



LETHBRIDGE NORTHERN IRRIGATION DISTRICT



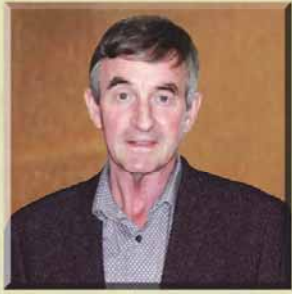
**2821 - 18TH AVENUE NORTH
LETHBRIDGE, AB T1H 6T5**

WWW.LNID.CA

104TH ANNUAL REPORT 2024

**ANNUAL GENERAL MEETING
APRIL 16, 2025 AT 1:30PM
COALHURST COMMUNITY CENTRE**

THE BOARD OF DIRECTORS



Martin Van Diemen
Chairman

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



Calvin Konynenbelt
Vice Chairman

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



Peter Bos

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



Arnie Bergen-Henengouwen

Board Member since May 9, 2024:
Division 3: Includes East of Park Lake, Coalhurst,
West Lethbridge to Shaughnessy & Diamond City.



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, 2025

ADMINISTRATION

Christopher Gallagher, P. Eng
Janet Beck
Gary Burke
Jenn Forchuk
Sue Huxley
Maritza Suarez
Katrina Holoboff
Caitlyn Bernhart
Geraldine Sevilla
Jennifer Dyck

General Manager
Administration & Land Manager
Classification / Network Technician
Payroll & Benefits Administrator
Accounting Technician
Accountant
Administrative Assistant
Administrative Support
Administrative Support (P/T)
Payroll & Benefits (P/T)

ENGINEERING

Abubaker Sardar, E.I.T.
Muhammad Haris, E.I.T.
Shawn Fontaine, C.E.T.
Glade Roberts

Acting District Engineer
Engineering Design Technologist
Survey Technician
Drafting Technologist

OPERATIONS AND MAINTENANCE

Matthew Coster
Brett Zielinski
Darcy Smith
Bryce Schultz
Peter Peters
Kyle McGee
Dan Kubik
Josh Farrell

Operations Manager
Construction & Maintenance Superintendent
Lead Hand / Welding
Lead Equipment Operator
Equipment Operator
Weed Control Supervisor
Equipment / Weed Control Operator
Inventory / Purchasing Agent

WATER OPERATIONS

Garth Fischer
Mike McCloud
Walter Engels
John Degenstein
Patrick Pavka
Tyson Gates
Tysen Sushelnitski

Operations Superintendent
Water Coordinator
Water Coordinator
Water Coordinator
Water Coordinator
Water Coordinator
Water Coordinator

HOURLY SEASONAL STAFF

Adam Derksen
Len Houghton
Tim Sandham
Adam Matlock
Brad McNeill
Cornell Overeem
Roger Houghton
AJ Krahn
Ken Frank
Mitch Badura

Tandem Driver
Tandem Driver
Tandem Driver (Seasonal)
Heavy Truck Hauler / Equipment Operator
Equipment Operator
Equipment Operator
Skilled Labourer
Skilled Labourer
Spare Water Coordinator/Labourer
General Labourer

CHAIRMAN'S REPORT

The 2024 growing season started as a dry spring and not enough water stored in the mountain snowpack and the Oldman Reservoir to irrigate as we would in a regular year.

May 6th was the start of the irrigation season with a limit of 8" set April 16th by the Board in our water allocation bylaw. The Board was very concerned with the Oldman Reservoir at only 27% full.

The spring brought some nice showers to help the farmers start their seeding and provided good moisture for germination and early growth. These timely rains and low irrigation use meant the Oldman Reservoir filled to 90% by the third week of June. The Board decided on June 25th to raise the allocation to 11".

While we held steady through July and the first part of August, the water situation continued to improve after we passed peak irrigation use. With a balance between saving water and using water, the allocation was raised by the Board again on August 20th to 13".

The Board is grateful to our irrigators and our neighbours for sharing water. The Board did their best to allocate the available water responsibly. Even with all these challenges, we still can look back and say that 2024 was a good crop year.

The Lateral K2 project that started in 2023, was finished in the spring of 2024. This was a big pipeline project of approximately 22 km that runs south of Turin. The 1.8 km long Lateral A3 pipeline project from the south side of the Lethbridge Headworks Canal was installed in the fall of 2024. Our crew also started installation of 11.7 km of pipe for the Lateral 61C project between our Park Lake shop and the Town of Coalhurst. These projects replace open canals with PVC pipelines to save seepage, evaporation, and spill.

Through the winter of 2023 to 2024, a canal has been dug from the west to the east on the north side of Picture Butte Reservoir. This project was done to provide cleaner water to the irrigators of H8 and H9. The canal bypasses the shallow reservoir on windy days, preventing most debris from entering these pipelines. All this has been working out well.

At the office there were also some changes. Alan Harrold left the LNID in April 2024 after many decades of service. He has been with Lethbridge Northern Irrigation District (LNID) since 1978 and was the General Manager since 2006. The Board and staff hosted a retirement event to recognize Alan's 46 years of service and wish him well.

As a Board we are very pleased with the new General Manager. Chris Gallagher started in May 2024 and came to the LNID with a lot of experience and expertise.

At the Board table there were some changes too. John Vandenberg, who was on the Board for 31 years, stepped down. He was the Chair of the LNID for many of these years.

After the voting on May 9th, it was declared on May 13th that Arnie Bergen-Henengouwen was elected to be the new director of the Board. I welcome Arnie and also recognize Vice Chair Calvin Konynenbelt who is supporting me as I take on the responsibilities of Chair.

I am pleased to be surrounded by good people in fulfilling my new role. I truly think that we have good people communicating well with each other and I am glad to be moving in a new direction.

On behalf of the LNID Board, I would like to thank Mr. Chris Gallagher, General Manager, and Janet Beck, Administration and Land Manager, for their dedication and hard work during this significant transition in district leadership and direction. The administration and engineering teams are working well together. Abubaker Sardar is providing good technical information to the Board following the departure of District Engineer Trent Webster.

I am also glad to see positive changes in LNID operations. Matt Coster is leading improved safety and as Operations Manager he is overseeing the good work of Operations Superintendent Garth Fischer and Construction Superintendent Brett Zielinski.

I would like to thank Alberta Agriculture and Irrigation on behalf of LNID for their funding contributions toward rehabilitation of our irrigation works through the IRP and AIM programs. Thank you also to the Water Infrastructure and Operations Branch for careful operation to help fill the reservoirs and to the various Government of Alberta departments and Irrigation Council for their ongoing support in 2024.

I am happy with everything that has been happening over the last several months. Thank you to all the Board members for a good relationship and working together.

Finally, as a board, we thank all water users and their families for entrusting us with managing water allocation and delivery each year. Your confidence allows us to continue supporting irrigated agriculture in our communities.

Respectfully submitted on behalf of the Board of Directors.

Martin van Diemen
Board Chair



GENERAL MANAGER'S REPORT



**Christopher Gallagher, P. Eng.
General Manager**

I am pleased to represent the Lethbridge Northern Irrigation District (LNID) as your manager starting in May, following the impressive career of my predecessor, Mr. Alan Harrold. The District is in an excellent position both financially and operationally due in large part to his efforts. My best wishes, Alan, in your future endeavours. Thank you for your many positive contributions to the LNID and the irrigation sector in southern Alberta.

The lead up to the 2024 irrigation season put LNID and the Southern Tributary districts in a very tight water supply situation. After two years of flow constraints on the Alberta Agriculture and Irrigation (AGI) Lethbridge Northern Headworks Canal during liner repairs, this was an added exercise in patience for our irrigators. Water allocation restrictions were implemented in 2002, 2019, and 2021, but 2024 was the first year that these were not increased to the maximum 17.5" by the end of June. LNID participated in a voluntary Water Sharing Memorandum of Understanding (MOU) that assured our neighbours of essential volumes for their use while we agreed to use the remaining volume as decided by the LNID Board. After starting at an 8" allocation for both the Southern Tributaries (St. Mary Project) and the Oldman (LNID) MOUs, and participating in communications through bi-weekly meetings, timely rains and rising reservoirs meant an increase was imminent. On June 25, 2024, the Board increased the water allocation to 11" and we then communicated this decision to our water users. We intended to share this with the MOU signatories and observers at a scheduled meeting the following day, however Alberta Environment and Protected Areas (AEPA) abruptly cancelled this meeting. Instead of affording us the opportunity to share with our partners, we were faced with AEPA interrogation and isolation. With support from the Alberta Irrigation Districts Association (AIDA) and political intervention, we were able to cut through the misinformation and restored healthy dialogue. Our Southern Tributary neighbours followed suit, increasing their allocations within weeks. We reached and then passed peak demand in July and with further timely rains and having received many inter-parcel transfer requests, in August it was clear another allocation increase was warranted. We were looking to exceed our end-of-season target of 40-45% full in the Oldman Reservoir, so there was no reason to maintain the allocation at 11" at this point. This would make little difference in over-winter storage and would cause unnecessary disruption to several LNID irrigators as well as LNID operations and administration. On August 20, 2024, the Board therefore increased the allocation to 13" and agreed to no further changes. We averaged 9.4" per irrigated acre on the season and ended the year with the Oldman Reservoir in the normal range at 60% full. While water sharing and conservation on the Oldman mainstem would have happened without AEPA's involvement, LNID continues to work with our neighbours to navigate a better process going forward that would include both better use of water to mitigate drought impacts, and appropriate participation of private irrigators. I thank LNID irrigators and our neighbours who made considerate decisions in conserving water, Alberta Agriculture and Irrigation's Water Infrastructure Operations Branch (AGI-WIOB) for their efforts to store as much water as possible, and to LNID's operations staff in delivering available water under very tight constraints.

LNID has made great strides in working collaboratively with WIOB in 2024. Lessons were learned following two significant events that led to many irrigators in the west being starved of water. LNID piloted a daily water order request and forecast sheet and streamlined staff and communications processes. With Matt Coster as our Operations Manager and Garth Fischer overseeing the length of the open system of canals and reservoirs from Fort MacLeod to Turin, we have a dedicated team focused on service to our irrigators.

I also thank our irrigators, neighbours and partners for challenging AEPA as they implemented their Water Availability Engagement. The AIDA white paper provides well-considered suggestions to improve availability of water for growing communities. LNID continues to support AIDA in advocating for ongoing conservation, efficiency and productivity gains and making effective use of existing tools before considering changes that could jeopardize the water security upon which our southern Alberta irrigated agriculture economy is based.

In 2024 we took the opportunity to implement Board training and strategic planning. Under the direction of Martin Van Diemen as our new Chair and Calvin Konynenbelt as our new Vice-Chair, we assembled Alberta not-for-profit board resources to complete modules on roles and responsibilities, board-manager relationship building, financial management, liability and others. With the results of internal and external surveys, we then jumped into confirming LNID values, key elements of our vision and mission and setting some initial goals and objectives. These are being rolled out within a 3-year strategic plan in 2025.

As people are our most valued resource, LNID stepped up our safety program and training under the direction of Matt Coster. We also completed a Human Resources Audit under the direction of Janet Beck, engaging with consultant UpSourced HR through a 90% Ag for Life grant. We are already seeing benefits in staff safe work practices and improved morale. LNID has an excellent construction group under Brett Zielinski and a growing engineering department under Abubaker Sardar that, in alignment with Matt Coster, challenged management to provide clear direction on future work for their teams. An Asset Management Program was started in 2024 that will help prioritize the activities to be scheduled within a Long-Term Infrastructure Plan. Thank you to all staff for your dedication as we work through positive changes together. I am enjoying our team approach!

LNID's financial position remains strong. With strategic planning we foresee ongoing district improvements within a predictable budget that reflects the cost of operating the district. Thank you to the Government of Alberta through the Irrigation Secretariat of Alberta Agriculture and Irrigation for ongoing IRP funding. Value to our irrigators, water security and mitigation of risk will be emphasized as the Board continues to provide organizational direction under a strong team.

I would like to thank the Board for working alongside me as we reflect on and develop a fresh and positive approach to the direction, management and operation of LNID. I value your keen insights and willingness to learn as we grow together. Thank you to all who have contributed to our successes and have shared ideas for improvement during a challenging year of drought and transition in LNID.

Respectfully,

Christopher Gallagher, P.Eng.
General Manager

DISTRICT ENGINEER'S REPORT



**Abubaker Sardar, E.I.T.
Acting 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 2024 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 2024 contribution from the Province was \$2,136,319. The District's contribution of \$712,106 brought the total contribution to the IRP Cost-Sharing account to \$2,848,425. Any funds received in 2024 that exceed expenditures will be allocated to recover the funds previously 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 2024, applicable project costs claimed were \$2,650,413 of which 80% or \$2,120,330 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 61C – LNID Construction Crew Installing PVC Pipeline

2024 IRRIGATION REHABILITATION PROGRAM (IRP)

IRP #2402 LATERAL K2 PHASE 2 LNID PROJECT #374-08
N1/2 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 22.2 km long PVC pipeline, replacing 17.8 km of an earthen canal and serves 3,317 acres. During the summer of 2024, LNID construction crew continued backfilling the canal and cleanup around the K2 settling pond. Cost for 2024 totalled \$7.33M of a \$7.45M revised budget. The Lateral K2 pipeline was operational for the 2024 irrigation season.

IRP #2404 LATERAL A3 LNID PROJECT #375-08
SE 32, SW 33, E1/2 29, W1/2 28 of 9-26-4

The Lateral A3 project is a closed gravity low delivery pressure 1.95 km long PVC pipeline, replacing 1.6 km of an earthen canal and serves 223.1 acres. The Lateral A3 pipeline inlets from the LNID Main Headworks Canal through a concrete turnout and concrete pipe buried in the canal bank. HDPE pipe was used to connect PVC pipe to the headwall of concrete turnout, thus eliminating any excavation in the canal bank. An old precast water level control check structure downstream of Lateral K2 inlet was also rehabilitated under the IRP cost sharing program. The total project budget is \$819,000 with total project cost to 2024 of \$568,000. The Lateral A3 pipeline will be operational for the 2025 irrigation season.



Lateral A3 – Newly Installed 10” Irrigation Turnout

The Lateral 61C project is a closed gravity low delivery pressure 11.5 km long PVC pipeline, replacing 6.5 km of a concrete lined earthen canal. The canal serves two existing pipelines C7 and C12; and a total of 7,437 acres. The pipeline will consist of PVC pipes with diameters of 1500 mm, 1350 mm, and 1200 mm, chosen based on the flow demands of the system. The IRP portion of new Lateral 61C pipeline includes construction of approximately 5 km of PVC pipeline, a precast screener structure and backfilling of the existing canal. The total project budget of IRP portion is \$7,500,000 and by 2024, the project incurred \$1,973,000 in costs. The Lateral 61C pipeline will be operational for the 2025 irrigation season.

2024 IRRIGATION WORKS RESERVE PROGRAM (IWR)

IWR #942 PICTURE BUTTE RESERVOIR OUTLET FOREBAY ENHANCEMENT
SE 10, SW 11 of 11-21-4

The shallow depth of the Picture Butte Reservoir, combined with high winds, previously caused sediment to be stirred up, contaminating the water flowing into the pipeline and reaching farmers' turnouts. To address this, LNID hired Wilde Bros. Engineering Ltd. to design a 1.48 km long bypass water channel that can be used during windy conditions, reducing the impact of silt and ensuring cleaner water for irrigation. In 2024, the project incurred \$1,654,000 in costs.

IWR #953 K4 INLET GABION LNID PROJECT #953-08
SW 25 of 11-20-4

Irrigators on the Lateral K4 pipeline faced challenges due to accumulation of shells in their irrigation systems. A gabion wall, 22 meters long and 2 meter high, was constructed at the inlet of the K4 along the 62K canal to increase the water quality. This project was completed in 2024 with a total project cost of \$84,000.



K4 Inlet Gabion - During Irrigation Season

2024 ALBERTA IRRIGATION MODERNIZATION (AIM) PROGRAM

AIM #936 LATERAL 61C PHASE 1 LNID PROJECT #936-08 Section 33, N1/2 28, NE 29, SW28 of 9-22-4

The Lateral 61C project is a closed gravity low delivery pressure 11.5 km long PVC pipeline, replacing 6.5 km of a concrete lined earthen canal. The canal serves two existing pipelines C7 and C12; and a total of 7,437 acres. The AIM portion of the Lateral 61C pipeline consists of 6.5 km of PVC pipeline, backfilling of a deep canal section in SW28 9-22-4, and construction of an automated outlet box. The total project budget of AIM portion is \$4,490,000 and by 2024, the project incurred \$2,565,000 in costs. The Lateral 61C pipeline will be operational for the 2025 irrigation season.

AIM #937 AUTOMATION CONTROLS UPGRADE LNID PROJECT #937-08 VARIOUS LOCATIONS

The 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 to these upgrades. This resulted in improved conveyance efficiencies and control of emergency and operational spills. Project Management for automation has been overseen by Gary Burke, in collaboration with Operations Manager Matthew Coster and Operations Superintendent Garth Fischer. The total project budget is \$900,000 and by 2024, the project incurred \$746,042 in costs.

The construction projects undertaken in 2024 were predominantly completed through the efforts of LNID labour and equipment, with valuable support from local general and specialty contractors. We greatly appreciate the dedication and hard work exhibited by the Operations and Construction teams as we navigated transitions, and the unique challenges presented in 2024.

Additionally, I would like to extend my sincere gratitude to the Engineering and Administration staff for their unwavering commitment and tireless efforts in bringing these projects to fruition. I look forward to continued collaboration with them in 2025.



Lateral 61C - Lateral C12 Tie In

IRRIGATION REHABILITATION PROGRAM

EXPENDITURES FROM IRRIGATION REHABILITATION PROGRAM (IRP)
DECEMBER 31, 2024

PROJECT NUMBER	PROJECT NAME	TOTAL TO DEC. 31/23	2024 EXPENDITURES	TOTAL TO DEC. 31/24
	Completed Capital Project Costs	\$ 148,596,095		\$ 148,596,095
374/2402	Lateral K2 - Phase 2	851,756	6,479,867	7,331,623
336/2405	Lateral 61C Phase 2	-	1,973,404	1,973,404
375/2404	Lateral A3	-	568,213	568,213
Less permanent difference - Aerial Photography				-32,350
		\$ 149,447,851	\$ 9,021,484	\$ 158,436,985

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

	2020	2021	2022	2023	2024
Government Grant 75%	\$ 1,098,698	\$ 1,326,734	\$ 1,351,066	\$ 1,514,337	\$ 2,136,319
LNID 25%	366,233	442,245	450,355	504,780	712,106
TOTAL	\$ 1,464,931	\$ 1,768,979	\$ 1,801,421	\$ 2,019,117	\$ 2,848,425

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

Funding Type	2020	2021	2022	2023	2024
Alberta (IRP) Cost-Sharing	\$ 8,131,513	\$ 1,153,064	\$ 44,571	\$ 868,513	\$ 9,022,484
District (IWR)	6,858,125	12,514,044	8,482,089	6,764,619	4,782,126
TOTAL	\$ 14,989,638	\$ 13,667,108	\$ 8,526,660	\$ 7,633,132	\$ 13,804,610

PROPOSED IRP 3 YEAR PLAN

YEAR	PROJECT	BUDGET
2025	Lateral A3 Pipeline (Fort Macleod)	\$ 350,000
	Lateral K2 Pipeline (Turin)	50,000
	Lateral 61C Pipeline (Park Lake)	4,000,000
	Lateral A20 Pipeline (Fort Macleod)	3,300,000
2026	Lateral A3 Pipeline (Fort Macleod)	\$ 50,000
	Lateral K2 Pipeline (Turin)	80,000
	Lateral 61C Pipeline (Park Lake)	1,500,000
	Lateral A20 Pipeline (Fort Macleod)	3,000,000
2027	Lateral A20 Pipeline (Fort Macleod)	\$ 700,000

IRRIGATION WORKS RESERVE

EXPENDITURES FROM IRRIGATION WORKS RESERVE (IWR) PROGRAM
DECEMBER 31, 2024

PROJECT NUMBER	PROJECT NAME	TOTAL TO DEC. 31/23	2024 EXPENDITURES	TOTAL TO DEC. 31/24
	Completed Capital Project Costs	\$ 61,043,107		\$ 61,043,107
917	Kehe Barons Upgrade	923,805	110,877	1,034,682
918	Lateral B6	6,107,751	250	6,108,001
936	Lateral 61C Phase 1	124,203	2,440,794	2,564,997
937	Automated Control Upgrades	703,853	42,189	746,042
942	Picture Butte Reservoir Outlet	-	1,654,265	1,654,265
943	H3 Effect Analysis	62,757	20	62,777
948	Lateral A4 Inlet Rehab	121,747	2,700	124,447
952	H3 Pond Rehab	227,532	29,682	257,214
953	K4 Inlet Gabion	-	83,844	83,844
971	Lateral H1 Phase 2	6,445,452	20,538	6,465,990
972	Lateral J1	5,602,869	30,468	5,633,337
973	Lateral K1B	2,943,449	17,623	2,961,072
974	Lateral K2 Phase 1 - AIM	2,967,799	348,877	3,316,676
989	Lateral 62F Rehabilitating	105,598	-	105,598
Permanent difference - Aerial Photography				32,350
		\$ 87,379,922	\$ 4,782,127	\$ 92,194,399

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	Complete
Project 2	Lateral 61C SW, NW & NE 28, Section 33-09-22-4; E ½ 04, SE 09-10-22-4;	2024	Pipeline	In Progress
Project 3	Lateral A3 NW 28, E ½ 29, SW 33-09-26-4;	2024	Pipeline	In Progress
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

Matthew Coster, Operations Manager

Garth Fischer, Operations Superintendent

Brett Zielinski, Construction & Maintenance Superintendent

2024 water start-up once again was a challenge. The Keho gates were opened on April 26, 2024. Alberta Agriculture and Irrigation (AGI) started to divert water down the AGI Main Canal on May 3. Initial allocation was 8" per acre and increased later in the season to eventually land on 13"/acre. The season ended with the Oldman River Dam at 62% full. Keho Lake was able to maintain its normal winter storage level. Water shut down began on October 10, 2024.

The 2023/2024 construction season saw the completion of two very different projects. One being a pipeline to replace an earthen ditch and the other a new open canal.

On the eastern boundary of the District, the Lateral K2 pipeline replaced roughly 18km of ditch with over 22km of new pipeline. The pipeline starts on the north side of Boris Reservoir and stretches east to the Little Bow River. The system drains out in three different spots with two of those being down the coulee to the river bottom. Construction started at the end of August 2023 and went through to late March 2024. Backfill and cleanup of the old canal and ditches continued into September of 2024. Favourable weather and ground conditions were utilized when installing the pipeline down the coulees into the river bottom. Pipe sizes on this pipeline range from 48" at the top end to 12" at the bottom end. A settling pond was built at the pipeline inlet with the help of a contractor.

A contractor was hired to build a canal stretching over 1.5km around the north end of the Picture Butte Reservoir. This canal was put in place to carry clean water from the main canal entering the reservoir, around to the outlet that feeds the Lateral H8 and H9 pipelines. A 240m berm was built through the east side of the reservoir to separate the canal from the lake. A service road across the berm will allow the LNID staff to access the gates on the west end of the canal. Little to no frost throughout the construction of the project created a challenge when excavating through the soft saturated material around the reservoir. Trees that were removed from the work area on the K2 pipeline project were hauled to the lake and installed on the west side of the berm. This was done to create more fish habitat in the newly constructed area.

Both of these projects were completed and operational for the 2024 water season. Following the completion of construction, the crews moved onto completing maintenance projects for the upcoming water season.

We must remind everyone of the importance of giving a 24-hour notice to their Water Coordinators when ordering their water on and off. In 2024, we started to use a new water requisition form with AGI to give them a 72-hour forecast of our demand. It takes approximately 24 hours for water to get from the Oldman River Dam to the LNID Headworks Canal. The water forecast ordering process was designed to increase efficiency and reduce delivery delays and return flows to the river. The District strongly encourages water conservation as the demand for water increases each year.

There have been significant changes to the water coordinator areas starting in 2025. Please go to the LNID website (www.lnid.ca) for updated maps and to find helpful information and other related resources. This is also where you will find contact information for the Water Coordinator in your area and the staff of the LNID.

WATER SUPERVISOR UNITS	ASSESSED ACRES	OTHER USE AC.FT.	WATER DELIVERED AC.FT.
Albion	30,404.5	1,976	26,447
Battersea	23,539.1	161	20,462
Butte	1,370.7	1,717	1,267
Macleod/KB	28,615.9	1,306	21,036
Monarch/BW2	26,328.2	4,162	16,330
Nobleford	2,352.1	633	1,888
Park Lake	24,187.6	1,713	15,149
Piyami	31,394.4	2,594	25,056
Turin	30,618.5	1,707	27,638
Total Assessed Acres:		198,811.0	Total Water Delivered: 155,273 ac.ft.
			Total Other Use Volume: 15,969 ac.ft.
			Return Flow & Losses: 17,500 ac.ft.
			Total Water Diverted: 188,742 ac.ft.
			Average Irrigation (Inches): 9.4

MAINTENANCE

DESCRIPTION	2024
Canal Cleaning	6 km
Canal Erosion / Sloughing Repair	250 m
Canal & Access Roads Graveling	6 km
Canal & Access Roads Grading	14 km
Canal Banks Mowing	120 km
Canal Banks Weed Spraying	130 km
Aquatic Weed Control	72 km
Pipeline Repairs (Air Vents)	38
Pipeline Repairs (Valves)	23
Pipeline Repairs (Pipe Leaks)	4
Replacement of Farm Turnouts	4
Replacement of Road Crossings	2
Removal of Road Crossings	7
Repairs to Gates & Hoists	0
Repairs to Pumps	3
Repairs / Maintenance to Water Meters	33
Repairs / Maintenance to Hydrometric Stations	0
Screener Rehabilitation	1

PRECIPITATION RECORDED

PRECIPITATION FOR 2024 (mm)			
MONTH	AGCM Fort Macleod Station	AGCM Barons Station	IMCIN Lethbridge Demo Farm Station
APRIL	25.3	26.3	16.4
MAY	65.3	77.1	100.8
JUNE	52.3	81.8	56.1
JULY	7.0	8.0	4.5
AUGUST	88.1	75.9	38.7
SEPTEMBER	34.5	51.5	47.8
OCTOBER	2.1	4.9	4.3
Total	274.6	325.5	268.6

WEED CONTROL

TYPE	WEEDS SPRAYED	2024 (litres)
Magnacide H (Acrolein)	Aquatics	3,034
MCPA Amine 600	Broadleaf	195
2,4-D	Broadleaf	122
Oracle (Dicamba)	Broadleaf	133
Start-Up	Non-Selective	9

CROP CLASSIFICATION INFORMATION

WEST

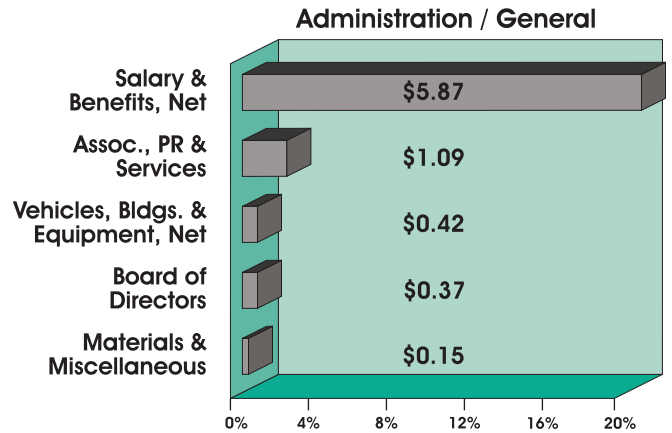
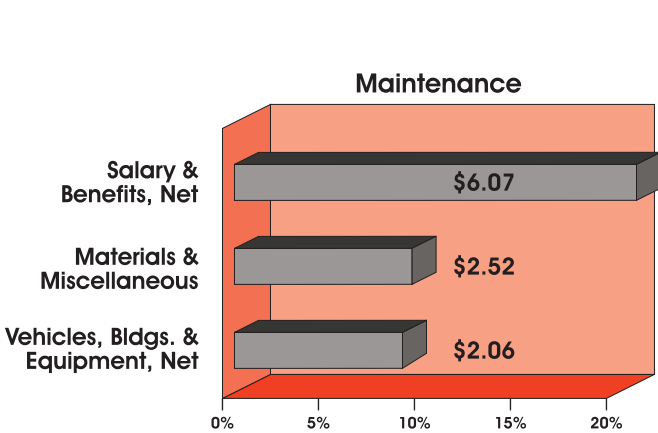
CROP TYPE	MACLEOD/KB	MONARCH/BW2	NOBLEFORD	PARK LAKE	PIYAMI
CEREALS					
Barley	3,572.7	207.0	491.6	5,389.1	4,469.4
CPS Wheat				157.3	
Durum Wheat	1,943.6	3,481.9	149.3	300.1	1,444.4
Hard Spring Wheat	285.4			592.4	1,346.1
Oats	115.0	152.0		848.1	305.1
Rye	837.3	65.6	89.4	2,477.6	442.4
Soft Wheat	1,471.0	1,438.2	103.4	2,688.3	1,393.2
Triticale					121.6
Winter Wheat	155.0	1,498.9		835.1	685.9
Miscellaneous				270.5	
Subtotal of Cereals	8,380.0	6,843.6	833.7	13,558.5	10,208.1
FORAGE					
Alfalfa Hay	2,808.5	4,300.6	253.9	2,473.5	394.1
Alfalfa Silage	1,720.4	1,485.3	525.8	1,150.9	2,003.3
Barley Silage	3,073.7	4,221.9		725.7	6,936.8
Brome Hay					
Corn Silage	597.6	1,984.3		2,013.3	5,626.0
Grass Hay	928.5	600.1		382.5	730.5
Native Pasture			4.3	26.0	
Tame Pasture	530.8	33.7	26.1	978.4	13.0
Timothy Hay	2,411.8	1,197.8	136.4	266.0	391.2
Miscellaneous		299.9			
Subtotal of Forage	12,071.3	14,123.6	946.5	8,016.3	16,094.9
OILS					
Canola	5,245.5	3,715.5	475.8	1,690.6	2,886.1
Flax	146.0			297.1	
Mustard	156.0				
Subtotal of Oils	5,547.5	3,715.5	475.8	1,987.7	2,886.1
OTHER					
Dry Peas	132.0		96.1		50.0
Hemp		222.8			1,845.7
Market Gardens				38.0	
Nursery					7.2
Potato	1,234.7	1,233.5			
Sugar Beets					142.7
Turf Sod		13.0		322.3	
Miscellaneous	1,250.4	176.2		264.8	159.7
Subtotal of Other	2,617.1	1,645.5	96.1	625.1	2,205.3
TOTAL	28,615.9	26,328.2	2,352.1	24,187.6	31,394.4

EAST

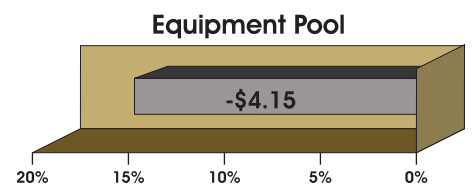
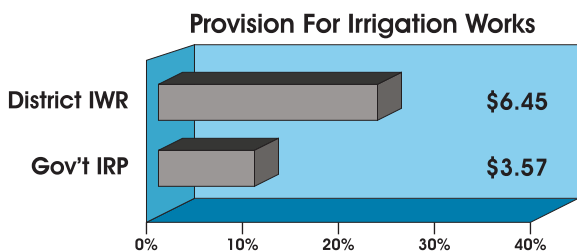
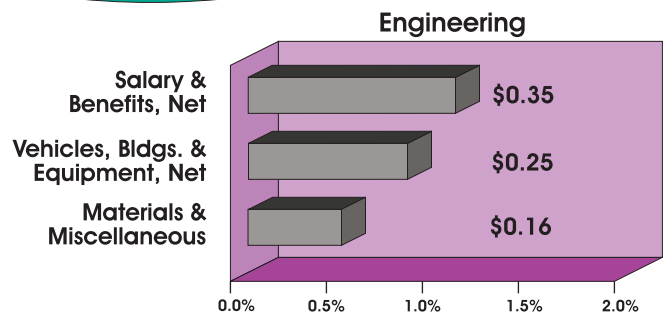
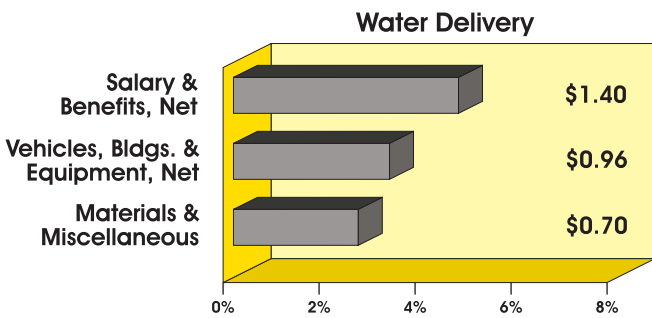
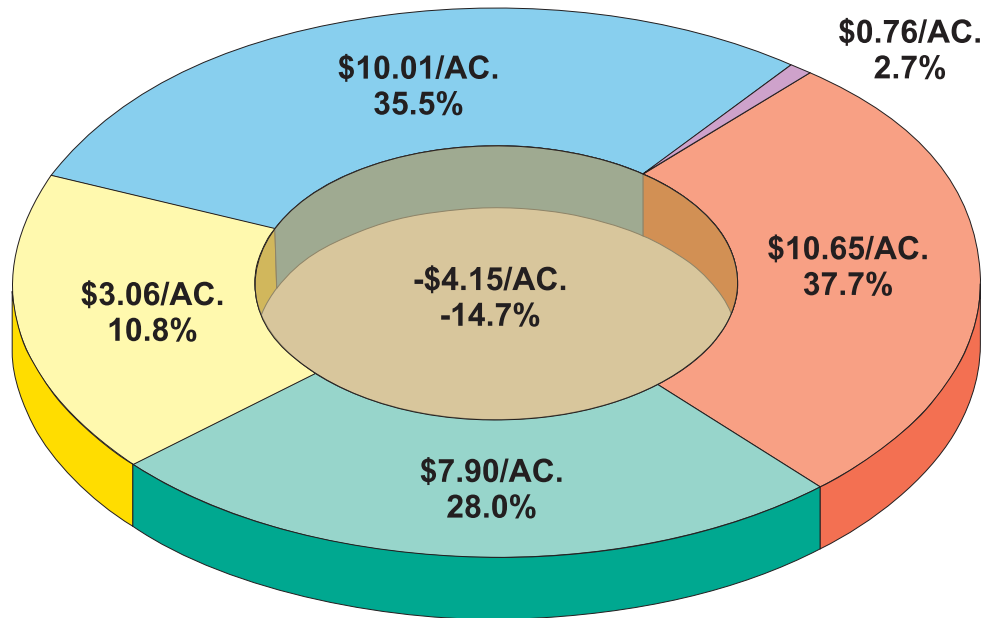
CROP TYPE	ALBION	BATTERSEA	BUTTE	TURIN	TOTAL
CEREALS					
Barley	1,025.6	2,166.5	403.6	2,099.1	19,824.6
CPS Wheat	153.8			231.2	542.3
Durum Wheat	1,705.2	120.0		1,067.5	10,212.0
Hard Spring Wheat	658.3	973.1		882.0	4,737.3
Oats				136.8	1,557.0
Rye	2,858.8	282.8		1,045.7	8,099.6
Soft Wheat	8,726.4	3,749.4		1,266.4	20,836.3
Triticale	155.5				277.1
Winter Wheat	906.4	2,088.8		902.9	7,073.0
Miscellaneous				148.5	419.0
Subtotal of Cereals	16,190.0	9,380.6	403.6	7,780.1	73,578.2
FORAGE					
Alfalfa Hay	404.8	838.9	254.0	2,041.9	13,770.2
Alfalfa Silage	1,164.8	1,984.7		1,873.1	11,908.3
Barley Silage	1,559.4	1,541.8	116.9	4,067.7	22,243.9
Brome Hay				171.9	171.9
Corn Silage	5,206.0	2,820.9	510.4	6,839.9	25,598.4
Grass Hay	669.7	1,307.7	85.8	628.8	5,333.6
Native Pasture				107.3	137.6
Tame Pasture	68.1	463.8		980.3	3,094.2
Timothy Hay		698.0		150.4	5,251.6
Miscellaneous	299.1	148.0		15.0	762.0
Subtotal of Forage	9,371.9	9,803.8	967.1	16,876.3	88,271.7
OILS					
Canola	2,726.3	1,753.7		4,644.3	23,137.8
Flax				211.3	654.4
Mustard	136.9				292.9
Subtotal of Oils	2,863.2	1,753.7	0.0	4,855.6	24,085.1
OTHER					
Dry Peas	314.0				592.1
Hemp				147.9	2,216.4
Market Gardens	9.8	130.4			178.2
Nursery					7.2
Potato		1,119.3		551.9	4,139.4
Sugar Beets	1,024.5	797.0		311.3	2,275.5
Turf Sod		399.2			734.5
Miscellaneous	631.1	155.1		95.4	2,732.7
Subtotal of Other	1,979.4	2,601.0	0.0	1,106.5	12,876.0
TOTAL	30,404.5	23,539.1	1,370.7	30,618.5	198,811.0

OPERATIONAL COST / ACRE

Based on Total of Classified, Terminable, and Annual Agreement Acres Assessed (199,718.7 Acres)

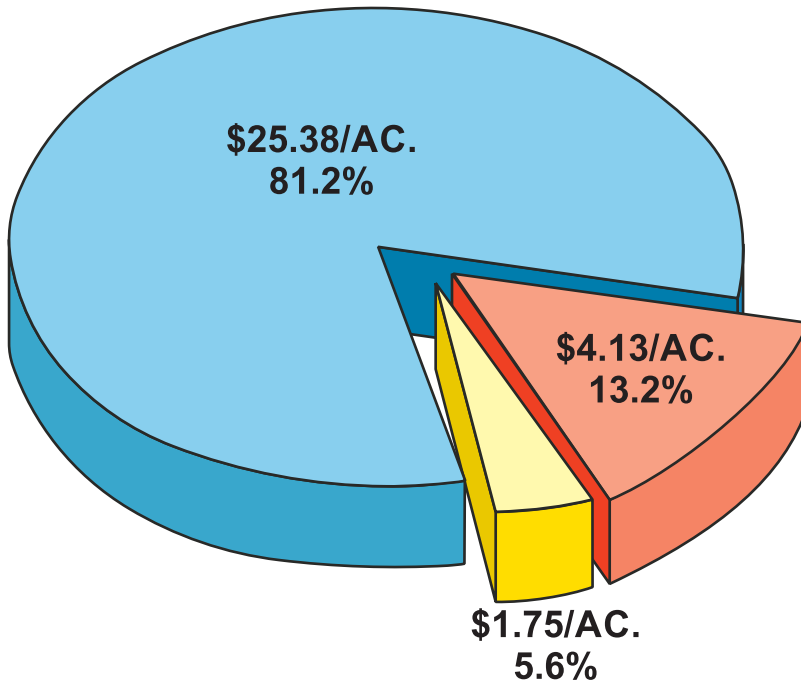


Maintenance	\$10.65
Provision	10.01
Admin. / General	7.90
Water Delivery	3.06
Engineering	0.76
Equipment Pool	<u>-4.15</u>
Cost / Acre	<u>\$28.23</u>

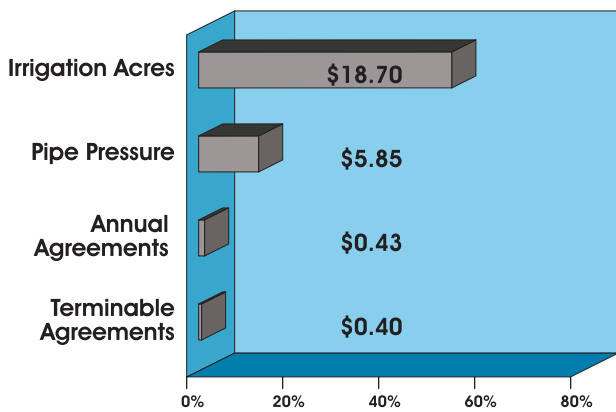


NET REVENUE / ACRE

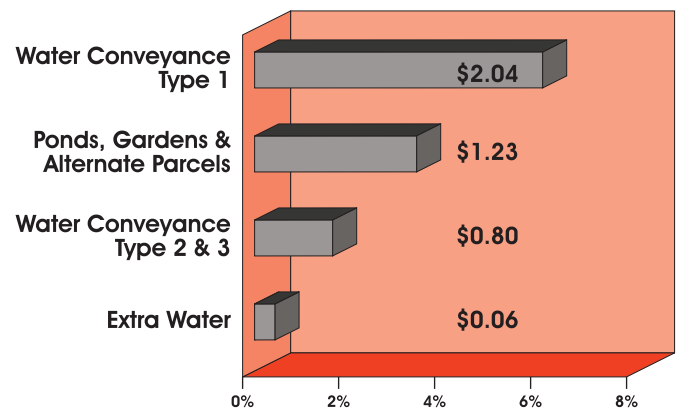
Based on Total of Classified, Terminable, and Annual Agreement Acres Assessed (199,718.7 Acres)



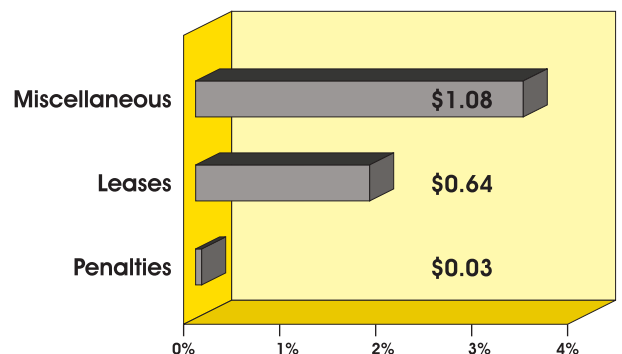
Irrigation Rates, Net



Water Agreements



Miscellaneous Income



Irrigation Rates, Net of Discounts	\$25.38
Water Agreements	4.13
Miscellaneous Income	<u>1.75</u>
Operating Revenue	31.26
Less: District Expense	<u>-28.23</u>
Surplus	<u><u>\$3.03</u></u>

SAFETY PROGRAM

The LNID embarked on creating a comprehensive safety program, focused on:

- Employee training to inform all employees of safety hazards and controls in the workplace to prevent injury,
- Creating the History of Safety documentation for continual growth of a successful safety program foundation,
- And implementing the Annual Safety Requirement Schedule, to identify deficiencies, inform management, and develop corrective actions.

Matthew Coster, Operations Manager

ASSESSED ACRES

ASSESSED ACRES	2023	2024
Irrigation Acres	196,487.2	196,617.6
Terminable Water Agreements - Dryland Parcels	228.0	228.0
Terminable Water Agreements - Restricted	1,965.4	1,965.4
Subtotal	198,680.6	198,811.0
Annual Irrigation	779.2	907.7
TOTAL ASSESSED ACRES	199,459.8	199,718.7

PARCELS ADDED TO THE DISTRICT IN 2024
SW 10-12-20-4
NW 30-10-23-4
NE 17-11-23-4

FINANCIAL STATEMENTS

DECEMBER 31, 2024

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, 2024, 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, 2024, 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 18, 2025

Avail LLP

Chartered Professional Accountants

**LETHBRIDGE NORTHERN IRRIGATION DISTRICT
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024**

	GENERAL OPERATIONS	IRRIGATION WORKS	2024 TOTAL	2023 TOTAL
CURRENT ASSETS				
Cash	\$ 4,875,366	\$ 9,508,608	\$ 14,383,974	\$ 19,665,998
Short term investments (Note 3)	-	-	-	22,023
Accrued interest in-trust	-	10,386	10,386	22,682
Accounts receivable (Note 4)	36,142	18,507	54,649	73,599
Prepaid expenses and deposits	187,954	-	187,954	225,397
Inventory	1,061,260	-	1,061,260	1,004,614
Due from general operations	-	3,949,433	3,949,433	9,436,067
	<u>6,160,722</u>	<u>13,486,934</u>	<u>19,647,656</u>	<u>30,450,380</u>
Long term deposit in-trust (Note 5)	-	1,484,000	1,484,000	874,718
Long term investments (Note 6)	-	33,133,091	33,133,091	29,574,707
Capital assets (Note 9)	3,371,100	147,234,399	150,605,499	142,615,027
	<u>\$ 9,531,822</u>	<u>\$ 195,338,424</u>	<u>\$ 204,870,246</u>	<u>\$ 203,514,832</u>
CURRENT LIABILITIES				
Accounts payable and accrued liabilities (Note 7)	\$ 473,426	\$ 311,850	\$ 785,276	\$ 848,138
Deferred revenue (Note 12)	74,824	535,673	610,497	603,146
Construction costs and holdbacks payable (Note 15)	-	15,839	15,839	202,840
Water right deposits (Note 16)	-	3,570	3,570	225,593
Construction contributions (Note 16)	-	91,323	91,323	123,692
Current portion of long-term debt (Note 8)	-	375,013	375,013	321,140
Due to irrigation works	3,949,433	-	3,949,433	9,436,067
	<u>4,497,683</u>	<u>1,333,268</u>	<u>5,830,951</u>	<u>11,760,616</u>
Long-term debt (Note 8)	-	7,188,920	7,188,920	6,238,728
	<u>4,497,683</u>	<u>8,522,188</u>	<u>13,019,871</u>	<u>17,999,344</u>
FUND BALANCES				
Capital (Note 9)	3,371,100	139,670,466	143,041,566	136,055,159
General Fund operating (Note 11)	1,663,039	-	1,663,039	1,906,265
Irrigation Works Fund: (Note 10)				
District Irrigation Works fund	-	60,768,694	60,768,694	55,072,425
Alberta (IRP) Cost-Sharing	-	(14,254,966)	(14,254,966)	(8,086,540)
District pump fund (Schedule 3)	-	632,042	632,042	568,179
	<u>5,034,139</u>	<u>186,816,236</u>	<u>191,850,375</u>	<u>185,515,488</u>
	<u>\$ 9,531,822</u>	<u>\$ 195,338,424</u>	<u>\$ 204,870,246</u>	<u>\$ 203,514,832</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, 2024**

	GENERAL OPERATIONS	IRRIGATION WORKS	2024 TOTAL	2023 TOTAL
REVENUE				
Water earnings:				
Irrigation rates (Note 13)	\$ 5,191,650	\$ -	\$ 5,191,650	\$ 4,966,260
Conveyance of excess and domestic water	825,020	-	825,020	788,534
Penalties	5,203	-	5,203	6,824
	6,021,873	-	6,021,873	5,761,618
Less: Discounts	122,063	-	122,063	120,272
	5,899,810	-	5,899,810	5,641,346
Lease revenue, net	127,686	-	127,686	115,579
Interest earnings	201,890	-	201,890	427,862
Miscellaneous	13,859	-	13,859	23,910
Pump fund revenues (Schedule 3)	-	706,858	706,858	1,040,477
Irrigation works fund revenues (Note 10)	-	6,649,141	6,649,141	6,171,329
Unrealized gain (loss) on financial instruments	-	2,623,722	2,623,722	1,956,626
	6,243,245	9,979,721	16,222,966	15,377,129
EXPENSES				
Operating expenses (Schedule 1)	3,477,771	-	3,477,771	2,844,939
Pump fund expenses (Schedule 3)	-	642,995	642,995	1,078,988
Consulting fees (recovered), net (Note 10)	-	(82,066)	(82,066)	43,677
Amortization of irrigation works (Note 9)	-	5,721,838	5,721,838	5,529,703
Write off of irrigation works (Note 9)	-	-	-	217,312
Non-capital irrigation works expenses (Note 10)	-	127,541	127,541	145,232
	3,477,771	6,410,308	9,888,079	9,859,851
Excess of revenue over expenses	2,765,474	3,569,413	6,334,887	5,517,278
Interfund transfer - Provision for irrigation works	(2,000,000)	2,000,000	-	-
Fund surplus	\$ 765,474	\$ 5,569,413	\$ 6,334,887	\$ 5,517,278

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, 2024**

	<u>GENERAL OPERATIONS</u>	<u>IRRIGATION WORKS</u>	<u>2024 TOTAL</u>	<u>2023 TOTAL</u>
Fund balances, beginning of year	5,368,665	180,146,823	185,515,488	179,998,210
Fund surplus for the year	765,474	5,569,413	6,334,887	5,517,278
Interfund transfer to irrigation works	<u>(1,100,000)</u>	<u>1,100,000</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ 5,034,139</u>	<u>\$ 186,816,236</u>	<u>\$ 191,850,375</u>	<u>\$ 185,515,488</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, 2024

	<u>GENERAL OPERATIONS</u>	<u>IRRIGATION WORKS</u>	<u>2024 TOTAL</u>	<u>2023 TOTAL</u>
Cash provided by (used for) the following activities:				
Operating activities:				
Excess of revenue over expenses	\$ 2,765,474	\$ 3,569,413	\$ 6,334,887	\$ 5,517,278
Items not involving cash:				
Unrealized gain (loss) on financial instruments	-	(2,623,722)	(2,623,722)	(1,956,626)
Amortization (Note 9, Schedule 1)	637,201	5,721,838	6,359,039	6,115,252
(Gain) on disposal of capital assets	(25,640)	-	(25,640)	(80,753)
Write off of irrigation works (Note 9)	-	-	-	217,312
	<u>3,377,035</u>	<u>6,667,529</u>	<u>10,044,564</u>	<u>9,812,463</u>
Change in non-cash working capital balances:				
Accounts receivable	23,854	(4,905)	18,949	309,630
Prepaid expenses and deposits	37,443	-	37,443	(45,743)
Inventory	(56,645)	-	(56,645)	(134,489)
Accounts payable and accrued liabilities	(48,306)	(14,456)	(62,762)	311,268
Construction costs and holdbacks payable	-	(187,001)	(187,001)	183,000
Deferred revenue	(53,686)	61,038	7,352	284,966
Water right deposits	-	(222,023)	(222,023)	66,045
Construction contributions	-	(32,370)	(32,370)	10,826
Due to irrigation works / from general operations	(5,486,634)	5,486,634	-	-
	<u>(5,583,974)</u>	<u>5,086,917</u>	<u>(497,057)</u>	<u>985,503</u>
Investing activities:				
Purchase of capital assets	(619,262)	-	(619,262)	(913,179)
Proceeds from disposal of capital assets	99,000	-	99,000	426,326
Additions to irrigation works	-	(13,803,610)	(13,803,610)	(7,633,132)
(Increase) in investments	-	(958,918)	(958,918)	(597,193)
	<u>(520,262)</u>	<u>(14,762,528)</u>	<u>(15,282,790)</u>	<u>(8,717,178)</u>
Financing activities:				
Proceeds from long-term debt (Note 8)	-	1,325,206	1,325,206	2,452,335
Repayment of long-term debt (Note 8)	-	(893,970)	(893,970)	(1,169,381)
	<u>-</u>	<u>431,236</u>	<u>431,236</u>	<u>1,282,954</u>
Interfund transfers:				
Provision for irrigation works	(2,000,000)	2,000,000	-	-
Allocation for irrigation works	(1,100,000)	1,100,000	-	-
	<u>(3,100,000)</u>	<u>3,100,000</u>	<u>-</u>	<u>-</u>
Increase (decrease) in cash and cash equivalents	(5,827,201)	523,154	(5,304,047)	3,363,742
Cash and cash equivalents, beginning of year	10,702,567	8,985,454	19,688,021	16,324,279
Cash and cash equivalents, end of year	<u>\$ 4,875,366</u>	<u>\$ 9,508,608</u>	<u>\$ 14,383,974</u>	<u>\$ 19,688,021</u>
Cash and cash equivalents comprise:				
Cash	\$ 4,875,366	\$ 9,508,608	\$ 14,383,974	\$ 19,665,998
Short term investments	-	-	-	22,023
	<u>\$ 4,875,366</u>	<u>\$ 9,508,608</u>	<u>\$ 14,383,974</u>	<u>\$ 19,688,021</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, 2024

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 2024.

Note 3 Short Term Investments

Short term investments are held in high interest savings accounts:

Irrigation Works:	2024	2023
ATB High Interest Savings	-	22,023
Dec. 31, 2023 @ 5.0%	-	22,023
Total Short Term Investments	\$ -	\$ 22,023

Note 4 Accounts Receivable

General Operations:	2024	2023
Water rates and charges	\$ 35,767	\$ 58,352
Other	375	1,645
	36,142	59,997
Irrigation Works:		
Construction contribution charges	18,507	13,602
	18,507	13,602
Total Accounts Receivable	\$ 54,649	\$ 73,599

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.

	2024	2023
Total Long Term Deposit In-Trust	\$ 1,484,000	\$ 874,718

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:

	2024	2023
Equity Investments:		
RBC Dominion Securities, at fair value	\$ 5,485,419	\$ 4,713,863
ATB Investor Services, at fair value	24,234,926	21,523,653
Fixed Income:		
RBC Dominion Securities, 1.75% to 5.85% bonds, maturities from 2030 to 2051, at fair value	3,412,746	3,337,191
Total Long Term Investments	\$ 33,133,091	\$ 29,574,707

Note 7 Accounts Payable and Accrued Liabilities

Included in accounts payable are outstanding government remittances payable of \$65,840 (2023 - \$83,210).

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 (2023 - \$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, 2024 was \$ Nil (2023 - \$ Nil). The ATB Financial prime interest rate was 5.45% on December 31, 2024 (2023 - 7.2%).

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, 2024 was \$7,596,933 (2023 - \$6,559,868).

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 2024 portion of the long term debt will be paid from Incremental Revenue that will be transferred to Irrigation Alberta Inc. on January 30, 2025 in the amount of \$1,074,825 (2023 - \$893,970) of which \$375,013 (2023 - \$321,140) will be applied against the long-term debt and the balance of \$699,812 (2023 - \$572,830) 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:	2024			2023
	Cost	Amortization	Net	Net
Computer	\$ 318,335	\$ 267,271	\$ 51,064	\$ 63,447
Automotive	2,382,193	1,259,183	1,123,010	917,273
Power	4,311,198	2,490,500	1,820,698	2,083,581
Other	931,587	555,259	376,328	398,099
	<u>7,943,313</u>	<u>4,572,213</u>	<u>3,371,100</u>	<u>3,462,400</u>
b) Irrigation Works:				
Completed irrigation works	246,113,401	102,147,277	143,966,124	135,798,451
Buildings	3,590,177	1,249,705	2,340,472	2,426,373
Land	927,803	-	927,803	927,803
	<u>250,631,381</u>	<u>103,396,982</u>	<u>147,234,399</u>	<u>139,152,627</u>
Total Capital Assets	<u>\$ 258,574,694</u>	<u>\$ 107,969,195</u>	<u>\$ 150,605,499</u>	<u>\$ 142,615,027</u>

Irrigation Works:	2024	2023
Irrigation works, beginning of year	\$ 236,827,771	\$ 231,067,659
Additions to irrigation works	13,803,610	7,633,132
	<u>250,631,381</u>	<u>238,700,791</u>
Deduct:		
Cost of irrigation works written off	-	1,873,020
Irrigation works, end of year	<u>250,631,381</u>	<u>236,827,771</u>
Amortization of irrigation works, beginning of year	97,675,144	93,801,149
Current year amortization	5,721,838	5,529,703
Deduct:		
Amortization on projects written off	-	1,655,708
Amortization of irrigation works	<u>5,721,838</u>	<u>3,873,995</u>
Amortization of irrigation works, end of year	<u>103,396,982</u>	<u>97,675,144</u>
Irrigation Works, net book value	<u>147,234,399</u>	<u>139,152,627</u>
Deduct:		
Funding by Long-Term Debt	<u>7,563,933</u>	<u>6,559,868</u>
	<u>\$ 139,670,466</u>	<u>\$ 132,592,759</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 2024 and amount to \$5,212,211 (2023 - \$4,049,356).

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:

	2024			2023
	District	Alberta (IRP) Cost-Sharing	Total	Total
Fund balance, beginning of year	\$ 55,072,425	\$ (8,086,540)	\$ 46,985,885	\$ 41,322,298
Add:				
Contributions received from Alberta				
Agriculture and Irrigation	795,124	2,136,320	2,931,444	2,985,738
Interest earnings and realized gains	1,455,243	4,632	1,459,875	1,384,480
Contributions for new parcels				
and irrigation works	1,067,015	-	1,067,015	1,104,703
Proceeds from sale of irrigation works	1,190,807	-	1,190,807	696,408
Transfer from District to				
Province of Alberta Cost-Sharing	(712,106)	712,106	-	-
Total Irrigation Works Fund revenues	3,796,083	2,853,058	6,649,141	6,171,329
Unrealized gain (loss) on investments	2,623,722	-	2,623,722	1,956,626
Interfund transfers	3,100,000	-	3,100,000	3,200,000
Proceeds from debt funding	1,325,205	-	1,325,205	2,452,336
Total additions	10,845,010	2,853,058	13,698,068	13,780,291
	65,917,435	(5,233,482)	60,683,953	55,102,589
Deduct:				
Additions to irrigation works, Schedule 2	4,782,126	9,021,484	13,803,610	7,633,132
Consulting fees (recovered), net	(82,066)	-	(82,066)	43,677
Long-term debt payment	321,140	-	321,140	294,663
Other expenses from				
Irrigation Works Fund	127,541	-	127,541	145,232
Total deductions	5,148,741	9,021,484	14,170,225	8,116,704
Fund balance, end of year	\$ 60,768,694	\$ (14,254,966)	\$ 46,513,728	\$ 46,985,885

Note 11 General Operations Fund

a) General Fund operating:	<u>2024</u>	<u>2023</u>
General Fund operating, beginning of year	\$ 1,906,265	\$ 1,724,564
Adjustments to capital assets, net	91,300	17,943
Revenue over expenses allocated	2,765,474	3,363,758
Transfer to irrigation works fund from general operations	<u>(3,100,000)</u>	<u>(3,200,000)</u>
General Fund operating, end of year	<u>\$ 1,663,039</u>	<u>\$ 1,906,265</u>

b) The General Operations Fund is comprised of:

	<u>2024</u>	<u>2023</u>
General Fund operating	\$ 1,663,039	\$ 1,906,265
General Fund capital	<u>3,371,100</u>	<u>3,462,400</u>
Total	<u>\$ 5,034,139</u>	<u>\$ 5,368,665</u>

Note 12 Deferred Revenue

General Operations:	<u>2024</u>	<u>2023</u>
Prepaid lease	\$ 5,948	\$ 19,165
2022 & 2023 PSI Refund Credit due to PB Reservoir		
Landowner Filter Issues	-	72,495
Prepaid water fees	<u>68,876</u>	<u>36,851</u>
	<u>74,824</u>	<u>128,511</u>
Irrigation Works:		
Sale of Land	22,640	19,355
Water Access Fee	<u>513,033</u>	<u>455,280</u>
	<u>535,673</u>	<u>474,635</u>
Total Deferred Revenue	<u>\$ 610,497</u>	<u>\$ 603,146</u>

Note 13 Irrigation Rates

		<u>2024</u>	<u>2023</u>
195,708.0	irrigation acres @ \$19.50/acre (2023 – 195,577.6 ac. @ \$19.00)	\$ 3,816,306	\$ 3,715,974
909.6	irrigation acres – 70 parcels @ \$585.00/parcel minimum (2023– 909.6 ac. – 70 parcels @ \$570.00)	40,950	39,900
173.0	dryland terminable acres @ \$36.00/acre (2023 – 173.0 ac. @ \$35.00)	6,228	6,055
55.0	dryland terminable acres – 4 parcels @ \$720.00/parcel minimum (2023 – 55.0 ac. – 4 parcels @ \$700.00)	2,880	2,800
1,941.8	restricted terminable acres @ \$36.00/acre (2023 – 1,941.8 ac. @ \$35.00)	69,904	67,963
23.6	restricted terminable acres – 2 parcels @ \$720.00/parcel minimum (2023 – 23.6 ac. – 2 parcels @ \$700.00)	1,440	1,400
-	pipeline pressure delivery charge	<u>1,168,040</u>	<u>1,134,065</u>
<u>198,811.0</u>	(2023 – 198,680.6)	<u>5,105,748</u>	<u>4,968,157</u>
	Less:		
	Reclassification & rebates	112	109
	2023 & 2023 PSI Refund Credit due to PB Reservoir		
	Landowner Filter Issues	<u>-</u>	<u>72,495</u>
		<u>112</u>	<u>72,604</u>
		<u>5,105,636</u>	<u>4,895,553</u>
	Add: Annual Agreements		
659.2	annual acres @ \$85.00/acre (2023 –530.7 ac. @ \$80.00)	56,032	42,456
248.5	annual acres – 34 parcels @ \$850.00/parcel minimum (2023 –248.5 ac. – 34 parcels @ \$800.00)	28,900	27,200
-	pipeline pressure delivery charge	<u>1,082</u>	<u>1,051</u>
<u>907.7</u>	(2023 –779.2)	<u>86,014</u>	<u>70,707</u>
<u>199,718.7</u>	(2023 – 199,459.8)	<u>\$ 5,191,650</u>	<u>\$ 4,966,260</u>

Note 14 Local Authorities Pension Plan (LAPP)

The District is required to make current service contributions to the LAPP of 8.45% (2023 - 8.45%) of pensionable earnings up to the Canada Pension Plan Years' Maximum Pensionable Earnings and 11.65% (2023 - 12.23%) for the excess. The employee contributions are based on rates of 7.45% (2023 - 7.45%) and 10.65% (2023 - 11.23%) respectively.

Total current service contributions by the District to the LAPP in 2024 were \$226,351 (2023 - \$174,659). Total current service contributions by the District employees in 2024 were \$205,248 (2023 - \$159,383).

At December 31, 2023, the LAPP served about 304,451 people (2022 - 291,259) and 444 employers (2022 - 437) and it disclosed an actuarial surplus of \$15.057 billion (2022 - surplus of \$12.671 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 were no Water Right sales for 2024.

In 2024, the District received deposits related to construction contributions for capital projects scheduled to commence in subsequent years. Included in the 2024 deposits were construction contributions for the Lateral K2 Pipeline Projects.

Note 17 Commitments

The District has commitments as at December 31, 2024 of \$577,460 (2023 - \$459,165), in respect of uncompleted work and supply of materials under contract.

Note 18 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 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 2023.

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 2023.

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 2023.

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 2023.

Note 20 Board Financial Accountability and Governance

The District is committed to strong financial accountability and governance. In compliance with the **Irrigation Districts Act (IDA)**, all Board members meet the eligibility requirements to serve and remain in good standing, with no direct or indirect pecuniary interest that would create a conflict of

To ensure transparency and accountability, the District follows a structured budget process for Board-related expenses and conducts **annual audits** to verify compliance. Governance bylaws are in place to safeguard both the Board and the District, reinforcing oversight and financial integrity.

Note 21 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, 2024**

Schedule 1

	2024				2023	
	EQUIPMENT POOL	MAINTENANCE OF IRRIGATION WORKS	WATER DELIVERY	ENGINEERING	ADMINISTRATION AND GENERAL	TOTAL
Salaries and wages	\$ 673,551	\$ 1,306,978	\$ 212,618	\$ 418,335	\$ 1,048,144	\$ 3,659,626
Equipment expense	316,548	272,253	179,589	9,985	9,339	787,713
Employee benefits	112,519	210,622	67,491	92,623	181,184	664,439
Amortization of equipment	408,897	167,061	1,359	40,189	19,695	637,201
Materials and supplies	10,293	440,326	3,686	4,728	13,973	473,006
Professional fees	24,531	24,531	-	24,530	71,696	145,288
Vegetation, weed and pest control	-	(7,117)	119,232	-	-	112,113
Buildings and grounds	16,304	20,260	5,373	28,396	32,302	102,635
Association fees and dues	-	-	-	1,526	76,374	77,900
Board of Directors fees and expenses	-	-	-	-	73,584	73,584
Contracted services	-	1,355	4,018	17,377	42,350	65,100
Pumps and control structures	-	14,301	17,294	-	-	31,595
Equipment rental	3,207	24,202	1,221	466	1,348	30,444
Telephone	2,214	3,748	4,262	8,103	8,979	27,306
Advertising and public relations	22	230	-	52	25,155	25,459
Crop and flood damage	-	25,437	-	-	-	25,437
Travel	380	984	247	364	7,580	9,555
Staff training and conferences	1,515	3,449	-	1,040	2,821	8,825
Interest and bank charges	-	-	-	-	6,785	6,785
Insurance	-	-	-	-	6,372	6,372
Easement rental	-	431	-	-	-	431
(Gain) loss on disposal of equipment	(10,311)	(23,405)	516	1,135	6,425	(25,640)
Miscellaneous	1,582	2,133	-	601	2,614	6,930
	<u>1,561,252</u>	<u>2,487,779</u>	<u>616,906</u>	<u>649,450</u>	<u>1,636,720</u>	<u>6,952,104</u>
Recoveries:						
Equipment	(2,409,326)	(53,796)	-	(57,611)	(1,096)	(2,521,829)
Labour (including benefits)	(142,992)	(306,131)	-	(436,446)	(27,678)	(913,247)
Custom work	(140)	-	-	(3,360)	(30,118)	(33,618)
Pumps	-	-	(5,639)	-	-	(5,639)
	<u>(2,552,458)</u>	<u>(359,927)</u>	<u>(5,639)</u>	<u>(497,417)</u>	<u>(58,892)</u>	<u>(3,474,333)</u>
Total 2024	<u>\$ (991,206)</u>	<u>\$ 2,127,852</u>	<u>\$ 611,267</u>	<u>\$ 152,033</u>	<u>\$ 1,577,828</u>	<u>\$ 3,477,771</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>

**LETHBRIDGE NORTHERN IRRIGATION DISTRICT
SCHEDULE OF IRRIGATION WORKS CAPITAL EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2024**

	DISTRICT	ALBERTA (IRP) COST-SHARING	2024 TOTAL	2023 TOTAL
External Goods and Services				
Materials and supplies	\$ 2,205,418	\$ 5,135,788	\$ 7,341,206	\$ 3,192,477
Contract services				
Construction	1,466,783	1,337,499	2,804,282	1,293,139
Engineering	58,368	18,824	77,192	13,839
Land acquisition costs	69,276	50,962	120,238	73,172
Internal (District) Goods and Services				
Labour recoveries (including benefits)				
Engineering	117,955	347,048	465,003	511,185
Construction	151,908	268,423	420,331	374,588
Right-of-way	10,572	13,032	23,604	79,607
Equipment recoveries	701,846	1,849,908	2,551,754	2,095,125
Totals 2024	\$ 4,782,126	\$ 9,021,484	\$ 13,803,610	
Totals 2023	\$ 6,764,619	\$ 868,513		\$ 7,633,132

**LETHBRIDGE NORTHERN IRRIGATION DISTRICT
SCHEDULE OF PUMP FUND
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Keho/Barons	Piyami	Keho East	Barons West 2	2024 TOTAL	2023 TOTAL
Fund balance, beginning of year	\$ 304,923	\$ 126,188	\$ 99,298	\$ 37,772	\$ 568,179	\$ 606,690
Add:						
Assessments - pump and electrical	309,621	118,524	153,487	97,958	679,590	1,025,429
Investment income	15,311	6,187	3,956	1,814	27,268	11,646
Penalties	-	-	-	-	-	3,402
Total additions	324,932	124,711	157,443	99,772	706,858	1,040,477
Deduct:						
Electrical	254,605	107,205	138,375	83,483	583,668	962,183
Maintenance	20,326	304	26,686	12,013	59,329	116,805
Total deductions	274,931	107,509	165,061	95,496	642,995	1,078,988
Fund balance, end of year	\$ 354,924	\$ 143,390	\$ 91,680	\$ 42,048	\$ 632,042	\$ 568,179



LETHBRIDGE NORTHERN IRRIGATION DISTRICT

2024 ANNUAL GENERAL MEETING

Coalhurst & District Community Centre

April 16, 2025

1:30 p.m.

AGENDA

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. Board Chair's Report: Martin Van Diemen
7. General Manager's Report: Christopher Gallagher, P. Eng.
 - 7.1 Presentation: 2024 Water Sharing and Management
 - 7.2 LNID Irrigation Acres
8. Acting District Engineer Report: Abubaker Sardar, E.I.T.
9. Operations & Maintenance Report
10. Safety Report: Matthew Coster
11. Financial Report
12. Other Business Arising from the Reports
13. New Business
14. Adjournment
15. Coffee & Donuts (Courtesy of Janice Hupper at ATB Wealth)



MINUTES OF THE 2023 ANNUAL GENERAL MEETING

THURSDAY, APRIL 18, 2024

The 2023 Annual General Meeting was held on Thursday, April 18, 2024 at the Picture Butte Community Centre, commencing at 1:30pm.

PRESENT

Water Users, **70**, Board members representing the Water Users and **12** LNID staff. In addition, the following attended:

Irrigation Secretariat: Jennifer Nitschelm;

AIDA: Margo Jarvas Redelback;

Alberta Agriculture & Irrigation: Scott Gerber, Alex Byrgesen, Dennis Matis, Paul Elser;

AFSC: Deanna Klassen, Marilyn Smith;

ATB Financial: Janice Hupper, Preston Scholz;

AVAIL LLP: Calvin Scott, Levi Jackson;

IPEX: Joe Buller;

Ring Irrigation Eng: Len Ring

RBC Dominion Securities: Leroy Pavan;

SMRID: David Westwood, Joyce Lam;

CALL TO ORDER

M. Van Diemen, Vice Chairman of the Board, called the meeting to order at 1:32 p.m. and introduced the Board of Directors and guests in attendance.

INTRODUCTION OF GUESTS

M. Van Diemen thanked all guests for their attendance to the Lethbridge Northern Irrigation District's 2024 Annual General Meeting.

M. Van Diemen thanked John Vandenberg for his 31 years of service on the LNID Board of Directors, and wished him the best in his retirement.

M. Van Diemen thanked Alan Harrold for his 50 years of service with the LNID, inviting the guests to attend a come-and-go celebration which would be taking place on April 26, 2024 at the Sandman Signature Lodge.

M. Van Diemen announced that starting on May 1, 2024, Chris Gallagher will be the new General Manager of the LNID.



MINUTES OF THE 2023 ANNUAL GENERAL MEETING

AGENDA APPROVAL

M. Van Diemen asked for any additions/deletions/changes to the agenda. There were none.

Motion by Ed Schuld, seconded by Brian Nauta to adopt the agenda as presented.

CARRIED

MINUTES OF 2022 ANNUAL GENERAL MEETING

M. Van Diemen asked if there were any errors or omissions.

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

CARRIED

BUSINESS ARISING OUT OF 2022 MINUTES

M. Van Diemen called for any business arising out of 2022 Minutes: No items were raised.

CHAIRMAN'S REPORT

M. Van Diemen, Vice Chairman of the Board, introduced A.L. Harrold, General Manager, to give the Chairman's Report on behalf of John Vandenberg, Chairman of the Board of Directors. The report included a recap of the 2023 irrigation season, as well as information regarding the construction of both the Picture Butte Reservoir Canal and the Lateral K2 Pipeline projects. The report thanked the staff at Alberta Environment and Protected Areas, Alberta Agriculture and Irrigation, SubTerrain Excavating and Trucking Ltd., Dennis Dirtworx, and the staff at the LNID for their hard work during the past year.

A.L. Harrold asked for questions arising from the Chairman's report.

Bill van Rootselaar asked if all piping construction will be completed in the next two (2) to three (3) years, and if so, will the completion of these construction projects result in lower water rates for the water users.

A.L. Harrold responded that the conversion of sublateral ditches to pipelines are projected to be completed, however, there will still be substantial costs for maintenance on the canals due to sloughing.

Motion by Evert Van Essen, seconded by Bill van Rootselaar to adopt the Chairman's Report as presented.



MINUTES OF THE 2023 ANNUAL GENERAL MEETING

GENERAL MANAGER'S REPORT

A.L. Harrold presented the General Manager's Report. The report included information regarding the 2023 Alberta Agriculture & Irrigation Main Canal Repairs, drought projections for 2024, District expansion, Moratorium on Water Rights, as well as District Infrastructure Automation and Control Structures. A.L. Harrold thanked both Alberta Agriculture & Irrigation as well as Alberta Environment & Protected Areas for their services in the past year.

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

Motion by Bill van Rootselaar, seconded by Evert Van Essen to adopt the General Manager's Report as presented. **CARRIED**

DISTRICT ENGINEERS REPORT

M. Van Diemen, Vice Chairman of the Board, introduced Trent Webster, District Engineer. T. Webster presented the following items from District Engineer's Report:

- Irrigation Rehabilitation Program (IRP)
 - Lateral K2 Phase 2
- Irrigation Works Reserve Program (IWR)
 - Lateral B9B Intake Replacement
 - Lateral H3 Effect Analysis
 - Lateral A4 Inlet Rehab
 - Lateral C-14 Upgrade
 - Lateral H3 Pond Rehab
- Alberta Irrigation Modernization Program (AIM)
 - Automation Controls Upgrades
 - Lateral J1
 - Lateral K1B
 - Lateral K2 Phase 1

T. Webster asked for any questions arising from the report. There were none.

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

OPERATIONS & MAINTENANCE REPORT

M. Van Diemen, Vice Chairman of the Board, introduced Brett Zielinski, Construction & Maintenance Manager. B. Zielinski presented the following items from the Operations and Maintenance Report:

- The 2023 Alberta Agriculture & Irrigation Main Canal Repairs
- The completion of the Lateral J1 pipeline project



MINUTES OF THE 2023 ANNUAL GENERAL MEETING

- The completion of the Lateral K1B pipeline project
- The rehabilitation of Laterals G1, G3, D2 and Barons West 2 pipeline screeners
- System Water Delivery Summary for 2023
- Maintenance completed during the 2023 irrigation season
- Precipitation recorded
- Weed Control Treatments done in 2023

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

Motion by Jordan Kolk, seconded by Evert Van Essen to adopt the Operations & Maintenance Report as presented.

CARRIED

FINANCIAL REPORT

M. Van Diemen, Vice Chairman of the Board, introduced Calvin Scott from AVAIL LLP. C. Scott presented the Financial Statements.

C. Scott asked if there were any questions arising from the report.

Bill van Rootselaar asked how often the Board does RFP Audit Services.

C. Scott replied that organizations can have RFP Audit Services done as frequently as they would like.

M. Van Diemen replied that the LNID Board of Directors have it done every three (3) years.

Motion by Ryan Bos, seconded by Adrian Sinke to adopt the Financial Statements as presented.

CARRIED

BUSINESS ARISING FROM THE REPORTS

M. Van Diemen, Vice Chairman of the Board, asked if there was any other business arising from the reports presented.

Bill van Rootselaar asked if there was a possibility of receiving the Annual Report one (1) week earlier to give landowners more time to review the information.

A.L. Harrold replied that due to the quick turnaround of information for this year the Annual Report was distributed to landowners later than usual, and there will be an effort to have the Annual Report completed earlier for distribution next year.

Bill van Rootselaar asked if there was a possibility of receiving the reports by email.



MINUTES OF THE 2023 ANNUAL GENERAL MEETING

Gary Burke, Classification & Network Technician, replied that the Annual Report was available on the LNID website two weeks ago. G. Burke will look into the possibility of sending the Annual Report via email in the following year.

NEW BUSINESS: DROUGHT FORECAST AND WATER SHORTAGE

M. Van Diemen, Vice Chairman of the Board, introduced Dennis Matis, Alberta Agriculture & Irrigation Operations & Infrastructure Manager – Oldman River Basin South Region, to present on the Drought Forecast and Water Shortage.

D. Matis presented information on the following:

- “Every Drop Counts” – the projected drought conditions for 2024.
- The snow pillow surveys. D. Matis explained that there have been increased reports of snow melt returning to the air and not being realized by runoff. The runoff has shifted by three (3) to four (4) weeks.
- Three (3) snow pillows affecting the Oldman Dam: Gardiner, Upper Oldman, and Lost.
- The AAI Main Canal Repairs.
- The recent increase in water flow out of the Oldman Dam Reservoir was for water being used to complete the wet test of the Main Canal Repairs.
- The Fish Rule Curve is part of the environmental component of the water flow required to be released from the Oldman Dam Reservoir. The amount of water varies based on a monthly water table.
- Apportionment of 1500cfs is required to pass the Saskatchewan border through the South Saskatchewan River.
- The combined storage between the Oldman Dam Reservoir and Keho Lake are 1500 decameters below last years level.

Jordan Kolk asked how often the apportionment amount of 42.5cms needs to be met at the Saskatchewan border.

D. Matis replied that it is a daily requirement legally licenced at the border.

Johan van Irons asked what challenges are being faced due to early runoff.

D. Matis says that the AAI team is balancing the need to store the early runoff as well as account for potential precipitation in the season, however, at this time AAI is aggressively storing runoff.

Gerrit Van Ash asked if the apportionment was calculated as a total volume per annum or if it was 50% of the water flow.

Tymen Vandenhazel asked what would happen if the inflow to the Saskatchewan border was below 42.5cms.



MINUTES OF THE 2023 ANNUAL GENERAL MEETING

Paul Elser, Alberta Agriculture & Irrigation Director of Southern Region, replied that there is a calculation for if the volume of water is below 42.5cms that would determine how much would still be required to cross into Saskatchewan to meet the apportionment needs of the water licences.

NEW BUSINESS: CROP INSURANCE – AFSC

M. Van Diemen, Vice Chairman of the Board, introduced Deanna Klassen from AFSC to present on Crop Insurance. The following items were discussed:

- Crop Year starts on April 1, 2024.
- 50% of the restricted allotment must be put on insured crops to retain coverage.
- The benefit for water allocation reduction is only applied if the reduction is given by a governing body as a result of a drought.

NEW BUSINESS: WATER SHORTAGE

M. Van Diemen, Vice Chairman of the Board, introduced Gary Burke, Classification & Network Technician to discuss the water shortage going in to the 2024 irrigation season and how that impacted the 2024 water allocation.

G. Burke discussed the following items:

- The Oldman Dam Reservoir is currently at 38% FSL, which is lower than average for this time of year.
- Based on calculations using the Oldman Dam Reservoir storage level, the snow pillows, and predicted precipitation, the initial allocation for the LNID is set at 8 inches per irrigation acre.
- The Oldman River Basin services not only the LNID, but also municipalities such as Lethbridge and Medicine Hat, and other licence holders, primarily feedlots. The LNID has a water demand of 50% of the Oldman River Basin.

G. Burke asked if there were any questions:

Peter Bos asked if all water licence holders have to ration for the 2024 season.

G. Burke replied that the Water Sharing Agreements that were developed with WaterSMART have addressed this, both private licences and irrigation districts will be restricted by the same amounts. Municipalities have a minimum effluent flow that must pass by the waste water treatment facilities but are facing restrictions of up to 10%.

Margo Jarvis Redelback, Alberta Irrigation District Association Executive Director, explained that private licence holders will be getting their information from Alberta Environment and Protected Areas.

Ed Schuld asked if the LNID had ever considered having different allocations for the west and east sections of the District based on the differing precipitation forecasts.



MINUTES OF THE 2023 ANNUAL GENERAL MEETING

G. Burke replied that the tracking of precipitation would be difficult due to the varying range of land that is affected by each individual storm.

Tymen Vandenhazel asked who was to blame for the Main Canal malfunction last year.

A.L. Harrold replied that the LNID was not involved in the construction or maintenance of the Alberta Agriculture & Irrigation Main Canal.

Leighton Kolk asked if there had been any indication from Alberta Agriculture & Irrigation regarding any assistance for the crop damages of the 2023 season due to the issues with the main canal.

M. Van Diemen replied there has been no meeting with the Minister of Alberta Agriculture & Irrigation.

Mark Heins asked if there were any penalties for farmers ignoring allocation or irrigating at night.

A.L. Harrold replied that there was a Bylaw passed that indicates that there is a financial penalty for those who over irrigate and penalties were assessed in 2023.

Gerald Slomp asked what the cost was to construct the Picture Butte Reservoir Canal and how it would help eliminate the weeds from entering the pipeline.

M. Van Diemen replied that the Picture Butte Reservoir Canal had an approximate budget cost of 1.8 million dollars.

A.L. Harrold explained that the weeds, silt and sediment were being mixed up in the shallow reservoir during periods of high winds, and the canal will allow for water to flow directly down the canal into the pipeline rather than having to go through the reservoir. This allows for water to be cycled through Picture Butte Reservoir during periods of low winds to keep the reservoir healthy, but gives the water operations staff the option to flow water directly through the Picture Butte Reservoir Canal during periods of high winds and limit the fine sediments from entering the pipeline.

ADJOURNMENT

M. Van Diemen, Vice Chairman of the Board, on behalf of the water users, thanked the Board and staff for a job well done. Accepted by a round of applause.

Motion by Arnie Bergen Henengouwen that the meeting be adjourned.

Meeting called adjourned at 3:32pm.