

At the beginning of this new season, we look back on two stressful startups but still have grave concerns for this spring. May the Lord provide the needed moisture for this growing season. Last year, Friday, June 16, we celebrated our 100th anniversary. It was good to see such a large turnout for this event. Thank you to all the staff who did an excellent job of organizing this event.

April 21, 2023, flushing the canal was started east out of Keho Lake and on April 25, Alberta Agriculture and Irrigation (AAI) started flushing the Main Canal. The next day massive leaks were found and the water was shut off.

Dennis' Dirtworx Ltd. (DDW) was brought in to do emergency repairs which thankfully were successful. After these repairs on May 13, 10 CMS (m³/s) was turned in but more leaks showed up which meant that the complete 4 km stretch needed to be repaired. Many thanks to DDW for the long hours worked to get the job done. Alberta Government, also thank you for your involvement. It was not until June 2 that the flow was finally increased to 20 CMS. June 20 it was increased to 42.5 CMS which was maintained all summer.

With gradual amounts of increase the allocation rose from 1" to 16" on June 21. 75% of farmers irrigation systems were finally allowed to operate at one time.

Most farmers cooperated through this stressful period. Many thanks to everyone who helped.

The snow pack providing our irrigation water for the 2024 irrigation season was low but in the beginning of March we received quite a bit more good snowfall and hopefully we receive enough for 2024. If not, we will have to share with all water users in the Oldman River Basin. We still have to meet our 50% apportionment agreement with Saskatchewan.

In the fall of 2023, we started to install the Lateral K2 Pipeline in the Turin area, which is 21.8 km. Aside from the Lateral K2 project, we do not have much pipeline rehabilitation left to be done replacing present canals. There are only two more projects on the books for the time being. The remaining ditches are too big to replace with pipeline.

Many risers need to be replaced each year due to rust damage. Another large expense is the repairs of sloughs on the main canals. Thank you to Brett Zielinski and his crew for all the hard work.

With all the troubles that farmers were having with plugged filters on the Laterals H8 and H9 pipelines, we have come up with a solution. We have decided to dig a canal around the North side of Picture Butte Reservoir, hoping to deliver better quality water to those pipelines which otherwise receive a lot of weeds and silt caused by high winds. Hopefully this will alleviate these problems. We will still have to use water from the lake to try to prevent it from becoming stagnant. The possibility of cleaning out the lake by dredging it was investigated but would cost a fortune with nowhere to leave the waste.

Thank you to all the Board members for the good working relationship we have had through all the years.

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. Thanks to the Engineering department for the work they did. Thank you to Ryan Chogi, Water Master East – Butte, and Garth Fischer, Water Master West – Nobleford, alongside their water delivery staff.

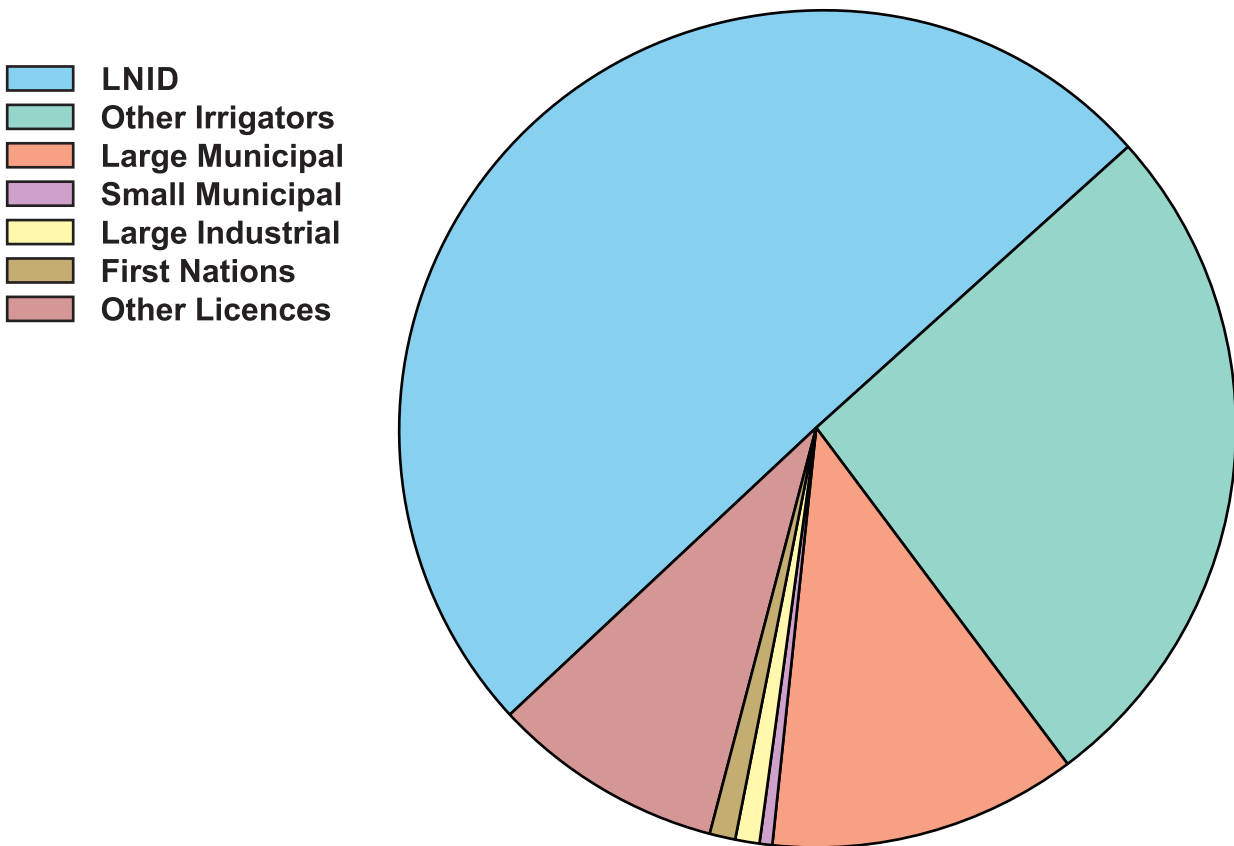
On behalf of the LNID, I would like to thank the Alberta Government for funding through IRP & AIM each year. Without this funding support we could not do the construction we do to improve our water distribution infrastructure. In addition, thank you to all Alberta Government departments and Irrigation Council for the support they provided to our District in 2023.

This was a trying spring but things turned out quite well in the end. We had heavy crops. May the Lord bless our labours in 2024.

Respectfully submitted on behalf of the Board of Directors

John Vandenberg
Chairman of the Board

Oldman River Basin Demands



GENERAL MANAGER'S REPORT

Alan Harrold
General Manager



The 2023 irrigation season will be remembered by the water users, Board, and staff as one of the most stressful and difficult years for water delivery in the District. This resulted from very dry soil conditions for planting crops to begin the year and receiving less than 1" of precipitation throughout the District in April and May. To make matters worse, when water commenced being diverted from the Oldman River into the Alberta Agriculture and Irrigation Main Canal on April 25, leaks were discovered in the relined portion of the canal, prior to the water entering the flume. As a result, water in the canal was shut down on April 26 until May 13 when 10 CMS (m³/s) was diverted into the canal and after another leak was repaired, the canal flow increased to 20 CMS on May 20th, before being cut back to 10 CMS on May 31.

Commencing on June 2, the canal flow was gradually increased in stages until it reached 42.5 CMS on June 20, where it stayed throughout the rest of the water season until it was no longer required to meet demand and Keho Reservoir storage had increased to a normal operating level. Throughout the 2023 irrigation season, precipitation in the District was sporadic, resulting in a less than normal year for rainfall. The District's total diversion was 79.8% of its Water Licences which was conveyed for irrigation and other use purposes as well as landowner water licences.

The amount of diversion was the District's 3rd highest in the last 23 years. The average water delivery to farm turnouts during the year was 14.7" per irrigation acre, compared to 13.2" in 2022, 14.5" in 2021 and 8.1" in 2020.

Drought Projections for 2024:

It has been well publicized by the Alberta Government and in the media for the past number of months about the lower-than-normal water storage in dams and reservoirs in the Upper Tributaries of the Oldman Basin, the Oldman River Basin, the Bow River Basin and the Red Deer River Basin. The Oldman Dam, which supplies water for the LNID, was at 32% of full supply level (FSL) as of April 2, 2024, when normal storage for this time of year is between 62% and 80% of FSL. Without receiving a significant amount of more snowfall in the mountains to improve water storage from run-off or if we do not receive some very timely precipitation in the LNID during 2024, the water allocation per irrigation acre will likely be less than a full allocation. As a result, all water users are asked to order their water on and off with 24 hours' notice and to use their water as efficiently as possible to reduce spill and return flow.

On-Farm Water Storage:

In consideration of the water situation that has resulted in the District over the last three years and the forecast projections for 2024, all water users should re-evaluate their on-farm water storage and consider building additional storage capacity to help protect their farming operations in future years.

District Expansion:

A District moratorium on adding new parcels of irrigation has been in place since 2019 and will continue throughout 2024. Some additional irrigation acres were added to the Assessment Roll in 2023 as a result of reclamation from the District conversion of open channel ditches being backfilled after water delivery pipelines were installed.

Automation and Control Structures:

During 2023, the District continued to upgrade its infrastructure with more automation to improve the control of water delivery and efficiency by reducing the District's return flow (spill). Additional structure automation is planned for the Monarch Main Canal in the fall of 2024 and spring of 2025.

I would like to thank the Board of Directors for their commitment to improving the District and for the support that they have provided for management and support staff. I would also like to thank all staff for their continued commitment and contribution to improving the operational efficiency of the District. There has been a tremendous amount of improvement made to the District infrastructure and operations which has reduced the return flows over the past number of years.

On behalf of the District staff and water users, I would like to thank the staff of both Alberta Agriculture & Irrigation and Alberta Environment & Protected Areas for all of the assistance that they provided during 2023.

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 2023 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 2023 contribution from the Province was \$1,514,336. The District's contribution of \$504,780 brought the total contribution to the IRP Cost-Sharing account to \$2,019,116. Any funds received in 2023 in excess of that spent will be used to recover funds loaned by the 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 toward the acceleration of projects that LNID had already been 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 2023, applicable project costs claimed were \$4,904,671 of which 80% or \$3,923,837 was accessed from the program funding share.

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.



Lateral K2 - 30" Isolation Valve and Spools

2023 IRRIGATION REHABILITATION PROGRAM (IRP)

IRP #2402 LATERAL K2 PHASE 2 LNID PROJECT #374-08

N½ 31, SW 31, Section 32 of 11-19-4; Section 26, SE 35, Section 36 of 11-20-4

The Lateral K2 project is a closed gravity low delivery pressure PVC pipeline 22.2 km long, replacing 17.8 km of an earthen canal and serves 3,317 acres. The IRP portion (West end) of the new Lateral K2 pipeline involved the construction of an HDPE lined 8,160 m³ settling pond, complete with new concrete canal inlet trash rack and screener structures at the pond exit; and approximately 9.82 km of new pipeline. The IRP/AIM project split occurred at Range Road 19-4. The downstream water level control concrete check structure was also replaced under the IRP cost sharing program. Costs for 2023 totalled \$851,576 of a \$6.4M budget. This project will be operational before water is on for the 2024 growing season.



Lateral K2 - HDPE Pipe Installation

2023 IRRIGATION WORKS RESERVE PROGRAM (IWR)

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 in 2022. 2023 expenditures include raising the gabions; adding a catwalk to perform a filter fabric trial; and adding a proper fitting gate spool. With 2023 expenditures of \$60,768, the final project cost is \$155,533.

IWR #943 LATERAL H3 EFFECT ANALYSIS
SW 14-11-21-4

Following the installation of the H3 pipeline, ponding of water had been an issue for about a decade on the affected property. Water was observed to be following the uphill pipeline haunching gravel down to this location; a tile drainage system was installed to collect the extra water. 2023 expenditures were \$44,070 for a project cost of \$62,757. Minor land leveling is expected to be performed in the spring of 2024 prior to planting.

IWR #948 LATERAL A4 INLET REHAB
SW 34-09-26-4

Significant leakage was experienced in the farmers field immediately downstream of the existing concrete headwall turnout. The leakage was determined to have been caused by the original Corrugated Steel Pipe (CSP) turnout that was simply filled with concrete on the canal side and was not removed from the main canal embankment at the time of the new A4 concrete headwall installation. The old CSP was completely removed, and suitable repairs were made to the newer concrete headwall piping, the older farm irrigation turnout was completely replaced. Total project cost was \$121,747. Once grass is re-established on the canal embankment, this project will be 100% complete.

IWR #951 LATERAL C-14 UPGRADE
N1/2 10-09-22-4

One irrigator has had an issue of unreliable pivot operation since the installation of the C14 pipeline. The design delivery pressure was 1 PSI at that particular turnout. The piping was modified to eliminate air from the mainline and this modification has resolved a decade old problem. The final project cost was \$97,925.

IWR #952 LATERAL H3 POND REHAB
SW 15-11-21-4

Three of five pond inlet and outlet pipes failed, due to improper compaction around the 1400 mm and 1500 mm CSP culverts at the time of the installation in 2014. It took 9 seasons before the piping actually failed. The 3-1400 mm canal to pond inlet CSP's were replaced in the spring of 2023 by LNID forces. The 2-1500 mm pond to screener box outlet pipes were replaced by a local contractor in the fall of 2023. The 2023 current project cost is \$227,532, with another \$29,682 submitted later in 2024, bringing the final project total to \$257,214.



Lateral H3 Pond - 3 Inlet Pipes Removed

2023 ALBERTA IRRIGATION MODERNIZATION (AIM) PROGRAM

AIM #937 AUTOMATION CONTROLS UPGRADE PROJECT VARIOUS LOCATIONS

LNID PROJECT #937-01

This project involves upgrades to the Supervisory Control and Data Acquisition (SCADA) 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 resulted in improved conveyance efficiencies and control of emergency and operational spill. Project Management for automation has been overseen by Gary Burke, in collaboration with Water Masters Ryan Chogi and Garth Fischer. Project costs to date total \$703,854 of a \$900,000 budget, with 2023 allocations totalling \$240,185.

AIM #972 LATERAL J1 LNID PROJECT #972-08 SECTIONS 20, 19 of 11-20-4; 24, 23, 22 of 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. Delays in receiving PVC fittings resulted in the project being completed during the fall of 2022 with the old canal deliveries being removed during the summer of 2023. The revised budget for the project is \$5.5M, \$211,393 was spent in 2023 on canal clean up activities, and survey. The project total to date is \$5,602,868 with just land and legal to complete.

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

Lateral K1B pipeline replaced 7.6 km of earthen canal with a 6.5 km of low pressure PVC pipeline. A combined canal inlet and screener box was constructed to feed an existing 950 m long HDPE pipe before connection to the new PVC pipeline. \$2,499,159 was spent in 2023, with a total cost to date of \$2,943,450.

AIM #974 LATERAL K2 Phase 1 LNID PROJECT #973-08 SECTIONS 27, 33, 34 of 11-19-4; NW 02, S½ 03, NE 03, S½ 04, SE 05 of 12-19-4

The Lateral K2 project is a closed gravity low delivery pressure PVC pipeline 22.2 km long, replacing 17.8 km of an earthen canal and serves 3,317 acres. The AIM program cost shared portion commences at Range Road 19-4 and continues East. It was constructed during the fall of 2023, with canal removal to be finalized during the spring/summer of 2024. Expenditures on the project in 2023 was \$2,967,799.

The construction projects undertaken in 2023 were primarily completed by LNID labour and equipment, with assistance from local general and specialty contractors. We are grateful for the hard work and diligence that the Operations & Maintenance and Construction crews have demonstrated as we work through transitions and the unique challenges brought in 2023.

I would like to welcome Muhammad Haris to the Engineering Department in his role as Engineering Technologist. I am encouraged by the dedication of the engineering team and look forward to working with them in 2024.

IRRIGATION REHABILITATION PROGRAM

EXPENDITURES FROM IRRIGATION REHABILITATION PROGRAM (IRP)
DECEMBER 31, 2023

PROJECT NUMBER	PROJECT NAME	TOTAL TO DEC. 31/22	2023 EXPENDITURES	TOTAL TO DEC. 31/23
371/2335	Completed Capital Project Costs	\$ 141,077,719		\$ 141,077,719
374/2402	Lateral H1 - Phase 1	9,319,453	16,757	9,336,210
	Lateral K2 - Phase 2 - IRP	-	851,756	851,756
Less permanent difference - Aerial Photography				-32,350
Write-Off of Irrigation Works			-1,817,833	-1,817,833
		\$ 150,397,172	\$ -949,320	\$ 149,415,502

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

	2019	2020	2021	2022	2023
Government Grant 75%	\$ 1,529,362	\$ 1,098,698	\$ 1,326,734	\$ 1,351,066	\$ 1,514,337
LNID 25%	509,787	366,233	442,245	450,355	504,780
TOTAL	\$ 2,039,149	\$ 1,464,931	\$ 1,768,979	\$ 1,801,421	\$ 2,019,117

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

Funding Type	2019	2020	2021	2022	2023
Alberta (IRP) Cost-Sharing	\$ 55,933	\$ 8,131,513	\$ 1,153,064	\$ 44,571	\$ 868,513
District (IWR)	9,316,354	6,858,125	12,514,044	8,482,089	6,764,619
TOTAL	\$ 9,372,287	\$ 14,989,638	\$ 13,667,108	\$ 8,526,660	\$ 7,633,132

PROPOSED IRP 3 YEAR PLAN

YEAR	PROJECT	BUDGET
2024	Lateral K2 Pipeline (Turin)	\$ 450,000
	Lateral A3 Pipeline (Fort Macleod)	900,000
	Lateral 61C Pipeline (Park Lake)	9,700,000
2025	Lateral A3 Pipeline (Fort Macleod)	\$ 50,000
	Lateral K2 Pipeline (Turin)	150,000
	Lateral 61C Pipeline (Park Lake)	200,000
	Lateral A20 Pipeline (Fort Macleod)	6,400,000
2026	Lateral A3 Pipeline (Fort Macleod)	\$ 50,000
	Lateral 61C Pipeline (Park Lake)	100,000
	Lateral A20 Pipeline (Fort Macleod)	200,000

IRRIGATION WORKS RESERVE

EXPENDITURES FROM IRRIGATION WORKS RESERVE (IWR) PROGRAM DECEMBER 31, 2023

PROJECT NUMBER	PROJECT NAME	TOTAL TO DEC. 31/22	2023 EXPENDITURES	TOTAL TO DEC. 31/23
	Completed Capital Project Costs	\$ 45,143,925		\$ 45,143,925
909	Diamond City North	58,073	1,810	59,883
917	Keho Barons Upgrade	754,935	168,870	923,805
918	Lateral B6	6,092,029	15,722	6,107,751
919	Lateral G11 & G12	6,074,407	3,020	6,077,427
929	Barons West 2 - Pump Station	9,106,858	101,248	9,208,106
930	Lateral G8 Extension	250,467	30	250,497
937	Automated Control Upgrades	463,669	240,185	703,854
938	Barons West 2 - Drain	176,162	31	176,193
940	Lateral B9B - Intake Replacement	94,765	60,768	155,533
943	H3 Effect Analysis	18,687	44,070	62,757
948	Lateral A4 Inlet Rehab	-	121,747	121,747
951	Lateral C-14 Upgrade - N 1/2 10-09-22-4	-	97,925	97,925
952	H3 Pond Rehab	-	227,532	227,532
971	Lateral H1 Phase 2	6,495,411	-49,958	6,445,453
972	Lateral J1	5,391,475	211,393	5,602,868
973	Lateral K1B	444,291	2,499,159	2,943,450
974	Lateral K2 Phase 1 - AIM	-	2,967,799	2,967,799
989	Lateral 62F Rehabilitating	105,336	261	105,597
Purchase of Land			53,007	53,007
Permanent difference - Aerial Photography				32,350
Less: Write-off of Irrigation Works			-55,187	-55,187
		\$ 80,670,490	\$ 6,709,432	\$ 87,412,272

SEEPAGE CONTROL PLAN

A Seepage Control Plan for the years 2024-2028 (inclusive) was filed with Irrigation Secretariat on December 31, 2023, which included the following seepage control projects to be addressed over the next five (5) years:

		Scheduled	Proposed Rehabilitation	Status
Project 1	Lateral K2 Section 27, SW, NW & NE 31, Sections 32, 33, 34-11-19-4; NW 02, SE, SW & NE 03, S ½ 04, SE 05-12-19-4; Section 26, SE 35, Section 36 -11-20-4;	2023	Pipeline	In Progress
Project 2	Lateral 61C SW, NW & NE 28, Section 33-09-22-4; E ½ 04, SE 09-10-22-4;	2024	Pipeline	Pending
Project 3	Lateral A3 NW 28, E ½ 29, SW 33-09-26-4;	2024	Pipeline	Pending
Project 4	Lateral A20 Section 27, SE, NW & NE 33, Section 34-10-25-4;	2025	Pipeline	Pending
Project 5	Turin Dropline S ½ 22, SW 23-11-21-4;	2026	Pipeline	Pending
Project 6	Lateral K1 W ½ 7, Section 17, S ½ 18, SW 20-12-19-4; E ½ 34, SE, NW & NE 35-11-20-4; Sections 1, 2, SE, NW & NE 10, Section 11, E ½ 12, SE, SW & NE 13, SE, SW & NE 15-12-20-4;	2027	Pipeline	Pending

OPERATIONS & MAINTENANCE REPORT

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

2023 water start-up once again was a challenge. The Keho gates were opened on April 21, 2024. Alberta Agriculture and Irrigation (AAI) started to divert water down the AAI Main Canal on April 25, but had to shut down again on April 26 due to a leak. Only pond fills were permitted at this time. May 9th, land in the East that was delivered out of Keho Lake were allowed 1" for irrigation. It wasn't until May 20 that the West was allowed 1" for irrigation. From May 23rd until June 21st, the allocation increase incrementally from 1.5" to finally end with 16"/acre. The season ended with the Oldman River Dam at the second lowest level on record since it started operation in 1995. Keho Lake was able to maintain its normal winter storage level. Shut-down was on October 11, 2023.

2023 was a positive year for construction at the LNID. The west half of the Lateral J1 pipeline project was completed in the first half of the construction season. Kick off for this project was delayed due to a late harvest of crops where the pipeline started. Pipe and fittings were ready to go as they were ordered the year before. Good ground conditions and fair weather helped with the installation of the remaining 7,559 meters of remaining pipe. The pipeline was tied into the structure and completed just after the new year.

Following the completion of the Lateral J1 pipeline project, our construction crew moved over to the Turin area to start installation of the Lateral K1B pipeline. This line stretched from north of Turin west to the K1 canal just east of Highway 845. A total of 6,535 meters of pipe was installed on this pipeline project including a small amount of HDPE pipe needed to tie in with an existing pipe.

Following the completion of the pipeline projects for this season the construction crew moved onto maintenance projects to get ready for the water season.

Laterals G2, G3, D2, and the Barons West 2 pipeline all had screeners that were rehabilitated in 2023.

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 2023

WATER SUPERVISOR UNITS	ASSESSED ACRES	OTHER USE AC.FT.	WATER DELIVERED AC.FT.
Albion	30,320.7	1905	38,437
Battersea	23,539.1	1746	29,842
Butte	1,370.7	158	1,622
Macleod/KB	28,491.5	1315	32,958
Monarch/BW2	26,152.0	4163	32,252
Nobleford	2,352.1	624	2,581
Park Lake	24,509.4	1824	29,620
Piyami	31,532.0	2442	39,705
Turin	30,413.1	1718	37,119
Total Assessed Acres:		Total Water Delivered:	244,136 ac.ft.
		Total Other Use Volume:	15,895 ac.ft.
		Return Flow & Losses:	15,500 ac.ft.
		Total Water Diverted:	275,531 ac.ft.
		Average Irrigation (Inches):	14.7

MAINTENANCE

DESCRIPTION	2023
Canal Cleaning	5 km
Canal Erosion / Sloughing Repair	150 m
Canal & Access Roads Graveling	2 km
Canal & Access Roads Grading	5 km
Canal Banks Mowing	152 km
Canal Banks Weed Spraying	130 km
Aquatic Weed Control	79 km
Pipeline Repairs (Air Vents)	36
Pipeline Repairs (Valves)	43
Pipeline Repairs (Pipe Leaks)	6
Replacement of Farm Turnouts	0
Replacement of Road Crossings	3
Repairs to Gates & Hoists	4
Repairs to Pumps	3
Repairs / Maintenance to Water Meters	50
Repairs / Maintenance to Hydrometric Stations	1
Screener Rehabilitation	6

PRECIPITATION RECORDED

PRECIPITATION FOR 2023 (mm)			
MONTH	AGCM Fort Macleod Station	AGCM Barons Station	IMCIN Lethbridge Demo Farm Station
APRIL	15.4	11.8	14.1
MAY	4.5	13.2	22.7
JUNE	85.4	37.9	33.7
JULY	39.8	48.3	21.7
AUGUST	61.7	35.2	24.1
SEPTEMBER	28.7	23.2	24.6
OCTOBER	19.9	29.2	33.8
Total	255.4	198.8	174.7

WEED CONTROL

TYPE	WEEDS SPRAYED	2023 (litres)
Magnacide H (Acrolein)	Aquatics	4,670
MCPA Amine 600	Broadleaf	650
2,4-D	Broadleaf	320
Oracle (Dicamba)	Broadleaf	350
Start-Up	Non-Selective	370

CROP CLASSIFICATION INFORMATION

WEST

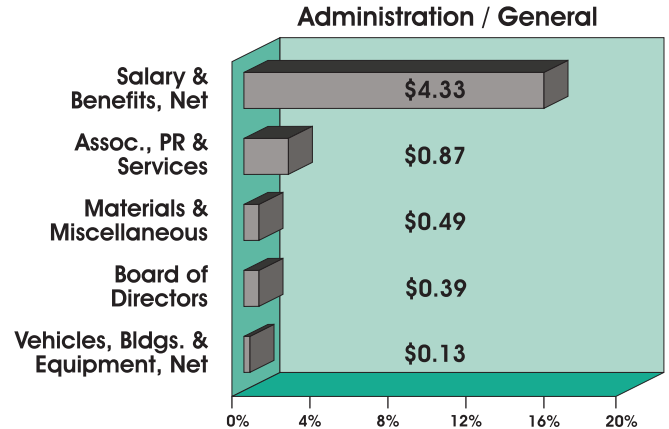
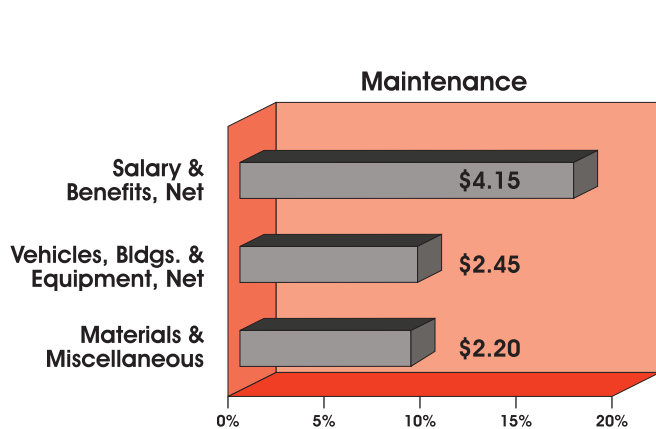
CROP TYPE	MACLEOD/KB	MONARCH/BW2	NOBLEFORD	PARK LAKE	PIYAMI
CEREALS					
Barley	2,919.0	1,631.7	758.9	5,235.1	2,376.0
CPS Wheat	129.0			235.5	147.0
Durum Wheat	300.1	2,532.9	149.3	717.9	1,009.5
Hard Spring Wheat	323.6			229.9	917.0
Oats	270.1	152.0		107.6	156.0
Rye	238.3	218.6		1,633.7	753.6
Soft Wheat	1,223.8	155.0	103.4	1,126.9	1,949.4
Triticale				462.7	154.0
Winter Wheat		838.0		153.9	2,124.3
Miscellaneous					
Subtotal of Cereals	5,403.9	5,528.2	1,011.6	9,903.2	9,586.8
FORAGE					
Alfalfa Hay	1,183.5	3,693.1	253.9	2,532.6	577.1
Alfalfa Silage	2,882.5	3,800.4	269.3	1,440.1	1,414.6
Barley Silage	2,515.8	2,709.8	174.7	2,896.7	5,237.8
Brome Hay					
Corn Silage	94.1	1,848.0		2,364.0	7,834.7
Grass Hay	894.3	389.9		507.4	552.2
Native Pasture			4.3	26.0	
Tame Pasture	530.8	30.7	26.1	1,086.9	13.0
Timothy Hay	3,580.8	2,124.7	136.4	293.1	391.2
Miscellaneous		24.5			
Subtotal of Forage	11,681.8	14,621.1	864.7	11,146.8	16,020.6
OILS					
Canola	8,681.0	4,015.1	475.8	2,604.9	3,977.4
Flax	591.9	134.0			
Mustard					
Subtotal of Oils	9,272.9	4,149.1	475.8	2,604.9	3,977.4
OTHER					
Dry Peas	158.7	135.0			209.0
Hemp	130.5	145.5			1,361.8
Market Gardens				38.0	
Nursery					7.2
Potato	1,235.7	810.7			
Sugar Beets				219.1	
Turf Sod		13.0		322.3	
Miscellaneous	608.0	749.4		275.1	369.2
Subtotal of Other	2,132.9	1,853.6	0.0	854.5	1,947.2
TOTAL	28,491.5	26,152.0	2,352.1	24,509.4	31,532.0

EAST

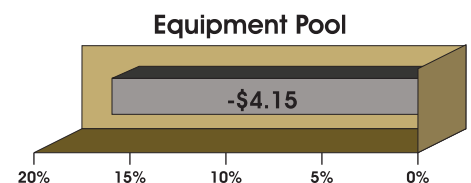
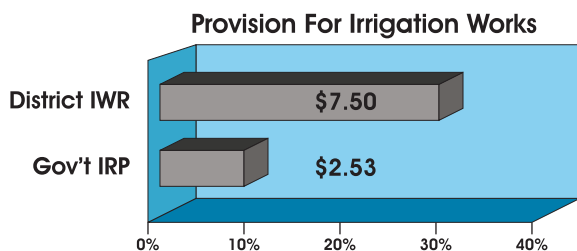
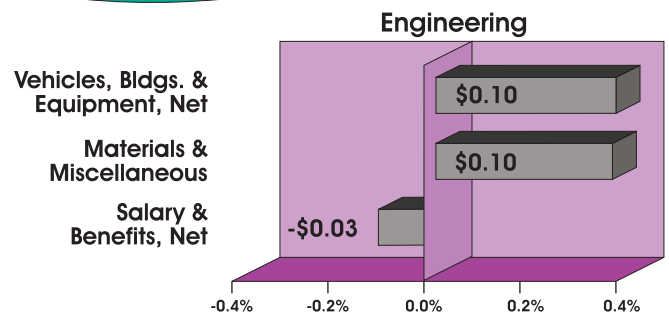
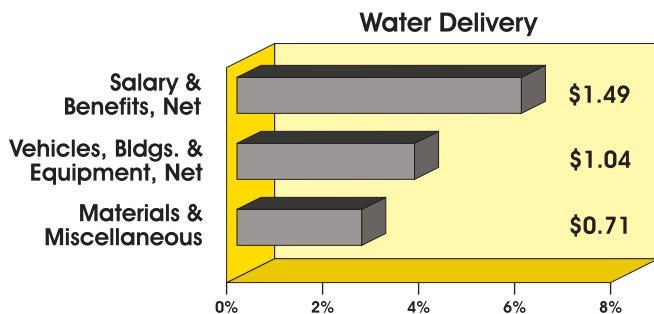
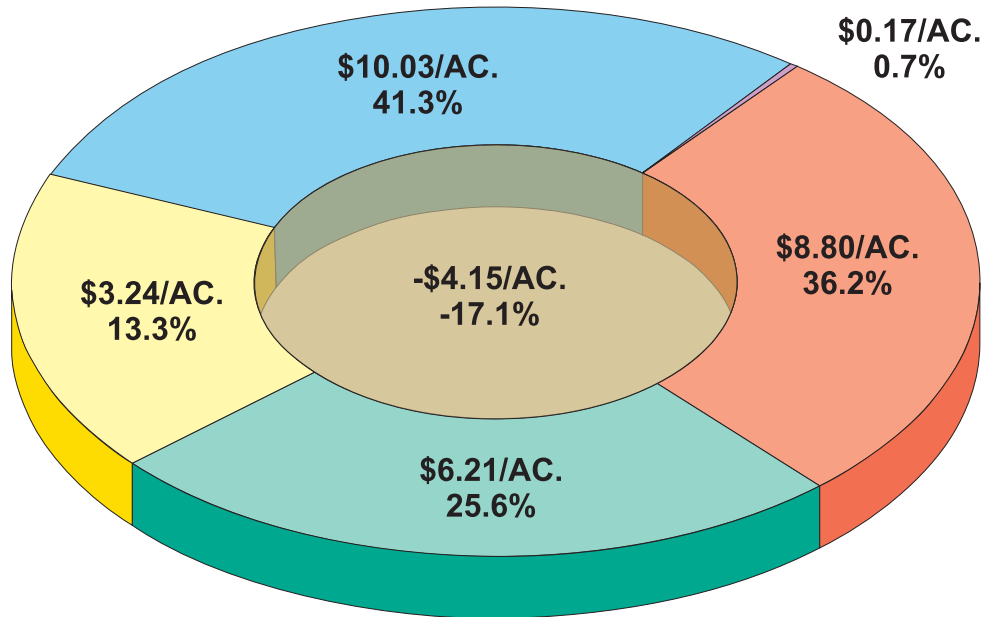
CROP TYPE	ALBION	BATTERSEA	BUTTE	TURIN	TOTAL
CEREALS					
Barley	1,025.6	422.3	403.6	2,075.6	16,847.8
CPS Wheat	153.8			231.2	896.5
Durum Wheat	1,705.2			1,065.1	7,480.0
Hard Spring Wheat	587.6	1,186.9		875.2	4,120.2
Oats				136.8	822.5
Rye	2,858.8			1,033.2	6,736.2
Soft Wheat	8,726.4	3,286.8		1,264.1	17,835.8
Triticale	155.5				772.2
Winter Wheat	906.4	1,644.4		900.2	6,567.2
Miscellaneous		272.4		148.5	420.9
Subtotal of Cereals	16,119.3	6,812.8	403.6	7,729.9	62,499.3
FORAGE					
Alfalfa Hay	404.8	528.1	254.0	2,035.9	11,463.0
Alfalfa Silage	1,164.8	2,132.8		1,811.3	14,915.8
Barley Silage	1,559.4	3,677.5	116.9	4,067.7	22,956.3
Brome Hay				171.9	171.9
Corn Silage	5,206.0	3,258.9	510.4	6,821.0	27,937.1
Grass Hay	669.7	1,509.1	85.8	628.8	5,237.2
Native Pasture				107.3	137.6
Tame Pasture	68.1	463.8		980.3	3,199.7
Timothy Hay		1,221.2		150.4	7,897.8
Miscellaneous	299.1	5.0		15.0	343.6
Subtotal of Forage	9,371.9	12,796.4	967.1	16,789.6	94,260.0
OILS					
Canola	2,726.3	539.3		2,999.5	26,019.3
Flax				211.3	937.2
Mustard	136.9				136.9
Subtotal of Oils	2,863.2	539.3	0.0	3,210.8	27,093.4
OTHER					
Dry Peas	300.9				803.6
Hemp				147.9	1,785.7
Market Gardens	9.8				47.8
Nursery		154.7			161.9
Potato		749.7		551.9	3,348.0
Sugar Beets	1,024.5	296.6		308.9	1,849.1
Turf Sod		468.0			803.3
Miscellaneous	631.1	1,721.6		1,674.1	6,028.5
Subtotal of Other	1,966.3	3,390.6	0.0	2,682.8	14,827.9
TOTAL	30,320.7	23,539.1	1,370.7	30,413.1	198,680.6

OPERATIONAL COST / ACRE

Based on Total of Classified, Terminable, and Annual Agreement Acres Assessed (199,459.8 Acres)

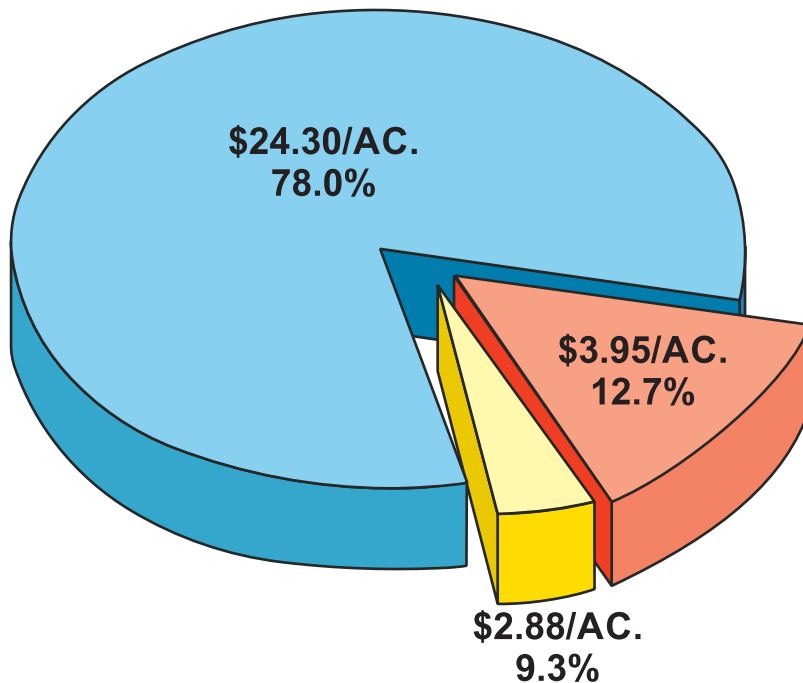


Provision	\$10.03
Maintenance	8.80
Admin. / General	6.21
Water Delivery	3.24
Engineering	0.17
Equipment Pool	-4.15
Cost / Acre	<u>\$24.30</u>

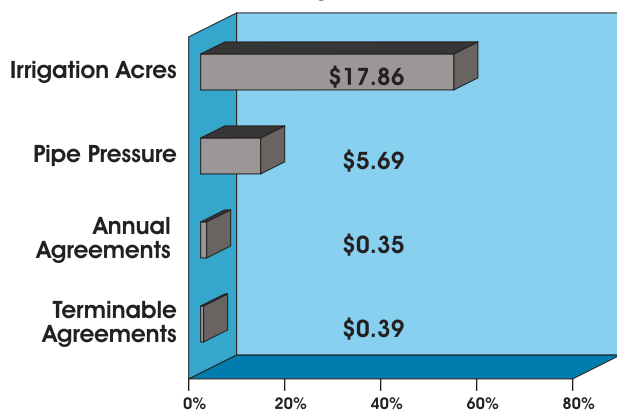


NET REVENUE / ACRE

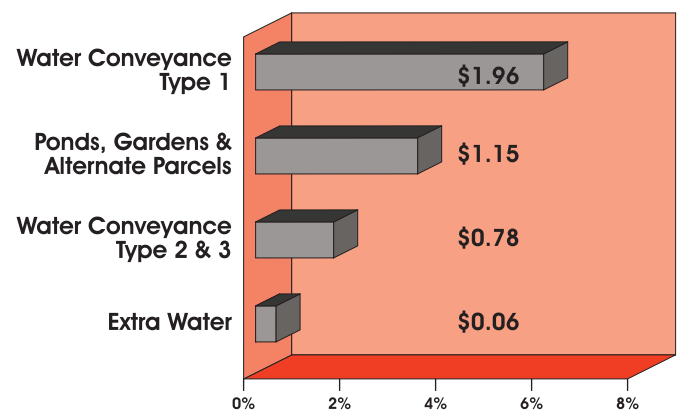
Based on Total of Classified, Terminable, and Annual Agreement Acres Assessed (199,459.8 Acres)



Irrigation Rates, Net

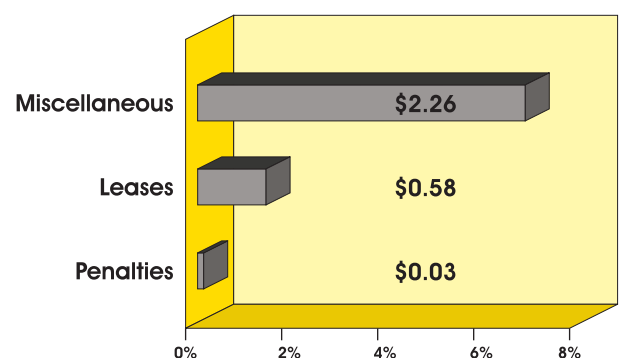


Water Agreements



Irrigation Rates, Net of Discounts	\$24.30
Water Agreements	3.95
Miscellaneous Income	2.88
Operating Revenue	31.13
Less: District Expense	-24.30
Surplus	<u>\$6.83</u>

Miscellaneous Income



ASSESSED ACRES	2022	2023
Irrigation Acres	196,441.8	196,487.2
Terminable Water Agreements - Dryland Parcels	228.0	228.0
Terminable Water Agreements - Restricted	1,965.4	1,965.4
Subtotal	198,635.2	198,680.6
Annual Irrigation	961.0	779.2
TOTAL ASSESSED ACRES	199,596.2	199,459.8

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
2023	0.0	0.0	0.0	50.6
TOTAL	45,344.2	31,982.7	9,645.0	22,908.3

PARCELS ADDED TO THE DISTRICT IN 2023	
SW	10-12-24-4
NE	10-12-24-4

DECEMBER 31, 2023

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

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Lethbridge Northern Irrigation District

Opinion

We have audited the financial statements of Lethbridge Northern Irrigation District, which comprise the statement of financial position as at December 31, 2023, statement of operations, statement of fund balances, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2023, 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the organization 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.

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 organization'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 organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization'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 these 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:

INDEPENDENT AUDITOR'S REPORT, continued

- ♦ 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 organization'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 organization'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 organization 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 represent the underlying transactions and events in a manner that achieves fair presentation.

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

Lethbridge, Alberta
March 27, 2024

A handwritten signature in black ink that reads "Avail LLP".

Chartered Professional Accountants

**LETHBRIDGE NORTHERN IRRIGATION DISTRICT
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023**

	GENERAL OPERATIONS	IRRIGATION WORKS	2023 TOTAL	2022 TOTAL
CURRENT ASSETS				
Cash	\$ 10,702,567	\$ 8,963,431	\$ 19,665,998	\$ 11,632,540
Short term investments (Note 3)	-	22,023	22,023	4,691,739
Accrued interest in-trust	-	22,682	22,682	-
Accounts receivable (Note 4)	59,997	13,602	73,599	383,229
Prepaid expenses and deposits	225,397	-	225,397	179,654
Inventory	1,004,614	-	1,004,614	870,125
Due from general operations	-	9,436,067	9,436,067	14,794,732
	11,992,575	18,457,805	30,450,380	32,552,019
Long term deposit in-trust (Note 5)	-	874,718	874,718	-
Long term investments (Note 6)	-	29,574,707	29,574,707	27,043,569
Capital assets (Note 9)	3,462,400	139,152,627	142,615,027	140,746,853
	<u>\$ 15,454,975</u>	<u>\$ 188,059,857</u>	<u>\$ 203,514,832</u>	<u>\$ 200,342,441</u>
CURRENT LIABILITIES				
Accounts payable and accrued liabilities (Note 7)	\$ 521,732	\$ 326,406	\$ 848,138	\$ 536,870
Deferred revenue (Note 12)	128,511	474,635	603,146	318,180
Construction costs and holdbacks payable (Note 15)	-	202,840	202,840	19,840
Water right deposits (Note 16)	-	225,593	225,593	159,548
Construction contributions (Note 16)	-	123,692	123,692	112,866
Current portion of long-term debt (Note 8)	-	321,140	321,140	294,663
Due to irrigation works	9,436,067	-	9,436,067	14,794,732
	10,086,310	1,674,306	11,760,616	16,236,699
Long-term debt (Note 8)	-	6,238,728	6,238,728	4,107,532
	<u>10,086,310</u>	<u>7,913,034</u>	<u>17,999,344</u>	<u>20,344,231</u>
FUND BALANCES				
Capital (Note 9)	3,462,400	132,592,759	136,055,159	136,344,658
General Fund operating (Note 11)	1,906,265	-	1,906,265	1,724,564
Irrigation Works Fund: (Note 10)				
District Irrigation Works fund	-	55,072,425	55,072,425	50,559,444
Alberta (IRP) Cost-Sharing	-	(8,086,540)	(8,086,540)	(9,237,146)
District pump fund (Schedule 3)	-	568,179	568,179	606,690
	<u>5,368,665</u>	<u>180,146,823</u>	<u>185,515,488</u>	<u>179,998,210</u>
	<u>\$ 15,454,975</u>	<u>\$ 188,059,857</u>	<u>\$ 203,514,832</u>	<u>\$ 200,342,441</u>

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

COMMITMENTS (Note 17)

**LETHBRIDGE NORTHERN IRRIGATION DISTRICT
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	GENERAL OPERATIONS	IRRIGATION WORKS	2023 TOTAL	2022 TOTAL
REVENUE				
Water earnings:				
Irrigation rates (Note 13)	\$ 4,966,260	\$ -	\$ 4,966,260	\$ 4,847,729
Conveyance of excess and domestic water	788,534	-	788,534	713,088
Penalties	6,824	-	6,824	6,735
	5,761,618	-	5,761,618	5,567,552
Less: Discounts	120,272	-	120,272	112,824
	5,641,346	-	5,641,346	5,454,728
Lease revenue, net	115,579	-	115,579	135,888
Interest earnings	427,862	-	427,862	277,321
Miscellaneous	23,910	-	23,910	9,905
Pump fund revenues (Schedule 3)	-	1,040,477	1,040,477	759,143
Irrigation works fund revenues (Note 10)	-	6,171,329	6,171,329	9,639,680
Unrealized gain (loss) on financial instruments	-	1,956,626	1,956,626	(3,686,527)
	6,208,697	9,168,432	15,377,129	12,590,138
EXPENSES				
Operating expenses (Schedule 1)	2,844,939	-	2,844,939	2,701,589
Pump fund expenses (Schedule 3)	-	1,078,988	1,078,988	731,554
Consulting fees (recovered), net (Note 10)	-	43,677	43,677	(3,931)
Amortization of irrigation works (Note 9)	-	5,529,703	5,529,703	5,375,225
Write off of irrigation works (Note 9)	-	217,312	217,312	-
Non-capital irrigation works expenses (Note 10)	-	145,232	145,232	110,410
	2,844,939	7,014,912	9,859,851	8,914,847
Excess of revenue over expenses	3,363,758	2,153,520	5,517,278	3,675,291
Interfund transfer - Provision for irrigation works	(2,000,000)	2,000,000	-	-
Fund surplus	<u>\$ 1,363,758</u>	<u>\$ 4,153,520</u>	<u>\$ 5,517,278</u>	<u>\$ 3,675,291</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, 2023**

	<u>GENERAL OPERATIONS</u>	<u>IRRIGATION WORKS</u>	<u>2023 TOTAL</u>	<u>2022 TOTAL</u>
Fund balances, beginning of year	5,204,907	174,793,303	179,998,210	176,322,919
Fund surplus for the year	1,363,758	4,153,520	5,517,278	3,675,291
Interfund transfer to irrigation works	<u>(1,200,000)</u>	<u>1,200,000</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ 5,368,665</u>	<u>\$ 180,146,823</u>	<u>\$ 185,515,488</u>	<u>\$ 179,998,210</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, 2023

	GENERAL OPERATIONS	IRRIGATION WORKS	2023 TOTAL	2022 TOTAL
Cash provided by (used for) the following activities:				
Operating activities:				
Excess of revenue over expenses	\$ 3,363,758	\$ 2,153,520	\$ 5,517,278	\$ 3,675,291
Items not involving cash:				
Unrealized gain (loss) on financial instruments	-	(1,956,626)	(1,956,626)	3,686,527
Amortization (Note 9, Schedule 1)	585,549	5,529,703	6,115,252	5,833,210
(Gain) on disposal of capital assets	(80,753)	-	(80,753)	(32,697)
Write off of irrigation works (Note 9)	-	217,312	217,312	-
	<u>3,868,554</u>	<u>5,943,909</u>	<u>9,812,463</u>	<u>13,162,331</u>
Change in non-cash working capital balances:				
Accounts receivable	204,228	105,402	309,630	804,163
Prepaid expenses and deposits	(45,743)	-	(45,743)	(4,522)
Inventory	(134,489)	-	(134,489)	(186,111)
Accounts payable and accrued liabilities	130,676	157,910	288,586	(1,344,983)
Construction costs and holdbacks payable	-	183,000	183,000	(21,946)
Deferred revenue	93,806	191,160	284,966	265,475
Water right deposits	-	66,045	66,045	(241,687)
Construction contributions	-	10,826	10,826	(564,268)
Due to irrigation works / from general operations	(5,358,665)	5,358,665	-	-
	<u>(5,110,187)</u>	<u>6,073,008</u>	<u>962,821</u>	<u>(1,293,879)</u>
Investing activities:				
Purchase of capital assets	(913,179)	-	(913,179)	(1,653,227)
Proceeds from disposal of capital assets	426,326	-	426,326	134,990
Additions to irrigation works	-	(7,633,132)	(7,633,132)	(8,526,660)
(Increase) in investments	-	(574,511)	(574,511)	(951,829)
	<u>(486,853)</u>	<u>(8,207,643)</u>	<u>(8,694,496)</u>	<u>(10,996,726)</u>
Financing activities:				
Proceeds from long-term debt (Note 8)	-	1,282,954	1,282,954	3,806,409
Interfund transfers:				
Provision for irrigation works	(2,000,000)	2,000,000	-	-
Allocation for irrigation works	(1,200,000)	1,200,000	-	-
	<u>(3,200,000)</u>	<u>3,200,000</u>	<u>-</u>	<u>-</u>
Increase (decrease) in cash and cash equivalents	(4,928,486)	8,292,228	3,363,742	4,678,135
Cash and cash equivalents, beginning of year	15,631,053	693,226	16,324,279	11,646,144
Cash and cash equivalents, end of year	<u>\$ 10,702,567</u>	<u>\$ 8,985,454</u>	<u>\$ 19,688,021</u>	<u>\$ 16,324,279</u>
Cash and cash equivalents comprise:				
Cash	\$ 10,702,567	\$ 8,963,431	\$ 19,665,998	\$ 11,632,540
Short term investments	-	22,023	22,023	4,691,739
	<u>\$ 10,702,567</u>	<u>\$ 8,985,454</u>	<u>\$ 19,688,021</u>	<u>\$ 16,324,279</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, 2023

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 2023.

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:	2023	2022
ATB Notice Demand Accounts		
31 days @ 5.35% (2022 @ 4.60%)	\$ -	\$ 527,172
60 days @ 5.47% (2022 @ 4.72%)	-	724,426
90 days @ 5.60% (2022 @ 4.85%)	-	2,911,555
	-	4,163,153
Irrigation Works:		
ATB Notice Demand Accounts (Pump Fund)		
90 days @ 5.60% (2022 @ 4.85%)	-	507,575
ATB High Interest Savings		
Dec. 31, 2023 @ 5.0 % (2022 @ 1.90%)	22,023	21,011
	22,023	528,586
Total Short Term Investments	\$ 22,023	\$ 4,691,739

Note 4 Accounts Receivable

General Operations:	<u>2023</u>	<u>2022</u>
Water rates and charges	\$ 58,352	\$ 209,235
Other	<u>1,645</u>	<u>54,990</u>
	<u>59,997</u>	<u>264,225</u>
Irrigation Works:		
Construction contribution charges	13,602	3,507
Water rights charges	-	73,012
Pump surcharges	<u>-</u>	<u>42,485</u>
	<u>13,602</u>	<u>119,004</u>
Total Accounts Receivable	<u><u>\$ 73,599</u></u>	<u><u>\$ 383,229</u></u>

Note 5 Long Term Deposit In-Trust

A portion of the annual incremental revenue paid towards the loan on January 31 each year, as set out in Table C of the Long-Term Loan Agreement, is applied as a payment towards the loan with the balance held on deposit in-trust, to be applied against the loan in future years as set out in the loan agreement.

	<u>2023</u>	<u>2022</u>
Total Long Term Deposit In-Trust	<u><u>\$ 874,718</u></u>	<u><u>\$ -</u></u>

Note 6 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>2023</u>	<u>2022</u>
Equity Investments:		
RBC Dominion Securities, at fair value	\$ 4,713,863	\$ 4,391,039
ATB Investor Services, at fair value	21,523,653	19,666,320
Fixed Income:		
RBC Dominion Securities, 1.75% to 5.85% bonds, maturities from 2030 to 2051, at fair value	<u>3,337,191</u>	<u>2,986,210</u>
Total Long Term Investments	<u><u>\$ 29,574,707</u></u>	<u><u>\$ 27,043,569</u></u>

Note 7 Accounts Payable and Accrued Liabilities

Included in accounts payable are outstanding government remittances payable of \$83,210 (2022 - \$61,866).

Note 8 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 (2022 - \$5,000,000) and CIB is authorized to a maximum of \$12,650,000. The ATB Financial actual interest rate floats at 0.50% above the bank prime interest rate and the amount outstanding as at December 31, 2023 was \$ Nil (2022 - \$ Nil). The ATB Financial prime interest rate was 7.2% on December 31, 2023 (2022 - 6.45%).

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, 2023 was \$6,559,868 (2022 - \$4,402,195).

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 2023 portion of the long term debt will be paid from Incremental Revenue that will be transferred to Irrigation Alberta Inc. on January 31, 2024 in the amount of \$893,970 (2022 - \$1,169,381) of which \$321,140 (2022 - \$294,663) will be applied against the long-term debt and the balance of \$572,830 (2022 - \$874,718) will be added to the long-term deposit in-trust to be applied against the long-term debt in future years.

Note 9 Capital Assets

a) General Operations:

	2023			2022
	Cost	Amortization	Net	Net
Computer	\$ 325,415	\$ 261,968	\$ 63,447	\$ 66,334
Automotive	2,159,864	1,242,591	917,273	717,131
Power	4,256,651	2,173,070	2,083,581	2,361,724
Other	927,400	529,301	398,099	335,154
	<u>7,669,330</u>	<u>4,206,930</u>	<u>3,462,400</u>	<u>3,480,343</u>
b) Irrigation Works:				
Completed irrigation works	232,309,791	96,511,340	135,798,451	133,879,440
Buildings	3,590,177	1,163,804	2,426,373	2,512,273
Land	927,803	-	927,803	874,797
	<u>236,827,771</u>	<u>97,675,144</u>	<u>139,152,627</u>	<u>137,266,510</u>
Total Capital Assets	<u>\$ 244,497,101</u>	<u>\$ 101,882,074</u>	<u>\$ 142,615,027</u>	<u>\$ 140,746,853</u>

Irrigation Works:

	2023	2022
Irrigation works, beginning of year	\$ 231,067,659	\$ 222,540,999
Additions to irrigation works	<u>7,633,132</u>	<u>8,526,660</u>
	<u>238,700,791</u>	<u>231,067,659</u>
Deduct:		
Cost of irrigation works written off	<u>1,873,020</u>	<u>-</u>
Irrigation works, end of year	<u>236,827,771</u>	<u>231,067,659</u>
Amortization of irrigation works, beginning of year	<u>93,801,149</u>	<u>88,425,924</u>
Current year amortization	<u>5,529,703</u>	<u>5,375,225</u>
Deduct:		
Amortization on projects written off	<u>1,655,708</u>	<u>-</u>
Amortization of irrigation works	<u>3,873,995</u>	<u>5,375,225</u>
Amortization of irrigation works, end of year	<u>97,675,144</u>	<u>93,801,149</u>
Irrigation Works, net book value	<u>139,152,627</u>	<u>137,266,510</u>
Deduct:		
Funding by Long-Term Debt	<u>6,559,868</u>	<u>4,402,195</u>
	<u>\$ 132,592,759</u>	<u>\$ 132,864,315</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 2023 and amount to \$4,049,356 (2022 - \$5,646,856). In 2023, various projects that have since been replaced with new works were written off. The net book value of \$217,312 for IRP projects and \$Nil for IWR projects were written off, for a total of \$217,312 (2022 - \$Nil).

Note 10 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/Barons, Keho East and Barons West 2 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:

	2023			2022
	District	Alberta (IRP) Cost-Sharing	Total	Total
Fund balance, beginning of year	\$ 50,559,444	\$ (9,237,146)	\$ 41,322,298	\$ 37,395,875
Add:				
Contributions received from Alberta				
Agriculture and Irrigation	1,471,401	1,514,337	2,985,738	3,651,671
Interest earnings and realized gains	1,384,478	2	1,384,480	936,758
Contributions for new parcels				
and irrigation works	1,104,703	-	1,104,703	1,457,595
Proceeds from sale of irrigation works	696,408	-	696,408	3,593,656
Transfer from District to				
Province of Alberta Cost-Sharing	(504,780)	504,780	-	-
Total Irrigation Works Fund revenues	4,152,210	2,019,119	6,171,329	9,639,680
Unrealized gain (loss) on investments	1,956,626	-	1,956,626	(3,686,527)
Interfund transfers	3,200,000	-	3,200,000	2,800,000
Proceeds from debt funding	2,452,336	-	2,452,336	3,806,409
Total additions	11,761,172	2,019,119	13,780,291	12,559,562
	62,320,616	(7,218,027)	55,102,589	49,955,437
Deduct:				
Additions to irrigation works, Schedule 2	6,764,619	868,513	7,633,132	8,526,660
Consulting fees (recovered), net	43,677	-	43,677	(3,931)
Long-term debt payment	294,663	-	294,663	-
Other expenses from				
Irrigation Works Fund	145,232	-	145,232	110,410
Total deductions	7,248,191	868,513	8,116,704	8,633,139
Fund balance, end of year	\$ 55,072,425	\$ (8,086,540)	\$ 46,985,885	\$ 41,322,298

Note 11 General Operations Fund

a) General Fund operating:	<u>2023</u>	<u>2022</u>
General Fund operating, beginning of year	\$ 1,724,564	\$ 2,441,260
Adjustments to capital assets, net	17,943	(1,092,949)
Revenue over expenses allocated	3,363,758	3,176,253
Transfer to irrigation works fund from general operations	<u>(3,200,000)</u>	<u>(2,800,000)</u>
General Fund operating, end of year	<u>\$ 1,906,265</u>	<u>\$ 1,724,564</u>

b) The General Operations Fund is comprised of:

	<u>2023</u>	<u>2022</u>
General Fund operating	\$ 1,906,265	\$ 1,724,564
General Fund capital	<u>3,462,400</u>	<u>3,480,343</u>
Total	<u>\$ 5,368,665</u>	<u>\$ 5,204,907</u>

Note 12 Deferred Revenue

General Operations:	<u>2023</u>	<u>2022</u>
Prepaid lease	\$ 19,165	\$ 6,120
2022 & 2023 PSI Refund Credit due to PB Reservoir		
Landowner Filter Issues	72,495	-
Prepaid water fees	<u>36,851</u>	<u>28,585</u>
	<u>128,511</u>	<u>34,705</u>
Irrigation Works:		
Sale of Land	19,355	14,945
Water Access Fee	<u>455,280</u>	<u>268,530</u>
	<u>474,635</u>	<u>283,475</u>
Total Deferred Revenue	<u>\$ 603,146</u>	<u>\$ 318,180</u>

Note 13 Irrigation Rates

		2023	2022
195,577.6	irrigation acres @ \$19.00/acre (2022 – 195,469.3 ac. @ \$18.50)	\$ 3,715,974	\$ 3,616,182
909.6	irrigation acres – 70 parcels @ \$570.00/parcel minimum (2022– 972.5 ac. – 72 parcels @ \$555.00)	39,900	39,960
173.0	dryland terminable acres @ \$35.00/acre (2022 – 173.0 ac. @ \$30.00)	6,055	5,190
55.0	dryland terminable acres – 4 parcels @ \$700.00/parcel minimum (2022 – 55.0 ac. – 4 parcels @ \$600.00)	2,800	2,400
1,941.8	restricted terminable acres @ \$35.00/acre (2022 – 1,941.8 ac. @ \$30.00)	67,963	58,254
23.6	restricted terminable acres – 2 parcels @ \$700.00/parcel minimum (2022 – 23.6 ac. – 2 parcels @ \$600.00)	1,400	1,200
-	pipeline pressure delivery charge	1,134,065	1,044,851
<u>198,680.6</u>	<u>(2022 – 198,635.2)</u>	<u>4,968,157</u>	<u>4,768,037</u>
	Less:		
	Reclassification & rebates	109	106
	2022 & 2023 PSI Refund Credit due to PB Reservoir		
	Landowner Filter Issues	72,495	-
		<u>72,604</u>	<u>106</u>
		<u>4,895,553</u>	<u>4,767,931</u>
	Add: Annual Agreements		
530.7	annual acres @ \$80.00/acre (2022 – 727.5 ac. @ \$75.00)	42,456	54,563
248.5	annual acres – 34 parcels @ \$800.00/parcel minimum (2022 – 233.5 ac. – 32 parcels @ \$750.00)	27,200	24,000
-	pipeline pressure delivery charge	1,051	1,235
<u>779.2</u>	<u>(2022 – 961.0)</u>	<u>70,707</u>	<u>79,798</u>
<u><u>199,459.8</u></u>	<u><u>(2022 – 199,596.2)</u></u>	<u><u>\$ 4,966,260</u></u>	<u><u>\$ 4,847,729</u></u>

Note 14 Local Authorities Pension Plan (LAPP)

The District is required to make current service contributions to the LAPP of 8.45% (2022 - 8.45%) of pensionable earnings up to the Canada Pension Plan Years' Maximum Pensionable Earnings and 12.23% (2022 - 12.80%) for the excess. The employee contributions are based on rates of 7.45% (2022 - 7.45%) and 11.23% (2022 - 11.80%) respectively.

Total current service contributions by the District to the LAPP in 2023 were \$174,659 (2022 - \$172,402). Total current service contributions by the District employees in 2023 were \$159,383 (2022 - \$153,464).

At December 31, 2022, the LAPP served about 291,259 people (2021 - 281,764) and 437 employers (2021 - 435) and it disclosed an actuarial surplus of \$12.7 billion (2021 - surplus of \$11.9 billion).

Note 15 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 16 Water Right Deposits and Construction Contributions

Due to the continued moratorium, there was no Water Right sales for 2023.

In 2023, the District received deposits related to construction contributions for capital projects scheduled to commence in subsequent years. Included in the 2023 deposits are construction contributions for the Lateral K1B, and Lateral K2 Pipeline Projects.

Note 17 Commitments

The District has commitments as at December 31, 2023 of \$459,165 (2022 - \$Nil), in respect of uncompleted work and supply of materials under contract.

Note 18 Comparative Information

Certain comparative figures have been reclassified to conform to the financial statement presentation adopted in the current year. The financial statements for the year December 31, 2022 were reported on by another firm of Chartered Professional Accountants who issued an unqualified opinion in their Independent Auditor's Report dated March 23, 2023.

Note 19 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 2022.

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 2022.

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 2022.

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 2022.

Note 20 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, 2023

Schedule 1

2023							2022
	EQUIPMENT POOL	MAINTENANCE OF IRRIGATION WORKS	WATER DELIVERY	ENGINEERING	ADMINISTRATION AND GENERAL	TOTAL	TOTAL
Salaries and wages	\$ 584,236	\$ 979,693	\$ 226,554	\$ 431,893	\$ 888,716	\$ 3,111,092	\$ 2,675,070
Equipment expense	185,726	327,989	193,681	13,802	8,842	730,040	694,877
Amortization of equipment	422,768	128,524	1,397	22,127	10,733	585,549	457,985
Employee benefits	85,932	161,684	70,577	80,789	119,318	518,300	486,267
Materials and supplies	12,929	400,562	9,092	4,705	10,269	437,557	318,504
Vegetation, weed and pest control	-	15,528	117,365	-	-	132,893	34,570
Buildings and grounds	15,647	16,199	4,896	39,699	42,050	118,491	112,379
Board of Directors fees and expenses	-	-	-	-	96,796	96,796	59,146
Association fees and dues	-	-	-	2,153	75,121	77,274	75,591
Professional fees	1,620	10,152	-	2,580	43,064	57,416	55,579
Equipment rental	2,308	51,167	1,421	296	1,178	56,370	33,507
Contracted services	-	-	696	13,578	29,891	44,165	37,528
Telephone	2,059	3,497	6,330	8,412	8,652	28,950	25,183
Pumps and control structures	-	10,764	16,146	-	-	26,910	23,084
Advertising and public relations	21	1,039	-	42	23,894	24,996	20,756
Travel	130	1,164	269	427	5,123	7,113	3,178
Insurance	-	-	-	-	5,813	5,813	5,804
Interest and bank charges	-	-	-	-	5,774	5,774	4,123
Staff training and conferences	981	1,117	(1)	701	2,300	5,098	7,662
Easement rental	-	505	-	-	-	505	504
Crop and flood damage	-	-	-	-	-	-	12,174
(Gain) loss on disposal of equipment	(84,909)	(6,011)	44	9,808	315	(80,753)	(32,697)
Miscellaneous	510	435	1,490	206	4,866	7,507	4,786
	<u>1,229,958</u>	<u>2,104,008</u>	<u>649,957</u>	<u>631,218</u>	<u>1,382,715</u>	<u>5,997,856</u>	<u>5,115,560</u>
Recoveries:							
Equipment	(1,966,745)	(35,571)	-	(78,642)	(1,335)	(2,082,293)	(1,607,332)
Labour (including benefits)	(85,849)	(310,914)	-	(516,579)	(119,090)	(1,032,432)	(756,724)
Custom work	(5,173)	(2,560)	-	(2,061)	(24,383)	(34,177)	(45,590)
Pumps	-	-	(4,015)	-	-	(4,015)	(4,325)
	<u>(2,057,767)</u>	<u>(349,045)</u>	<u>(4,015)</u>	<u>(597,282)</u>	<u>(144,808)</u>	<u>(3,152,917)</u>	<u>(2,413,971)</u>
Total 2023	<u>\$ (827,809)</u>	<u>\$ 1,754,963</u>	<u>\$ 645,942</u>	<u>\$ 33,936</u>	<u>\$ 1,237,907</u>	<u>\$ 2,844,939</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>	

**LETHBRIDGE NORTHERN IRRIGATION DISTRICT
SCHEDULE OF IRRIGATION WORKS CAPITAL EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2023**

	DISTRICT	ALBERTA (IRP) COST-SHARING	2023 TOTAL	2022 TOTAL
External Goods and Services				
Materials and supplies	\$ 2,817,389	\$ 375,088	\$ 3,192,477	\$ 4,136,595
Contract services				
Construction	1,142,071	151,068	1,293,139	1,914,569
Engineering	3,730	10,109	13,839	60,564
Land acquisition costs	62,161	11,011	73,172	66,151
Internal (District) Goods and Services				
Labour recoveries (including benefits)				
Engineering	290,399	220,786	511,185	390,656
Construction	372,633	1,955	374,588	288,996
Right-of-way	54,804	24,803	79,607	67,401
Equipment recoveries	2,021,432	73,693	2,095,125	1,601,728
Totals 2023	<u>\$ 6,764,619</u>	<u>\$ 868,513</u>	<u>\$ 7,633,132</u>	
Totals 2022	<u>\$ 8,482,089</u>	<u>\$ 44,571</u>		<u>\$ 8,526,660</u>

**LETHBRIDGE NORTHERN IRRIGATION DISTRICT
SCHEDULE OF PUMP FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Keho/Barons	Piyami	Keho East	Barons West 2	2023 TOTAL	2022 TOTAL
Fund balance, beginning of year	\$ 385,079	\$ 108,441	\$ 89,060	\$ 24,110	\$ 606,690	\$ 579,101
Add:						
Assessments -						
pump and electrical	465,358	154,774	269,299	135,998	1,025,429	746,271
Investment income	9,167	3,346	(118)	(749)	11,646	12,782
Penalties	49	3,353	-	-	3,402	90
Total additions	474,574	161,473	269,181	135,249	1,040,477	759,143
Deduct:						
Electrical	444,367	143,704	253,152	120,960	962,183	714,345
Maintenance	110,363	24	5,791	627	116,805	17,209
Total deductions	554,730	143,728	258,943	121,587	1,078,988	731,554
Fund balance, end of year	\$ 304,923	\$ 126,186	\$ 99,298	\$ 37,772	\$ 568,179	\$ 606,690

[illegible]

LETHBRIDGE NORTHERN IRRIGATION DISTRICT

2023 ANNUAL GENERAL MEETING

Coalhurst Community Centre

April 18, 2024

1:30 P.M.

A G E N D A

1. Call to Order
2. Introduction of Guests
3. Agenda Approval
4. Minutes of the 2023 Annual General Meeting
5. Business Arising from the Minutes
6. Chairman's Report
7. General Manager's Report
8. District Engineer's Report
9. Operations & Maintenance Report
11. Financial Report
12. Other Business Arising from the Reports
13. New Business
 - Drought Forecast and Water Shortage:
Dennis Matis, Alberta Agriculture & Irrigation
Operations & Infrastructure Manager,
Oldman River Basin South Region
14. Location for Next Meeting
15. Adjournment
16. Coffee and Donuts (Courtesy of Leroy Pavan of
RBC Dominion Securities Inc.)



MINUTES OF THE
2023 ANNUAL GENERAL MEETING

TUESDAY, APRIL 18, 2023

The 2023 Annual General Meeting was held on Tuesday, April 18, 2023 at the Coalhurst Community Centre, commencing at 1:30 p.m.

PRESENT

18 Water Users, 5 Board members representing the Water Users and 9 LNID staff. In addition, the following attended: **Irrigation Secretariat:** Jennifer Nitschelm; **Alberta Agriculture & Irrigation:** Ole Byrgesen, Jollin Charest, Ray Conway, Dennis Matis, Troy Melnychyk, Marie Oxley, Robert Plante; **ATB Securities Inc.:** Janice Hupper; **KPMG LLP:** Dan Bosters; **RBC Dominion Securities:** Leroy Pavan; **WSP Environmental Consulting Company:** Shane Eyre.

CALL TO ORDER

John Vandenberg, Chairman of the Board, called the meeting to order at 1:30 p.m. and introduced the Board of Directors and guests in attendance.

MOMENT OF SILENCE:

John Vandenberg 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 Evert Van Essen, seconded by Ed Schuld to adopt the agenda as presented.
CARRIED

MINUTES OF 2022 ANNUAL GENERAL MEETING

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

Motion by Stephen Van Essen, seconded by Evert Van Essen to approve the: Minutes of the 2022 102nd Annual General Meeting as presented.
CARRIED



BUSINESS ARISING OUT OF MINUTES

John Vandenberg called for any business arising out of 2022 Minutes. No items were raised.

CHAIRMAN'S REPORT

John Vandenberg presented the Chairman's Report which included information on the District's 100th Anniversary Celebration, 100 Year History Book, Main Canal, weather, storms and Snow Packs, Irrigation Rehabilitation Program (IRP), Alberta Irrigation Modernization (AIM) Funding, and District construction projects.

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

- ❖ Evert Van Essen asked when the contractor would be done repairs on the Alberta Environment & Protected Areas Main Canal.

John Vandenberg stated that the repairs to the Main Canal are scheduled to be completed next week, April 24, 2023. He stated that there would still be some clean-up items to be completed.

Alan Harrold stated that there would be 1 km not completed due to other issues. He stated that the major leak has been repaired and there would be no restriction of water.

Motion by Danny Ponjavic, seconded by Ed Schuld to adopt the Chairman's Report as presented. **CARRIED**

GENERAL MANAGER'S REPORT

Alan Harrold presented the General Manager's Report.

Alan Harrold presented details concerning District Expansion, Canal Bank Watering, On-Farm Water Storage, Automation & Control Systems, Staffing and the outlook for the future.

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

- ❖ Ed Schuld asked if the Board had considered using polyethylene pipe instead of PVC pipe.

Alan Harrold stated that the Board had compared the use HDPE pipe to PVC pipe including a cost comparison. He stated HDPE pipe was too high a cost.



**MINUTES OF THE
2023 ANNUAL GENERAL MEETING**

A. Harrold stated that the preference is PVC pipe. The District is within three (3) to four (4) years of completing converting earthen channels to pipelines. A. Harrold stated that it is best to have the parts all of the one type. At present the benefits are not significant enough to warrant switching from PVC to HDPE pipe.

- ❖ Evert Van Essen asked if the District still had a Moratorium on Water Rights.

Alan Harrold stated that the Board is hesitant to lift the Moratorium and offer expansion irrigation acres as water delivery to existing irrigation acres is not guaranteed at present.

- ❖ Evert Van Essen asked how many acres would be available if the Moratorium was lifted.

Alan Harrold stated that the District has set aside 4,000 irrigation acres for reclamation and other use purposes. He stated that in 2022 the District has Total Assessed Acres of 199,596.2 irrigation acres. The Expansion By-Law #441-2009 states that the District has to reduce the five (5) year rolling average of recorded return flow totals per acre-feet to go to the next Phase. Presently the District is at Phase 2 bringing the Irrigation Expansion Limit to 207,000 acres with the return flow totals at 34,000 acre-feet or less.

- ❖ Lauren Eremenko stated that there was little information forthcoming concerning diversion at the Oldman River Dam. He asked what the Agreement states and the costs involved.

Alan Harrold stated that he had requested a copy of the Agreement between the Alberta Government and the Piikani Nation and was informed that the Agreement details to get the water flowing would not be made public. There is also another Agreement dealing with other issues. A. Harrold stated that water testing would be carried out on an on-going basis. The water is not potable.

- ❖ Stephen Van Essen asked what were the chances of this happening again and are there any concerns for this year.

Alan Harrold stated that the Agreement in place between the Alberta Government and the Piikani Nation should circumvent this happening again for the next five (5) to ten (10) years. He stated that there are blockades happening across Canada, but for today, the Agreement stands. The contractor is scheduled to be finished repairs, except for clean-up on April 24, 2023. The District can get a full canal whenever it is needed.



MINUTES OF THE
2023 ANNUAL GENERAL MEETING

- ❖ Lauren Eremenko asked the cost of District water rights.

Alan Harrold stated that the District's fee for new irrigation acres, other use purposes and feedlots is \$3,500/acre or \$3,500/acre foot. He stated that the District's Moratorium for not accepting applications for new irrigation acres remains in place.

Motion by Ed Schuld, seconded by Stephen Van Essen to adopt the General Manager's Report as presented. **CARRIED**

DISTRICT ENGINEER'S REPORT

Trent Webster presented the District Engineer's Report discussing the 2022 Irrigation Rehabilitation Program (IRP) Program, 2022 the Irrigation Works Reserve (IWR) Program, the 2022 Alberta Irrigation Modernization (AIM) Program and the 2022 Canadian Agriculture Partnership (CAP) Program.

Trent Webster asked for any questions arising from the report.

- ❖ Evert Van Essen asked if the pipe had been ordered for the Lateral K2 pipeline project.

Trent Webster stated that the District has a commitment from IPEX Inc. that it will be able to deliver the pipe for the Lateral K2 pipeline project.

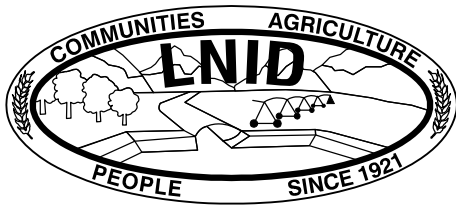
Motion by Leighton Kolk, seconded by Ryan Bos to adopt the District Engineer's Report as presented. **CARRIED**

OPERATIONS & MAINTENANCE REPORT

Brett Zielinski, Construction & Maintenance Foreman, presented the Operations and Maintenance Report.

Brett Zielinski asked for any questions arising from the report. There were none.

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



FINANCIAL REPORT

Dan Bosters, Partner KPMG LLP presented the Financial Statements.

Dan Bosters asked if there were any questions arising from the report.

- ❖ Evert Van Essen asked how much actual cash the District had on hand in the bank.

Dan Bosters stated that the District has \$11,000,000 cash on hand.

E. Van Essen asked if the cash was invested or in the account.

Alan Harrold stated that the \$11,000,000 is in a High Interest Savings Account. The District has \$4,600,000 in a Short-Term Account.

D. Bosters stated that the District has \$27,000,000 in a Long-Term Account.

A. Harrold stated that due to the volatile aspect of the market in 2022, the District put funds into its savings accounts. He stated that the funds have been put aside for future pipelines.

- ❖ Leighton Kolk asked what was the District's long-term debt.

Alan Harrold stated that the District's involvement in the Alberta Irrigation Modernization (AIM) Program in which the District contributes 20%, the Government contributes 30% and the Loan is 50%. The District is committed to repay the loan in approximately 35 years. A. Harrold stated that any money deposited into the AIM program not used for loan payment is invested at approximately 5%. The District is using incremental funds, revenues, water right sales, etc. to repay the loan.

Alan Harrold stated that the Canadian Infrastructure Bank (CIB) had asked why the District was not spending more money on projects and the answer was the availability of pipe.

- ❖ Leighton Kolk asked the amount of money the District has placed in long-term investments. He stated that the District should be investing its money on putting pipe in the ground.

Alan Harrold stated that there is no cap on long-term investments. Sources for the building fund is diminishing as a large portion of the funding comes from land owner construction contributions when the District installs a pipeline. He stated that the District has installed all of its high pressure pipelines. A. Harrold stated



**MINUTES OF THE
2023 ANNUAL GENERAL MEETING**

that the only source of funding remaining is sale of irrigation acres (water rights). The District does not have a lot of acres left for sale in the immediate future.

Alan Harrold stated that the District has structures that are 40 to 50 years old and will require major rehabilitation. To replace a pipeline is a significant cost with costs increasing yearly. Channels in the District have major sloughing and will require repairs. A. Harrold stated that without the funding available water rates will have to increase.

Leighton Kolk stated that there is not a lot of point of building up funding for something that might happen in 30 years from now.

Alan Harrold stated that the Board's best investment return is putting pipe in the ground. The District is spending more and more with less income.

Peter Bos stated that the Board has discussed how much it invests and the District is in line with other irrigation districts.

Motion by Stephen Van Essen seconded by Evert Van Essen 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.

- ❖ Leighton Kolk asked if the Board is considering the cessation of the General Manager.

Evert Van Essen asked what the long-term plan is.

John Vandenberg stated that the District will be looking for a new General manager in the next year.

NEW BUSINESS: NEW SUSTAINABLE CAP PROGRAM

John Vandenberg welcomed Marie Oxley, Irrigation Management Specialist, Alberta Agriculture & Irrigation to the Meeting to discuss the New Sustainable Canadian Agriculture Partnership (CAP) Program.



MINUTES OF THE 2023 ANNUAL GENERAL MEETING

Marie Oxley statements included that the Sustainable Canadian Agricultural Partnership (Sustainable CAP) is a new \$3.5-billion, 5-year agreement (April 1, 2023 to March 31, 2028), between the federal, provincial and territorial governments to strengthen the competitiveness, innovation, and resiliency of the agriculture, agri-food and agri-based products sector. The agreement includes \$1 billion in federal programs and activities and \$2.5 billion in cost-shared programs and activities funded by federal, provincial and territorial governments.

LOCATION FOR NEXT MEETING

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

Motion by Evert Van Essen, seconded by Stephen Van Essen that the location for the next Annual General Meeting be Picture Butte. **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 Evert Van Essen that the meeting be adjourned.

Meeting called adjourned at 2:45 p.m.