

LETHBRIDGE NORTHERN
IRRIGATION DISTRICT

2025 Annual Report



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Annual General Meeting

April 16, 2026 at 1:30PM

Picture Butte Community Centre

BOARD OF DIRECTORS



DIVISION 1: PETER BOS

Joined the Board April 20, 2015

Divison: Iron Springs to Turin



DIVISION 2: MARTIN VAN DIEMEN

Vice Chair

Joined the Board June 10, 2008

Divison: East of Piyami Coulee /
Picture Butte and West of Iron Springs



DIVISION 3: ARNIE BERGEN-HENENGOUWEN

Joined the Board May 9, 2024

Divison: East of Park Lake, Coalhurst,
West Lethbridey to Shaugnessy & Diamond City



DIVISION 4: CALVIN KONYNENBELT

Board Chair

Joined the Board April 20, 2020

Divison: Range 23 East to Park Lake and
part of Keho / Barons



DIVISION 5: SONNY WIERENGA

Joined the Board May 28, 2019

Divison: Fort Macleod East to Range 24 and
and part of Keho/Barons

VISION

To be a leader in sustainable water management.

MISSION

To serve our water users through responsible
delivery of irrigation water.

VALUES

Our People

Our Pursuit of Excellence

Our Stewardship of Water

Our Financial Accountability

Our Reputation & Relationships

Our Place in the Watershed

LNID STAFF

Active as of January 2, 2026

CHRISTOPHER GALLAGHER, P. ENG. GENERAL MANAGER

FINANCE & ADMINISTRATION

Levi Jackson, CPA	Finance & Administration Manager
Sue Huxley	Finance Coordinator
Maritza Suarez	Accountant
Josh Farrell	Inventory / Purchasing Agent
Caitlyn Bernhart	Administrative Assistant
Geraldine Sevilla	Accounting Support

CORPORATE SERVICES

Gary Burke	Corporate Services Manager
Jenn Forchuk	Human Resources Generalist
Katrina Holoboff	Communications & Outreach Specialist

ENGINEERING

Abubaker Sardar, P. Eng.	Technical Services Manager
Muhammad Haris, E.I.T.	Project Design Engineer
Cale Olsen	Jr. Engineer Technologist
Shawn Fontaine, C.E.T.	Survey & Asset Management Specialist
Glade Roberts	Drafting Technologist

WATER OPERATIONS

Garth Fischer	Operations Superintendent
Kyle McGee	Technology & Environmental Specialist
Greg Moore	Pump Station Technician
Mike McCloud	Water Coordinator – Park Lake
Walter Engels	Water Coordinator – Butte
John Degenstein	Water Coordinator – Monarch
Patrick Pavka	Water Coordinator – Macleod Keho
Tyson Gates	Water Coordinator – Albion
Aaron Keeling	Water Coordinator – Turin
Ken Frank	Spare Water Coordinator

CONSTRUCTION AND MAINTENANCE

Brett Zielinski	Construction & Maintenance Superintendent
Darcy Smith	Lead Hand / Welding
Bryce Schultz	Lead Equipment Operator
Dan Kubik	Construction & Pesticide Technician
Peter Peters	Equipment Operator
Brad McNeill	Equipment Operator
Roger Houghton	Equipment Operator
Tim Sandham	Tandem Driver
Adam Derksen	Tandem Driver
Len Houghton	Tandem Driver
Adam Matlock	Heavy Truck Hauler / Equipment Operator
Mitch Badura	Skilled Labourer
AJ Krahn	Skilled Labourer
Ashley Presby	Skilled Labourer
Rob Scheit	Skilled Labourer
Garett Alston	Skilled Labourer

BOARD CHAIR'S REPORT

It is my privilege to give greetings on behalf of the Board of Directors. I have had the pleasure of being Board Chair since the Spring of 2025. After some turbulent years of dealing with water supply issues caused by infrastructure problems combined with some years of drought, 2025 turned out to be a less stressful year for the Board. The growing season started out dry but most of the district received some later season rains that took the pressure off of the Oldman River Dam and the irrigation system which also allowed for a very comfortable water storage level heading into winter.



I am happy to report that the Board was able to spend many hours along with Chris Gallagher and his leadership team at the LNID working through strategic planning exercises that led to a plan and a framework for the organization to follow for the foreseeable future. The group came up with goals and objectives that give direction to the LNID Board, leadership team, and staff. This has also prompted a review process of bylaws and policies that needed to be refreshed again. The Board has also had a couple opportunities in 2025 for board governance training – once with just our own Board and General Manager and once in conjunction with other boards who are part of the Alberta Irrigation Districts Association. These sessions were very informative, and the Board has committed to some form of training on an annual basis as part of our accountability to the water users.

May of 2026 will mark 2 years of management under Chris Gallagher. Of course, as expected, new management comes with some change to the organization. Chris has a “one LNID” approach to the organization. In other words, all board, leadership, and staff are working together for a common goal. It is my observation that this has had a big impact on how the LNID functions. All the departments in the organization are working collaboratively and functioning well. I would like to thank Chris for his dedication and care for the LNID.

The District has been working diligently to keep a strong relationship with our counterparts at Water Infrastructure Operations Branch (WIOB) of Alberta Agriculture and Irrigation. We are working on strengthening communications and coming up with operating models that better understand the intricacies of dam and headworks operations along with that of the LNID water system. This process has and will continue to allow for a smoother and more efficient delivery of water without negative affects to the water users. 2025 was a relatively smooth operating year and we will continue to make adjustments to operational processes as needed.

I would like to take the opportunity to acknowledge the rest of the Board. Every board member comes with a unique skill set and varying backgrounds and experience. The board members are able to share perspectives and collaborate on decision making and problem solving. I want to make special mention of Martin Van Diemen who has served on the Board since 2008 and is ending his term in 2026. I want to thank him for many years of service to the LNID and its water users. Martin's years on the Board have definitely been to the benefit of the LNID.

As we head into the 2026 water season I would like to wish all water users a safe and prosperous year. It is important that we are all good stewards of the water that is intrusted to us so we can ensure a bright future for our irrigation district.

Sincerely,

Calvin Konynenbelt

Board Chair



GENERAL MANAGER'S REPORT

I would like to start by acknowledging the trust that the LNID Board and staff have placed in a renewed leadership approach in 2025. The leadership team transitioned to 'owning' their respective departments with enhanced collaboration between departments and our neighbouring agencies for more effective operation and decision-making.

A formal LNID Strategic Plan, released in January 2026, was developed to incorporate internal and external feedback and includes a summary of our values, updated vision and mission statements, and a series of goals and underlying objectives to prioritize activities. Supported with board and leadership training, our Strategic Plan gives staff, water users and others clear direction on what the Board wants us to accomplish over the next few years.

In promoting competent and engaged staff within a safe work environment, LNID asserted responsibility for our own health and safety management program in 2025. This included policy updates, streamlined documentation creation and storage, an engaged Joint Health and Safety Committee, job-specific competency and training, and adoption of telematics in many of our vehicles. Human Resources Generalist Jenn Forchuk completed her first full year at LNID, providing comprehensive internal HR and payroll capacity while accessing professional services through UpSourced HR. Staff are much better supported and the performance evaluation process we started in 2025 provides improved transparency on expectations and a tool to advance career goals.

Responsibility for water delivery was transitioned this year to Operations Superintendent Garth Fischer. Garth is applying standardized training and level of service expectations with Water Coordinators across the district. Garth added Pump Station Technician Greg Moore to his team, stepped up water order tracking, facilitated trouble shooting and upgrades of gates, automation and controls, and is providing daily tallies of current and projected water use for enhanced coordination with the Water Infrastructure Operations Branch (WIOB) of Alberta Agriculture and Irrigation (AGI). We also saw Kyle McGee step into an expanded role as Technology and Environmental Specialist, improving our aquatic and terrestrial weed management. It's rewarding to see an invigorated operations team working well together. In 2025, Garth also initiated Microsoft Teams based maintenance tracking.

Gary Burke was promoted within our leadership team as Corporate Services Manager and has been instrumental in facilitating collaboration of Garth's operations team with our WIOB partners on the Lethbridge Northern Headworks canal. Gary is spearheading our 3-year water management model with research partners at University of Alberta and consultant Optimal Solutions Inc. The project, funded through Results Driven Agriculture Research (RDAR), applies advanced water supply forecasting to inform board decisions on water allocations, and will model our internal operations to improve conveyance efficiencies. We would like to use available storage capacity to rebalance risk onto reservoirs and canal freeboard and allow more predictable on-farm water supply each year. Working on longer time scales, we would like to see earlier and more stable allocations set for irrigators like the 14"/acre we held throughout 2025, and avoid as much as possible a repeat of the situation in 2024 that ranged from 8" to 13". Operationally, Gary is advancing collaboration with WIOB to optimize Keho Reservoir levels to help Garth reduce risk of shortages in the west while reducing risk of spill in the east. Gary is also leading our lands and agreements portfolio in collaboration with other LNID departments and consultants.



Infrastructure planning improved in 2025 with initial development of an asset management program led by Survey and Asset Management Specialist Shawn Fontaine, and a long-term infrastructure plan led by Technical Services Manager Abubaker Sardar. Congratulations to Abubaker on obtaining his professional engineer designation in 2025. LNID is participating in an irrigation efficiency project in collaboration with Lethbridge County through an Alberta Community Partnership (ACP) grant and we look forward to integrating this work with our long-term infrastructure planning. Abubaker added Cale Olsen to his team, supporting drafting and other technical duties.

Construction activities continued in 2025 led by Construction Superintendent Brett Zielinski. Enhanced training and accountability have improved the capabilities and adaptability of Brett's teams and include more proactive equipment maintenance. Enhanced inventory tracking in 2025, supported by Finance Coordinator Sue Huxley and Inventory and Purchasing Agent Josh Farrell, has further improved coordination between administrative, engineering, operations and construction departments. Facilities upgrades included resurfacing the compound at Park Lake with recycled crushed concrete, and initial work to bring the welding shop up to code.

Fiduciary responsibilities were highlighted in board training and enhanced with the addition of Levi Jackson as Finance and Administration Manager in 2025. He has dramatically improved coordination between office and field activities, as well as financial transparency with the Board. Levi, who completed his Chartered Professional Accountant designation this year, moved the budget review process earlier and assigned departmental budgets to team leaders. He started an integrated financial plan for sustainable water rates and project funding that reflects our cost to operate and sustainably maintain the district.

I trust readers have noticed the efforts of Katrina Holoboff as she initiated various communication and outreach initiatives in 2025. These ranged from preparing updates to water users, participation in the Classroom Agriculture Program, preparing for video interviews for the Oldman Watershed Council's agricultural literacy program and Telus Voices of the Oldman session, participating in Farming Smarter Open Farm Days and attending post-secondary career fairs with Jenn Forchuk.

I am pleased with the collaboration of our board and staff teams and our service-oriented approach as we prioritize the needs of our LNID water users and responsibly manage our precious water resource.

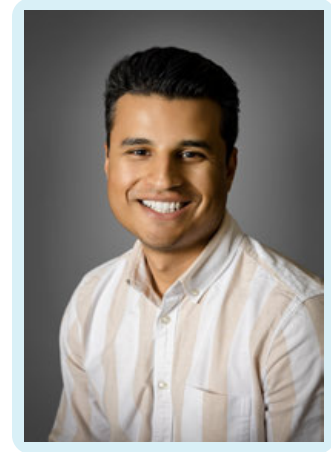
I am grateful for the ongoing commitment of the Government of Alberta toward achieving the benefits of irrigation to our communities, region and province. This includes maintenance and operation of the Lethbridge Northern Headworks system, Irrigation Rehabilitation Program (IRP) funding, Alberta Irrigation Modernization (AIM) program grants, and other sources of direct and indirect support to the district and our irrigators. With the threat of invasive zebra, quagga and now golden mussels coming ever closer to our doorstep, we encourage the government to enhance prevention methods and tools to help keep Alberta mussel free.

Many thanks to our proactive board who has engaged effectively with me as we collectively navigate a strong path forward. Board Chair Calvin Konynenbelt's inclusive approach with the board is very much appreciated. I extend best wishes and appreciation to retiring board member and Vice Chair Martin Van Diemen. I look forward to the work ahead in 2026.

Sincerely,
Chris Gallagher, P. Eng.
General Manager

TECHNICAL SERVICES REPORT

The Technical Services 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 2025 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 by the District. The 2025 contribution from the Province was **\$2,116,587**. The District's contribution of **\$705,529** brought the total contribution to the IRP Cost-Sharing account to **\$2,822,116**. Any funds received in 2025 that exceed expenditures will be allocated to recover the funds previously loaned by LNID to the IRP Cost-Sharing 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 initiated 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 2025, applicable project costs claimed were **\$5,203,172** of which 80%, or **\$4,064,376**, was accessed from the program funding share.

Construction projects undertaken in 2025 were predominantly completed through the efforts of LNID labour and equipment, with valuable support from local general and specialty contractors. I would like to extend my sincere gratitude to the Technical Services, Operations, Construction & Maintenance, Corporate Services and Finance & Administration staff for their unwavering commitment and tireless efforts in bringing these projects to fruition. I look forward to continued collaboration with them in 2026.

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.

Abubaker Sardar, P. Eng., Technical Services Manager

2025 IRRIGATION REHABILITATION PROGRAM (IRP)

IRP #2422 LATERAL A20 PIPELINE

LNID PROJECT #346-08

NW & E ½ 33, SE & W ½ 27, and Section 34 of 10-25-4

The Lateral A20 project is a closed gravity low delivery pressure 5.1 km long PVC pipeline, replacing 3.1 kms of a poly lined and 1.6 kms of earthen canal. The A20 pipeline will serve a total of 3,656 acres, and tie into the existing A20 pipeline, which was constructed in 1999. The LNID construction crew mobilized on site and started installation of the drain line in the Fall of 2025. During the winter of 2025, the LNID construction crew worked on the removal of canal liner, canal backfill and installation of PVC pipeline. The total project budget is **\$7,000,000** with total project cost to 2025 of **\$4,067,161**. The Lateral A20 pipeline will be operational for the 2026 irrigation season.

IRP #2405 LATERAL 61C PHASE 2

LNID PROJECT #336-08

S ½ 9, Section 4 of 10-22-4 and N ½ 33 of 09-22-4

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 pipeline consists of PVC pipes with diameters of 1,500 mm, 1,350 mm, and 1,200 mm, chosen based on the flow demands of the system. The IRP portion of the 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 the IRP portion is **\$7,500,000** and by 2025, the project had incurred **\$4,034,025** in costs. The Lateral 61C pipeline was operational for the 2025 irrigation season.



Lateral 61C Phase 2: Newly Installed Pre-Cast Screener Structure

2025 IRRIGATION WORKS RESERVE PROGRAM (IWR)

IWR #954 NORTH PARK LAKE TURNOUT REHABILITATION
SW 16 of 10-22-4

LNID PROJECT #954-08

LNID experienced challenges delivering water to a landowner north of Park Lake due to the existing screener at the turnout, which restricted flow during periods of low water levels. To address this issue, LNID Engineering designed a gabion wall infiltration system for the turnout intake. The purpose of this design was to increase the inlet area and reduce head losses through the screener, thereby improving water delivery under low water level conditions. The gabion structure was constructed in 2025 by LNID Operations and the Construction crew. Due to the structure's proximity to the Park Lake walking trail, a chain-link fence was also installed to enhance public safety. The upgraded turnout was operational during the 2025 irrigation season. In 2025, the project incurred a total cost of **\$45,148**.

IWR #983 C12 OUTLET REHABILITATION
NE 36 of 09-22-4

LNID PROJECT #983-08

LNID's C12 automated pipeline outlet is a key component of the District's infrastructure used to manage the water level in the Park Lake reservoir during the irrigation season. Following the 2025 irrigation season, LNID inspections identified significant sloughing downstream of the C12 outlet impact baffle structure. LNID staff promptly collaborated on developing a rehabilitation plan for the outlet structure. Taking advantage of favourable weather conditions prior to winter freeze-up, LNID's construction crew mobilized to the site and began rehabilitation work. As part of the rehabilitation, the existing impact baffle was removed and the HDPE pipe was extended to a new outlet at a lower elevation and a more stable location. Earthworks were also completed to stabilize the sloughed area and re-establish the natural drainage channel. The work presented challenges due to the outlet's location within a coulee, and special attention was given to worker safety throughout the construction process. The rehabilitation was successfully completed in 2025, and the outlet structure will be ready for operation during the 2026 irrigation season. The total cost incurred in 2025 for this project was **\$111,530**.



C12 Outlet Rehabilitation: Before vs. After

2025 ALBERTA IRRIGATION MODERNIZATION (AIM) PROGRAM

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

LNID PROJECT #936-08

The Lateral 61C project was 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 SW 28 9-22-4, and construction of an automated outlet box. The total project budget for the AIM portion is **\$5,000,000** and in 2025, the project incurred **\$2,325,118** in costs. The Lateral 61C pipeline was operational for the 2025 irrigation season.



Lateral 61C Phase 1 – Kipp Road Crossing and Impact Baffle Structure Installation

AIM #937 AUTOMATION CONTROLS UPGRADE
VARIOUS LOCATIONS

LNID PROJECT #937-08

The project involves upgrades to the Supervisory Control and Data Acquisition (SCADA) system to enhance communication and operational control of water flow throughout the District. As part of this initiative, operational inefficiencies, required repairs, and system upgrade opportunities were identified, and a phased implementation plan was developed to address these improvements. The upgrades are intended to improve conveyance efficiency and provide better control of emergency and operational spills. Project management for the automation program has been overseen by Corporate Services Manager Gary Burke in collaboration with Operations Superintendent Garth Fischer. In 2025, Langemann Gates were installed at the existing C1 and C2 Check/Drop structures on the 61C Canal. The installation of these gates has improved LNID's operational efficiency and helped maintain a more stable inlet water level for the pipeline located upstream of the Check/Drop structures. The total budget allocated for this project is **\$900,000**, with **\$356,922** incurred in project costs during 2025.

IRRIGATION REHABILITATION PROGRAM

EXPENDITURES FROM IRRIGATION REHABILITATION PROGRAM (IRP)
DECEMBER 31, 2025

PROJECT NUMBER	PROJECT NAME	TOTAL TO DEC. 31/24	2025 EXPENDITURES	TOTAL TO DEC. 31/25
	Completed Capital Project Costs	\$ 148,596,095		\$ 148,596,095
336/2405	Lateral 61C Phase 2	1,973,404	4,034,025	6,007,429
374/2402	Lateral K2 - Phase 2	7,331,623	5,406	7,337,029
375/2404	Lateral A3	568,213	169,054	737,267
346/2422	Lateral A20		4,067,161	4,067,161
Less permanent difference - Aerial Photography				-32,350
		\$ 158,469,335	\$ 8,275,646	\$ 166,712,631

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

	2021	2022	2023	2024	2025
Government Grant 75%	\$ 1,326,734	\$ 1,351,066	\$ 1,514,337	\$ 2,136,319	\$ 2,116,587
LNID 25%	442,245	450,355	504,780	712,106	705,529
TOTAL	\$ 1,768,979	\$ 1,801,421	\$ 2,019,117	\$ 2,848,425	\$ 2,822,116

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

Funding Type	2021	2022	2023	2024	2025
Alberta (IRP) Cost-Sharing	\$ 1,153,064	\$ 44,571	\$ 868,513	\$ 9,022,484	\$ 8,275,648
District (IWR)	12,514,044	8,482,089	6,764,619	4,782,126	3,378,170
TOTAL	\$ 13,667,108	\$ 8,526,660	\$ 7,633,132	\$ 13,804,610	\$ 11,653,818

PROPOSED IRP 3 YEAR PLAN

YEAR	PROJECT	BUDGET
2026	Lateral A3 Pipeline (Fort Macleod)	\$ 40,000
	Lateral K2 Pipeline (Turin)	50,000
	Lateral 61C Pipeline (Park Lake)	500,000
	Lateral A20 Pipeline (Fort Macleod)	5,000,000
	Picture Butte Reservoir Dam Safety Review	100,000
2027	Lateral A3 Pipeline (Fort Macleod)	\$ 45,000
	Lateral K2 Pipeline (Turin)	63,000
	Lateral 61C Pipeline (Park Lake)	972,000
	Lateral A20 Pipeline (Fort Macleod)	500,000
	Picture Butte Reservoir Dam Safety Review	25,000
2028	Lateral A20 Pipeline (Fort Macleod)	\$ 465,000
	Lateral B9A Check Structure (Nobleford)	400,000

IRRIGATION WORKS RESERVE

EXPENDITURES FROM IRRIGATION WORKS RESERVE (IWR) PROGRAM
DECEMBER 31, 2025

PROJECT NUMBER	PROJECT NAME	TOTAL TO DEC. 31/24	2025 EXPENDITURES	TOTAL TO DEC. 31/25
	Completed Capital Project Costs	\$ 75,117,285		\$ 75,117,285
901	Park Lake Welding Shop	-	60,565	60,565
936	Lateral 61C Phase 1	2,564,997	2,325,118	4,890,115
937	Automated Control Upgrades	746,042	356,922	1,102,964
942	Picture Butte Reservoir Outlet	1,654,265	124,399	1,778,664
943	H3 Pipeline Effect Analysis	62,777	2,785	65,562
944	Lateral B13 Settling Pond Decommission	-	23,735	23,735
945	Turin Dropline Rehab	-	24,190	24,190
954	North Park Lake Turnout Rehab	-	45,149	45,149
957	Water Management Model	-	86,995	86,995
958	Monarch Drain	-	39,931	39,931
961	Harber Drain	-	9,036	9,036
963	62K Canal Upgrades	-	121,100	121,100
964	G11 Overshot Gate Rehab	-	7,669	7,669
972	Lateral J1	5,633,337	695	5,634,032
973	Lateral K1B	2,961,072	1,941	2,963,013
974	Lateral K2 Phase 1	3,316,677	3,214	3,319,891
986	C12 Outlet Rehab	-	111,529	111,529
989	Lateral 62F Rehab	105,598	33,198	138,796
Permanent difference - Aerial Photography				32,350
		\$ 92,162,050	\$ 3,378,171	\$ 95,572,571

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	Complete
Project 3	Lateral A3 NW 28, E ½ 29, SW 33-09-26-4;	2024	Pipeline	Complete
Project 4	Lateral A20 Section 27, SE, NW & NE 33, Section 34-10-25-4;	2025	Pipeline	In Progress
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

Keho Gates opened on April 25th, 2025, and we started to divert water down the Monarch Main Canal on May 5th 2025. The Water Infrastructure Operations Branch (WIOB) of Alberta Agriculture & Irrigation (AGI) started to divert water down the Lethbridge Northern Irrigation District Headwork Canal on April 28th, 2025. The allocation for the year was set at 14", which we did not have to change throughout the year aided by the timely rains in June and July. Water shut down started on October 10th, 2025.

2025 was the first year of LNID's new Water Coordinator Divisions. We went from nine divisions to six divisions, and added a Pump Station Technician to be responsible for our four main pump stations. We also combined the two Water Master positions into one Operations Superintendent to oversee and operate the Monarch Gates as well as the Keho Outlet Gates.

A reminder to all of the importance of giving 24-hours' notice to their Water Coordinators when ordering their water on and off. In 2025 we continued to use a new water requisition form with WIOB to give them a 72-hour forecast of our demand. 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.

The 2024/2025 construction season saw the installation of two upgraded systems in the District. We started the season with the Lateral A3 Pipeline Project in the far west converting the earthen ditch to pipeline. This pipeline included just over 1,800 meters of new pipe and fittings ranging from 250mm (10") at the bottom end up to 600mm (24") at the top end. The project was started in the early fall of 2024. Weather and ground conditions were excellent for the project.

Following the Lateral A3 project our crew began the Lateral 61C Pipeline Project, converting the concrete lined canal from the south side of Park Lake to the Kipp Highway to pipeline. This project presented its own challenges for the pipeline crew. The Lateral 61C Pipeline Project was split into three different tasks.

First was the removal of all the concrete liner from the existing canal. This concrete was removed and hauled back to the LNID yard at Park Lake and later crushed and repurposed. Second was to backfill the existing canal. This involved moving a large amount of fill to a deep section of canal along the Kipp Highway. Third was the pipeline installation. Just shy of 12,000 meters of pipe was installed from the Kipp Highway up to Park Lake. Nearly half of this stretch was twin lines. Pipe size started at 900mm (36") at the bottom end where it tied into the 61C canal south of the Kipp Highway. The top end had twin lines coming out of a precast screener box. The west line started at 1,200mm (48") and the East line starting at 1,500mm (60") pipe. Construction of this system started mid-November 2024 due to the end of season draining of the canal. Additional help was needed to complete the concrete removals and dirt moving because of the limited time to complete the project, the limited workspace, and winter weather. deGraaf Excavating Ltd. did an excellent job assisting the LNID with the removals, dirt moving, and concrete crushing. Sub-Terrain Excavating & Trucking Ltd. assisted with installation of the last 1,000 meters of pipe. The pipeline was completed for the first week of May 2025.

Garth Fischer & Brett Zielinski



WATER DELIVERY 2025

WATER SUPERVISOR UNITS	ASSESSED ACRES	OTHER USE AC.FT.	WATER DELIVERED AC.FT.
Albion	33,320.2	2,422	31,083
Butte	27,841.2	2,084	31,693
Macleod Keho	43,131.3	2,469	32,355
Monarch	32,643.8	5,330	31,409
Park Lake	34,204.5	2,980	29,087
Turin	27,786.0	1,347	23,569
Total Assessed Acres: 198,927.0		Total Water Delivered:	179,196 ac.ft.
		Total Other Use Volume:	16,632 ac.ft.
		Return Flow & Losses:	21,101 ac.ft.
		Total Water Diverted:	216,929 ac.ft.
		Average Irrigation (Inches):	10.8

MAINTENANCE

DESCRIPTION	2025
Canal Cleaning	15 km
Canal & Access Roads Graveling	24 km
Canal & Access Roads Grading	53 km
Canal Banks Mowing	101 km
Canal Banks Weed Spraying	67 km
Aquatic Weed Control	51 km
Pipeline Repairs (Air Vents)	68
Pipeline Repairs (Valves)	13
Pipeline Repairs (Pipe Leaks)	2
Replacement of Farm Turnouts	0
Replacement of Road Crossings	5
Repairs to Gates & Hoists	1
Repairs to Pumps	4
Repairs / Maintenance to Water Meters	34
Screener Rehabilitation	1

PRECIPITATION RECORDED

PRECIPITATION FOR 2025 (mm)			
MONTH	AGCM Fort Macleod Station	AGCM Barons Station	IMCIN Lethbridge Demo Farm Station
APRIL	15.4	32.3	32.8
MAY	37.7	45.6	33.9
JUNE	98.4	92.4	83.7
JULY	171.3	73.9	85.6
AUGUST	48.6	48.4	13.5
SEPTEMBER	14.4	14.1	2.6
OCTOBER	11.7	24.8	17.9
Total	397.5	331.5	270.0

CROP CLASSIFICATION INFORMATION

CROP TYPE	MACLEOD KEHO	MONARCH	PARK LAKE	ALBION	BUTTE	TURIN	TOTAL
CEREALS							
Barley	7,410.4	3,968.0	6,769.0	1,338.4	482.5	5,108.5	25,076.8
CPS Wheat	285.0		157.3	153.8			596.1
Durum Wheat	5,111.4	3,852.5	727.7	1,549.4	85.8	152.0	11,478.8
Hard Spring Wheat		1,463.2	870.2	658.3	379.1	501.9	3,872.7
Oats	235.1	89.4	1,153.2	312.6		433.3	2,223.6
Rye	390.5	1,402.0	2,502.9	3,093.0	1,413.0	646.0	9,447.4
Soft Wheat	2,622.1	160.0	2,213.5	8,721.1	3,996.0	1,629.4	19,342.1
Triticale	483.3	439.7		155.5	922.6	375.4	2,376.5
Winter Wheat	862.4	113.0	553.9	1,527.1	1,812.1	718.0	5,586.5
Miscellaneous			270.5		191.6	317.2	779.3
Subtotal of Cereals	17,400.2	11,487.8	15,218.2	17,509.2	9,282.7	9,881.7	80,779.8
FORAGE							
Alfalfa Hay	4,510.2	1,096.7	1,885.0	1,059.5	1,359.7	1,117.2	11,028.3
Alfalfa Silage	337.0	1,101.6	2,251.1	706.0	1,802.9	1,027.5	7,226.1
Barley Silage	1,827.1	6,277.0	4,197.3	2,043.1	1,674.6	1,085.0	17,104.1
Corn Silage	2,595.4	5,040.4	5,335.9	5,555.4	5,964.9	8,125.9	32,617.9
Grass Hay	105.1	998.2	811.1	515.7	1,461.4	153.0	4,044.5
Native Pasture		13.3				371.6	384.9
Tame Pasture	636.4	99.3	926.8	68.1	407.1	655.8	2,793.5
Timothy Hay	2,705.7	127.1	505.5		626.3	606.6	4,571.2
Miscellaneous	128.6			153.5		15.0	297.1
Subtotal of Forage	12,845.5	14,753.6	15,912.7	10,101.3	13,296.9	13,157.6	80,067.6
OILS							
Canola	8,202.5	5,376.0	1,522.9	3,444.6	441.7	1,027.3	20,015.0
Flax	541.0		297.1			65.9	904.0
Mustard	320.0			136.9			456.9
Subtotal of Oils	9,063.5	5,376.0	1,820.0	3,581.5	441.7	1,093.2	21,375.9
OTHER							
Canola Seed	662.8	154.2	79.0	415.1	1,588.8	2,400.9	5,300.8
Dry Peas	1,306.8			314.0			1,620.8
Grass Seed	305.4			257.8			563.2
Hemp	230.7	444.8	383.1		439.3		1,497.9
Market Gardens			38.0	9.8	150.8		198.6
Potato	1,049.9	279.9			1,927.6	915.3	4,172.7
Sugar Beets			142.7	901.9	151.4	302.3	1,498.3
Turf Sod			322.3		549.2		871.5
Miscellaneous	266.5	147.5	288.5	229.6	12.8	35.0	979.9
Subtotal of Other	3,822.1	1,026.4	1,253.6	2,128.2	4,819.9	3,653.5	16,703.7
TOTAL	43,131.3	32,643.8	34,204.5	33,320.2	27,841.2	27,786.0	198,927.0

ASSESSED ACRES

ASSESSED ACRES	2024	2025
Irrigation Acres	196,617.6	196,733.6
Terminable Water Agreements - Dryland Parcels	228.0	228.0
Terminable Water Agreements - Restricted	1,965.4	1,965.4
Subtotal	198,811.0	198,927.0
Annual Irrigation	907.7	1,170.4
TOTAL ASSESSED ACRES	199,718.7	200,097.4

WEED CONTROL

TYPE	WEEDS SPRAYED	2025 (litres)
Magnacide H (Acrolein)	Aquatics	980
MCPA Amine 600	Broadleaf	6
2,4-D	Broadleaf	45
Oracle (Dicamba)	Broadleaf	0
Start-Up	Non-Selective	89
Navius Flex	Broadleaf	16

WATER QUALITY DISCLAIMER

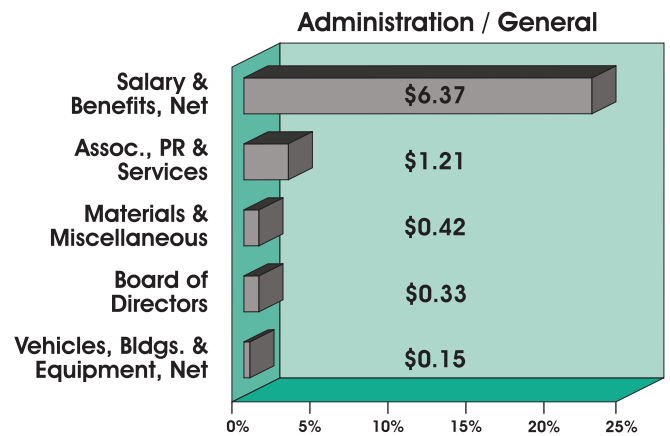
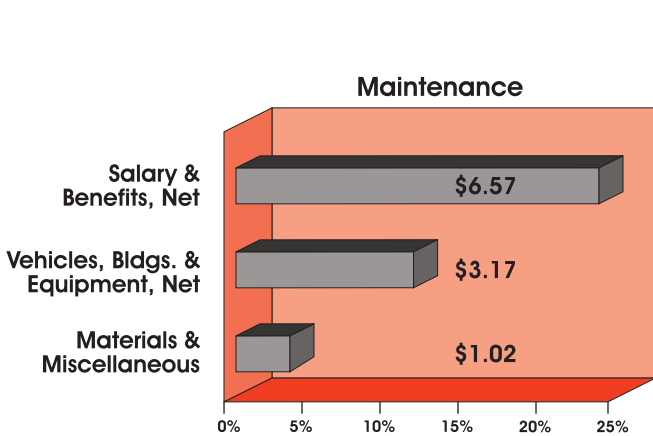
The District advises that the water in the irrigation system of the District may not be potable or may not be suitable for irrigation or other purposes, and the District makes no representation, warranty, or guarantee, express or implied, that the water delivered through its irrigation system is potable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

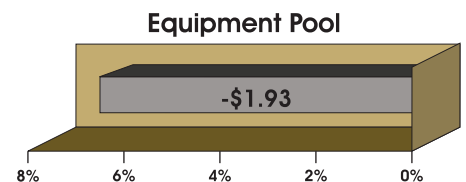
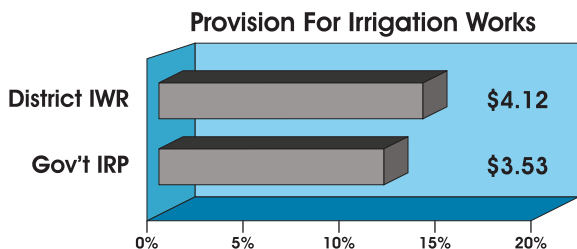
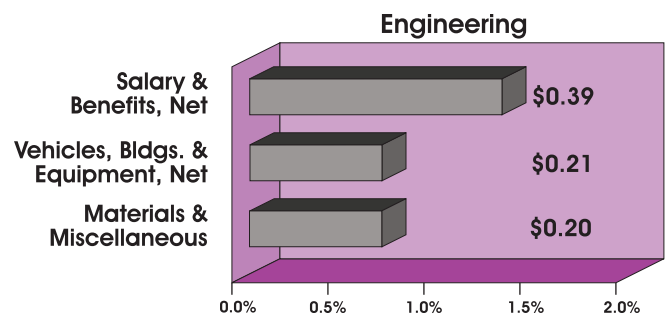
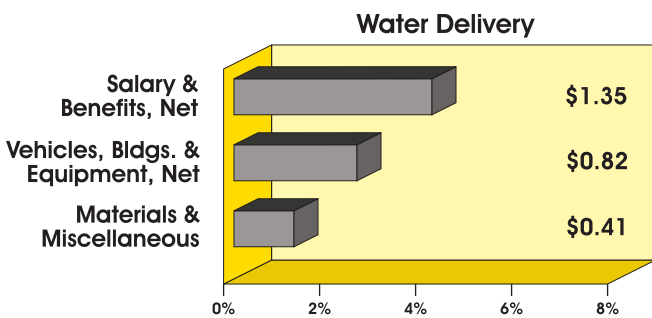
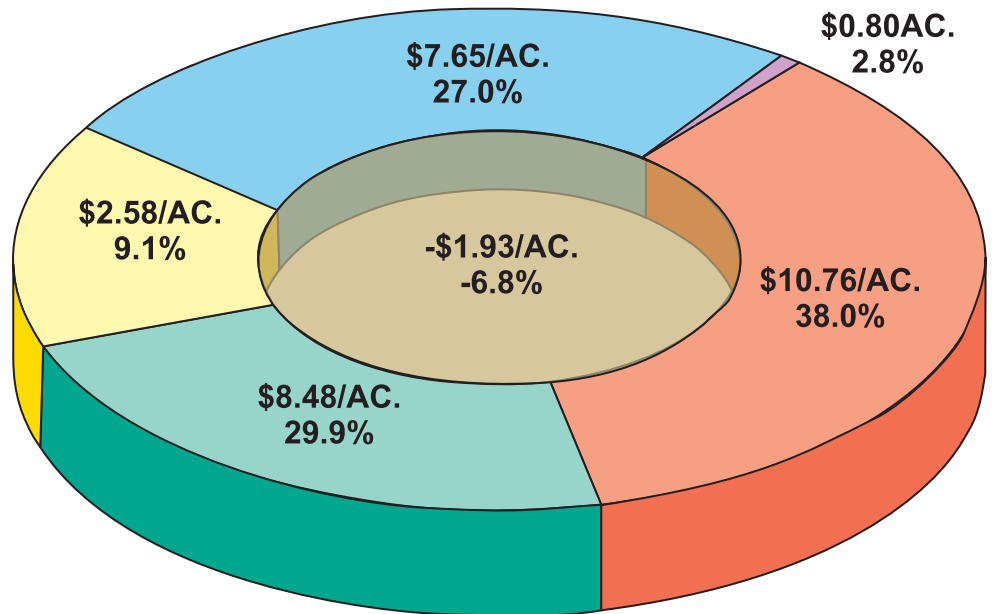
The irrigation system of the District is an open ditch system, subjecting the water therein to contamination from all manner of environmental, human, and animal factors beyond the control to the District and the District does not regulate, control, or monitor the quality of water in its system.

OPERATIONAL COST/ACRE

Based on Total of Classified, Terminable, and Annual Agreement Acres Assessed (200,097.4 Acres)

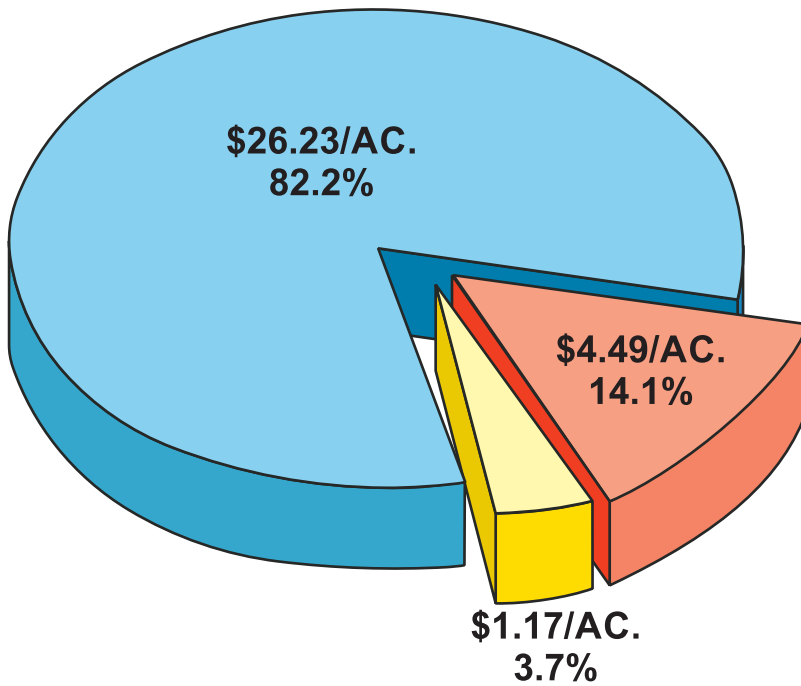


Maintenance	\$10.76
Admin. / General	8.48
Provision	7.65
Water Delivery	2.58
Engineering	0.80
Equipment Pool	-1.93
Cost / Acre	<u>\$28.34</u>

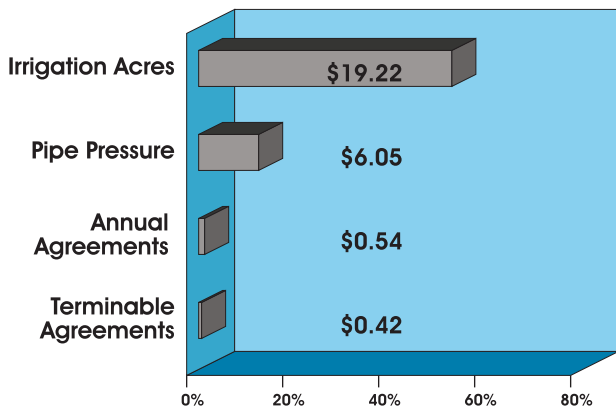


NET REVENUE/ACRE

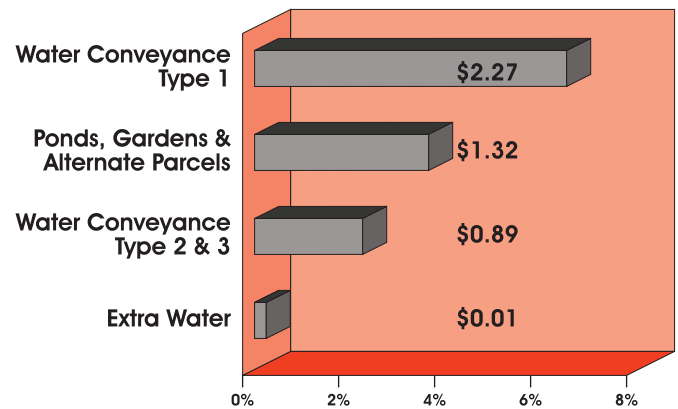
Based on Total of Classified, Terminable, and Annual Agreement Acres Assessed (200,097.4 Acres)



Irrigation Rates, Net

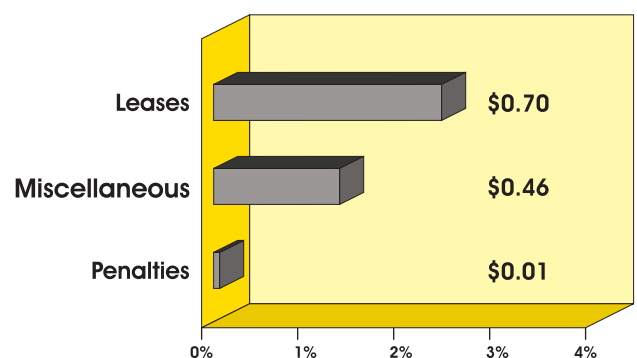


Water Agreements



Irrigation Rates, Net of Discounts	\$26.23
Water Agreements	4.49
Miscellaneous Income	<u>1.17</u>
Operating Revenue	31.89
Less: District Expense	<u>-28.34</u>
Surplus	<u><u>\$3.55</u></u>

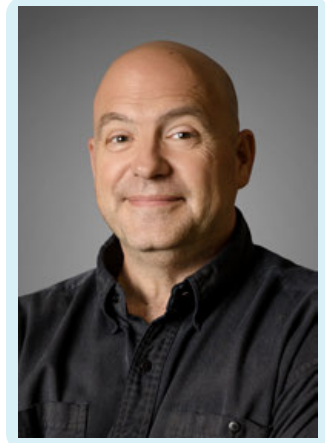
Miscellaneous Income



SAFETY PROGRAM

Safety is very important to the operation of Lethbridge Northern Irrigation District (LNID). The District has been working on updating its safety program. Under the recently adopted Strategic Plan, three objectives were identified in relation to safety:

Objective 1.2: to update LNID's Health and Safety Management Program;
Objective 1.3: to adopt a standard of construction safety practice; and,
Objective 1.4: to develop job-specific competency and training requirements.



2025 saw a start to achieving these objectives. LNID had many volunteers join the Safety Program Update Committee whose first actions were to analyze the existing program. Several safety policies were then adopted by the LNID Board of Directors, a complete review of all safety forms and processes was completed, the baseline hazard assessments were given a fresh look, and a review of safe work practices was started. These are all components that will create an up-to-date employee safety manual, the basis of a good safety program.

Several digital safety programs were assessed to aid in the adoption of a standard of construction safety practice, safety training packages have also been assessed, and an employee training/competency database is being developed in collaboration with the Human Resources department.

I would like to thank all employees of LNID for making the safety of themselves and others a priority. Your efforts of being involved in the District's safety culture has really shown.

Gary Burke, Corporate Services Manager



FINANCIAL STATEMENTS

DECEMBER 31, 2025

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 Members of Lethbridge Northern Irrigation District

Opinion

We have audited the financial statements of Lethbridge Northern Irrigation District (the "District"), which comprise the statement of financial position as at December 31, 2025, and the statements of operations, fund balances and 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 District as at December 31, 2025, and the results of its operations and changes in fund balances and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the District in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements for the year ended December 31, 2024 were audited by another auditor who expressed an unmodified opinion on those financial statements on March 18, 2025.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the District's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the District or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

(continues)

Independent Auditor's Report to the Members of Lethbridge Northern Irrigation District *(continued)*

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the District's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the District to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements 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.

Shawn Cook
Professional Corporation

Lethbridge, Alberta
March 17, 2026

Chartered Professional Accountants



**LETHBRIDGE NORTHERN IRRIGATION DISTRICT
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025**

	GENERAL OPERATIONS	IRRIGATION WORKS	2025 TOTAL	2024 TOTAL (Restated)
CURRENT ASSETS				
Cash and cash equivalents	\$ 5,341,621	\$ 6,812,892	\$ 12,154,513	\$ 14,383,974
Accrued interest in-trust	-	-	-	10,386
Accounts receivable (Note 3)	44,008	56,412	100,420	54,649
Prepaid expenses and deposits	191,633	-	191,633	187,954
Inventory	1,251,946	-	1,251,946	1,061,260
Due from general operations	-	4,462,615	4,462,615	3,949,433
	<u>6,829,208</u>	<u>11,331,919</u>	<u>18,161,127</u>	<u>19,647,656</u>
Long term deposit in-trust (Note 4)	-	2,243,822	2,243,822	1,484,000
Long term investments (Note 5)	-	37,147,187	37,147,187	33,133,091
Capital assets (Note 8)	3,413,508	152,903,663	156,317,171	150,605,499
	<u>\$ 10,242,716</u>	<u>\$ 203,626,591</u>	<u>\$ 213,869,307</u>	<u>\$ 204,870,246</u>
CURRENT LIABILITIES				
Accounts payable and accrued liabilities (Note 6)	\$ 506,321	\$ 1,837,420	\$ 2,343,741	\$ 684,510
Deferred revenue (Note 11)	68,884	207,905	276,789	610,497
Construction costs and holdbacks payable (Note 14)	-	4,142	4,142	15,839
Water right deposits (Note 15)	-	-	-	3,570
Construction contributions (Note 15)	-	58,340	58,340	91,323
Current portion of long-term debt (Note 7)	-	478,318	478,318	375,013
Due to irrigation works	4,462,615	-	4,462,615	3,949,433
	<u>5,037,820</u>	<u>2,586,125</u>	<u>7,623,945</u>	<u>5,730,185</u>
Long-term debt (Note 7)	-	9,424,243	9,424,243	7,286,681
	<u>5,037,820</u>	<u>12,010,368</u>	<u>17,048,188</u>	<u>13,016,866</u>
FUND BALANCES				
Capital (Note 8)	3,413,508	143,001,102	146,414,610	142,943,805
General Fund operating (Note 10)	1,791,388	-	1,791,388	1,663,039
Irrigation Works Fund: (Note 9)				
District Irrigation Works fund	-	67,619,546	67,619,546	60,869,460
Alberta (IRP) Cost-Sharing	-	(19,708,203)	(19,708,203)	(14,254,966)
District pump fund (Schedule 3)	-	703,778	703,778	632,042
	<u>5,204,896</u>	<u>191,616,223</u>	<u>196,821,119</u>	<u>191,853,380</u>
	<u>\$ 10,242,716</u>	<u>\$ 203,626,591</u>	<u>\$ 213,869,307</u>	<u>\$ 204,870,246</u>

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

COMMITMENTS (Note 16)

CONTINGENCIES (Note 17)

**LETHBRIDGE NORTHERN IRRIGATION DISTRICT
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2025**

	GENERAL OPERATIONS	IRRIGATION WORKS	2025 TOTAL	2024 TOTAL (Restated)
REVENUE				
Water earnings:				
Irrigation rates (Note 12)	\$ 5,362,197	\$ -	\$ 5,362,197	\$ 5,191,650
Conveyance of excess and domestic water	897,696	-	897,696	825,020
Penalties	2,581	-	2,581	5,203
	6,262,474	-	6,262,474	6,021,873
Less: Discounts	112,981	-	112,981	122,063
	6,149,493	-	6,149,493	5,899,810
Lease revenue, net	140,555	-	140,555	127,686
Interest earnings	78,931	-	78,931	201,890
Miscellaneous	12,718	-	12,718	13,859
Pump fund revenues (Schedule 3)	-	760,100	760,100	706,858
Irrigation works fund revenues (Note 9)	-	10,280,465	10,280,465	6,649,141
Unrealized gain (loss) on financial instruments	-	(1,429,195)	(1,429,195)	2,623,722
	6,381,697	9,611,370	15,993,067	16,222,966
EXPENSES				
Operating expenses (Schedule 1)	4,140,940	-	4,140,940	3,477,771
Pump fund expenses (Schedule 3)	-	688,366	688,366	642,995
Consulting fees (recovered), net (Note 9)	-	46,641	46,641	(82,066)
Amortization of irrigation works (Note 8)	-	5,984,557	5,984,557	5,721,838
Non-capital irrigation works expenses (Note 9)	-	164,824	164,824	124,536
	4,140,940	6,884,388	11,025,328	9,885,074
Excess of revenue over expenses	2,240,757	2,726,982	4,967,739	6,337,892
Interfund transfer - Provision for irrigation works	(1,530,000)	1,530,000	-	-
Fund surplus	\$ 710,757	\$ 4,256,982	\$ 4,967,739	\$ 6,337,892

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, 2025**

	GENERAL OPERATIONS	IRRIGATION WORKS	2025 TOTAL	2024 TOTAL (Restated)
As previously reported	5,034,139	186,816,236	191,850,375	185,515,488
Prior period adjustment (Note 22)	-	3,005	3,005	-
As restated	5,034,139	186,819,241	191,853,380	185,515,488
Fund surplus for the year	710,757	4,256,982	4,967,739	6,337,892
Interfund transfer to irrigation works	(540,000)	540,000	-	-
Fund balances, end of year	<u>\$ 5,204,896</u>	<u>\$ 191,616,223</u>	<u>\$ 196,821,119</u>	<u>\$ 191,853,380</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, 2025**

	GENERAL OPERATIONS	IRRIGATION WORKS	2025 TOTAL	2024 TOTAL (Restated)
Cash provided by (used for) the following activities:				
Operating activities:				
Excess of revenue over expenses	\$ 2,240,757	\$ 2,726,982	\$ 4,967,739	\$ 6,337,892
Items not involving cash:				
Unrealized gain (loss) on financial instruments	-	1,429,195	1,429,195	(2,623,722)
Amortization (Note 8, Schedule 1)	576,958	5,984,557	6,561,515	6,359,039
Loss on disposal of capital assets	45,210	-	45,210	(25,640)
	<u>2,862,925</u>	<u>10,140,734</u>	<u>13,003,659</u>	<u>10,047,569</u>
Change in non-cash working capital balances:				
Accounts receivable	(7,866)	(37,905)	(45,771)	18,949
Prepaid expenses and deposits	(3,678)	-	(3,678)	37,443
Inventory	(190,687)	-	(190,687)	(56,645)
Accounts payable and accrued liabilities	32,895	1,626,336	1,659,231	(163,528)
Construction costs and holdbacks payable	-	(11,697)	(11,697)	(187,001)
Deferred revenue	(5,941)	(327,768)	(333,709)	7,352
Water right deposits	-	(36,552)	(36,552)	(222,023)
Construction contributions	-	-	-	(32,370)
Due to irrigation works / from general operations	513,183	(513,183)	-	-
	<u>337,906</u>	<u>699,231</u>	<u>1,037,137</u>	<u>(597,823)</u>
Investing activities:				
Purchase of capital assets	(910,282)	-	(910,282)	(619,262)
Proceeds from disposal of capital assets	245,706	-	245,706	99,000
Additions to irrigation works	-	(11,653,818)	(11,653,818)	(13,803,610)
(Increase) in investments	-	(5,492,915)	(5,492,915)	(958,918)
	<u>(664,576)</u>	<u>(17,146,733)</u>	<u>(17,811,309)</u>	<u>(15,282,790)</u>
Financing activities:				
Proceeds from long-term debt (Note 7)	-	2,615,877	2,615,877	1,422,967
Repayment of long-term debt (Note 7)	-	(1,074,825)	(1,074,825)	(893,970)
	<u>-</u>	<u>1,541,052</u>	<u>1,541,052</u>	<u>528,997</u>
Interfund transfers:				
Provision for irrigation works	(1,530,000)	1,530,000	-	-
Allocation for irrigation works	(540,000)	540,000	-	-
	<u>(2,070,000)</u>	<u>2,070,000</u>	<u>-</u>	<u>-</u>
Increase (decrease) in cash and cash equivalents	466,255	(2,695,716)	(2,229,461)	(5,304,047)
Cash and cash equivalents, beginning of year	4,875,366	9,508,608	14,383,974	19,688,021
Cash and cash equivalents, end of year	<u>\$ 5,341,621</u>	<u>\$ 6,812,892</u>	<u>\$ 12,154,513</u>	<u>\$ 14,383,974</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, 2025

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%. This IRP fund can only be used for projects approved by Irrigation Council. It also includes funds provided by the Province of Alberta and loaned by the Canadian Infrastructure Bank (CIB) for the Alberta Irrigation Modernization Program. The Province contributes 30%, the CIB loans 50%, and the District contributes 20%.

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:

Capital assets are recorded at cost. Amortization of capital assets 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 2025.

Note 3 Accounts Receivable

General Operations:	2025	2024
Water rates and charges	\$ 42,786	\$ 35,767
Other	1,222	375
	44,008	36,142
 Irrigation Works:		
Construction contribution charges	30,849	18,507
Water rights charges	16,380	-
Pump surcharges	9,183	-
	56,412	18,507
Total Accounts Receivable	\$ 100,420	\$ 54,649

Note 4 Long Term Deposit In-Trust

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

	<u>2025</u>	<u>2024</u>
Total Long Term Deposit In-Trust	<u>\$ 2,243,822</u>	<u>\$ 1,484,000</u>

Note 5 Long Term Investments

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

Investments consist of the following:

	<u>2025</u>	<u>2024</u>
Equity Investments:		
RBC Dominion Securities (cost - \$4,269,081)	\$ 6,098,194	\$ 5,485,419
ATB Investor Services, (cost - \$25,696,155)	27,517,137	24,234,926
Fixed Income:		
RBC Dominion Securities, 1.75% to 5.60% bonds, maturities from 2027 to 2055 (cost - \$3,721,824)	3,531,856	3,412,746
Total Long Term Investments	<u>\$ 37,147,187</u>	<u>\$ 33,133,091</u>

Note 6 Accounts Payable and Accrued Liabilities

Included in accounts payable are outstanding government remittances payable of \$1,388 (2024 - \$65,840).

Note 7 Long-Term Debt & Operating Loan

The District has a credit facility with ATB Financial to help finance operations and Canada Infrastructure Bank (CIB) to help finance modernization projects. In accordance with By-Law #616-2020, the prevailing rate of interest is set by ATB Financial and is authorized to a maximum of \$5,000,000 (2024 - \$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, 2025 was \$ Nil (2024 - \$ Nil). The ATB Financial prime interest rate was 4.45% on December 31, 2025 (2024 - 5.45%).

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

The maximum amount of funds available to be borrowed by the District from SPV is \$12,650,000 at 1.0% per annum, to be repaid with Incremental Revenues. The outstanding balance as at December 31, 2025 was \$9,902,561 (2024 - \$7,661,694).

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 2025 portion of the long term debt will be paid from Incremental Revenue that will be transferred to Irrigating Alberta Inc. on January 20, 2026 in the amount of \$907,279 (2024 - \$1,074,825) which \$478,318 (2024 - \$375,013) will be applied against the long-term debt and the balance of \$428,961 (2024 - \$699,812) will be added to the long-term deposit in-trust to be applied against the long-term debt in future years.

Note 8 Capital Assets

a) General Operations:	2025			2024 (Restated)
	Cost	Amortization	Net	Net
Computer	\$ 304,470	\$ 264,440	\$ 40,030	\$ 51,064
Automotive	2,617,583	1,230,476	1,387,107	1,123,010
Power	4,283,994	2,673,895	1,610,099	1,820,698
Other	916,495	540,223	376,272	376,328
	<u>8,122,542</u>	<u>4,709,034</u>	<u>3,413,508</u>	<u>3,371,100</u>
b) Irrigation Works:				
Completed irrigation works	257,767,221	108,045,934	149,721,287	143,966,124
Buildings	3,590,178	1,335,605	2,254,573	2,340,472
Land	927,803	-	927,803	927,803
	<u>262,285,202</u>	<u>109,381,539</u>	<u>152,903,663</u>	<u>147,234,399</u>
Total Capital Assets	<u>\$ 270,407,744</u>	<u>\$ 114,090,573</u>	<u>\$ 156,317,171</u>	<u>\$ 150,605,499</u>

Irrigation Works:	2025	2024 (Restated)
Irrigation works, beginning of year	\$ 250,631,384	\$ 236,827,771
Additions to irrigation works	<u>11,653,818</u>	<u>13,803,610</u>
Irrigation works, end of year	<u>262,285,202</u>	<u>250,631,381</u>
Amortization of irrigation works, beginning of year	<u>103,396,982</u>	<u>97,675,144</u>
Current year amortization	<u>5,984,557</u>	<u>5,721,838</u>
Amortization of irrigation works, end of year	<u>109,381,539</u>	<u>103,396,982</u>
Irrigation Works, net book value	<u>152,903,663</u>	<u>147,234,399</u>
Deduct:		
Funding by Long-Term Debt	<u>9,902,561</u>	<u>7,661,694</u>
	<u>\$ 143,001,102</u>	<u>\$ 139,572,705</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 2025 and amount to \$4,563,408 (2024 - \$5,212,211).

Note 9 Fund Balances

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

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

Pump fund – Monies collected annually from the Keho/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:

	2025			2024 (Restated)
	District	Alberta (IRP) Cost-Sharing	Total	Total
Fund balance, beginning of year (Restated)	\$ 60,871,460	\$ (14,254,966)	\$ 46,616,494	\$ 46,985,885
Add:				
Contributions received from Alberta Agriculture and Irrigation	1,524,141	2,116,587	3,640,728	2,931,444
Contributions received from Results Driven Agriculture Research	100,000		100,000	
Interest earnings and realized gains	4,574,512	293	4,574,805	1,459,875
Contributions for new parcels and irrigation works	739,083	-	739,083	1,067,015
Proceeds from sale of irrigation works	1,225,849	-	1,225,849	1,190,807
Transfer from District to Province of Alberta Cost-Sharing	(705,529)	705,529		
Total Irrigation Works Fund revenues	7,458,056	2,822,409	10,280,465	6,649,141
Unrealized gain (loss) on investments	(1,429,197)	-	(1,429,197)	2,623,722
Interfund transfers	2,070,000	-	2,070,000	3,100,000
Proceeds from debt funding	2,540,236	-	2,540,236	1,325,205
Total additions	10,639,095	2,822,409	13,461,504	13,698,068
	71,510,555	(11,432,557)	60,077,998	60,683,953
Deduct:				
Additions to irrigation works, Schedule 2	3,378,172	8,275,646	11,653,818	13,803,610
Consulting fees (recovered), net	46,641	-	46,641	(82,066)
Long-term debt payment	301,372	-	301,372	223,379
Other expenses from Irrigation Works Fund	164,824	-	164,824	124,536
Total deductions	3,891,009	8,275,646	12,166,655	14,069,459
Fund balance, end of year	\$ 67,619,546	\$ (19,708,203)	\$ 47,911,343	\$ 46,614,494

Note 10 General Operations Fund

a) General Fund operating:	<u>2025</u>	<u>2024</u>
General Fund operating, beginning of year	\$ 1,663,039	\$ 1,906,265
Adjustments to capital assets, net	(42,408)	91,300
Revenue over expenses allocated	2,240,757	2,765,474
Transfer to irrigation works fund from general operations	<u>(2,070,000)</u>	<u>(3,100,000)</u>
General Fund operating, end of year	<u>\$ 1,791,388</u>	<u>\$ 1,663,039</u>

b) The General Operations Fund is comprised of:

	<u>2025</u>	<u>2024</u>
General Fund operating	\$ 1,791,388	\$ 1,663,039
General Fund capital	<u>3,413,508</u>	<u>3,371,100</u>
Total	<u>\$ 5,204,896</u>	<u>\$ 5,034,139</u>

Note 11 Deferred Revenue

General Operations:	<u>2025</u>	<u>2024</u>
Prepaid lease	\$ 2,887	\$ 5,948
Prepaid water fees	<u>65,997</u>	<u>68,876</u>
	<u>68,884</u>	<u>74,824</u>
Irrigation Works:		
Sale of Land	22,640	22,640
Water Access Fee	<u>185,265</u>	<u>513,033</u>
	<u>207,905</u>	<u>535,673</u>
Total Deferred Revenue	<u>\$ 276,789</u>	<u>\$ 610,497</u>

Note 12 Irrigation Rates

		<u>2025</u>	<u>2024</u>
195,851.7	irrigation acres @ \$20.00/acre (2024 – 195,708.0 ac. @ \$19.50)	\$ 3,917,034	\$ 3,816,306
881.9	irrigation acres – 69 parcels @ \$600.00/parcel minimum (2024– 909.6 ac. – 70 parcels @ \$585.00)	41,400	40,950
173.0	dryland terminable acres @ \$38.00/acre (2024 – 173.0 ac. @ \$36.00)	6,574	6,228
55.0	dryland terminable acres – 4 parcels @ \$760.00/parcel minimum (2024 – 55.0 ac. – 4 parcels @ \$720.00)	3,040	2,880
1,941.8	restricted terminable acres @ \$38.00/acre (2024 – 1,941.8 ac. @ \$36.00)	73,788	69,904
23.6	restricted terminable acres – 2 parcels @ \$760.00/parcel minimum (2024 – 23.6 ac. – 2 parcels @ \$720.00)	1,520	1,440
<u>-</u>	pipeline pressure delivery charge	<u>1,210,438</u>	<u>1,168,040</u>
<u>198,927.0</u>	(2024 – 198,811.00)	<u>5,253,794</u>	<u>5,105,748</u>
	Less:		
	Reclassification & rebates	<u>115</u>	<u>112</u>
		<u>5,253,679</u>	<u>5,105,636</u>
	Add: Annual Agreements		
902.7	annual acres @ \$85.00/acre (2024 – 659.2 ac. @ \$85.00)	76,729	56,032
267.7	annual acres – 36 parcels @ \$850.00/parcel minimum (2024 – 248.5 ac. – 34 parcels @ \$850.00)	30,600	28,900
<u>-</u>	pipeline pressure delivery charge	<u>1,189</u>	<u>1,082</u>
<u>1,170.4</u>	(2024 – 779.2)	<u>108,518</u>	<u>86,014</u>
<u>200,097.4</u>	(2024 – 199,459.8)	<u>\$ 5,362,197</u>	<u>\$ 5,191,650</u>

Note 13 Local Authorities Pension Plan (LAPP)

The District is required to make current service contributions to the LAPP of 8.45% (2024 - 8.45%) of pensionable earnings up to the Canada Pension Plan Years' Maximum Pensionable Earnings and 11.65% (2024 - 11.65%) for the excess. The employee contributions are based on rates of 7.45% (2024 - 7.45%) and 10.65% (2024 - 10.65%) respectively.

Total current service contributions by the District to the LAPP in 2025 were \$246,943 (2024 - \$226,351). Total current service contributions by the District employees in 2025 were \$220,170 (2024 - \$205,248).

At December 31, 2024, the LAPP served about 316,938 people (2023 - 304,451) and 453 employers (2023 - 444) and it disclosed an actuarial surplus of \$19.557 billion (2023 - surplus of \$15.057 billion).

Note 14 Construction Costs and Holdbacks Payable

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

Note 15 Water Right Deposits and Construction Contributions

Due to the continued moratorium, there were no Water Right sales for 2025.

In 2025, the District received deposits related to construction contributions for capital projects either in progress or completed.

Note 16 Commitments

The District has commitments as at December 31, 2025 of \$Nil (2024 - \$577,460), in respect of uncompleted work and supply of materials under contract.

Note 17 Contingencies

The District is involved in various minor litigations, regulatory and environmental matters in the ordinary course of business. In management's opinion, an adverse resolution of these matters would not have a material impact on operations or the district's financial position.

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 2024.

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 2024.

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 2024.

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 2024.

Note 20 Related Party Transactions

During the year, the District engaged a company that is associated with a member of the Board of Directors to provide services of \$100,600. In addition, the related company purchased equipment from the District for \$36,750. These transactions occurred in the normal course of operations and were measured at the exchange amount, being the amount of consideration established and agreed to by the related parties.

The District acknowledges the Board member's declaration of pecuniary interest in these transactions and confirms that the requirements of the Irrigation Districts Act were followed.

Note 21 Approval of Financial Statements

These financial statements have been approved by management and the board.

Note 22 Prior Period Adjustment

The prior periods have been adjusted and the effect on the prior period balances includes an increase to the "Long-term debt" of \$97,761, a decrease to "Accounts payable and accrued liabilities" of \$100,766, and a decrease to "Non-capital irrigation works expense" of \$3,005.

Note 23 Board Member Remuneration

Name	Title	No. of Days	Per Diem	Mileage	Reimbursed Expenses	District Expense
Calvin Konynenbelt	Chairman	36	\$15,925	\$1,298	\$1,717	\$18,940
Martin Van Diemen	Vice Chairman	26.5	\$12,063	\$1,014	\$1,717	\$14,794
Peter Bos	Board Member	34	\$14,238	\$1,155	\$1,717	\$17,110
Arnie Bergen-Henengouwen	Board Member	34	\$14,238	\$1,028	\$1,717	\$16,983
Sonny Wierenga	Board Member	30	\$13,175	\$2,010	\$1,717	\$16,902
Total		160.5	\$69,639	\$6,505	\$8,585	\$84,729

**LETHBRIDGE NORTHERN IRRIGATION DISTRICT
SCHEDULE OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025**

Schedule 1

	2025				2024			
	EQUIPMENT POOL	MAINTENANCE OF IRRIGATION WORKS	WATER DELIVERY	ENGINEERING	ADMINISTRATION AND GENERAL	TOTAL	TOTAL	TOTAL
Salaries and wages	\$ 695,689	\$ 1,340,824	\$ 194,758	\$ 431,404	\$ 1,131,114	\$ 3,793,789	\$ 3,659,626	\$ 3,659,626
Equipment expense	170,395	435,440	153,208	16,037	12,849	787,929	787,713	787,713
Employee benefits	133,314	236,021	75,153	92,473	213,189	750,150	664,439	664,439
Amortization of equipment	405,509	123,903	1,309	36,517	9,720	576,958	637,201	637,201
Materials and supplies	26,999	153,641	3,710	5,561	15,672	205,583	473,006	473,006
Professional fees	18,128	18,128	101	18,128	59,954	114,439	77,900	77,900
Buildings and grounds	30,578	32,119	324	24,077	26,251	113,349	112,113	112,113
Contracted services	7,098	4,231	9,780	14,484	53,171	88,764	30,444	30,444
Board of Directors fees and expenses	-	-	-	-	84,729	84,729	102,635	102,635
Association fees and dues	-	-	-	2,185	73,092	75,277	(25,640)	(25,640)
Vegetation, weed and pest control	-	7,695	48,412	-	-	56,107	145,288	145,288
Advertising and public relations	86	172	-	172	44,478	44,908	31,595	31,595
Telephone	4,411	7,616	9,684	10,469	11,561	43,741	25,459	25,459
Equipment rental	4,435	36,397	565	398	1,280	43,075	65,100	65,100
Pumps and control structures	-	13,654	19,160	-	-	32,814	73,584	73,584
Staff training and conferences	2,203	5,556	-	2,008	11,042	20,809	8,825	8,825
Interest and bank charges	-	-	-	-	6,317	6,317	431	431
Insurance	-	-	-	-	6,282	6,282	27,306	27,306
Travel	255	1,393	-	921	3,700	6,269	6,785	6,785
Easement rental	-	255	-	-	-	255	6,372	6,372
Crop and flood damage	-	-	-	-	-	-	6,930	6,930
(Gain) loss on disposal of equipment	9,931	31,407	805	2,004	1,063	45,210	25,437	25,437
Miscellaneous	135	364	-	370	1,803	2,672	9,555	9,555
	<u>1,509,166</u>	<u>2,448,816</u>	<u>516,969</u>	<u>657,208</u>	<u>1,767,267</u>	<u>6,899,426</u>	<u>6,952,104</u>	<u>6,952,104</u>
Recoveries:								
Equipment	(1,555,466)	(33,615)	-	(50,008)	(1,082)	(1,640,171)	(2,521,829)	(2,521,829)
Labour (including benefits)	(336,614)	(262,260)	-	(443,109)	(37,441)	(1,079,424)	(913,247)	(913,247)
Custom work	(2,536)	-	-	(4,815)	(31,540)	(38,891)	(33,618)	(33,618)
Pumps	-	-	-	-	-	-	(5,639)	(5,639)
	<u>(1,894,616)</u>	<u>(295,875)</u>	<u>-</u>	<u>(497,932)</u>	<u>(70,063)</u>	<u>(2,758,486)</u>	<u>(3,474,333)</u>	<u>(3,474,333)</u>
Total 2025	<u>\$ (385,450)</u>	<u>\$ 2,152,941</u>	<u>\$ 516,969</u>	<u>\$ 159,276</u>	<u>\$ 1,697,204</u>	<u>\$ 4,140,940</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>		

**LETHBRIDGE NORTHERN IRRIGATION DISTRICT
SCHEDULE OF IRRIGATION WORKS CAPITAL EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2025**

	<u>DISTRICT</u>	<u>ALBERTA (IRP) COST-SHARING</u>	<u>2025 TOTAL</u>	<u>2024 TOTAL</u>
External Goods and Services				
Materials and supplies	\$ 1,129,521	\$ 5,775,053	\$ 6,904,574	\$ 7,341,206
Contract services				
Construction	1,149,401	876,119	2,025,520	2,804,282
Engineering	61,546	4,915	66,461	77,192
Land acquisition costs	3,927	889	4,816	120,238
Internal (District) Goods and Services				
Labour recoveries (including benefits)				
Engineering	128,277	293,012	421,289	465,003
Construction	152,157	153,548	305,705	420,331
Right-of-way	893	165	1,058	23,604
Equipment recoveries	752,450	1,171,945	1,924,395	2,551,754
Totals 2025	<u>\$ 3,378,172</u>	<u>\$ 8,275,646</u>	<u>\$ 11,653,818</u>	
Totals 2024	<u>\$ 4,782,126</u>	<u>\$ 9,021,484</u>		<u>\$ 13,803,610</u>

**LETHBRIDGE NORTHERN IRRIGATION DISTRICT
SCHEDULE OF PUMP FUND
FOR THE YEAR ENDED DECEMBER 31, 2025**

	Keho/Barons	Piyami	Keho East	Barons West 2	2025 TOTAL	2024 TOTAL
Fund balance, beginning of year	\$ 354,924	\$ 143,390	\$ 91,680	\$ 42,048	\$ 632,042	\$ 568,179
Add:						
Assessments - pump and electrical	307,096	118,110	195,566	121,283	742,055	679,590
Investment income	10,115	4,031	2,415	1,485	18,046	27,268
Total additions	317,211	317,211	197,981	122,768	760,101	706,858
Deduct:						
Electrical	252,898	107,792	183,179	106,834	650,703	583,668
Maintenance	24,778	536	12,288	59	37,661	59,329
Total deductions	277,676	108,328	195,467	106,893	688,366	642,995
Fund balance, end of year	\$ 394,459	\$ 352,273	\$ 94,194	\$ 57,923	\$ 703,778	\$ 632,042



**LETHBRIDGE NORTHERN IRRIGATION DISTRICT
2025 ANNUAL GENERAL MEETING**

Picture Butte Community Centre

April 16, 2026 1:30 p.m.

AGENDA

1. Call to Order
2. Introduction of Guests
3. Approval of Agenda
4. Approval of Minutes of the 2024 Annual General Meeting
5. Business Arising from the Minutes
6. Board Chair's Report: Calvin Konynenbelt
7. General Manager's Report: Christopher Gallagher, P. Eng.
 - 7.1 LNID Strategic Plan 2026-2028
8. Technical Services Report: Abubaker Sardar, P. Eng.
 - 8.1 Long Term-Infrastructure Planning
9. Operations & Maintenance Report: Brett Zielinski
10. Corporate Services Report: Gary Burke
 - 10.1 Health and Safety Program Update
 - 10.2 Expansion Planning Update
 - 10.3 Water Supply and Management Update
11. Lethbridge Northern Headworks: Alberta Agriculture & Irrigation (AGI)
12. Government of Alberta's Irrigation Efficiency Water Program: AGI
13. Finance & Administration Reports
 - 13.1 Financial Report: *Mercer Wilde Group*
 - 13.2 LNID Fiscal Management & Projections: Levi Jackson, CPA
14. Other Business Arising from the Reports
15. New Business
16. Adjournment
 - 16.1 Coffee & Doughnuts (Courtesy of Janice Hupper at ATB Wealth)



WEDNESDAY, APRIL 16, 2025

The 2024 Annual General Meeting was held on Wednesday, April 16, 2025 at the Coalhurst Community Centre at 1:30pm.

PRESENT

40 Water Users, Board members representing the Water Users and **7** LNID staff. In addition, the following attended:

Irrigation Council: Willemijn Appels;

Irrigation Secretariat: Rebecca Fast;

AIDA: Margo Redelback;

Alberta Agriculture & Irrigation: Dennis Matis, Paul Elser, Jollin Charest, Andrea Gonzalez, Trevor Warrior, Ole Byrgesen, Josh Richardson, Robert Plant, Eric Ankustowinz, ;

Alberta Environment & Protected Areas: Lawrence Schinkel, Ammar Abdelrahman, Salina Perry;

AVAIL LLP: Calvin Scott;

WSP: Shane Eyre.

CALL TO ORDER

M. Van Diemen, Board Chair, 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 welcomed all LNID Water Users, Staff, stakeholders and guests to the Annual General Meeting.

AGENDA APPROVAL

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

Motion by B. van Rootselaar, seconded by J. Vandenberg, to approve the agenda as presented. **CARRIED**



MINUTES OF 2023 ANNUAL GENERAL MEETING

M. Van Diemen asked if there were any errors or omissions for the Annual General Meeting held on April 18, 2025.

Motion by B. Meadow, seconded by E. Van Essen, to approve the Minutes of the 2023 103rd Annual General Meeting as presented.

BUSINESS ARISING OUT OF 2023 MINUTES

M. Van Diemen called for any business arising out of 2023 Minutes.

C. Gallagher reported that the Board passed Bylaw 702-2025: Board Governance, which details Board terms. The bylaw indicates that a Board Member may serve for a maximum of four (4) consecutive terms totalling 12 years of service, with a minimum of one (1) term before another nomination will be accepted by the Returning Officer.

C. Gallagher reported that, as per the mention of crop damage assistance on page seven (7) of the minutes, the LNID Board of Directors did meet with Minister RJ Sigurdson directly. The Minister indicated that all farmers were to refer to existing programs for insurance and no separate compensation would be administered.

BOARD CHAIR'S REPORT

M. Van Diemen presented the Board Chair report as documented in the Annual Report:

- The 2024 irrigation started with an 8" allocation on May 6, 2024. This was raised to 11" in late June, and 13" in August.
- The Lateral K2 Pipeline Project was completed in the Spring of 2024 and functional for the irrigation season.
- The Picture Butte Reservoir Intake Canal was completed in the Spring of 2024.
- The construction of Lateral A3 Pipeline Project and Lateral 61C Pipeline project began in the fall of 2024.
- The LNID Safety Program is undergoing improvements.
- Thank you to John Vandenberg, previous Board Chair, for his service and dedication to LNID as a Board Member and Board Chair.
- Thank you to Alan Harrold, previous General Manager, for his work and commitment to LNID and well wishes for his retirement.
- Gratitude expressed to Christopher Gallagher, P. Eng., General Manager, for his leadership and work this past year.
- Thank you to the LNID Board of Directors and staff for their ongoing support as M. Van Diemen fulfills duties in his new role as Board Chair.



- Thank you to Alberta Agriculture & Irrigation Water Infrastructure and Operations Branch, for their collaboration with LNID.

Motion by E. Schuld, seconded by Jordan Kolk, to adopt the Board Chair's Report as presented.

GENERAL MANAGER'S REPORT

Chris Gallagher, General Manager presented the General Manager's Report.

- After the close of nominations for Electoral Division No. 5, Sonny Wierenga was elected by acclamation to the LNID Board of Directors.
- Special thank you to Alan Harrold and John Vandenberg for the years of hard work and dedication to LNID.
- All bylaws for annual rates have been passed by the Board of Directors. Irrigation rates increased by 2.6%, pressure surcharges increased by 2.9%, terminable agreements increased 5.6%. alternate parcel agreements increase 6.25%, and water conveyance agreements also increased. The 2025 rates can be found on the LNID website.

WATER SHARING AND MANAGEMENT PRESENTATION: CHRISTOPHER GALLAGHER, P. ENG.

Chris Gallagher, General Manager presented a reflection on water sharing and management from the 2024 irrigation season, which he had previously delivered at the Irrigated Crop Production Update Conference in Lethbridge and the AIDA Conference in Calgary.

- An overview of the water delivery system from the Oldman Reservoir, through the Lethbridge Northern Headgates Canal, and into Lethbridge Northern Irrigation District systems. For systems after Keho Reservoir, there is little ability to balance water management.
- LNID contains few storage locations after the Oldman Reservoir and is largely made up of closed pipeline systems.
- Typically, a conservative water allocation is set at the beginning of each irrigation season based on available water supply information.
- Provided an overview of the challenges facing LNID, including the recent Alberta Agriculture and Irrigation Main Canal repairs, Picture Butte Dam safety review, and the lack of storage in the District.
- The water supply outlook leading into the 2024 irrigation season was critically dry with the Oldman Reservoir being at 27% of full supply level and low snowpacks reported.
- Large water licence holders met to share the burden of a low water supply year. An external contractor, WaterSMART, was brought in to assist in facilitating a voluntary water sharing memorandum of understanding (MOU). This MOU expired in December 2024.



- An external contractor being involved created barriers between Alberta Environment and Protected Areas (AEPA) and the signatories. The water situation was changing quickly, and pattern recognition was slow.
- LNID water allocation was determined using water supply forecast data, worst case scenario data and historical uses. The primary concerns factored into water allocation decisions were ensuring that the fish rule curve and water treatment dilution requirements were met in the Oldman River. This data was reviewed frequently to optimize the water allocation being available to farmers. These increases were not fully supported by AEPA and AGI, however, AIDA did support LNID in their rights to determining allocation as per the Irrigation Districts Act.
- Projected the road ahead: With the reservoirs being a tool for drought mitigation and the increase in water management modelling, risk assessment should be reevaluated. There are new potentials for water management research that should be identified and explored. The LNID is in the process of negotiating a new water operations agreement with WIOB. There are valuable discussions taking place in regards to water management, water stewardship, the value of irrigated agriculture, and the appreciation for the collaborative approach being taking with AGI.

E. Schuld asked if there is any allowance for increased water diversion for wastewater dilution due to the growth of Lethbridge.

C. Gallagher replied that there is a minimum dilution for wastewater treatment that is always met. LNID is in support of improved wastewater treatment to mitigate the requirement for wastewater dilution.

G. Burke presented a water supply update:

- 130 irrigated acres have been added to the District because of reclamation from projects.
- LNID remains in Phase 1 (of 6) of the expansion plebiscite. There continues to be a moratorium on irrigation acres.
- In terms of expansion planning, a decreased diversion trend has been observed in all irrigation districts and summers are becoming longer and warmer. However, more pipelines, gates, controls and automations have been installed reducing water loss through spill, seepage, and evaporation.
- As of April 14, Keho Reservoir and Oldman Reservoir are at a combined 60% of full supply level. Snowpacks remain at or below lower quartile. Through trend analysis and historical data, the water supply outlook for 2025 is projected to be like 2002. Through careful consideration and discussion, the Board have set the initial 2025 water allocation at 14" per irrigated acre. Water users will receive an email update with the allocation and the water start up schedule.

Jordan Kolk asked how accurate the water supply forecast has been in previous years.

G. Burke replied that the data has been very accurate, in 2024 the water supply forecast projections matched the outcome at the end of the season.



E. Van Essen asked if the return flows are decreasing with the installation of pipelines.

G. Burke replied that the five (5) year rolling average is lower than 2010 when the LNID began investigating expansion.

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

DISTRICT ENGINEER'S REPORT

M. Van Diemen introduced A. Sardar, E.I.T., Acting District Engineer. A. Sardar presented the District Engineer's Report.

Bill van Rootselaar asked what the interest rates are on the long-term loans.

C. Gallagher replied that the agreement for the long-term loan states that irrigation districts are unable to disclose the exact interest rates, however, the rates are low and it is advantageous to use the loans.

Bill van Rootselaar asked what the term of the loans is.

C. Gallagher replied that the loans can extend to 30 years or more.

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

OPERATIONS & MAINTENANCE REPORT

M. Van Diemen, introduced G. Fischer, Operations Superintendent. G. Fischer presented the Operations and Maintenance Report.

Motion by Ed Schuld seconded by Evert to adopt the Operations & Maintenance Report as present.

CARRIED

SAFETY REPORT

M. Van Diemen introduced M. Coster, Operations Manager. M. Coster presented the Safety Report. LNID embarked on a comprehensive safety program that focussed on employee training and incident prevention. The end goal is for LNID to have Certificate of Recognition (COR) standing.

Motion by G. Van Ash, seconded by B. Dunsbergen, to adopt the Safety Report as presented.

CARRIED



FINANCIAL REPORT

M. Van Diemen introduced Calvin Scott from AVAIL CPA. C. Scott presented the Financial Statements.

- Overall, LNID saw an increase in revenues.
- There was a two (2) point decrease in investment rates, decreasing interest revenue.
- Lower electrical rates decreased pump funding revenues.

Lawrence Van Essen asked if there was any risk on the six (6) long-term investments listed in the Financial Statements.

C. Scott replied there is not a significant risk on the fixed income.

Motion by K. Van Raay, seconded by B. van Rootselaar, to adopt the Financial Statements as presented.

CARRIED

BUSINESS ARISING FROM THE REPORTS

M. Van Diemen asked if there was any other business arising from the reports presented.

Bill Van Rootselaar asked why the rates were increased.

C. Gallagher replied that the Board met for a two (2) day Strategic Planning Retreat, where development of a sustainable financial plan was identified as a key goal. The \$0.50 increase is 2.6% that is consistent with the overall trend. The increase in rates does not incentivize increased spending. There are additional measures being implemented that track spending and ensure that LNID remains fiscally responsible.

NEW BUSINESS

M. Van Diemen asked if there was any new business.

Lauren Eremenko asked what the cost of irrigation acres would be if the LNID had acres for sale.

C. Gallagher replied that the sale amount would be determined by assessing the value of irrigated land in comparison to dryland parcels, as well as considering the sale amounts other irrigation districts are using. The exact amount will be determined during the review of expansion potential.

Ken Van Raay asked what the risk factor is of the cement walls and sloughing at the Lethbridge Northern Headworks Diversion.

Paul Elser, Director of the Southern Region, AGI, replied that an assessment has been completed on the diversion, which is still functioning with annual maintenance. AGI targets 2027 to complete the repairs. In terms of risk, it is a wide structure that will remain functional even if two (2) complete sections fail.

Jordan Kolk asked if LNID investigated increasing storage to Keho Reservoir.

M. Van Diemen replied that it is not being investigated at this time.



C. Gallagher replied that LNID is investigating the effective management of the reservoir to make best use of the water available.

B. Witdouck asked if LNID would consider transferring some of their licence to the North County Water Coop pipeline.

C. Gallagher replied that a transfer through a Water Conveyance agreement would be a last resort, which has an extensive process and leaves no guarantee.

G. Van Asch asked if there was any maintenance on Battersea Drain scheduled.

C. Gallagher replied that the strategic plan includes an infrastructure management plan, and all drain systems are included in this. LNID and the Lethbridge County have re-started collaborative meetings, which include discussions on drains based on drone footage, to work on scheduling these partnered projects.

ADJOURNMENT

Johan Knoll thanked the Board and staff for a job well done in 2024.

3:25pm: Motion by A. Bergen-Henengouwen that the meeting be adjourned.